

CIEDR 2018
The International Scientific and Practical Conference
"Contemporary Issues of Economic Development of Russia:
Challenges and Opportunities"

INSTITUTIONAL APPROACH TO FOOD SECURITY

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Abstract

The authors of the article has staidly developed and proposed an institutional approach to food security, which take into account heterogeneous elements. The need for an institutional approach to food security is based on the rules of various world organizations dealing with food security issues, including the UN, and is determined by insufficient effectiveness of the traditional approach, which ultimately takes into account only the production and consumption of food. In order to form an institutional approach, there were analyzed scientific works and approaches as for the very concept of the institution and for the institutional elements of food security. To achieve this aim of the research the following external and internal factors, including elements of the institutional component, were identified. External factors are caused by macroeconomic nature and have a direct or indirect influence on the development of agricultural production, as the basis for food security. Internal factors are performed in the form of institutional forms that determine interaction with the external institutional environment and directly provide food security. The elements of external factors of the food security institutional component include a “legal institution” and an “institution of relationships”, which together form an institutional basis and form the legal basis for the functioning of institutional forms in interaction with the institutional environment. The proposed approach allows solving the issues of food security based on determining the state and degree of influence of each institutional factor.

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Keywords: Food security, institute, institutional environment, institutional norms.



1. Introduction

The theoretic need for an institutional approach to food security is based on the rules of various world organizations dealing with food security issues, including the UN. The Declaration of the World Summit on Food Security, paragraph 19 emphasizes a special importance for developing countries of strengthening institutional capacity to develop and implement effective and realistic policies that ensure access to food, solve malnutrition problem, and give access of small landowners to technologies, factors and means of production, as well as to markets (Declaration of the World Summit on Food Security, 2009).

The same document in paragraph 27 speaks of the need to develop farming, especially small ones, capable of adapting to climate change and mitigating its consequences through the use of appropriate technologies and methods that increase the sustainability of farming systems, thereby contributing to the food security. Herewith, it is recommended to develop and improve financing mechanisms and other appropriate measures that facilitate climate change adaptation and mitigate their consequences, so that small farmers can benefit from equitable transparent and effective institutional mechanisms (Declaration of the World Summit on Food Security, 2009).

The FAO Committee on World Food Security has developed a “Global Strategic Framework for Food Security and Nutrition”, whose guidelines and recommendations indicate that the global strategic framework should be interpreted and applied in accordance with national policies, national legal systems and institutions (Committee on World Food Security (CFS), 2015).

The basic standard of food security is considered to be Agro-food systems, which covers a wide range of activities, including production, processing, sale, retail trade (Maxwell et al., 1999). Food systems also include a variety of structures, people and institutions, and determine the socio-political, economic and technological conditions in which all these activities are carried out (Global platform for food security revitalized, 2009).

States are encouraged to promote an enabling political, legal, regulatory and institutional environment, including one of the key aspects of food security – the ability of households and individuals to access food (Cafiero, Viviani, & Nord, 2018).

The second phase of the implementation of the Guiding Principles in Support of the Right to sufficient nutrition indicates the thorough evaluation of policies and institutions with the assistance of related parties (FAO Final Report, 2016).

The international legal acts presented above operate with the concept of the institute from the standpoint of a system of government bodies regulating relations with agricultural producers, processors and other subjects of food security.

Experts of international organizations, in particular the World Bank, also share this position and define institutions as standards and rules, mechanisms ensuring the implementation of law and organization (World Development Report, 2002). From this point of view, it lacks the elements to which norms and rules apply. A part of Russian scientific researchers agrees with the presented definition.

It should be noted that in this interpretation the definition of a concept does not take into account institutions as norms, in contrast to the following concept. The concept of the institution for the application of economic science was borrowed from political, legal and other disciplines, the most

activity and various interpretations acquired with the advent of the institutional direction, the founder of which was T.B. Veblen.

The ideas of Veblen (2007) are based on the fact that “the doctrine of marginal utility does not explain the whole diversity of socio-economic life”. Like the whole human culture, this material civilization is a system of institutions - institutional structure and institutional development. In its interpretation, institutions are the results of a habit.

March and Olsen (2006) define the institution as “... a relatively stable set of rules and organic practices rooted in knowledge structures and resources that are relatively unchanged in the face of the variability of individuals and relatively stable in the context of unique individual preferences and expectations and changing external circumstances” (p. 3).

Another part of economists perceives institutions from a legal standpoint, which forms the legal basis for food security.

The institutional factor is an essential element for food security and for creating conditions for agriculture sustainable development and is closely linked to the creation of legal conditions on the basis of political, legal norms and rules for their formation.

In addition, part of the academic economists relies on the study of institutions for food security from the position of organizational and legal forms of management, adopting the principle of ownership as a basing point.

Initially, “institutional changes in the economy of the Russian Federation were based on the development of ownership relations on property, which are associated with their regulation. It was assumed that the development of property relations of economic entities would increase the effectiveness of their activities and allow more rational use of property that is in possession, trust or economic management and asset disposal”. However, changes in the economy have produced some conflicting results. The development of property relations did not entail a qualitative improvement in the operation of fixed assets, for example in the agricultural sector (Noskova, 2006). This situation poses a threat to the food security of the region.

Application of scientific methods of institutional economics has introduced new approaches to the study of institutions, which reflect the following positions that directly affect institutions: institutional arrangements and institutional environment with regard to food security.

Institutional agreements refer to entity (state, party, association, etc.), which is constituted on the basis of a contract (arrangement) between individuals with respect to additional “internal” restrictions added to the generally accepted “rules of the game”, which they are obliged to observe (Patrushev, 2006).

Tarasova (2015) points out that the institutional environment for food security in the Russian Federation consists of international agreements, the regulatory and legal framework for food security created at all levels of government (federal, regional, local), programs supporting population and economy sectors, informal rules; bodies of state power and specialized organizations that ensure the country's food security. The institutional environment for food security should be constantly improved and transformed depending on external and internal socioeconomic and environmental factors to ensure a decent standard of living for the population of the country, sustainable development of the state and its regions.

All the above-mentioned theories are heterogeneous and do not ensure the integrity of the perception of institutions for the purpose of food security.

2. Problem Statement

To achieve the research aim the following tasks were accomplished: considering international and Russian institutional approaches to food security, summarizing the results, determining the factors and elements of the institutional component.

3. Research Questions

The research was conducted because of the unresolved issues of food security based on a traditional approach that which ultimately takes into account only the production and consumption of food. The institutional approach significantly expands the essence of the problem of food security with allowing its solving by the influence on the factors that shape it.

4. Purpose of the Study

Purpose of the study was to develop an institutional approach to food security that takes into account the diverse elements that affect the process.

5. Research Methods

The methodology of studying the institutional component of food security bases on the compilation of a matrix. Elements of the matrix of the institutional component of food security are determined based on an analytical approach and systematization of scientific research in the field of institutionalism.

6. Findings

In order to determine the institutional component of food security, it proposes to identify two types of factors based on the described above approaches. These factors are external (have macroeconomic nature and/or direct/indirect influence on the development of agriculture as a basis for food security) and internal (perform as institutional forms, which determine their interaction with the external institutional environment and directly ensure food security) (Figure 01).

It is worth explaining that the elements of internal factors of the institutional component of food security are the institutions of various organizational and legal forms, i.e. institutional forms (institution-forms) such as household farm, peasant farm enterprise/ private entrepreneur, private limited company, etc.

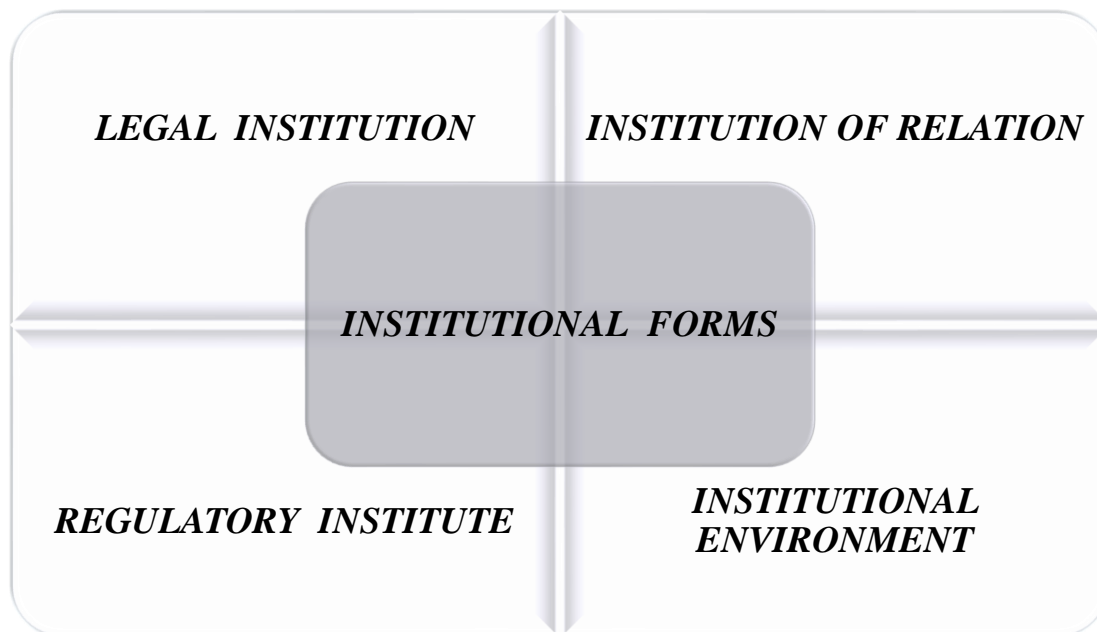


Figure 01. The matrix of the institutional component of food security (compiled by the authors)

Elements of external factors of the institutional component of food security are advisable to classify as: 1) a legal institution or a set of regulative legal acts aimed at the development of agribusiness, agriculture, rural areas, controlling the activities of food security entities; 2) the institution of relationships - the interrelationship of institutions among themselves and the institutional environment, based on federal legal norms and defining a principled approach, the sequence of measures for the formation of the economic structure of the subjects of the institution of private property; 3) regulatory institution is a body of authority representing the interests of the state in the field of food security; 4) institutional environment is an entity of socio-cultural, infrastructural components, housing and communal services, medical and social conditions, socio-financial and economic support that are necessary for the effective functioning of institutional forms for food security.

Elements of the external factors of the institutional component of food security are “legal institution” and “institution of relationships”. Together they form an institutional basis that make the legal basis for the functioning of institutional forms in interaction with the institutional environment. Having determined these factors, further research aims at determining their status and the degree of influence on food security through various scientific research methods.

7. Conclusion

Thus, the institutional component of food security takes into account two types of factors: internal – different types of institutional forms that make food security; external – have a direct (indirect) influence on the development of agriculture, which include the legal institution, the institution of relationships, the regulatory institution and the institutional environment. Taking into account these factors and determining the degree of their mutual influence allows us adjusting the approaches and their implementation to the problem of food security.

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