#### **CARE GROWTH IS NOT ENOUGH**

# Growth is not enough:

Solving the global hunger crisis requires investments in gender equality





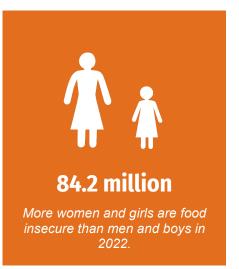
# Growth is not enough:

### Solving the global hunger crisis requires investments in gender equality

In 2022, more than <u>735 million people</u> in the world were hungry. That's 1 in 11 people worldwide, and 121 million more people hungry than before the COVID-19 crisis, and the impacts of the conflict in Ukraine, climate change, and skyrocketing inflation on food and fuel are continuing to impact food security around the world. While some countries saw improvements in 2022, in many regions around the world—especially Africa and the Middle East, hunger and food insecurity grew.

Relative global stability in the numbers of hungry people is masking rapidly growing inequality. There are 84.2 million more women and girls than men and boys facing food insecurity. The <u>gender food gap</u> grew in many regions, including most of Africa, Southeast Asia, the Middle East North America, and Europe. Gender inequality is not the only challenge. Inequality is growing in many ways. 33% of adults in rural areas are food insecure, compared to 26% of people in cities. In <u>sub-Saharan Africa</u>, nearly 20% of people are food insecure, compared to a global average of 9.2%.

Economic growth alone will not solve this problem. CARE's <u>analysis</u> of data across 113 countries suggests that improving GDP is not enough. The most recent data shows that in situations with high inequality, economic growth can lead to higher food insecurity, especially since COVID-19. In 57 countries, GDP is growing AND food



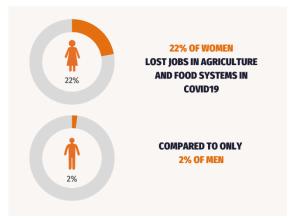
*insecurity is rising*. As *gender and income inequality rise, so does hunger*. This implies that GDP growth will not solve the global food crisis unless we can also solve the rising inequality crisis.

GDP growth will not solve the global food crisis unless we can also solve the rising inequality crisis.

# Why is this true?<sup>1</sup>

• When gender inequality rises, so does food insecurity. Across 113 countries, the more gender inequality there is, the more people there are who do not have enough to eat. That was true for countries in all income brackets, not just Low- and Middle-Income countries.

• **Gender equality is even more important during crisis.** The connections between food insecurity and gender inequality got even stronger after COVID-19 than they were before the pandemic. This challenges every assumption that we must focus on economic growth and food supplies first in a crisis and think about equality later because there are more important issues to handle. Equality matters as much or more as growth in the number of people who lose access to food in a crisis.



• **Inflation is hitting women especially hard.** Not only is inflation increasing overall inequality, but it is also driving up the prices of food and food insecurity. Women are facing both the growth of inequality— and the loss of more than a <u>generation of progress towards equality</u>—and an increase in food insecurity. When less food is available, women often go hungry first.

• **Income inequality is also critical.** Gender is only one dimension of inequality. Income inequality is even more strongly connected to rising food insecurity than economic growth is. In many cases, GDP growth is concentrating wealth for the richest people. When wealth and income are not available to people who are facing food insecurity, or who are right on the cusp of it, economic growth stops being a tool to address hunger and food insecurity. COVID-19 accelerated the trend of concentrating benefits at the top—showing the highest capture in recorded history. Since 2020, the percent of <u>wealth owned by the top .01% has gone</u> <u>up</u>. Globally, the richest 10% of people get 52% of the income, and the poorest half of people only access 8.5%. Governments have much less money than they used to that would allow them to <u>address inequality</u>.

• **Food production alone is not enough.** Despite common assumptions, domestic production of major food crops like wheat or corn does not predict more food secure countries. Neither does the supply of arable land. Countries with high production, good land, and growing economies are also facing growing food insecurity when they have high inequality. This implies that solely emphasizing either domestic production or importing large quantities of food will not solve the problem if inequality continues to grow.

• **Food systems pushed women out first in COVID-19.** <u>22% of women lost jobs in agriculture</u> and food systems in COVID-19, compared to only 2% of men. This is true beyond the agricultural sector. Women have been returning to the workforce <u>more slowly than men since</u> COVID-19.

• Women get less access to coping mechanisms. Women have <u>less access to loans, financial support</u>, and safety nets, especially during shocks. Financial access is especially critical during times of high inflation, because it allows people to adapt to the changes in the market.

• **Climate change poses grave risks for food security and for gender equality.** Climate change not only impacting the <u>world's food supply</u>—especially in Africa and Asia, but it is also a <u>major threat to gender</u> <u>equality</u>, and even to women's safety. Climate impacts are especially impacting people who rely on small scale farming for income and food. <u>Women and girls are hit hardest by the impacts of climate change</u>—especially climate change's impacts on food, farming, and water.

• **Conflict and crisis are steadily rising and lasting longer.** Economic growth post- COVID-19 is not yet translating into improved access to food, fuel, or supplies for farmers, especially women, to cope with climate change. Drought, conflict, and other <u>recurring shocks</u> are driving up food insecurity. Without savings, wealth, or income to draw on, people have a harder time even eating during constant crisis, much less finding ways back to a stable situation.

# Where is it happening?

The gaps are not always in the places people expect. The gender food gap is 15 million in North America and Europe—<u>more than double what it was in 2019</u>. In Africa, it's 10.4 million women. In 57 countries, **GDP and food insecurity both grew in 2022**. These are also countries that have experienced high food price inflation, driven by the conflict in Ukraine.



## Regions where gender gap grew in 2022

This is not just a function of income. The data shows that even looking at countries in different income brackets, gender inequality always correlates with higher food insecurity. Before COVID-19, in Low- and Middle-Income Countries (LMICs), a country that had complete gender inequality would expect to have 76 percentage points more moderate and severe food insecurity than countries with total equality between men and women, controlling for all other factors. After COVID-19, that number rose to 82 percentage points. Globally, before COVID-19, a country with complete gender inequality would have 65 percentage points more moderate and severe food insecurity than one where women and men were completely equal, controlling for all other factors. That rose to 77 percentage points more moderate and severe food insecurity after COVID-19.

Where inequality is high, economic growth can lead to higher food insecurity, especially since COVID-19. In 57 countries, GDP is growing AND food insecurity is rising. As gender and income inequality rise, so does hunger.





## Countries where the economy is growing and food insecurity is rising

## How can we solve it?

While this research shows that economic growth without equality is not enough to address the hunger crisis, we know that equality can stimulate economic growth. Gender equality in the global workforce could create <u>\$28 trillion of economic growth</u>. Closing the gap for women entrepreneurs, including gaps in access to finance, could add <u>\$5 trillion to the global economy</u>. In emerging markets, closing the finance gap for women run enterprises would <u>increase incomes by an average of 12%</u>.

Equality is good for growth and for food security. Reaching gender equality in farming and agrifood systems would <u>increase the economy by nearly \$1 trillion</u> and pull 45 million people out of food insecurity. If even half of smallholder producers got access to women's empowerment programming, <u>incomes would go up for 58 million people</u> and 235 million people would be more resilient.

This requires breaking out of the box of focusing solely on growth and instead looking at equality and growth. That can be an even higher return on investment than growth that overlooks equality. For example, in Burundi, agriculture programs focusing on gender equality create <u>\$5 of return for every \$1 invested</u>, compared to a \$2 return for every dollar invested in agriculture programs that did not look at equality.

A recent <u>CGIAR evaluation of CARE programming in Tanzania</u> found that "farming households scoring high in terms of women's empowerment are also more likely to adopt the introduced [CSA] practices when compared to those scoring low", illustrating how gender just approaches within CSA programming strengthens everyone's resilience, including women's resilience.

Some of the countries where global stats show a sobering picture also have strong evidence of solutions that can build gender equality, food security, and economic growth. Case studies of specific countries give insight into both the challenges and the solutions that can help reverse this trend.



Photo Credit: Nana Kofi Acquah

#### **Case study: Ghana**

**The stats:** In 2022, food price inflation <u>averaged 34%</u>, higher even than overall inflation at 29%. Overall inflation hit a 20 year high. By the end of 2022, 850,000 Ghanaians had been pushed into poverty, <u>823,000 people were in food</u> <u>crisis</u>—a 47% jump since 2021, and <u>12.9 million were food insecure</u> (1.1 million more than in 2021). Those impacts were even more severe for people with lower incomes, since they spend a larger percentage of their money on food. At the same time, **GDP is still growing by 3.1%**.

**The farmers:** Fertilizer prices rose by 200% by the summer of 2022, which caused smallholder farmers to <u>reduce their</u> <u>field sizes by 30-50%</u>. The Upper East region experiences the highest rates of food insecurity, marked by uncertain weather conditions, low agricultural growth, and increased prices of inputs that hit the <u>poorest farming families the hardest</u>. Access to credit also shrank. At the same time, government fertilizer subsidies dropped from 50% in 2017 to 15% for chemical fertilizer and 25% for organic fertilizer in 2022.

**The women:** Ghana's <u>Gender Inequality Index</u> score is .53, ranked 130<sup>th</sup> in the world. The gender food gap in <u>Ghana is</u> <u>400,000 women</u>. Women have lower pay, lower access to jobs, less access to credit, and less access to information, inputs, and markets than men do. The regions in Ghana that have the highest food insecurity also face the highest gender inequality.

**The solutions:** Ghana has made progress towards women's rights and gender equality. It has also hosted a number of solutions that show promise for improving both food security and gender equality. Between 2018 and 2022, the <u>Agrosource</u> project helped women increase their incomes by 66% (\$73), improve food production by 55% per acre, and more than double the yield of "women's crops"—the ones that make up most of families' diets. It did that by making sure women could access improved seeds, had the market connections to get fertilizers and supplies, and supporting local businesses to work closer to women—cutting travel times for 34% of women and increasing business income—sometimes up to \$8,585. The project also helped more women open businesses.

<u>Women Rear</u> helped women serve as animal health service providers to reach women livestock keepers with much needed vaccines for chickens and goats—sometimes even using drones. That keeps critical sources of protein and income available for women. 91% of women say they are getting better services for their livestock. The project also reduced vaccine wastage from 27% to 8%, so every dollar invested goes farther for women and their communities. Gender stereotypes changed, too. Now, women farmers are supported to rear animals, instead of being prevented from it. They can openly declare that they own livestock, and they can sell their own animals. Female vets feel more accepted and valued in their jobs, narrowing the gender gap in the veterinary workforce.



Photo Credit: Caroline Joe

#### **Case study: Guatemala**

**The stats:** In 2022, Guatemala had a GDP growth rate of <u>4.1%</u>. However, Guatemala is one of the most unequal countries in Latin America and the Caribbean (LAC) region, with <u>59.29%</u> of population living below its national poverty line and a Gini index coefficient of <u>48.3%</u>. The situation was exacerbated by a high food price inflation of <u>8.65% in 2022</u>, further aggravating the country's food insecurity. From 2020 to 2022, <u>21.1%</u> of its population were affected by severe food insecurity, with a gender food gap of <u>0.3 million</u>. According to <u>a study</u> conducted by CARE in Guatemala in 2022, in departments of the dry corridor, such as Quiche, 42% of households had exhausted all grain from the previous harvest and 31% skipped at least one meal daily. Between June and August 2023, IPC estimates that <u>4.3 million people are experiencing food crisis or worse</u>, predicted a <u>44%</u> increasein acute malnutrition cases and a 50% prevalence of chronic malnutrition in children.

**The farmers:** Fertilizer prices surged by <u>128%</u> in March 2022 following the onset of the war in Ukraine. As Guatemala relies heavily on imports, this spike constrained the availability and accessibility of fertilizers in the domestic market.

**The women:** Guatemala's Gender Inequality Index score in 2021 is <u>.481</u>, ranked 121st in the world. Women earn <u>56%</u> less than men: on average, men earn \$143 per month, and women earn \$62. Only <u>37.4%</u> of women participate in the formal labor market participation (as opposed to 80.3% of men), <u>27%</u> own their own business, <u>28%</u> have access to financial markets, and women hold only 20% of seats in parliament.

**The solutions:** CARE's <u>"Nourishing the Future"</u> project in Guatemala shows promise in equality, growth, and food security. In areas the project covered, the proportion of households living below the national poverty fell from 52.3% at the project's outset in 2012 to 38.2% in 2022. This rise in household income significantly impacted food security, with moderate or severe food insecurity falling by 28.6%.

The focus on gender equality was key. The project organized in-person workshops on women's empowerment and introduced an app to guide women on how to report instances of violence. The project supported training, technical support, and savings groups. Consequently, the percentage of women in Guatemala with access to, control over, or ownership of productive resources, assets, and services grew from 13.3% at the start of the project to 17.5% by its end.

Additionally, the proportion of women participating actively using financial services rose from 10.9% to 13.2% improving their access to and control over productive resources, goods, and services. Food insecurity among participating families dropped from 66.1% to 37.5%.



#### Case study: Benin/Togo

**The stats:** Benin has had one of the fastest-growing economies in sub-Saharan Africa in recent years with a GDP growth rate of 6.3% in 2022. However, poverty and inequality remain high. The poverty rate was almost 40%, and the Gini index coefficient was 46.9 in 2019. This prevalent poverty and inequality are also reflected in the high food insecurity, with the prevalence of moderate or severe food insecurity reaching 73.76% in 2021.

In Togo, although GDP growth is 2022 reached 5.8%, the benefits of the economic growth are concentrated primarily in the urban area. As a result, the poverty level is twice as high in rural areas (58.8%) as in urban areas (26.5%). Although the country's Gini index decreased from 46% in 2011 to 42.4% in 2018, the top 1% of Togolese alone hold 12.2% of the national wealth, estimated in 2021. In 2021, more than 5.4 million Togolese faced moderate or severe food insecurity, accounting for 62.9% of its total population.

**The farmers:** More than 70% of Benin's population depends on employment in the agricultural sector, which accounts for 25% of the GDP. However, productivity is low, and farmlands are small. As a result, Benin does not produce enough food for its domestic needs and relies on imported foods and agricultural products to make up the difference.

Togo's economy relies heavily on subsistence agriculture, which employs two-thirds of the population and accounts for about 41% of the GDP. Yields for food crops have consistently been low, and the performance of the main export crops (cotton, coffee, and cocoa) has been deteriorating.

**The women:** Although some progress has been made, gender inequality persists in Benin, with a Gender Inequality Index of 0.602 in 2021, ranking 152 worldwide. Additionally, 30.6% of women aged 20–24 years old who were married or in a union before age 18. Only 8.4% of parliament seats are held by women. In the agricultural sector, rural women are responsible for 60%-80% of agricultural work, playing a crucial role in agricultural development in Benin.

Gender Inequality Index remains high in Togo, with 0.580 in 2021, ranking 149 globally. Population with at least some secondary education is 13.9% for females as opposed to 42.3% for males. In 2018, 12.7% of women aged 15-49 years reported that they had been subject to physical and/or sexual violence by a current or former intimate partner in the previous 12 months.

**The solutions:** The first phase of Communal Approach to the Agricultural Market (ACMA) project saw farmers sell \$8.1 million in agricultural produce, and their profit margins increased 7.3 times because the project focused on food systems that are resilient to climate and economic shocks and worked on ensuring new entrepreneurs—especially women and youth—could be successful in the market. It also increased access to credit by \$1.3 million, more than 8 times what small scale producers had been able to access before. The current phase of the project is funded by the Embassy of the Kingdom of the Netherlands in Benin through a consortium comprising IFDC, CARE Benin/Togo and the Royal Tropical Institute (KIT).



Photo Credit: Edward Echwalu

#### **Case study: Uganda**

**The stats:** Rising food prices and ongoing conflicts continue to exacerbate food insecurity in Uganda. According to the <u>Uganda Bureau of Statistics</u>, the annual inflation rate for the year ending February 2021 was 2.3%, which increased to 3.2% in February 2022 and 9.2% in February 2023. As a result, the prices of essential food staples remain persistently elevated. Hunger and malnutrition persist among 29% of children under the age of 5 who still grapple with stunting. Despite Uganda's recorded GDP growth of approximately 6.3% in 2022, the surge in commodity prices following the outbreak of conflict in Ukraine, limited extension services, especially for women, climate change impacts, and limited access to inputs remain pressing concerns, disproportionately affecting women and children.

**The farmers:** Agriculture plays a vital role in the Ugandan economy. Agriculture, forestry and fishing account for 27% of the country's GDP with about 68% of Ugandans employed in agriculture. Yet the agriculture sector in Uganda has been plagued by challenges such as climatic uncertainties, recurrent droughts, and the scourge of diseases and pests.

**The women:** Uganda was ranked 166 out of 191 countries on the <u>UNDP's Gender Inequality Index</u>. An estimated <u>77% of</u> <u>women are engaged in agriculture</u> work as compared to 67% of men, yet gender norms impact young women's engagement and productivity in farming. Less than 20% of women have control over their agricultural output and only approximately 17% of the women own land.

**The solutions:** Uganda has made significant progress in addressing the underlying drivers of food insecurity and exclusion of women in agriculture and market systems. The <u>Development Initiative for Northern Uganda (DINU)</u> project improved food security, maternal and child nutrition, and household incomes for smallholder farmers in 11 districts of Northern Uganda. Women were trained in climate-smart agriculture and offered access to markets and finance through savings groups. Altogether, 40% of smallholder farmers reported improved food security, with 49.3% (46.6% female and 53.7% male) adopting the production of diversified food crops and animal products. Additionally, 74.4% of smallholder farmers adopted at least three new climate-smart agricultural technologies such as water conservation, minimum tillage, line planting, and the use of organic manure. About 91.7% female smallholder farmers had improved access to markets. The <u>She Feeds the World</u> project in Uganda helped create 1,000 kitchen gardens that provided access to nutritious food to people who had not had access before. 123,130 people also contributed to gender dialogues. As a result, women in leadership roles increased 5 times, and men were twice as likely to be providing unpaid care work at home.

# Recommendations

This is a problem we can solve. Indeed, we must solve this problem if we hope to stem the global hunger crisis. Important next steps are:

#### In policies:

- Set goals for <u>equitable</u> economic growth. We must redefine success if we hope to improve the hunger crisis. Global strategies, national policies, and funding plans must include a target for equality in economic growth—not just for GDP growth or income improvements. The goals must measure who benefits from growth, and not growth alone.
- Incorporate Women's Voice and Leadership in Nexus Programming: Programming approaches that address both humanitarian emergencies and long term development plans must incorporate women's voice and leadership in emergencies to ensure that crisis response efforts—including responses to the global hunger crisis—also work to increase gender equality. Applying a gender lens to these efforts results in deeper and more durable impact, especially for women and girls who are more vulnerable.
- Think more broadly about change—both policies and social norms. Policy change must be complemented by social norms change. Policies that promote gender equality are critical and must be in place, but policies alone do not directly translate into change for the population. Implementing policies and shifting norms is critical to success.

#### In execution:

- Take women seriously as farmers and economic actors.
  - Agriculture development and extension plans must use <u>proven tools and approaches</u> to narrow gaps between women and men in the agriculture and food systems. The evidence clearly shows that it is both possible and cost effective to run programs that promote equality and narrow gender gaps, as well as support incomes and improvements for people who are not currently benefitting from economic growth.
  - Private sector actors must promote decent, equitable work in across food systems.
  - Public and private actors steps to reduce the growing <u>gender gap in the future of work</u>. Invest in women's leadership in the workplace, which improves productivity, reduces violence, and contributes to national economic prosperity.
- Strengthen Farmer Resilience to Climate Change by Setting Women Up for Equality. Smallholder farmer adoption of climate-smart agriculture (CSA) practices is an important way forward for building household and community resilience to the hunger crisis. It is important, however, to ensure that CSA practices and technologies are also designed with women farmers and for women farmers, to ensure that CSA promotion does not end up widening gender divides.
- Address the Gender Digital Divide. Policies and programs must rapidly act to address the gender digital divide. The ever-increasing gender digital divide is leaving women behind at an alarming rate as more and more services, mechanisms, platforms are moving to digital. It also exposes them to the real threat of technology facilitated GBV which is rarely considered when developing digital solutions.

#### In financing:

- Invest in women leaders and women-led organizations. Women's Rights Organizations have been on the forefront of gender equality in countries all over the world for decades. They have critical expertise on what investments will work, and how those investments can pay off over the long term. Pay to support these groups and fund their time and expertise to design inclusive plans for promoting growth and reducing food insecurity.
- **Couple Financial Services with Digital Support Services that reach the most marginalized people.** Empowerment needs to look beyond access to finance and increased income to other areas that support growth, like access to digital services and devices, care – both as a business and a barrier to working, expansion into untraditional sectors, and other solutions.
- **Reevaluate your investment portfolios.** Look for investment opportunities that promote equitable, climate-smart, sustainable growth. This spans the financial spectrum from personal investment portfolios to banking and <u>financial products for women entrepreneurs</u> to multilateral banking

investments at the national level. Investments should include the criteria of equality in addition to growth as key outcomes.

#### In measurement:

- **Ensure Quantitative Data Captures Women's Realities.** Capturing the nuances in equality and who benefits from policies in data is critical; sex-disaggregation is the bare minimum. Public, private, donor entities need to adopt more comprehensive data collection to ensure quantitative data which they all value above qualitative and is predominantly used to make decisions represents people's realities.
- **Redefine success metrics.** Measuring success should include food security, equality, AND economic growth, rather than focusing on economic growth. Success metrics should also include understanding tradeoffs for climate change and long-term sustainability.
- Move beyond the numbers. Numbers are one important source of data, but they do not capture the full
  picture of what is happening. As this research shows, focusing solely on one or two large quantitative
  metrics can actually increase food insecurity and worsen hunger and wellbeing. Investing in ways to
  understand women's voices and including the experiences of people who are seeing increasing food
  insecurity are crucial to building solutions that will work.



# **ANNEX 1: Methodology**

These findings come from an analysis of 113 countries that looks at the intersections of food insecurity, gender inequality, income inequality, and GDP growth. It controls for the production of major food crops (wheat, rice, and corn), as well as arable land size. This study employed Seeming Unrelated Regression (SUR) estimation techniques to understand the correlation between country-level food insecurity conditions as and a host of economic, demographic, and structural factors, including gender inequality, which is a major variable of interest in this study. This report draws from CARE's analysis of <u>Growth is not</u> enough. The full methodology is laid out in that report.

This report also draws on insights from the rich existing literature on links between equality, economic growth, and food security to understand the underlying causes of the statistical findings and potential solutions to address the hunger crisis while promoting both equality and economic growth.

Emily Janoch Associate Vice President, Thought Leadership and Design CARE USA <u>Emily.Janoch@care.org</u>

Florence Santos Director, Impact Measurement and Analysis CARE USA Florence.Santos@care.org