

High population growth threatens food security

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More people suffer from hunger in the Philippines than most of its neighbors in the East Asian region. According to the UN Economic and Social Commission for Asia and the Pacific (UNESCAP), the Philippines has the largest proportion (23 percent) of the population below the minimum level of dietary energy consumption from the late 1990s to the early 2000s among such countries as China (9 percent), Vietnam (18 percent) and Indonesia (6 percent).

Equally troubling is the fact that progress on poverty reduction has been particularly sluggish in the Philippines. Notably, China and Vietnam have managed to reduce absolute poverty at remarkably rapid rates. From a level of about 30 percent of the population in the early 1990s (based on a poverty line of \$1 a day per person), China has reduced its poverty level by almost half; it is now about 16 percent only. Similarly, Vietnam, whose absolute poverty level was about 15 percent in the early 1990s, managed to bring that figure down to close to two percent in less than a decade. A fantastic feat!

Is the rapid population growth in the country a key factor contributing to the dismal state of our population's overall welfare and food security situation? Definitely, as we will demonstrate below. We note that the population growth rate in the Philippines is one of the fastest in the Asia-Pacific region.

Food security and poverty reduction are foremost among the development objectives of developing countries, including the Philippines. And these are not just a matter of making sure food supply is available. The population must be able to have access to food as well. The fate of the agriculture sector plays a pivotal role in this endeavor. As it is true for most developing countries, the development of the agriculture sector is crucial, not only because it contributes significantly to national income and employment, but also because a substantial proportion of the poor—three out of every four—is dependent on this sector. Even poverty in urban areas is partly an indirect effect of poverty on agriculture because extreme deprivation or lack of livelihood opportunities in rural areas induces rural-urban migration.

But the performance of the agriculture sector has been quite weak. The weak performance is evident in the comparatively low growth of agricultural output. Among the major Asian economies, the Philippines had the lowest average agricultural growth rate during the past two decades, averaging only one percent a year in the 1980s and 1.6 percent in the 1990s.

Improvement in efficiency – that is, increases in total factor productivity (TFP) growth – holds the key to successful cases of rural development. A study showed that from 1980 to 2000, the Philippines was the worst performer among selected Southeast Asian countries; its annual TFP growth rate was 0.2 percent, while that of Thailand was 1.2 percent and Indonesia's was 1.5 percent.

These low growth rates translate into high food prices, low farm incomes, and demand for high nominal wages. It should be stressed that farmers do not benefit from high food prices since the large majority of them are net buyers of food.

With such lackluster performance from the agriculture sector, it is therefore not surprising that poverty levels continue to be high in the country, especially in rural areas. Though recently agriculture has been generating impressive growth rates relative to those registered in the 1980s and 1990s, sustainability is another cause for concern.

The predicted trap of rapid population growth and widespread hunger was considered inevitable with what were perceived as fixed resources and slow technological growth. However, other countries in the region were able to sidestep this predicament. For one, most of these countries were able to make investments in infrastructure and rural development. And besides, their population growth rates were slower than that of the Philippines.

By 2003, the NSCB estimated the Philippine population at 82.3 million. The most recent average annual growth rate of the population is 2.36 percent. At this rate, the country is expected to double its size in less than 30 years. On the other hand, most neighboring countries have been growing at less than two percent.

This scenario compels the Philippines to channel its limited budgetary resources to meeting the basic needs of its burgeoning population, instead of directing it to investment programs that could boost the productivity of the agriculture sector.

As it is, productive land is already scarce in the country, so the agriculture sector can only be ameliorated by land-augmenting investments such as irrigation development. The Philippines, however, severely lacks the investment resources required for agricultural growth and rural development.

Worse, the population pressure compels poor families to move to and cultivate fragile or marginal lands. Indiscriminate logging may not be the sole culprit of the recent devastation from floodwaters brought on

by the series of tropical storms that hit the country. Human intrusion into forest areas and the uplands and implementing lowland agricultural practices on them also result in resource degradation. Furthermore, those who are forced to settle on these marginal lands face the possibility of landslides and flash floods during times of bad weather.

Though nothing can be done to control the forces of Nature, there are feasible efforts to be made to protect the hungry and the helpless. One area for serious consideration is addressing the rapid population growth. And what effect would a slower population growth have on the Philippine agricultural sector, and to poverty reduction efforts for that matter?

In our earlier study (Balisacan et al 2003), we have looked into how population dynamics affect economic growth and, in the process, have also attempted to answer such concerns.

The study focused on comparisons between the Philippines and Thailand because, about 30 years ago, these two countries had more similarities than differences in socio-economic terms, including food security situation. But looking at them now, the countries are on quite divergent growth paths, and have been so for the past couple of decades.

According to the study, if the Philippines had followed Thailand's population growth path from 1975 to 2000, GDP per capita for the Philippines could have been higher by 22 percent, reaching \$1,210. The relationship between economic growth and poverty reduction has been established by empirical studies. So going further, simulating a slower population growth for the Philippines results in a lower incidence of poverty, translating into some 3.6 million more Filipinos who could have been taken out of poverty in 2000.

A slower growing population, particularly a smaller youth population, would have meant substantial savings from the provision of basic education and health services. These savings could have been channeled to improving the rural sector, specifically agricultural development. As previously mentioned, about two-thirds of the poor are found in the rural areas where most of them are engaged in agriculture-related activities. In the study, the estimated savings from basic education for the 1990s were P128 billion (or roughly P12.8 billion per year), and from basic health, P52 billion (or P5.2 billion per year). In the simulations, allocating these for agricultural investments would have increased incomes and reduced poverty incidence in the agricultural sector by more than half!

What needs to be appreciated is that enormous amounts of resources are required to provide the basic needs of a rapidly growing young population. Since fiscal resources are very scarce (and government is almost always in serious deficits), government spending for a rapidly growing population crowds out

investments required for raising productivity, opening up employment opportunities, and sustaining gains in human development.

By no enormous exertion of the imagination, it may be gleaned that arresting the rapid growth of the Philippine population could very well address concerns regarding food security as well as significantly reduce poverty and food insecurity in rural areas. The status quo is not acceptable, and the facts reflect it.

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