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Delivery Is The Key

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Thirty-five kilograms of grain per month at Rs 3 per kg for every poor household in the country, also known as 'below poverty line' or BPL household. This is what the draft Right to Food Act seeks to ensure for the poor in India, roughly 400 million people or one in every three Indians according to the latest official estimate. The Act may well turn out to be UPA-II's flagship anti-poverty programme, comparable to the NREGA initiative during UPA-I. But how best to ensure delivery of subsidised foodgrain to poor households? The main proposal under consideration is the targeted public distribution system proposed by the Saxena committee.

One key issue is identification of the poor. Better-off households, identified by simple characteristics such as car ownership, ownership of double the average land holding, employment in government or the organised sector, etc, would be automatically excluded from the BPL list. Similarly, households of the most deprived would be automatically included - that is, scheduled tribes, maha Dalits and households headed by single women, disabled persons and minors. All others would have to be ranked by a points system based on certain deprivation characteristics for inclusion in the list, subject to a cap.

The BPL census will be a mammoth task. The Saxena committee says it should be undertaken with the help of local panchayats. In the past, BPL classification has been highly flawed. Often the rich use influence to get included in the BPL list to enjoy various BPL benefits while the deserving poor get excluded. The Planning Commission is likely to pilot test the new identification formula to see how it would work in practice. Various provisions are also made to ensure transparency and correct misclassification. Such checks notwithstanding, any list from below is bound to inflate the number of poor households to accommodate local influence groups. The total number of households may then be too large to be supplied with grain procured by the government. The Saxena report, therefore, recommends caps at state, district and block levels or even lower, differentiated according to the deprivation characteristics of the area.

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Those familiar with ground realities, such as committee member Aruna Roy, say that such caps would end up filtering out the real poor, who would be competed out by the rich in the search for BPL cards. They say universal public distribution of grain is the way to go. A compromise under consideration is geographic targeting: universal coverage in the poorest 50-100 districts where over 80 per cent of households are BPL and cap-based targeting of BPL families in other districts. However, in the latter there is no way of correcting errors of exclusion unless the genuine poor have a voice and some clout in the gram panchayats involved in implementing the scheme.

Another issue is leakage in actual distribution. It is difficult to prevent influential and corrupt distributors from diverting the grain or extracting a cut from poor households - unless there is an alert, pro-poor gram panchayat monitoring the system. Nitish Kumar, by all accounts an honest and well-intentioned man and a high-performing chief minister, is of the view that the PDS is beyond repair. At a recent conference in Patna organised by the Institute of Human Development, ADRI and UNDP, he explained that he had spent a great deal of time in trying to reform the PDS and making it less corrupt. However, everytime he introduced some leakage-blocking procedure, the crooks found a way around it in a couple of months.

There are several alternative approaches for delivering subsidised food to poor households. One option, preferred by Nitish, is cash transfers to BPL household bank accounts, possibly accessed through ATMs or rural 'business correspondents' who facilitate bank transactions through their cellphones. A second is distribution of food coupons. A third option is to distribute foodgrain entitlements through the NREGA system. In each case, the main weakness is the last link in the distribution chain: the PDS shop owner, the 'business correspondent', the food coupon distributor, the NREGA job card distributor. If they are corrupt, there will be leakage. There is nothing anyone can do to close that leak. Nothing barring close monitoring by an alert, pro-poor gram panchayat. But these institutions are typically controlled by the rich and powerful in village India. The poor rarely have much 'voice' in them, let alone control.

The answer then is to set up parallel institutions of the poor through which food and all other BPL entitlements can be channelled. The Radhakrishna committee on credit-related issues under SGSY has reported that such institutions are in embryonic form in women's self-help groups (SHGs), especially in some southern states. Initially set up with government support as collective entities to receive small loans, Kudumbasree in Kerala and Society for Elimination of Rural Poverty in Andhra are now multitasking, taking on a range of different activities. The Weaver's Development Corporation is playing a

similar role in Tamil Nadu. If these SHGs are used for distributing PDS grain, BPL cards or NREGA job cards, we would see a sharp improvement in the effectiveness of a whole range of anti-poverty programmes, including the right to food.

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