CHAPTER 2  REACHING THE MISSING MIDDLE

2014-2015
GLOBAL FOOD POLICY REPORT
INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE
SUMMARY

Eliminating hunger and malnutrition around the globe cannot be achieved without a new approach to dealing with the problem in middle income countries. Here’s why this is so, how the middle income countries should respond, and what the international community can do to help.

Hunger and malnutrition are not problems exclusive to low income countries. Middle income countries (MICs), despite some being global economic powerhouses, are home to the majority of the world’s hungry and malnourished. These vulnerable populations, the “missing middle,” tend not to either benefit from or contribute to the rapid economic growth that is characteristic of many MICs.

That is why the international community cannot realize its ambitious international agenda of achieving zero hunger and malnutrition without a renewed focus on MICs. That these countries have increased both their economic resources and their government capacities over the last two decades is a major boon to the development effort but not yet a victory. Economic progress must also be accompanied by sustained investment—from both governments and international partners—in reducing inequalities and improving human capital. This is particularly important in countries where just a relatively few policy and budget commitments can translate into significant progress in the food security and nutrition situation of millions of people.

The challenges and opportunities to end the burden of malnutrition within MICs are as diverse as the countries themselves. Yet several unique trends and corresponding opportunities can be identified if we focus on key MICs that have had or are currently experiencing periods of rapid economic growth while housing large populations of hungry and malnourished people. Brazil, China, India, Indonesia, and Mexico are among the world’s most populous countries while also being ranked in the top 20 economies in terms of gross domestic product (GDP). They have each also made remarkable progress in addressing hunger and undernutrition. For example, between 1990 and 2014...
hunger was reduced in Brazil by almost two-thirds and in China and Indonesia by more than one-half. Child stunting improved significantly in China from 1990 to 2013 and in Brazil from 1989 to 2007, declining by about two-thirds in both countries.

In 2014, MICs continued to implement policies to improve food security and nutrition at home. Brazil, for example, released new dietary guidelines to encourage consumers to limit the consumption of unhealthy foods. Additionally, the role of MICs as influential actors in global food policy continued to increase. Brazil and China, for instance, continued to expand investments in agriculture and share knowledge and technologies with the global South.

Yet to assist the poorest and most vulnerable, even more action is required. Government food security and nutrition efforts are constrained by several challenges, many of which are not exclusive to MICs. If these challenges are properly addressed, these MICs and others can make a twofold contribution to significantly enhancing global food security and nutrition: first by alleviating hunger and malnutrition within their countries and second by providing models for effective policies that could help other countries succeed. Moreover, investing in and implementing properly targeted social safety net and economic development programs can also provide the necessary conditions to achieve the kind of population-inclusive growth needed to avoid or escape the “middle-income trap,” a development situation whereby rapidly growing economies stagnate at middle-income levels. With the right policies and priorities that include a larger share of the population in economic growth, middle income countries will have the chance to sustainably and equitably grow their economies while increasing stability and prosperity, a feat only achieved so far by a handful of countries.

### The Burden of Hunger and Malnutrition in MICs

In countries like Brazil, China, India, Indonesia, and Mexico, despite the progress that has been made in reducing the number of those chronically hungry, there remains a potential threat to sustained, inclusive growth. Close to half of the world’s hungry, or 363 million people, live in these five countries.

#### Table 1: Key characteristics of select middle income countries

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<td>China</td>
<td>9.6</td>
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<td>15</td>
<td>1,368</td>
<td>150.8</td>
<td>341.9</td>
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<tr>
<td>India</td>
<td>6.1</td>
<td>33.9</td>
<td>7</td>
<td>1,260</td>
<td>190.7</td>
<td>141.1</td>
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<tr>
<td>Indonesia</td>
<td>4.3</td>
<td>35.6</td>
<td>11</td>
<td>251</td>
<td>21.6</td>
<td>52.1</td>
</tr>
<tr>
<td>Brazil</td>
<td>2.5</td>
<td>52.7</td>
<td>&gt;27</td>
<td>200</td>
<td>ns</td>
<td>105.6</td>
</tr>
<tr>
<td>Mexico</td>
<td>1.3</td>
<td>48.1</td>
<td>&gt;27</td>
<td>120</td>
<td>ns</td>
<td>82.6</td>
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<tr>
<td>Subtotal</td>
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<td></td>
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<td>3,198</td>
<td>363.1</td>
<td>723.3</td>
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<tr>
<td>World</td>
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<td></td>
<td>7,125</td>
<td>805.3</td>
<td>2,458.0</td>
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**Note:** Use of ns refers to not significant.

†The Gini coefficient is a measure of inequality. A Gini coefficient value of 0 refers to perfect equality, while a value of 100 refers to perfect inequality—a situation where only one person has all of the income and everyone else has no income. Each Gini coefficient in Table 1 refers to a year from 2010 to 2012.
KEY FACTORS THAT CHARACTERIZE FOOD SECURITY AND NUTRITION IN MICs

Despite the diversity of MICs, a shared set of factors influences the scale and nature of their food security and nutrition. Many of these factors affect food security and nutrition in MICs according to each country’s stage of economic development. For example, China and India, which are experiencing rapid growth, face a heavier burden of hunger and undernutrition while Brazil and Mexico also face a heavy trend of rising overweight and obesity.

Rising Inequality

Persistent or rising inequalities across wealth, gender, and access to education add to the burden of hunger and malnutrition. Impressive economic growth and poverty reduction can exist alongside the multiple burdens of malnutrition. Inequities in education, health, and nutrition impede human capital formation and jeopardize sustained, long-term growth.

Losses in human capital development brought about by malnutrition are deepened both by a lack of equal access to quality education and by gender gaps. Unequal access to quality education has been shown to contribute to the dual burden of child stunting and obesity.
Urbanization and Changing Consumer Preferences
As part of a global trend, rising urbanization and subsequent changes in consumer preferences from traditional cereal-based to protein-rich diets present new challenges, particularly for MICs that are facing or have faced rapid and at times massive urbanization. Rapid urbanization and shifting diets have contributed to modernized food value chains, which have had implications for food safety. Inconsistent standards and poor monitoring along the food value chain, as well as inadequate capacity of small enterprises, have also led to contaminated and unsafe food, which has consequently affected nutrition.

The modernized value chains that have resulted from urbanization and shifting consumer preferences have also put stress on scarce natural resources used for agricultural production. Growing appetite for meat in MICs means higher resource-intensive production.

Shifting diets (with sugary, salty, and fatty foods having risen in popularity) have had implications for obesity and resource use. In many MICs, access to food has often increased through social protection policies. Growing appetite for meat in MICs means higher resource-intensive production.

Persistent Lack of Focus on Nutrition and Poor Targeting in Safety Nets
While most MICs have social safety nets in place, many lack integration with nutrition. Poor targeting and leakage are costly issues that also can sometimes weaken these well-intended safety nets. Targeted food security programs can effectively increase the wealth of recipient households but too often have little impact on child stunting and at times lead to increases in overweight and obesity. While access to food has increased through social protection policies, more can be done to incentivize and promote the adoption of healthy diets.

IMPROVING FOOD SECURITY AND NUTRITION IN MICs AND BEYOND
Middle income countries can learn from the experiences of other countries. South Korea and Chile have made great progress in eliminating hunger and malnutrition while promoting the kind of durable, inclusive growth that has helped them avoid being stuck in the middle income trap and moved them from middle- to upper-income status. Importantly, and as evidenced in this publication, success in working toward a more food-secure world is not the sole domain of high-income or developed countries; that is, MICs can and should learn from each other, as well as from other countries that have employed successful food security strategies and promoted inclusive growth.

Economic growth is not enough to substantially reduce hunger and malnutrition; efforts must also be made to reduce inequalities, improve human capital, and promote better nutrition and health outcomes. To achieve these objectives, MICs should support the following strategies and approaches that can help to overcome hunger and malnutrition:

- **Reshape the food system**, especially agriculture, for nutrition and health. The entire food system can make a greater contribution to nutrition and health. MICs should both increase incentives to produce, process, and market high-nutrient foods and reduce distorted incentives to produce just low-nutrient staple foods. For accelerated improvements in nutrition, investments in nutrition-specific interventions (such as micronutrient supplementation) should be combined with investments in nutrition-sensitive interventions (such as biofortification). By fortifying powdered milk with micronutrients, including iron, Chile reduced the prevalence of anemia by around 80 percent in less than three years.

- **Crucial** will be adopting value chain approaches that go beyond creating economic benefits for actors along the entire chain to increasing the availability, affordability, and quality of nutritious foods for the poor. To improve the efficiency of food value chains and reduce food loss and waste, it will also be important to ease market access constraints, invest in food
preservation technologies and better storage and handling infrastructure, and educate consumers on good eating habits. Reducing food safety risks along the value chain will require strong legal, regulatory, and institutional frameworks in addition to increased capacity for food safety monitoring.

- **Reduce inequalities with a focus on gender.** Addressing inequalities can improve the food security, nutrition, and potential for advancement of poor and vulnerable people. For example, improving access to quality education for disadvantaged groups can improve human capital, which is particularly needed in countries where an inadequate human capital base and skill mismatch are a rising challenge. Given the importance of gender equity in improving food security and nutrition, MICs should focus on empowering women. To close the gender gap, including in agriculture, MICs should increase access to physical, financial, and human capital for women and girls.

- **Improve rural infrastructure.** Rural infrastructure development can upgrade the non-farm rural sector by providing more opportunities for viable livelihoods and improving living standards, thus potentially stemming rural–urban divides. MICs could also improve access to clean water, provide adequate sanitation, promote proper hygiene (WASH), and increase health clinics in rural areas. Investments in such rural infrastructure are particularly important where a lack of improved sanitation facilities greatly exacerbates undernutrition.

- **Expand effective social safety nets.** Scaling up properly designed and implemented social safety nets to protect the poorest is imperative if MICs are to address inequality, reduce hunger and malnutrition, and promote inclusive growth. Governments can invest more in improving targeting and scaling up cross-sectoral social safety nets. These safety nets should be expanded for vulnerable groups to provide short-term cushion for coping with livelihood shocks, as well as long-term productivity-enhancing opportunities or opportunities to exit out of agriculture. Mexico has had success in improving health, nutrition, and education for poor families, as well as addressing inequality through its conditional cash transfer program, Oportunidades.

- **Facilitate south–south knowledge sharing and learning.** To further contribute to the reduction of global hunger and malnutrition, MICs should focus on the mutual exchange of innovative ideas, technologies, and policies that have worked with each other and other developing countries. For instance, South Korea’s Knowledge Sharing Platform has promoted development of experience-based cooperation since 2004, and its successful New Community Movement is being integrated into development programs in Africa and Southeast Asia. For effective knowledge and technology transfer, it is imperative to bear in mind that country-specific conditions matter. For example, agricultural technologies used in China could be assessed for their applicability in countries with similar geoeconomic and political landscapes.

**CONCLUSION**

Eliminating hunger and malnutrition should be a top priority for MICs, particularly for those with increasing global influence and large numbers of hungry and malnourished people. Through mutual learning and the capacity to mobilize resources from domestic sources, MICs can accelerate the pace toward enhanced food security and nutrition in their countries. MICs can also play a critical role in helping to reduce hunger and malnutrition in other developing countries through investments, aid, and knowledge sharing. For MICs to best fulfill their vital role in supporting the elimination of global hunger and malnutrition, these countries must promote effective country-led strategies that will reduce hunger and malnutrition at home.
NOTES

CHAPTER 2


19 J. L. Leroy, P. Gadsden, T. González de Cossio, and P. Gertler, “Cash and in-Kind Transfers Lead to Excess Weight Gain in a Population of Women with a High Prevalence of Overweight in Rural Mexico,” The Journal of Nutrition 143, no. 3 (2013): 378–383; J. L. Leroy, P. Gadsden, S. R. Rodríguez-Ramírez, and T. González de Cossio, “Cash and in-Kind Transfers in Poor Rural Communities in Mexico Increase Household Fruit, Vegetable, and Micronutrient Consumption but Also Lead to Excess Energy Consumption,” The Journal of Nutrition 140, no. 3 (2010): 612–617, which provided very poor rural households with cash or in-kind transfers, on women’s body weight. A random sample of 208 rural communities in southern Mexico was randomly assigned to 1 of 4 groups: food basket with or without health and nutrition education, cash with education, or control. The impact on women’s weight was estimated in a cohort of 3010 women using a difference-in-difference model. We compared the impact between the food basket and cash groups and evaluated whether the impact was modified by women’s BMI status at baseline. With respect to the control group, the program increased women’s weight in the food basket (550 ± 210 g; P = 0.004).


22 Nutrition-specific interventions help to address the immediate causes of undernutrition. Nutrition-sensitive interventions address the underlying causes of undernutrition.


26 Ibid.


IFPRI’S FLAGSHIP REPORT PUTS INTO PERSPECTIVE THE MAJOR FOOD POLICY ISSUES, DEVELOPMENTS, AND DECISIONS IN 2014 AND HIGHLIGHTS CHALLENGES AND OPPORTUNITIES FOR 2015. DRAWING ON RIGOROUS RESEARCH, IFPRI RESEARCHERS AND OTHER DISTINGUISHED FOOD POLICY EXPERTS CONSIDER A WIDE RANGE OF CRUCIAL QUESTIONS:

- How can middle income countries, which despite becoming more affluent are still home to the majority of the world’s hungry people, address their food and nutrition security challenges?
- What is the role of improved sanitation in shaping key nutrition outcomes, especially for children?
- How can we support smallholder farmers in “moving up” in agriculture or “moving out” of the sector altogether?
- What social protection measures help shield vulnerable people effectively and efficiently against an increasing number of shocks?
- How can we best build and regulate the capacity of actors along the food chain to tackle food safety and health risks?
- How should we address food and nutrition security of people living in conflict zones?
- What policies can support the sustainable development of the aquaculture sector as the global demand for fish skyrockets?
- What have been the major developments in regions and countries where poor and hungry people reside?

The 2014–2015 Global Food Policy Report also presents data for several key food policy indicators, including country-level data on hunger, agricultural research spending, and capacity for food policy research. In addition to illustrative figures, tables, and a timeline of food policy events during the past year, the report also presents the results of a global opinion poll on the current state of food policy.