

THE POLITICAL ECONOMY OF FOOD PRICE POLICY

Policy processes and the global food price crisis 2007-08

FINDINGS

The food price policy process is influenced by a number of country-specific factors:

- 1 the political system and its degrees of openness
- 2 socioeconomic environments and historical factors
- 3 the nature of the country's institutions

Countries with active systems for monitoring food security and nutrition seem to have responded to the food crisis quicker than others.

The recent food price crisis and the responses of the policy makers in developing countries provide an unprecedented opportunity to analyse the policy processes in these countries. Policy responses differed depending on the nature and magnitude of the roles of various actors, political institutions, and organizational infrastructure. Strategic analysis, knowledge management, monitoring, and timely warning of a pending food crisis and its impact, can also influence policy process and outcomes. Here, lessons for improving the policy process are derived from the case studies.

Factors influencing food policy processes

Several conceptual frameworks, theories, and models have been developed to explain the policy process. No single model fits squarely with how policy is developed in any one country, but a combination of models can help describe the nature of the policy process and how various actors position themselves. In the context of the food price crisis, several elements of these models are useful. The models describe various pathways for moving from policy problem to solution, but they do not suggest an ideal pathway or environment in which a policy process should operate.

A policy process is influenced by a number of underlying factors that have shaped the process in the past and will shape its future. Such factors include the political system and its degree of openness, the socioeconomic environment, historical factors, and the nature of the country's institutions. These macro factors mold the policy-making environment and shape the institutions that govern the process. They may promote or hinder the participation of various individuals and organizations, including civil society organizations (CSOs), committees, and researchers. A comprehensive analysis of the policy process seeks to identify the characteristics of an ideal system; such as inclusiveness, use of evidence, mutual accountability, transparency, predictability, collective action, and openness. By identifying the 'ideal' policy process, we can determine, regardless of the model followed or outcome reached, the quality of a country's policy-making system.

Policy reactions to the food price crisis

Several domestic and external factors triggered policy responses to the food price crisis in the countries studied. Policy responses varied depending on the type of policy process, the existing policies, and the available resources. Governments' responses ranged from increasing incentives for production to intervening in markets through, for example, export bans and import tariffs.



Rushing to buy bread as wheat runs short and food prices rise in Mozambique. © ILRI/Mann

To reduce upward pressure on domestic prices, some countries—including China, Ethiopia, Nigeria—released stocks of food reserves into the market. Countries that were chronically vulnerable to food deficits relied on food aid.

Policy processes differed depending on the nature and level of decentralization. In large countries such as China and India, policies made at the national level took time to reach state or municipal levels, whereas in small countries such as Malawi and Senegal, policies were only made at one level.

Democratic countries, such as Bangladesh and India, dampened the rise in domestic food prices to avoid criticism from the opposition or from the media. Democratic governments with strong opposition parties tended to act on the food price crisis with a sense of accountability, even if they did not choose the first-best policy that satisfied all stakeholder groups. Authoritarian regimes, such as China and Vietnam, acted proactively to avoid any political instability and addressed the concerns of various stakeholders even though these groups were not engaged in any formal consultations.

Policy processes were influenced by the types of participants and their ability to raise issues openly. The roles of the stakeholders in the policy process were influenced, for the most part, by the severity of the problem, the willingness of the government to listen to stakeholders, and their perceived influence on policy outcomes. Some actors in the policy process, particularly the media, the private sector, and CSOs, tended to raise their voices early, depending on how they or their constituencies were affected by the price increases. How policy makers responded to these voices depended heavily on the power and influence of these entities.

The existence of formal institutional structures with food security mandates—such as food security units, or food policy units within the government—helped accelerate the policy process because of their linkages to policy makers at different levels. As policy responses were implemented, governance arrangements and administrative procedures played crucial roles.

Supervisory and regulatory mechanisms were important for providing feedback within the policy process. Universities and think tanks were key sources of evidence on policy alternatives in countries such as Bangladesh, China, Ethiopia, India, Kenya, Malawi, Nigeria, Vietnam, and Zambia. In addition to the food security units that operate within government ministries, governments in several case study countries, such as Kenya and Malawi, relied on the recommendations of special task forces or committees to guide their policy decisions. Countries with active systems for monitoring food security and nutrition seem to have responded to the food crisis quicker than others.

Key lessons

In general, policy processes are different during a crisis than they are during a period of relative calm. Because of time limitations and pressure to act, policy makers tend to make decisions with minimal consultation during crises. The food crisis presented an opportunity for several stakeholder groups to become more active and vocal by working together to achieve food security goals. However, capacity for collective action is a challenge in countries where access to information and evidence varies among entities. In some more democratic countries, policy makers, researchers, and bureaucrats worked together well to achieve their goals—however, these discussions were primarily internal.

Policy processes would be more effective at coping with a food price crisis if the various groups involved with food security issues improved their capacity to engage in the policy process. Continued engagement of the actors that became involved in the policy process during the crisis period could aid in developing strategies to improve food security in the long term. Strengthening the capacity of CSOs to identify the problem and to propose local solutions supported by data is a first step to increasing their effectiveness in the policy process. Improving the capacity of task forces and parliamentary committees to effectively demand information will improve the quality of the policy debate. Finally, enhancing implementation capacity to translate policy and programme interventions and to receive feedback on the impact of the implemented interventions is crucial for the policy process.

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