
A Triumph of Hope over Experience: an Assessment of the Recent Evaluation of the EEC Food Aid Programme

Tony Jackson¹

Pity the poor much-maligned administrators of EEC food aid. Every year the Community spends over ECU 700 mn on food aid, and every year — or so it seems — another report which calls in question major aspects of their work is issued. At least this has been the case since 1977 when the first of four major official reports was published.² In 1980 a document prepared for the Committee on Development and Cooperation of the European Parliament described EEC food aid as:

... an inefficient way of distributing European surplus production to the poor countries, associated with high costs, countless mishaps, delays, wrangling over responsibility and bureaucratic obstacles; there is scarcely any control over how it works and what effects it achieves... Any attempt to hold it up to scrutiny leads to a radically different suggestion: confine food aid to emergency aid and otherwise replace it with financial assistance. [Focke 1981:56]

Those are probably the most common-sense words ever written about EEC food aid. Sadly, common-sense is the last thing one has come to expect where food aid is concerned.

The latest report, requested by the Commission of the European Communities and carried out by the Africa Bureau Cologne in association with the Institute of Development Studies at Sussex University, states categorically that it considers food aid for sudden emergencies to be beyond the scope of the EEC 'since deliveries are either too late or too expensive, or both' [Africa Bureau/IDS 1982:5.4] Thus, when food aid may urgently be needed the Community cannot respond.

Non-emergency food aid from the EEC fares little better in the report. Community food aid is described

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²The reports are: ISMOG [1977]; European Communities Court of Auditors [1980]; IDS/CEAS [1981]; and Africa Bureau/IDS [1982].

as 'relatively insignificant' (p 2.6) and 'a marginal resource' (p 3.18) — even at ECU 700 mn a year of taxpayers' money! Yet more damningly, two-thirds of it, in cash terms, consists of dairy aid, about which (Operation Flood in India aside) the authors are quite dismissive.

The report brings together the elements of a powerful general case against dairy aid. The cost of EEC food aid study [IDS/CEAS 1981] had already found dairy products to be 'particularly cost ineffective' as a resource transfer (p 2.4); the report now adds that dairy aid 'arguably benefits the better-off consumer, particularly in the towns' (p 2.20), and that it cannot be said to facilitate additional development by saving foreign exchange unless the recipient country is already an importer of similar products (p 2.16). The majority are not: in any case most dairy aid is used for supplementary feeding or food for work projects, where it has been criticised for difficulty in handling and for creating undesirable food habits, or worse.³ Moreover inadequate calorie intake is now recognised as a more serious problem than protein supply (p 2.16), a sufficient reason in itself for questioning the distribution of dried skimmed milk. In other words, about half the EEC food aid programme (dairy aid except that going to India), broadly speaking, simply provides the wrong food. That happens *before* real questions about the contribution of food aid to development have been asked. The report calls for dairy aid to be reduced and cereals and cash to be provided instead.

One of the main claims about EEC food aid has always been that it provides balance of payments support. The study suggests however that it has in fact *not* been 'particularly successful at providing relief for structural balance of payments deficits: less than a quarter of the total value of the programme can be credited with this effect' (p 3.18). Another long-established myth exposed!

What about the programme in more general terms? The report is witheringly candid about its many

³For general problems with supplementary feeding and food for work, see Jackson [1982]. The bibliography on p 128-30 also lists other articles and documents which discuss problems with project food aid.

drawbacks. Ten countries were visited in the course of the evaluation and on the question of administration all the country reports are 'unanimous in their view that the present structure and mode of operation of the Community food aid programme make it quite incapable of functioning effectively in the field of long-term development assistance' (p IX). Another section notes that 'the food aid programme the Community needs is not the one it presently has . . .' (p 5.6) and its chapter on recommendations for improvement urges a 'far-reaching revision of the Community food aid programme', which must be achieved 'not by downgrading the rhetoric (about the programme) but by upgrading the reality' (p 5.20).

Among the fundamental changes called for, two stand out. The first is that 'to provide general support for a policy oriented towards sustainable growth, better satisfaction of basic needs and food security in recipient countries, food aid is best sold on the open market' (p VII). The second is to link food aid with national food strategies.

The recommendation to place emphasis on the sale of food aid, rather than its free distribution, is important. In 1981 over 50 per cent of EEC food went for free distribution, often in food for work and nutritional projects. The report is unenthusiastic about the value of such projects, noting that they 'should be approached with great caution' (p 5.19). Some food for work projects were judged to be successful, particularly one supported by the World Food Programme in Ethiopia, but the evaluation stresses that there was little time in any of the countries visited to investigate the costs and benefits of the projects in detail. The impression is given that reports on project food aid were compiled mainly after discussions with food aid administrators rather than in-depth site visits. This gives reason for even greater caution.

The report also suggests that consideration should be given to paying workers on public works schemes in cash rather than food, using counterpart funds from the sale of food aid where appropriate. This would make a lot more sense: even in apparently food-short countries such as Haiti and Bangladesh, workers regularly sell a good proportion of their food because they need money: they are poorer than they are hungry. Other recent articles and books have been even more critical of project food aid than this, so the recommendation, as far as it goes, is welcome (see footnote 3).

Sale should at least ensure more accountability than the free distribution system and the resulting funds, in theory, could be used to pay for needed community works. To judge from experience, however, problems would still remain: governments will simply continue

as at present and keep no serious counterpart fund accounts: naturally they would much rather use the money as they see fit, usually not to help the rural poor, politically the least powerful group in most countries. As the European Communities' Court of Auditors observed [1980], reports on the use of counterpart funds in most countries visited 'either did not exist or were merely token' (p 105).

The new evaluation understands that point and suggests that counterpart funding should not be over-emphasized; instead the overall food strategies of each country should be examined and food aid integrated into them. This is the second important recommendation. On paper it sounds fine but in reality 'the evaluation has found that food policy in recipient countries is insufficiently developed in many cases to prevent the occurrence of a disincentive effect, either in price terms or more generally in terms of government neglect of the agricultural sector' (p 5.2). The evaluation puts the point more clearly elsewhere: '... many of the country studies drew an association between the availability of food aid and the existence of unsatisfactory policies. This is not to say that the food aid caused the unsatisfactory policies, but the existence of a strong association is at least a cause for concern' (p 3.6). It certainly is! In my opinion, until donors become serious and begin asking the right questions, Third World governments will continue to accept food aid and to neglect their own agriculture.

On agricultural policy it is important for policy makers in donor countries to ask some basic questions *before* giving food aid. Two questions that need answers are:

what are the pricing and taxing policies in the recipient country?

What percentage of its budget does the government allocate to agriculture?

In one country after another, especially in sub-Saharan Africa, the price peasant farmers receive for basic grains is so low as to constitute a major disincentive to production. The Court of Auditors' Report states this clearly, saying that among the reasons hindering the reduction of food deficits is:

... in many cases ... a policy of low farm prices; this policy, intended to placate the urban population which is more important politically, discourages farmers from expanding food crops beyond the needs of their own families. A policy of this sort has resulted in one African country (a traditional exporter of rice until 1971) having to import 400,000 tonnes of rice in 1980 — compared with domestic production of 2 mn tonnes.

[European Communities Court of Auditors
1980:125]

Allied to low prices there is often a tax policy placing a heavy burden on peasant producers. Small wonder that they either grow little or else sell to traders who smuggle grain out to countries where the price is higher, thus depriving their own government of income.

Many governments also devote minimal resources to agricultural development, often as little as 10 per cent of their budgets, although the majority of their populations work the land. In such cases it is useless, indeed counter-productive, to send in food aid. Perhaps these are the 'big issues' to which the evaluation makes occasional reference, while saying that it could not address them. But address them we must if we are serious about helping the poor, rather than sustaining a system which encourages poverty. Even more disturbing is the amount of money devoted to military expenditure by many governments. Again, the evaluation notes this without ever coming to grips with the logical consequences. Talking of 'fungibility' the evaluation notes that a 'particular case in point might be the association between high food aid deliveries and high military expenditure' (p 2.6). Unless I have missed further references, this appears to be the one and only time in the main text where public money spent on matters military is mentioned. Yet it surely is crucial to any concept of aid to the poor. To allude to it *en passant* is merely to avoid the issue.

Given the unsatisfactory state of EEC food aid, the evaluators are reduced to making suggestions based on potential: future theory rather than the past 14

years' practice of EEC food aid. Theoretically all things are possible: the EEC could, as is suggested, provide more cereal aid, cut right back on dairy products, provide cash as well as food and increase the number of administrators. In theory recipient governments could incorporate food aid into sound and attainable food strategies, and in theory it will soon be just a hop, skip and a jump to Disneyland for all the Third World's poor.

But in fact the same old problems will remain. Governments faced with severe political problems of their own will still pay little attention to their agricultural policies (why should they when there are so many countries with food to give them?). Donor countries, especially the EEC, will still want to be seen to be feeding the hungry when what they are mainly doing is getting rid of surpluses caused by bizarre pricing and subsidy policies; and food aid will continue to be an excuse for policy makers everywhere to avoid asking the hard questions about recipient governments' own agricultural and social policies. If the aim of EEC food aid is to help poor people, then the most pragmatic solution is to cut the programme down substantially, concentrate primarily on feeding refugees and people affected by disasters, and above all to get to grips with the 'big issues'.

This is an interesting report but one which represents, as Dr Johnson said on another matter, no more than the triumph of hope over experience.

For references see page 61.