



# Corruption is starving the poor in developing economies

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Robust institutions and low levels of corruption are more important to reducing hunger than population size or the state of a country's natural resources.

Food security—the ability of a country to feed its people—will become even more important in coming years as Asia's population rises and resources grow scarcer.

A study of 10 countries in Asia and the Middle East found that food security grows alongside the development of political democracy, economic growth, strong judicial systems, and other institutions.

Asia will need to produce more food despite resources that are already limited and will be even more stretched as populations grow.

While environmental issues, including climate change, are tough challenges, institutional reform is the most important step for countries in the region seeking food security for their people.

Food security is damaged by corruption and weak institutions, whether countries are large or small, and regardless of their natural resources.

Harsh climates and poor soil matter less than a fair judicial system and honest politicians.

Governments that are accountable to their people, and transparent in their operations, are more likely to invest in agriculture to increase food security.

Israel, Singapore, the Republic of Korea, and Japan have good levels of food security, and strong institutions that promote economic growth and equitable distribution of resources and keep corruption at a minimum.

India, the People's Republic of China, Bangladesh, Indonesia, the Democratic People's Republic of Korea, and Pakistan all have weaker institutions, leading to higher corruption and greater inequality.

Economic growth is an important driver for food security, but it only goes so far without healthy institutional support and low levels of corruption.

Weak judicial systems and other institutions allow corruption to flourish, exacerbating inequalities and leaving a large segment of the population prone to hunger.

China's rapid economic growth has raised its level of food security, but a lack of reform in its key institutions means it still has a way to go to ensure all its citizens have enough to eat.

Reform of Asia's institutions will help governments take on the challenge of raising food security in the future but that doesn't mean the governments themselves need to take a heavy hand in organizing food production or distribution.

Governments need to ensure that the necessary investments are made in agricultural research and development, but markets can play a key role in achieving food security.

Promoting efficient and smoothly functioning markets should be a priority for Asian governments, with the government's role mainly to enact and oversee a proper regulatory framework for agriculture.

Food wastage should be minimized, with technological improvements and education helping to reduce waste on farms, in transit, and at the dinner table.

Global trade needs to be promoted so countries without adequate natural resources can maintain food security. Singapore, for example, has very limited natural resources but manages a high level of food security.

**This is part one of an episode based on research done for ADBI by various authors, compiled in Food Insecurity in Asia: Why Institutions Matter. The book was edited by Zhang-Yue Zhou, a professor at the College of Business, Law and Governance, James Cook University, Australia, and Guanghua Wan, an economist at the Asian Development Bank, Manila.**

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