

South Asia

Jul 19, '13

India's food bill feeds political ambition

By Kunal Kumar Kundu

NEW DEHLI - A desperate government in a tearing hurry - that sums up India's tryst with food security bill. A generally laudable objective of providing right to food to the citizens has been denigrated by the government as it becomes a political gambit - a gambit to stay in power with the hope that the bill will be as much a game changer for the ruling politicians as was the NREGA (National Rural Employment Guarantee Act) just prior to the 2009 election.

A bill that makes food a right for the majority of India's population may not be bad in spirit but there are glitches galore. Yet for a politically weak and corruption tainted government, it is a straw it is trying to clutch onto to attain political nirvana - the third straight mandate to rule the nation.

Hence, despite the bill's obvious shortcomings, the United Progressive Alliance (UPA) government decided to eschew the parliamentary route for approval as that would have meant getting into an uncomfortable debate and instead promulgated an ordinance to make the bill a reality.

India's constitution usually allows for an ordinance in between sessions of parliament only if there's an emergency. In this case, there was none. For the government, however, there was an emergency - the national election due next year.

Despite the president's declaration in parliament on June 4, 2009, that a National Food Security Act would be formulated, the UPA government took more than four years to act on it. There has been no sudden rise in incidence of hunger that necessitated this decision to suddenly fast track it through ordinance. Besides that, the next session of parliament was due to start within a fortnight.

As for the bill in itself, there's nothing new in it. Only difference is that it now aims to cover 67% of the population with no provision to ensure that none of the evils that dog existing similar provisions are effectively tackled. Food will be distributed by using the same public distribution system (PDS) - which is known for its sheer corruption and wherein genuinely entitled beneficiaries are quite often ignored. By covering two-thirds of the country's population, the new measure will result in more and more good money being thrown after bad, as the magnitude of corruption will only increase.

The moot point is - if this bill aims to reduce hunger by reaching out to the hungry, how do the authorities identify the hungry? The bill provides no answer. It leaves the issue of identification to the states. Essentially, it will use the same inefficient PDS system that has, over the years, failed miserably in identifying the actual intended beneficiaries.

The nodal agency, the Food Corporation of India (FCI) is one of the most inefficient and corrupt organizations in government. It is estimated that leakage plus administrative costs in the FCI are worth

more than 40% of the funds it is allocated.

The basic problem with most of India's social sector initiatives is the inherent lack of accountability within the system. The government washes its hands off the problem by officially incurring expenditure on the relevant account heads without any intent to ensure appropriateness of spending through an audit of outcomes and so plug the leakages.

A bigger question is, does the country need a food security bill, when the basic problem is more one of malnutrition? Given that every second malnourished child in the world is an India, it's a shameful statistic to deal with.

In a recent debate on this issue on TV in which I was a participant, the spokesperson for the Congress party, Tehseen Poonawala, reeled off information about how the bill talks about provisions for providing nutritious food to children and pregnant woman. What he does not realize is that such provisions are also there in the Integrated Child Development Scheme (ICDS), one of the largest such schemes in the world. It has been in existence since 1975 and its record after 38 years of existence is that India beats even Africa in terms of incidence of malnourishment.

Essentially, success is all about having an appropriate delivery mechanism - something that the various Indian governments have failed to address in all these years, leading to the spending of fortunes in schemes that achieve precious little - a fate that will surely befall the food security bill. In fact, during the debate, Poonawala even talked about the provision of home-delivery of food for the hungry. But when identification remains a challenge - to whose home the food will be delivered remains a question.

Moreover, what the government does not realize is that the basic cause of malnutrition in India is the abysmal lack of basic public health - something the government has failed to act on adequately over the years. In a recent article, economist Dean Spears pointed out that the double whammy of high population density and unsanitary conditions in India stunts the growth of children, who bear a disproportionate burden of infectious diseases and lose their ability to absorb nutrients. Unless India ramps up its public health system, providing extra food will mean little for such children.

Apart from the obvious pitfalls, the biggest worry is that this scheme will be fiscally draining for an economy that is struggling to keep its fiscal deficit in check. While the government expects the food security bill to cost 1,250 billion rupees (US\$21 billion) per annum, some economists suggest that the actual cost will be over 2,000 billion rupees.

Even for the current fiscal year (ending March 2014), the government expects the bill to cost 230 billion rupees. However, when the budget was presented in February, the government allowed for a mere 50 billion rupee increase in food subsidy. It is pertinent to note that at that time, the rupee was hovering around 54 per US dollar. Now it is regularly exceeding 60. That itself will impose fiscal constraint on India - and now the food security bill.

To conclude, the government flaunts the food security bill as a game changer. It indeed is one, but not because of any innovative thought in reducing hunger. It will, however, likely be a game changer if this scheme alone helps this corrupt and inefficient government retain power.

Kunal Kumar Kundu is a New Delhi-based economist. His website kunalsthoughts.weebly.com
(Copyright 2013 Asia Times Online (Holdings) Ltd. All rights reserved. Please contact us about sales, syndication and republishing.)