

# FOOD SECURITY AS SUPPLY SECURITY: GEOPOLITICAL IMPLICATIONS FOR ASEAN



by Jose Ma. Luis Montesclaros

Global supply chains have been disrupted in recent years by the 2020 COVID-19 pandemic and geopolitical threats such as the 2022 Russia-Ukraine war, the 2023 Hamas-Israel conflict, and the escalating US-China trade war. To buffer against such disruptions, many countries have explored strategies to attain greater *supply security* in terms of stability of prices and supplies. They have leveraged strategies such as diverting trade towards geopolitical allies (*friendshoring*), expanding the number of supply sources to reduce dependence on riskier sources (*diversification*), and increasing reliance on neighbouring countries (*nearshoring*).

Food supply chains are not immune to these challenges. Apart from export bans for critical commodities like rice, wheat and maize, the productivity of the food sector has also been affected by climate impacts, including droughts and floods, and migrations of pests and diseases. As a result of environmental disruptions, agricultural productivity growth has slowed down, leading to rising undernourishment rates globally and within Southeast Asia since 2014, even before the global supply chain disruptions of the 2020s.<sup>1</sup> Food security and the resilience of food supply chains can thus be seen as a subset of the broader supply security landscape that countries are seeking to navigate, as my co-authors and I argued in *Applied Economic Perspectives and Policy*.<sup>2</sup> This reality necessitates renewed attention to how countries are securing their rice bowls and breadbaskets and to the role of regional food supply chains in this regard.

## Supply Security and Food Security as Critical to States

Supply security has been recognised as a critical challenge for states as disruptions can stagger industrial production, with grave implications for economic security in the form of lost jobs and higher prices of goods. The United States, for instance, passed its *Strategic and Critical Stockpiling Act* in 1939 amid geopolitical tensions at that time in Europe and East Asia.<sup>3</sup>

Supply security is especially important to the European Union, for instance, given its high degree of trade dependence for domestic consumption. The high frequency of disruptions to the sector has led to calls questioning whether a *laissez-faire* approach is still sufficient to maintain domestic stability.

Like the broader issue of supply security, food security is also important to states since the inability to maintain the stability of domestic food supplies and prices has had critical linkages with the legitimacy of political regimes. A case in point is the 2024 downfall of Bangladesh's prime minister, Sheikh Hasina. Her downfall occurred amid the country's financial crisis, which left over 37 million in economic distress and moderate-to-severe food insecurity.<sup>4</sup> Sri Lanka's former president Gotabaya Rajapaksa's ouster in 2022 had similar causes. Following a currency reserve shortage, his government swiftly reduced farmer subsidies

<sup>1</sup> FAO, IFAD, UNICEF, WFP, and WHO, "The State of Food Security and Nutrition in the World: Urbanization, Agrifood Systems Transformation and Healthy Diets across the Rural-Urban Continuum", FAO, 2023, <https://doi.org/10.4060/cc3017en>.

<sup>2</sup> Christine Wieck, Bettina Rudloff, Kristina Mensah, et al., "Geostrategic Dimensions of Recent Food Policy Decisions", *Applied Economic Perspectives and Policy*, 2024, 1–22, <https://doi.org/10.1002/aep.13479>.

<sup>3</sup> A. Glencross, "The Geopolitics of Supply Chains: EU Efforts to Ensure Security of Supply", *Global Policy* 15 (2024), 729–739, <https://doi.org/10.1111/1758-5899.13388>

<sup>4</sup> Financial Express, "Bangladesh Crisis: Sheikh Hasina Resigns and Flees – Root Causes and Prognosis", *Financial Express*, 6 August 2024, <https://www.financialexpress.com/opinion/bangladesh-crisis-sheikh-hasina-resigns-and-flees-root-causes-and-prognosis/3575501/>.

<sup>5</sup> Paul Teng and Jose Ma. Luis P. Montesclaros, "The Danger of Misguided Food Production Policies: The Case of Sri Lanka", *Commentary*, RSIS, 28 October 2022, <https://www.rsis.edu.sg/rsis-publication/rsis/global-food-insecurity-the-danger-of-misguided-food-production-policies-the-case-of-sri-lanka/>.

for imported fertilisers. Farmers were instead encouraged to engage in organic production, which led to significant harvest losses and food price inflation upwards of 50%. Consequently, 9 in 10 families were forced to skip meals.<sup>5</sup>

On the flip side, Prime Minister Narendra Modi's recent victory in India's national elections can be attributed in part to the steps he took to enhance food security. His government moved food stocks away from public stockpiles allocated for the poorest populations and into open markets to cool the grain price inflation faced by the growing middle-income population,<sup>6</sup> which did not qualify for food aid. Additionally, his grain export bans helped further quell domestic grain price inflation. Thus, food security remains one among the contributory factors to the rise and fall of regimes in recent years.

### Regional Approach in ASEAN: Food as a Community Matter

In light of the geopolitical disruptions and their implications, attaining food supply chain resilience increasingly requires what a joint publication by the OECD and two UN agencies calls a context-specific "territorial approach"<sup>7</sup> that addresses the unique constraints countries and their sub-national areas face.

Yet, Dr David Laborde, director of the UN FAO Agrifood Statistics Division, noted during a recent RSIS webinar that countries tend to fall into self-defeating "non-cooperative" behaviour such as by imposing food export bans to safeguard domestic food supplies and affordability.<sup>8</sup> Other reasons for banning exports include stabilising prices for intermediate goods such as oil palm, which serves as inputs for manufactured goods like vegetable oils and bioethanol, or wheat and maize, which are used as livestock feed. The problem, he noted, lies in the kind of policy tools that countries choose to use. For instance, India's wheat export ban seems to have invited a tit-for-tat response from Indonesia, which followed India's action with a ban on the export of oil palm. Such export bans may effectively be transferring one country's food price inflation to other countries.

Regional platforms such as ASEAN present an opportunity for improving international food supply chain coordination to the benefit of Member States. Responding to the global food price crisis of 2007–2008, ASEAN Member States agreed on a regional food security mechanism, namely, the ASEAN Integrated Food Security (AIFS) Framework for 2009–2013. In 2017, ASEAN countries committed to the second UN Sustainable Development Goal (SDG) of "Zero Hunger" by 2030.<sup>9</sup> The latest 2021–2025 AIFS sets out three principles for regional partnership, including country-level ownership of member countries' respective development policies and strategies; alignment of donor support behind the priorities of each member's national development strategy; and harmonisation and coordination of donor efforts to avoid duplication and reduce transaction costs for ASEAN Member States.<sup>10</sup>

Thus, regional platforms like ASEAN speak to some of the earlier strategies applied to attain supply chain security. More than just friendshoring, in fact, ASEAN's Member States have a common interest in building a food-secure region as part of ASEAN's envisioned economic and sociocultural communities, feeding into regional sociopolitical stability as well.

### Geopolitical Implications: Focusing on Regional Interests

Amid the ongoing trade wars and proactive approaches taken by countries to ensure supply security, ASEAN's regional approach should count among the best practices for countries and regions to emulate. What is of great interest is the region's ability to collaborate despite differences in leanings within the US–China geopolitical spectrum.

For instance, the region maintains an ASEAN Food Security Information System (AFSIS),<sup>11</sup> supported by its "Plus Three" partners, comprising China, on one end of the spectrum, and Japan and South Korea (US-aligned), on the other end. This initiative seeks to improve transparency and stability in regional supplies and prices. The ASEAN Plus

<sup>5</sup> Jose Ma. Luis P. Montecarlo, "India's Rice Export Restrictions Need Multilateral Solutions", East Asia Forum, 18 October 2023, <https://eastasiaforum.org/2023/10/18/indias-rice-export-restrictions-need-multilateral-solutions/>.

<sup>7</sup> OECD, FAO, and UNCDF, *Adopting a Territorial Approach to Food Security and Nutrition Policy*, OECD Rural Studies, OECD Publishing, 29 April 2016, <https://doi.org/10.1787/9789264257108-en>.

<sup>8</sup> David Laborde, "Policy Options for Asia and Global Community in the Face of Export Bans", RSIS webinar, 29 May 2024, <https://www.rsis.edu.sg/rsis-event-article/rsis-policy-options-for-asia-and-global-community-in-the-face-of-export-bans/>.

<sup>9</sup> ASEAN, "ASEAN Leaders' Declaration on Ending All Forms of Malnutrition", Manila, 13 November 2017, [https://asean.org/wp-content/uploads/2022/08/Agd-6.1.c\\_ADOPTION\\_2017\\_ALD-on-Ending-All-Forms-of-Malnutrition\\_Endorsed-by-the-AHMM.pdf](https://asean.org/wp-content/uploads/2022/08/Agd-6.1.c_ADOPTION_2017_ALD-on-Ending-All-Forms-of-Malnutrition_Endorsed-by-the-AHMM.pdf).

<sup>10</sup> ASEAN, "ASEAN Integrated Food Security (AIFS) Framework and Strategic Plan of Action on Food Security in the ASEAN Region (SPA-FS) 2021–2025", 21 October 2020, <https://asean.org/wp-content/uploads/2020/11/42-AIFS-Framework-SPAFS-Final-13-July-2020.pdf>.

<sup>11</sup> ASEAN Food Security Information System, n.d., <https://aptfsis.org/aboutUs>.

Three Emergency Rice Reserve (APTERR) is likewise a unique regional mechanism whereby ASEAN and its Plus Three partners pledge to maintain a common rice stock for dealing with food sector emergencies as well as price disruptions.<sup>12</sup>

Looking forward, ASEAN would do well to ensure the continued functioning of such initiatives despite the differences in geopolitical leanings of its “Plus Three” partners in East Asia and even of its own member states.

As geopolitical disruptions worsen, the value of such collaborative initiatives can only increase, as highlighted by the ASEAN Leaders’ Declaration on Strengthening Food Security and Nutrition in Response to Crises,<sup>13</sup> adopted under Indonesia’s 2023 chairmanship of ASEAN. That statement recommended expanding each ASEAN member state’s Local Resource-based Food Reserve (RBFR), sourced domestically and regionally.

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<sup>12</sup> ASEAN Plus Three Emergency Rice Reserve, n.d., <https://www.apterr.org/what-is-apterr/what-is-apterr2>.

<sup>13</sup> ASEAN, “ASEAN Leaders’ Declaration on Strengthening Food Security and Nutrition in Response to Crises”, 5 September 2023, <https://asean.org/wp-content/uploads/2023/09/ASEAN-Declaration-on-Strengthening-Food-Security.pdf>.