



## PAIRVI OCCASIONAL PAPER SERIES

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### **NATIONAL FOOD ENTITLEMENT BILL: A restricted approach to food security**

The Common Minimum Programme of the UPA promised to enact legislation on food security. All of us witnessing interface of hunger with development were pleasantly surprised to learn about the move to bring Food Security Bill. Though many of us were not sure how food security can be ensured by a Bill enacted by any Ministry? A primary exposure to the issues of food, and hunger tells us that it is not the one legislation, or Ministry of even the government that can ensure a long term food security. However, we waited. In the budget speech this year, the Prime Minister declared that the National Food Entitlement Bill (to be called the Bill hereinafter) is almost ready. The Bill has been referred to EGoM for perusal. The draft of the Bill is not yet in the public domain, and if media reports are to be believed, the basis of draft is a concept note circulated by Ministry of Consumer Affairs. What has been gathered from media reports, on the content and intention of the Bill is highly debilitating. The Bill is sure to raise huge public outcry. The most important reason is that the Bill reduces the entitlement for poor from 35 kgs of food grains to 25 kgs. Not only that, it also raises the prices from Rs. 2 kg to Rs. 3 kg. However, the biggest problem with the Bill is that it looks food security in isolation with other food and non food components like water, health and sanitation. This way it is more a dis-entitlement Bill rather than entitlement Bill. Let us go through the major components of the Bill to understand it better. Let us peruse what the National Food entitlement Bill seeks to do, and then we will come to the discussion what else is required and may be more important for the food security in the country.

### **Poverty estimates and reduction in the number of eligible families**

The estimates of poverty in India vary significantly. While the World Bank suggests that below poverty line population (living on less than 1.25 USD per day) is 42%, Abhijit Sen Committee reported it to be 77%. The Committee headed by N C Saxena suggested that 50% population should be categorized as below poverty line. The Planning Commission insists that BPL population has been

reduced to 27% of the population, while the recent Tendulkar Committee (Dec, 2009) indicated that the BPL population may be as much as 37%.

Presently 6.52 crore families are below poverty line (2009) including 2.43 crore under AAY. Actual BPL cards distributed are 10.68 crore and it is estimated that excess cards distribution is of the order of 4.16 crores. The Bill seeks to reduce the estimate to 5.91 crore BPL families. It is surprising that while the estimates of poverty have been rising, the Bill seeks to reduce the number of eligible people! According to estimates of NCAER, the actual number of BPL families is 5.8 crore BPL families. However, by their own admission this estimation leaves approximately half of the people in the poorest quartile out of the food security net.

The question of deciding poverty line also needs a sound consideration. The poverty estimates is founded on a 1973 Planning Commission formula, which is too measly to say the least. The poverty line is defined as availability of 2400 kcal in rural areas and 2100 kcal in urban areas. The monetary equivalent is Rs. 368 per person per month (rural) and Rs.560 per person per month in urban areas. Now many of us know that whether Rs. 18 is sufficient enough to get a person a day's food in urban areas. The N C Saxena Committee has already suggested that the monetary equivalent of the BPL should be recast as Rs. 1000 for urban areas and Rs.700 for rural areas.

## **Reduced entitlement**

The Bill reduces the entitlement of food to 25 kgs per household against the Supreme Court standard of 35 kgs per household. It even raises the price for these food grains from Rs. 2 per kg to Rs. 3 per kg. This is in flagrant violation of the Court's Order which has laid down that Right to Food is an important component of the right to life in Art. 21 of the Constitution. The ICMR study has suggested that a five member family nutritional requirement is at least 48 kgs of food grains per month. The current central pool requirement of food grains is 27 million tons (for 10.58 crore BPL population@ 35 kgs), reducing it to 25 kgs will also reduce the requirement to 20 million tones. It appears that the government is very sure about the further decline in food production in the country and in spite of addressing that trying to reduce the requirement by pruning the number of people who are eligible for the entitlement. This will affect the already diminishing poorest segment of the population.

## **Doing away with double subsidy by the states**

The FSB also seeks to do away with double subsidization of the PDS ration for the sake of uniformity. In fact, almost all the states fault with P C estimates of BPL population and those which can afford provide further subsidization on the entitlements. For instance, Tamil Nadu entire population avails of the entitlement for the BPL. The situation is almost similar in Andhra Pradesh, and in Karnataka 83% population is treated as the BPL. The issue price of rice in TN is Rs. 1/kg. In

AP, Karnataka and CG it is Rs. 2/kgs. The FSB seeks to fix the scale and price according to its estimation. As it is, many states are not able to provide double subsidization due to paucity of resources, and access to food is severely curtailed and depends entirely upon central government allocation. It is incomprehensible, why the central government wants to act against the poor people getting double subsidization which is desperately required. In addition it also seeks to club all the programmes providing food for work. It is obvious that most of the states would be up in arms against the central government, as double subsidization of food has been one of the most important political strategies in retaining power for incumbent government in many states.

## **Most vulnerable communities, basket of commodities & food import**

The Bill is completely silent on the entitlements of single women, women headed families, migrants, and children and disabled etc. There are a number of studies emphasizing that these are most vulnerable groups out of the food security net, and must be included. The FSB reduces the basket of commodities to only rice and wheat. While it is well acknowledged that spiraling prices have pushed edible oil, fuel, sugar, pulses and even salt out of the purchasing power of poor people, providing only rice and wheat will tantamount to half baked effort. What is more worrisome, the Bill explores importation of food in order to tackle hunger rather than looking inward and securing sufficiency within the country.

## **Few good points in failed scheme**

Not to be overlooked, the Bill also has some points, which needs to be appreciated. It talks about including coarse grains in the basket food. It has been felt for long that PDS basket also must have coarse grains for poorest who cannot afford even subsidized rice and wheat. It might have a positive impact on the production of coarse grains in villages, which will be definitely a plus. It also talks about village grain banks, however, there is not much clarity how it will be established, and what role it will play in facilitating poor's access to food grains. The Bill also lays down a grievance redressal mechanism with setting up food security tribunals at district and state level, but do we not already have a grievance and monitoring mechanism in the PDS. It is altogether a different thing that very few might be aware of that and still fewer might have seen them functioning. The Bill's proposal to provide food security allowance to people who are eligible but cannot access food, is a welcome one however, with the burden of providing allowance on the state governments, it is anybody's guess how it will be taken care of.

## **An exercise in futility**

The FSB seeks to revive a failed model. PDS has been revitalized a number of times has each time, it has failed people. Despite claiming to reach more than 9 crore individuals in the country, corruption

and poor implementation has always got better than the intentions. There are a number of efforts already afoot to get the PDS scrapped. That will bring complete doom to the food security of poorest of the poor in the country. While PDS is absolutely critical to food security of the poorest, it cannot be the only solution to hunger in the country.

## **What can be done?**

It is pertinent to into the structural reasons of hunger. The biggest policy failure in the country has been to improve and strengthen the agricultural infrastructure in the country. It has allowed the food production to be stagnant for almost two decades since 1987. The production has failed to keep up pace with rising population, and has risen only marginally by 1.5-2 million tons a year. This is the situation in the country where approximately 65% of the population is dependent on agriculture. According to state level land revenue records food grains is grown in only 121.5 million ha in India (2004-05) which has hardly changed over the decade land available for food grains has declined in 11 of the 17 states listed in the hunger index. Huge agricultural tracts have been converted to non-agricultural use purposes through SEZ and cash crop productions. Private investment in agriculture has increased modestly in recent years whereas the public investment has declined falling from the equivalent of 10% of agricultural output (1981-83) to just 5% (1998-2000).

More than 650 millions of India's 1.2 billion population depend on small landholding for their sustenance. The proportion of marginal farms have increased from 36% (1960) to 47% (2004) and the small scale farms decreased from 16% to 11% during the same period. The average size landholding is 0.2 hectares and will be close to 0.11 ha by the turn of the century. The current 89 million landholdings will be fragmenting into 100 million by the same time. A steady decline of medium and large-scale farmers in India underlines the fact that small and marginal farmers have to be in the centre of policy responses if the food security of the growing millions has to be ensured. Until and unless food security is ensured in 6 lakh villages among the people who produce food and only produce food, food security in India will remain a cherished dream.

