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The food price crisis and urban food (in)security

MARC J COHEN AND JAMES L GARRETT

ABSTRACT Both national and international policy responses to the rapid food price increases in 2007 and the first half of 2008 did little to address the very serious impacts on low-income urban dwellers. The speeches, declarations, plans and pledges duly noted the vulnerability of poor urban dwellers to food price rises, as they rely primarily on market purchases for their food (much more so than rural dwellers) and food purchases account for the bulk of their expenditure. Yet most policy prescriptions focused on addressing constraints to rural-based food production. This paper discusses why policy makers should pay greater attention to urban dwellers and describes the multiple pathways through which food price increases have impacts on urban people. It also highlights the evidence on how these impacts have played out during this crisis and discusses how current policy responses could be adjusted and improved to better protect the urban poor in the short and longer term.

KEYWORDS coping strategies / food crisis / food prices / food security / markets / social protection / urban / urban agriculture

I. INTRODUCTION: WHY AN URBAN FOCUS MATTERS

Rapid food price increases in 2007 and the first half of 2008 attracted serious policy attention. During the course of 2008, the United Nations issued a Comprehensive Framework for Action (CFA) on the food crisis and donors pledged more than US$ 12 billion to assist low-income, food-importing countries.

The speeches and plans duly noted poor urban dwellers’ vulnerability; they rely primarily on purchases for their food and this accounts for the bulk of their expenditure. Yet most policy prescriptions focused on addressing rural food production constraints, food stocks and macroeconomic measures. Action in these areas potentially contributes to longer-term urban food security, but policy makers and analysts paid less attention to direct improvements in urban food security.

We argue that although poverty in low- and middle-income countries is often deeper and more widespread in rural than in urban areas, disproportionate attention to rural dwellers is probably misplaced. Many rural dwellers are net food producers, and so may have their own crops or

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1. This is drawn from a longer and more detailed working paper that can be downloaded at no charge at http://www.iied.org/pubs/pdfs/10574IIED.pdf.
livestock to buffer shocks and may even benefit from higher prices. Few urban dwellers have these options.

In this paper, to demonstrate why policy makers also need to take an urban focus, we outline the pathways through which food price rises have impacts on urban people; we also highlight how these impacts played out in the recent crisis, how policy makers responded and how they might react in the future in order to better protect urban food security.

Most poor people live in rural areas, but the numbers of poor urban residents, from market towns to megacities, are substantial. World population is expected to grow from 6.8 billion to 9.1 billion between 2009 and 2050, with virtually all the increase taking place in urban areas in low- and middle-income nations. Rapid urbanization is pulling poverty into cities. In 1993, 1.3 billion people in low- and middle-income countries lived in extreme poverty; 19 per cent (247 million people) were urban. By 2002, the extreme poverty population fell to 1.2 billion, but the urban share rose to 25 per cent (300 million people).

One study found that in 12 out of 18 low- and middle-income countries (all of which had nationally representative household surveys taken between 1996 and 2003), urban food insecurity equalled or exceeded rural levels (Figure 1). When food prices spike, focusing primarily on rural food insecurity and agriculture misses a large part of the problem.


**FIGURE 1**

Rural and urban incidences of hunger (food energy deficiency)

II. TRACING OUT THE CAUSES OF URBAN HUNGER AND MALNUTRITION

Food security, regardless of location, depends on food availability; and households’ ability to access food depends on income as well as food prices. Households can also acquire food through production or transfers. Intra-household distribution influences individual food security, with boys and those employed outside the home often receiving preference (Figure 2).

Food looms large in the budgets of low-income urban households. A study of 20 low- and middle-income countries found that the food share of extremely poor urban households’ expenditure ranged from 48 per cent in Guatemala to 74 per cent in Tajikistan; in 18 of the countries, the proportion exceeded half. In contrast, poor US city residents’ expenditure on food is around 12 per cent. Purchases dominate: in Ghana, urban dependence on purchases is 92 per cent and in Egypt it is 95 per cent. Residents of Lima, Peru purchase 91 per cent and other urban Peruvians 88 per cent. Globally, more than 97 per cent of poor urban households are net food purchasers. In Guatemala, this rises to 98 per cent; in Malawi to 99 per cent and to 100 per cent in Vietnam.

5. See reference 4.

In towns and cities, food is likely to be available in markets, even if it’s unaffordable. Urban dwellers have to purchase almost all their food as well as housing, transportation, health care and education. Urban food security reflects individual household circumstances. Relatively higher urban incomes may not compensate for what may be higher food prices and cash requirements. Urban residents often also lack land and other inputs to be able to produce their own food and thus buffer shocks (and in many cities urban agriculture is illegal).

Nutritional status depends on more than just food, and results from the interaction of food, health and hygiene, and care. Urban women are more likely to work outside the home than their rural sisters, and may have less time for and more difficulty with child care. They tend to end breastfeeding two to three months earlier, often depriving their children of nutrients and immunity to disease. (7)

Low-income neighbourhoods are frequently crowded, with poor quality housing. In urban areas of low- and middle-income countries, 25–50 per cent of the population lack access to clean water and safe sanitation. (8) Urban poor people often do not have physical and economic access to health care. (9)

III. SOURCES OF VULNERABILITY

To anticipate the effects of rising food prices, it is useful to understand the nature of urban employment, consumption patterns, markets and community cohesion.

a. Employment

Urban employment data defy stereotypes. A survey of five countries in Africa, Asia and Latin America found urban unemployment rates of 10 per cent or less; high, but not spectacularly so. Nor did urban poor people hold many jobs simultaneously; labour participation rates mirrored those of other classes. On average, 50–80 per cent of working-age men were in the labour force, with much lower rates for women. In Egypt, Ghana and Peru, 5–10 per cent of urban children reported having or seeking jobs, with boys much more likely to have one than girls. In Bangladeshi slums, 15–20 per cent of children worked. (10)

The jobs of urban poor people are casual, insecure, uncertain and low-paying, and include street-vending, rickshaw-driving, construction and factory work. But these jobs tend to be permanent, in the sense that poor people stick with them, and do not move from job to job every day. (11)

Interestingly, seasonality affects urban incomes just as it does rural ones. Rain prevents many workers from working and can also make it more difficult to get products to the cities, which results in higher food prices. Factories need fewer workers during seasonal slack periods. Urban dwellers can also be affected by seasonal changes in rural areas. When rural work disappears, for example following harvests, people may migrate to towns and cities, increasing competition for jobs. (12)

Two other, sometimes overlooked, aspects of urban livelihoods are the importance of the regional, usually agricultural, economy and formal sector jobs. (Few studies capture the significance of illegal incomes.)
The overall food system is significant even in megacities, with agriculture providing employment in transport, street-vending, retailing, wholesale and manufacturing. In smaller cities, agriculture is even more fundamental. Merchants and mechanics provide inputs and tools. Traders dynamically connect town and countryside. Urban dwellers often farm (usually outside the city). In Egypt and Malawi, 10 per cent of non-metropolitan urban residents worked in agriculture. City folk also seek seasonal rural jobs; for example, in Colombia they provide temporary coffee harvest labour. Long-term migrants from rural areas may retain close ties to former homes, to hedge against bad times; in Botswana, half the low-income city dwellers keep land or cattle in rural areas.

Despite the perception that informal employment predominates, many urban residents, even poor ones, have formal sector jobs. Numbers vary by country. In Accra, Ghana, 53 per cent of the workforce earn their living from informal or self-employment; in Egypt and Malawi, however, 70 per cent or more of city jobs pay wages or salaries. Public sector employment is especially important for women; 75 per cent of non-metropolitan Egyptian urban women work in the public sector, as do two-thirds of metropolitan working women.

b. Consumption patterns

A nutritional transition has accompanied urbanization and economic development. Higher incomes allow the purchase of higher added-value processed foods, including dairy and meat. Population concentration has allowed marketing efficiencies. Employment outside the home, which increases the opportunity cost of time, has increased demand for ready-to-eat and easily prepared foods. Urban consumers shift from sorghum, millet, maize and root crops to rice and wheat. The cereals that are the basis of the urban diet, such as rice, wheat and maize, tend to be internationally traded, unlike cassava. This leaves urban poor people vulnerable to global price fluctuations.

Urban dwellers also consume more meat and milk and a greater variety of fruits and vegetables. This diverse diet is positive, but also contains more saturated and trans-fats, sugar and salt, and less fibre. It combines with more sedentary lifestyles to heighten the risk of chronic diseases.

c. Markets

Even now, urban poor people tend to buy food from local markets or neighbourhood kiosks. These are frequently small and widely scattered.

Wholesale markets, when they exist, are often old and located in city centres, hemmed in by and creating traffic congestion. Storage facilities are frequently inadequate or badly managed and refrigeration is scarce. This raises marketing costs.

Meanwhile, transnational supermarket chains are displacing traditional retailers in many low- and middle-income countries. These may help overcome structural inefficiencies by utilizing large purchasing and distribution networks. Supermarkets will continue to increase their retail share but the traditional retail sector still dominates urban food.
marketing. In Africa, multinational chains have yet to reach poor urban neighbourhoods, and have little presence in poorer countries.\textsuperscript{(22)} Evidence is mixed on whether chains lower food prices,\textsuperscript{(23)} especially for staples. Supermarkets may not be convenient for poor slum dwellers who may lack transport or the cash for bulk purchases. A purchasing pattern similar to that in some developed countries may emerge, with upper- and middle-income consumers shopping at chains, getting better prices and quality, and lower-income consumers having limited options, purchasing daily at small stores that may offer credit.\textsuperscript{(24)}

Street vendors are part of poor urban communities’ daily routine, and vending is an important source of livelihoods, especially for women. Although street foods can be purchased in small quantities, are nutritious and save on preparation time, they can sometimes be relatively expensive.

Consumption of street foods varies by country and city. In Nigeria, city dwellers spend up to half their food budget on street foods. Residents of Bamako, Mali rely on street foods for an average of 250 calories per day.\textsuperscript{(25)} In Accra, street foods account for 40 per cent of low-income families’ food purchases and even 25 per cent in high-income brackets. More than half of spending is by or for children.\textsuperscript{(26)}

When food and cooking fuel costs rise, street food consumption tends to increase, as prices usually go up more slowly due to production economies of scale. But poor infrastructure (i.e. water and sanitation), inadequate vendor hygiene training and weak or arbitrary enforcement of food safety regulations (if these exist) can create risks.\textsuperscript{(27)}

\textbf{d. Community cohesion}

Increased mobility and transience allows urban people to seek economic opportunities, but often at the cost of community. While urban dwellers may have better access than rural people to formal assistance programmes, informal safety nets based on trust can be weaker, especially for new arrivals. In some cities, established migrants may support those with kinship or village ties; but often, organized crime groups offer the only source of protection and assistance, further eroding trust and cooperation.\textsuperscript{(28)}

\textbf{IV. OWN PRODUCTION: URBAN AGRICULTURE}

In some cities, urban households do grow crops and raise livestock, producing some of their own food and supplementing incomes. Many urban farmers are women. Up to 40 per cent of the population of some African cities and 50 per cent in some Latin American cities are urban or peri-urban agriculturalists.\textsuperscript{(29)} In Hanoi, Vietnam, 18 per cent of the city’s land is farmed, as is 35 per cent in Quito, Ecuador. In Rosario, Argentina’s third largest city, 80 per cent of the land is vacant and 10,000 city residents farm.\textsuperscript{(30)}

By one estimate, 200 million city dwellers produce food for urban markets, accounting for 15–20 per cent of global food production.\textsuperscript{(31)} In West Africa, 20 million households (20 per cent of the urban population) farm, providing 60–100 per cent of their cities’ fresh vegetables.\textsuperscript{(32)} In Accra, however, less than 15 per cent of households engage in agriculture, and those that do cover an average of 7 per cent of household food needs.
Urban farmers produce much of Accra’s fresh vegetables but wealthier people are the main customers.\(^{(33)}\)

Urban and peri-urban agriculture has other benefits, including low costs, with sales near the point of production. Producers are responsive to market demand. Urban farming systems recycle liquid and solid wastes, but without appropriate practices or infrastructure this advantage may lead to soil and water pollution and compromised food safety.\(^{(34)}\)

Urban agriculture tends to be part of the unregulated, unmonitored informal economy, and there is little hard evidence on its economic value. Some cities have enacted urban agriculture policies. In Kampala, Uganda, urban agriculture is the most significant land use and nearly half of city households produce some of their own food. The city council established a regulatory framework, following broad stakeholder consultation.\(^{(35)}\)

Unfortunately, such participatory and transparent policy-making is rare. Too many municipal governments regard urban agriculture with hostility, and even when rules are in place, as in Harare, Zimbabwe, they are often poorly enforced and not well known.\(^{(36)}\)

V. RESPONDING TO FOOD PRICES

a. Urban poor’s responses

In light of these factors, urban poor people will seek to cushion food price shocks by reducing spending on other necessities. Households may also adjust food consumption, eating less or shifting to cheaper foods that may be less nutritious. They will buy on credit, seek food from neighbours, rely on food programmes and adjust intra-household distribution. Mothers often forgo food when it is scarce, and boys frequently get larger rations than girls.\(^{(37)}\)

Poor households tend to suffer more than others from price increases because they spend a bigger share of their income on food. Female-headed households are at greater risk to well-being because they tend to devote an even larger share to food.

In past food price spikes, poor households reduced consumption of relatively higher priced animal source foods, fruits, vegetables and pulses in favour of cheaper, non-processed staples. According to one study, if income remains constant, a 50 per cent food price increase reduces iron intake by 30 per cent, with negative health, schooling and productivity consequences over time.\(^{(38)}\) When poor Indonesian consumers reduced non-staple purchases as prices rose in the late 1990s, iron deficiency increased among young children and their mothers. Higher rice prices likewise spurred malnutrition in Bangladesh.\(^{(39)}\)

Another coping strategy may be to increase income. Even poor families may be able to send more members out to work, especially women and children, albeit at a potential cost to child care, health and education.

Many urban poor people have little room for manoeuvre, so coping mechanisms may decrease their food security. However, households in smaller cities and market towns may have a stronger connection to agriculture. These households may grow their own food and mitigate price increase effects over time. They may even benefit from higher prices through sales.

34. See reference 30, Redwood (2009).
35. Cole, D, D Lee-Smith and G Nasinyama (2008), Healthy City Harvests: Generating Evidence to Guide Policy on Urban Agriculture, Urban Harvest and Makerere University Press, Kampala, Uganda, and Lima, Peru; also IDRC (no date), Achieving the Millennium Development Goals One Neighbourhood at a Time, IDRC, Ottawa.
36. See reference 30, Redwood (2009); also see reference 35.
37. See reference 32.
b. Impacts of rising food prices on urban hunger

What were the actual effects of rising prices on urban poor people in 2007–2008, and how did they respond? By the second quarter of 2008, world wheat, maize and milk prices were triple those in early 2003, and rice prices ballooned five-fold. Beef and poultry prices doubled. Adjusting for inflation and a declining dollar, real overall food prices rose by 64 per cent between 2002 and mid-2008. Other studies offer a full discussion of the driving factors.\(^\text{40}\)

After peaking in mid-2008, global cereal prices declined by 30–40 per cent in the third quarter of the year, as a result of the worldwide recession, good weather and farmers’ production responses to higher prices. Most analysts do not believe that prices will return to the levels of the early 2000s between now and 2020, due to continued strong demand for energy and cereals for food, feed and fuel, as well as to structural land and water constraints and likely food production impacts of climate change. By mid-2009, prices remained at record levels in many low- and middle-income countries.\(^\text{41}\)

Transmission of global food prices into the markets in low- and middle-income nations varies greatly and depends on the degree of import dependence, transport costs, market structures and domestic price policies. In Tanzania, local prices reflected 81 per cent of the international maize price increases between 2003 and early 2008, but markets in Surabaya, Indonesia, reflected only 32 per cent. Rice prices in Ghana and the Philippines increased by about 50 per cent of the global rise.\(^\text{42}\)

Even within the same sub-region, price transmission can vary dramatically. In July 2008, in Dakar, Senegal, prices for rice, the main staple, increased by more than 100 per cent over the average local July price for 2002–2007. Senegal is a leading global rice importer, but in nearby Bamako (Mali) and Ougadougou (Burkina Faso), which rely much less on imports, the price of maize, the local staple, rose by only 24 and 5 per cent, respectively.\(^\text{43}\)

The rising food prices had measurable negative effects on urban food security and nutrition:

- in 2008, the World Health Organization reported that child malnutrition had increased from already high levels in Burkina Faso, Mali, Niger and Senegal;\(^\text{44}\)
- in November 2008, a balanced diet supplying daily micronutrient needs in Guatemala City cost nearly twice as much as a staple-only diet, making healthy eating difficult for poor residents (Figure 3); and
- in Cambodia, rice prices increased by 100 per cent between May 2007 and May 2008. Urban poor people were among those most adversely affected, as the cost of petrol, water and cooking fuel also skyrocketed. A survey found that 12 per cent of Cambodian households (1.7 million people) were food insecure in mid-2008; the figure was 18 per cent among mostly urban female-headed households.\(^\text{45}\)

c. Coping strategies

Poor urban households engaged in a variety of coping strategies. In Cambodia, half the households surveyed reported that they had cut back on food consumption. Von Siphou, a fruit seller in Phnom Penh, the
capital, said: “The only thing left to do is to not eat.”(46) In Dhaka, Bangladesh, media accounts in April 2008 indicated that poor people had cut out one daily meal, had stopped eating meat, fish and eggs, and were unable to save money.(47) In Honduras, poor urban and rural households reported cutting food consumption by 8 per cent. (48) Many poor urban Ethiopians skipped meals and eliminated eggs and vegetables. (49) In Burkina Faso, survey respondents reported increasing food expenditure from 50–60 per cent to 75 per cent of household budgets. Debt rose: 40 per cent of households surveyed in Niger said they took food loans; (50) in Manila, the Philippines, with inflation at 10 per cent in May 2008, security guard Leonardo Zafra said he borrowed money at high interest to feed his family, as his daily wage did not cover food, education and utilities; (51) and in South Africa, some low-income people engaged in prostitution to afford food. In many cities, higher food prices reduced migrants’ remittances back to their rural families. (52)

d. Protests and violence

Higher food prices can also threaten political stability. Scores of countries saw food price protests during 2007–2008. Almost all demonstrations took place in cities and several turned violent. (53)

FAO Director-General Jacques Diouf said the violence “...signalled the desperation caused by soaring food and fuel prices for millions of poor and also middle-class households.”(54) In March 2008, following clashes with local police, a protestor in Abidjan, Côte d’Ivoire, commented: “We only eat once during the day now. If food prices increase more, what will we give our children to eat and how will they go to school?”(55)

Evidence on the class basis of these protests is unclear. It is certainly true that “…the middle class typically has the ability to organize, lobby and
protest early on."(56) At the same time, it is not unusual for low-income urban dwellers to support the political opposition to the national or municipal government,(57) so demonstrations over food issues may involve poor people but are also likely to get caught up in broader political issues. Too often, organized crime groups manipulate low-income people's political grievances to advance their own agendas. In Kenya and Haiti, where protests turned violent, criminal elements have a strong urban presence.(58) What began as peaceful protests in smaller towns and villages in Haiti in April 2008 turned into looting and deadly clashes with police and UN troops in the capital. The violence resulted when organized crime elements that opposed the government and the UN mission paid poor capital area residents to riot. This led to the collapse of the government and a period of political deadlock.(59)

Obviously, policy makers favour programmes that protect city dwellers from the full brunt of food price increases, in large part because these pacify urban discontent. The Egyptian government boosted spending on its already expensive food subsidy system in 2007–2008, partly to avoid the bloody riots that followed an abortive attempt to end subsidies in 1977.(60) However, such poorly targeted subsidies are fiscally unsustainable and provide limited benefits to poor people.(61)

e. The inadequacies of international policy prescriptions

There is considerable consensus about how to address the global food price crisis, both in the short and the long term. The July 2008 UN Comprehensive Framework for Action (CFA)(62) reflects this consensus and calls for immediate action in four areas:

- enhancing and improving access to emergency food assistance, nutrition interventions and safety nets;
- boosting smallholder food production;
- adjusting trade and tax policies; and
- managing macroeconomic implications.

While there is a focus on rural food production, emergency assistance can apply to both urban and rural dwellers. Macroeconomic adjustments can indirectly help urban poor people if they moderate food price rises. The CFA also calls for complementary action to facilitate longer-term “resilience”. For example:

- expanding social protection systems;
- sustaining growth in smallholder-led food availability;
- improving global food markets; and
- developing a new international biofuel policy (given the role of biofuel production in maize price increases).

Although stronger social protection programmes could help both urban and rural poor people, again the focus is mainly on agriculture and macroeconomics. The latter measures may help lower average prices and improve food system efficiency over time, but they have indirect, non-immediate effects in cities.

The CFA does include a package of urban-oriented actions, such as greater support for urban agriculture, market development incentives and sustainable urbanization policies, but it consigns this discussion to
With some variations, other international organizations and NGOs have adopted a similar set of immediate and longer-term recommendations. To effectively address urban hunger resulting from rapid food price rises, policies and programmes should better reflect the urban context.

VI. SHAPING AN URBAN RESPONSE

Most fundamentally, urban-focused responses need to cushion the shock and provide short-term income supplements. Improving food system efficiency and lowering costs will not by themselves prevent food price shocks, so a strong social protection system is indeed necessary to deal with future price rises. Efforts to meet poor urban households’ needs should centre around three objectives:

• preserve income;
• moderate price increases; and
• strengthen safety nets and coping mechanisms.

a. Preserve income

The interaction of cash income and retail market prices determines urban food security. Because price interventions can distort market price signals, and tend to be regressive, expensive to implement and politically difficult to remove, policies should aim at short-term income improvements. Subsidizing production costs, including energy, or removing existing taxes, is one approach. These would require government selection of beneficiary products or industries, and opposition to later removing the subsidy or re-applying the taxes is almost certain.

Social programmes are a more direct approach to increase incomes. Programmes should expand easily when need increases and have mechanisms to scale back as the crisis recedes. Existing programmes may already have mechanisms that allow for temporary increases in transfer amounts, and they may also largely target appropriate beneficiaries. The World Bank estimates that 95 per cent of income losses by urban poor people were incurred by those who were poor before the shock.

Of course, the government could also face problems scaling back income supplementation. The use of existing social programmes familiar to citizens, such as conditional cash transfers, may blunt resistance. Most of these programmes already have targeting mechanisms, and citizens are likely to be familiar with entry and exit criteria.

An urban environment facilitates rapid programme expansion. The government can use mass media to communicate availability and requirements. It should be possible to use the banking system or vending kiosks and supermarkets to assist in implementation.

Targeting could occur through means-testing, which is often also easier to apply in cities, where income is usually wage or salary based. Geographical targeting is more difficult in urban areas, where the same neighbourhood may house relatively wealthy and poor families.

All this, of course, assumes the existence of an effective urban safety net. In some countries, such as Haiti, such programmes are non-existent.
but in the past decade many countries have strengthened social protection. Conditional cash transfer programmes have become increasingly popular in Latin America and some African countries. Many have health and/or education conditionalities that can help poor households maintain human capital investments.

An alternative is to use public works programmes. But a price crisis does not spur job loss; working poor people need to maintain purchasing power. Public works programmes may help jobless people, however. It is especially important to provide unemployed youth with job training and connections to employers. The presence of a large pool of unemployed young people – especially young men – can contribute to political unrest.

Ultimately, part of the solution is to lift people out of poverty. This requires investment in infrastructure, institutions and human capital. It also means addressing land and housing security to help ensure that poor people do not lose assets or social capital.

b. Moderate price increases

Policies to moderate price increases, such as tax or trade policies, can be useful, but they require careful design in order to avoid negative repercussions. They may also take time to put in place. In the longer term, interventions that distort price signals and prevent producers from seeing true market prices will dampen production response, keeping prices higher. Wedges separating consumer and producer prices can be very expensive.

Governments can work through international bodies to encourage exporting nations to avoid export restrictions. These could increase price volatility, reduce production incentives and promote black markets. Governments might also temporarily reduce import tariffs.

Food distribution could contribute to price stability and provide a safety net. In the face of economic crisis in Peru in the 1990s, community kitchens used commodities donated by USAID and complementary items purchased in bulk to provide low-cost meals. The kitchens also provided the women who organized and managed them with a measure of increased independence and empowerment. Distributed foods could be vitamin and mineral fortified, or the government could carry out micronutrient supplementation.

Food and cash distribution programmes will require nimble international organizations. These agencies must be able to respond quickly, forcefully and with sufficient quantities of food and funds. In June 2008, donors promised US$ 12.3 billion at the High Level Conference on World Food Security, but by October had only delivered US$ 1 billion. Without investment in international crisis response, such as a globally coordinated system of national food reserves or a pool of cash, international organizations will have no choice but to mount ad hoc appeals for each crisis.

National, sub-national and municipal authorities should also work to improve the efficiency of urban markets. Lowering business costs will help reduce prices. Authorities must ensure that wholesale and retail markets are properly planned and managed, with parking, unloading, weighing, packaging and storage facilities. Microcredit can help traders

67. See reference 12, Frankenberger et al. (2000).
finance improved hygiene and storage. Facilitating participatory dialogue among consumer, trader and transport associations may help improve market efficiencies and facilitate dispute resolution.\(^\text{71}\)

To cut costs further, urban authorities can promote farmers’ markets, with specific, non-burdensome regulations and logistical support. Authorities should better link cities with surrounding production areas and shorten the supply chain while making it more cost-efficient.\(^\text{72}\)

Investment in infrastructure and production technologies will similarly lower costs. Investment in and incentives for more widespread use of information technologies (also easier in urban areas) will improve knowledge of costs and prices. This, along with clear, non-bureaucratic regulations, can encourage fair and open competition, moderating the pass-through of price increases to consumers. Investment in energy efficiency can help production, processing and marketing systems respond to increased food demand at less risk of disruption from oil price spikes. While important to long-term flexibility, in response to immediate crises, these actions will largely have only a one-time price-reducing effect and will take time to be implemented and improve market efficiency.

c. Strengthen safety nets and coping mechanisms

Other actions could strengthen urban safety nets and coping mechanisms and help protect food security (particularly dietary diversity) and human capital. Food banks may be appropriate in urban settings but are not widespread in low- and middle-income countries.

Urban agriculture remains an under-appreciated avenue to urban food security. Municipal authorities often do not understand how to incorporate it into planning, or remain concerned about environmental effects. Municipal governments should develop an enabling regulatory framework that moves urban agriculture into the formal economy, ensures land tenure security and addresses food safety and health concerns. City authorities should formulate policy through broad stakeholder consultations. It is valuable to have a municipal department of food and agriculture, as in Kampala.\(^\text{73}\)

Given the importance of street foods, municipal authorities should train vendors in hygiene, adequately and consistently enforce regulations and improve basic infrastructure. Collaborating with vendor associations can help facilitate training and regulatory compliance.\(^\text{74}\)

It is also important to enhance urban social cohesion. Urban residents can develop strong social capital but their bonds often go outside geographical boundaries. Some neighbourhoods have strong civic associations but normally these form along ethnic, religious or political, rather than geographical, lines. Municipal government and civil society organizations should facilitate poor people’s ability to organize and articulate demands. They should also strengthen the municipality’s capability to respond to citizens. Infrastructure development, such as improving water and sanitation, can help establish trust and mechanisms for further cooperation, especially when community members plan and manage projects. Stronger social networks may facilitate access to credit or food-sharing.\(^\text{75}\)
VII. CONCLUSIONS

The United Nations CFA measures, supplemented by the urban-focused policies we recommend, are appropriate responses to price shocks and can help reduce urban vulnerability. Preparedness measures – the most important of which is establishing temporary social protection programmes that can quickly enrol shock-affected people or increase benefit levels and target transfers based on need – are essential.

Good monitoring and evaluation facilitates timely action. Engaging beneficiaries in monitoring and programme design and management helps assure effectiveness. Preparedness will also reduce the likelihood that governments, in the heat of a crisis and with an eye on quelling unrest, will take ad hoc, quick-fix measures that may have unintended negative consequences, e.g. export embargoes and untargeted subsidies. Another lesson of the recent crisis is that preparedness requires international cooperation and coordination, to avoid reactive global pledging efforts and delays in action.

Further research is needed in several areas. Additional studies are necessary to support policies to assure sustainable urban food security and build resilience against future shocks. More knowledge is also needed about urban labour markets so that policies can foster economic security. Comprehensive studies are needed on the value of urban agriculture, to help scale-up successes. Additional studies are likewise needed on how the food price crisis affected urban–rural migration. Finally, more studies are needed on when higher urban food prices are likely to spark violence and who is likely to participate, to help design policies and programmes to reduce the likelihood of political instability.

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