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FOOD SECURITY ISSUES IN KAZAKHSTAN: REGIONAL PUBLIC COUNCIL'S INPUT

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This study aims to demonstrate the contribution of regional public councils to food security issues. The data has been collected through semi-structured interviews with small agriculture owners and members of the public council in four regions of Kazakhstan. Moreover, the correspondences of regional public councils concerning food security problems have been subjected to analysis. This paper shows the role of regional public councils in addressing food security and the challenges that constrain the effectiveness of public councils with respect to food security issues. The findings reveal that public council members lack expertise in agricultural issues, moreover, the corruption and the economic interests of regional agro-oligarchs impede the regional policy implementation in agriculture.

Introduction

Global food production has been challenged due to disruptions in food chains, Covid-2019, the war in Ukraine, and extreme weather conditions more recently. Kazakh citizens are concerned about raising food prices and shortage of some food in markets, the inflation of rate national currency accounts for 16% in August 2022 [1]. The national government introduced various measures with an aim to regulate the prices of food, for instance, the regional executive bodies set threshold prices for socially significant food items and monitor their implementation in place. Moreover, after the January events 2022, the national government set threshold prices for petroleum products for 180 days in Kazakhstan. This mitigates the costs of food transportation. From January 6, 2022, Kazakhstan introduced a ban on the export of large and small cattle. It is noted that the ban on the export of livestock and vegetables was adopted in order to stabilize prices and prevent a shortage in the domestic market.

The issue of food security was the major agenda discussed across regional public councils in 2022. Regional public councils raise various issues in their respective regions, however, their resolution is constrained by corruption, economic interests of national and regional elites, lobbying by the agriculture oligarchs, and insufficient agro-expertise among the public council members.

This study defines food security as conceptualized by the Rome Declaration on World Food Security in 1996 “all people, at all times, have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life”. There are the following conditions to

secure food security: food should be available for consumption; food should be consumed in healthy environment; citizens should have means to access food [2]. The regional public council's main concern is on the availability of food and maintaining the food price so that people have means to access food. This study aims to demonstrate the challenges in addressing food security through the cases of public councils. Public councils initiate, investigate and facilitate the resolution of issues related to agriculture and food storage. This study contains descriptive information about food security problems at sub-national levels and makes practical suggestions to policy-makers.

Analysis of food security cases by regional public councils

The report by the United Nations Food and Agriculture Organization [2] mentions that Kazakhstan makes solid investments in agriculture as compared to its Central Asian counterparts. Agriculture (growing crops, livestock and cultivating the soil) has received consistent attention from policy-makers of Kazakhstan [2]. However, there is insufficient in-depth research on the policy implementation in agriculture at sub-national levels.

Regional public councils approach the food security issues from various perspectives, some regional public councils raised concern about the poor quality of food at social markets which are subsidized by the local government, in other regions regional livestock owners approached the public council with the problem of livestock fodder and below cases illustrate the failure and success on the part of public councils.

Case 1. Two private companies have constructed the distribution and storage hub in region A, these companies received state-subsidized loans of around 7 milliard tenge for 5 years. The center is aimed to serve as a hub for the storage and sale of agricultural food, although it was opened in 2020 it has not functioned as a food hub that stores vegetables and fruits. Thus, the regional public council initiated a meeting with the involvement of various stakeholders regarding this issue, however, the representatives of companies did not join the meeting. The bank did not provide detailed information about the loan (business plan, social responsibility) reasoning by commercial secret. Furthermore, according to agriculture owners, it is more profitable and easier to sell the vegetables to foreign buyers who collect the vegetables from the field and pay a sufficient amount in summer. For farmers, there is no incentive to collect vegetables by themselves, store them in the regional hub mentioned above, and sell them in winter when local citizens need vegetables. Thus, the problem does not only concern the private companies who did not provide the storage space but also the absence of motivation by farmers.

Case 2. The livestock owners approached the oblast akimat and then the oblast public council regarding the subsidy for livestock fodder. The national state put the responsibility of fodder subsidy on regional executive bodies. This implies various regional executive bodies consider whether they subsidy livestock fodder or not. A large group of small and medium size livestock owners wanted to purchase livestock fodder in the summer period (the price is lower), this will aid them to feed their livestock in winter. However, despite the drought the executive body rejected to subsidy the livestock fodder this year. The regional public council's response just

supported the local executive body's decision not to subsidize the livestock fodder due to the availability of fodder this year. Although, this region is located in drought and unpleasant climatic region, small and medium size livestock owners did not receive money this year. According to small livestock owners, regional agricultural oligarchs receive a substantial amount of budget through lobbying and buying the regional public officials. Indeed the government the large amount of subsidy is paid to large farmers [3].

Case 3. The regional public council initiated the issue of poor quality of food in social markets. Social markets are subsidized by the state and provide food at lower prices than the market ones. The public council members conducted public oversight over the activities of social markets and revealed the malpractices. The public council had a meeting with the regional department of agriculture and questioned the poor quality of state-subsidized foods. As a result, the unreliable private providers of food to social markets were eliminated from the list of suppliers.

The first case illustrates the unresponsive, corrupt private companies which are not fulfilling their obligations to serve as a storage hub for vegetables and fruits. Additionally, due to the ban on checking the business bodies the regional public council does not have sufficient evidence for further investigation. The regional anti-corruption and economic investigation courts should be involved in this case, as the public councils do not have sanctioning power. Private company owners are representatives of regional and national elites, thus it is hard to resolve this issue without the involvement of national bodies and enforcement mechanisms. Moreover, the policy design to construct a regional hub has not considered the demand side by the local farmers who prefer to sell their vegetables to foreign buyers in the summer at a moderate price. The state policy should consider various stakeholders' interests before subsidizing the construction of a food hub.

The second case relates to the small livestock owners. Kazakhstan has a vast subsidy program toward livestock which accounted for 35.9 billion tenge from 2017-2021 [4]. 50% investment has been delivered towards pedigree livestock, support for feedlots, output subsidies for raw produce sold to processors, and a number of credit lines with subsidized interest rates [5]. At the same time, the large amount of investments supports very large farms and enterprises (conditions specify minimum herd sizes, animal weights at sale or hectares planted) [3].

The second case illustrated above shows that the agricultural policy has led to an implementation deficit or has been undermined by regional agro oligarchs for their economic benefits. Small livestock owners lack resources, skills and time to challenge the agro oligarchs' interests. In the end, small livestock owners lose motivation and what best serves their interest is to sell the livestock in summer or autumn, because there is no livestock fodder for winter time. In this regard, Robinson's study on livestock of Central Asian countries [3] highlights the lack of land to grow fodder and poor access to pasture in Kazakhstan. Similar to FAO's report [2] we argue that the national state allocates a substantial budget for the development of livestock, however, the implementation on the ground is thwarted by agro oligarchs and their corrupt supporters from the executive bodies.

Even with the case of social markets that aims to aid the people living in poverty or at lower subsistence level, there is corruption. The social markets must provide good quality food (similar to standard market quality), however, some regional executive officials who are directly involved in this in combination with private providers made it a source of profit.

In sum, this paper argues that public councils are not always effective in the resolution of cases related to food security. This is because of a lack of sanctioning power by public councils, corruption, lobbying by agro-oligarchs, and the public councils lack of expertise in agricultural issues. Thus the following practical policy recommendations are suggested:

- the national government must monitor and interfere in regional agricultural policy design and implementation;
- the state must consider the climatic features of regions for livestock raising, some regions are located in the desert and challenged by consistent droughts;
- before subsidizing the construction of hubs for the storage of vegetables the state must involve various stakeholders (farmers, citizens, businesses) in policy design;
- regional anti-corruption agencies should collaborate with regional public councils and aid in their investigations;
- public councils should involve agro experts from academic institutions and think tanks.

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