

CONTRIBUTION OF THE WORLD FOOD PROGRAMME TO
THE EIGHTH COORDINATION MEETING ON INTERNATIONAL MIGRATION

United Nations World Food Programme(WFP)

A. IMPACT OF HIGH FOOD PRICES AND
THE GLOBAL ECONOMIC AND FINANCIAL CRISIS ON MIGRATION

1. High food prices

Food prices, which had been increasing slowly since 2001, soared in 2007 and 2008. They subsequently fell in the second half of 2008, but remain high and volatile, particularly at the local level in developing countries. The combined effects of the financial crisis and the continuing high food prices mean that people eat less and eat less well. Vulnerable populations switch to cheaper foods that fill their stomachs and ease their hunger, but which are less nutritious. People, especially young children, who fail to consume the correct nutrients and vitamins, are more prone to illness, learn less, have lower productivity, and thus less prospects for their futures.

As a result, the number of undernourished people is expected to exceed one billion people in 2009. Even more striking is that two billion people suffered from micronutrient deficiencies before the current crisis. This number most likely increased as well.

In 2008, the World Food Programme (WFP) conducted about 40 assessments on the impact of high food prices on food consumption. The WFP found widespread evidence of reductions in the quality and quantity of food consumed (Sanogo, 2009) and some evidence of increased migration and school dropouts or sale of economic assets, for example in Bangladesh, Lesotho, Liberia, Nepal, Niger, Pakistan, Tajikistan and Yemen.

2. The global economic and financial crisis

Remittances were one of the major channels —together with trade and capital flows— through which the global economic and financial crisis was transmitted from developed to developing countries. In early 2009, the WFP developed an Economic Shock and Hunger Index (ESHI) to better understand which countries are likely to become more vulnerable to food insecurity due to the global financial and economic crisis. The ESHI analysis considered key financial and economic factors as well as food security indicators to understand the hunger implications of 126 low-and middle-income countries. Remittances as a percentage of GDP was one of 12 variables included in the analysis. Forty countries were identified as particularly vulnerable.

In March and April 2009, the ESHI analysis was followed by case studies, in five countries —Armenia, Bangladesh, Ghana, Nicaragua and Zambia. The purpose of these studies was to assess the effects of the financial crisis on household food security. The countries in the case study were selected to identify specific channels through which different countries could be impacted by the crisis, such as remittances, exports, currency depreciations, foreign direct investments, tourism or official development assistance.

3. Key findings of the case studies

The effects of the global financial crisis were clearly transmitted to these countries, translating into seriously deteriorating household food security. The fact that many countries and communities were still reeling from the food and fuel crisis, which peaked in 2008, further exacerbated the effects of the global economic and financial crisis. Armenia, Bangladesh, Nicaragua and Zambia were particularly vulnerable while Ghana was affected but not to the same degree given the stable demand and relatively higher prices for gold and cocoa exports.

All five countries experienced a decline in exports leading to job losses. In Zambia, the workforce in the copper mining industry retrenched by about 25 percent. In Bangladesh, reduced exports of jute and garments caused 300,000 job losses. In Armenia, there were 15,000 newly registered unemployed people in the previous two quarters since its exports had fallen by about half. Nicaraguan exports also declined by about 20 percent which in part caused 20,000 workers to be laid-off. In Ghana, falling timber exports led to a decline in internal remittances, while a large fall in the volumes and prices of shea nuts affected severely food security among smallholders in the North.

The most substantial declines in remittances were observed in Armenia, Bangladesh and Ghana. In Armenia, remittances dropped by a third within a year, while it is a main source of income for a quarter of the population. In Bangladesh, remittances declined by nine per cent in February of 2009, while large numbers of migrant workers continue to be deported, mostly from the Gulf States. Ghana experienced a 16 percent decline in remittances over the previous year. Currencies of these countries have significantly depreciated against major world currencies. Within a year the Zambian Kwacha has lost a third of its value while the Armenian Dram and the Ghanaian Cedi have depreciated by about a fourth against the American dollar. The depreciation of local currencies contributed to higher food, fuel and fertiliser prices, especially for Zambia where the inflation of food prices stood at about 15 percent. In Armenia and Nicaragua, chances were that the availability of food would decrease as farmers were facing higher costs for agricultural inputs coupled with lower producer prices and demand for exports.

Overall, the most affected population groups were the unskilled workers in the urban areas, families who rely on remittances, retrenched workers from export sectors, miners and tourism sector workers and poor households, but not necessarily the poorest people that are generally supported by social services.

Household coping mechanisms included: (a) diversification of income sources; (b) migration, including return migration; (c) withdrawal of children from school; (d) reduction of expenditures on health care, and (e) reduction of the number of meals eaten per day or cheaper and less nutritious foods. These coping mechanisms are potentially leading to higher malnutrition among children. For instance, in Bangladesh, severe chronic malnutrition stood at 20 percent. Women were working longer hours and therefore spending less time taking care of their children while child labour was also a growing problem. The loss of health care benefits for retrenched miners in Zambia was of particular concern given the high incidence of HIV/AIDS.

B. INITIATIVES TO STRENGTHEN THE EVIDENCE BASE ON INTERNATIONAL MIGRATION AND DEVELOPMENT

Migration and receiving remittances from family and friends are important coping mechanisms for vulnerable households in times of stress. The significance of this was highlighted

again in various assessments undertaken to determine the impact of high food prices and the global economic and financial crisis. Several assessments recommended strengthening the monitoring systems in order to capture changes in migration and remittance flows and their impact on food security. The WFP continues to pay particular attention to migration and remittance flows in its analysis, assessments and monitoring systems.

In 2008, the WFP published a study on migration in Nepal titled *Passage to India: Migration as a Coping Strategy in Times of Crisis in Nepal*. The study, partly based on a survey, documents various aspects of migration in Nepal, including who, why and how people migrate, the size, channels and use of remittances, the risks, the role of migration in coping strategies and the relation with food security and employment. The study found that 64 percent of the very poor and 62 percent of the poor said that they would migrate after a shock. Moreover, many claimed that they would not migrate if they had sufficient access to food or were guaranteed full employment for three months.

C. CURRENT AND PLANNED ACTIVITIES

In 2008, the WFP provided food assistance to 1.9 million refugees, 9.5 million internally displaced people (IDPs) and 0.9 million returnees. Partnerships, collaboration and cooperation are critical in its activities. The WFP collaborated in 2008 with the Office of the United Nations High Commissioner for Refugees (UNHCR) on 54 different projects in 43 countries and with the International Organization for Migration (IOM) on 19 projects in 18 countries.

The WFP continued to mainstream protection into field programming through research and analysis as inputs to project formulation and design, developing guidance, checklists, tools and work plans. The WFP remained engaged in inter-agency initiatives, primarily through the protection cluster. With UNHCR and the Women's Refugee Commission, the WFP co-chaired the Inter-Agency Standing Committee Task Force on Safe Access to Firewood and alternative Energy in Humanitarian Settings (IASC Task Force SAFE) to develop guidance on fuel efficiency and a matrix of agency roles with regard to fuel in humanitarian settings.

The WFP's programming, decision-making and interventions are guided by assessments and analysis in order to meet hunger and humanitarian needs in ways that are sensitive to needs, vulnerability patterns and changing contexts. Over the years, the WFP has developed various tools to analyze and map vulnerability, provide early warnings and assess needs. These tools facilitate the understanding of the nature of food insecurity and inform the targeting, programme design and delivery mechanisms to ensure that the response is effective.

The UNHCR/WFP Joint Assessment Missions (JAM) have been conducted in collaboration with UNHCR since 1994 to understand the situation, profiles and needs of refugees and populations in host countries. Similar assessment missions are undertaken with national Governments, UNHCR and other partners to determine the needs of IDPs, in particular with regard to food security and nutrition. Over the years, the methodology has been refined, especially concerning both food and non-food aspects of an emergency situation, and opportunities to increase self-reliance. A new edition of guidelines for work in this area was issued in September 2008. This new edition included updates on food security and nutrition analysis, IDPs, urban refugee considerations, and the new UNHCR strategy on repatriation, reintegration, rehabilitation and construction.

NOTE

¹ See <http://www.wfp.org/stories/financial-crisis-pushes-poor-families-deeper-into-hunger> and <http://www.wfp.org/food-security/reports/search?enaType=> (accessed 31 April 2010).

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