

# Food Security Act in Sleep Mode

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The National Food Security Act, 2013, which promised subsidised foodgrains to 75% of the rural and 50% of the urban population of our country, is not catching attention any more as the state governments and the union government are silently postponing its implementation citing political differences. This article glances through the key elements of the act once again and takes us back to the almost forgotten debates around it.

**N**o one is talking about the National Food Security Act, 2013 any longer. After the introduction of the bill in Parliament on December 2011, it lay quiet there for almost a year and a half before the dynamics of electoral politics intervened. On 5 July 2013 it was promulgated as a presidential Ordinance; later, on 12 September 2013 it was enacted into a law.

The 27th report of the Lok Sabha Committee articulates its purpose and intention as:

Food security means availability of sufficient foodgrains to meet the domestic demand as well as access, at the individual level, to adequate quantities of food at affordable prices...The proposed legislation marks a paradigm shift in addressing the problem of food security – from the current welfare approach to a right based approach. About two-thirds of the population will be entitled to receive subsidised foodgrains under Targeted Public Distribution System. In a country where almost 40% of children are undernourished, the importance of the scheme increases significantly (The National Food Security Bill 2011).

Indeed, the aim of the act, especially the fact that the 80 crore people of our total 120 crore population are going to be entitled for a right-based access to foodgrains, is quite impressive. After the legislation was passed in Parliament and signed into a law, the country went through elections both in the states and for the Lok Sabha, in 2013 and 2014, respectively. In many states the implementation of the act was placed on hold in view of the polls.

The act aims to provide subsidised foodgrains to 75% of the rural and 50% of the urban population of our country. It converts various existing food security programmes of the Government of India into enforceable and justiciable entitlements: such as the Mid-day Meal scheme for children in government schools up to the elementary level, the Integrated Child Development Services (ICDS) scheme for children in the age group 0–6 as well as pregnant and lactating mothers, and the

much maligned staple of the Indian polity, the public distribution system (PDS). The act stipulates that beneficiaries of the new scheme shall be entitled to rice at Rs 3 per kg, wheat at Rs 2 per kg and coarse grains at Rs 1 per kg. In addition, pregnant women, lactating mothers, as well as certain categories of children are eligible for daily free meals.

## Key Elements

Some of the key elements of this admittedly populist, but revolutionary, legislation are as follows:

(1) The states were made fully responsible for determining eligibility criteria, subject to the limits of the eligible population, which was centrally stipulated for each state, both for urban and rural areas. That different states would adopt different criteria for identification of the beneficiaries was considered during the discussions, but it is a fact that, the Government of India dodged what would have been a hotly contested and contentious issue by passing the responsibility for identification of the target group to the states.

Many states took on board all the families coming under the category of below the poverty line (BPL), since that group had already been selected through a transparent process many years ago. Despite many aberrations in the selection process and inclusion of persons who were certainly not poor, the list had gained some respectability. It has been used for many central and state governments' programmes over the years. Some states added on the differently abled, the small and marginal farmers and agricultural labourers, and so on. Indeed, there were overlaps: a small farmer may have already been included in the BPL list, a marginal farmer may also be on the list of disabled persons. Thus, it was directed that such overlaps would be de-duplicated and the resultant list would be the final list of beneficiaries, expected to be well within the numerical population limits of 75% and 50% (rural and urban, respectively) arrived at for each state.

(2) Special entitlements have been provided for in the act to pregnant women and lactating mothers. They are entitled to a nutritious "take-home ration" of

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600 calories per day during pregnancy and for six months thereafter and a maternity benefit of at least Rs 6,000 for six months in cash. Similarly, children from six months to six years of age are entitled to receive free hot meals or “take-home rations.” Both these entitlements would be given through the *anganwadis*. Schoolchildren up to Class 8 in the age group 6–14 would also be entitled to a free meal each day, thus, absorbing the Mid-day Meal scheme into the provisions of the act. The poorest of the poor, who are already covered under the Antyodaya Yojana, will continue to be entitled to the 35 kg of grains allotted to them under the existing scheme. Further, in a bold move to empower the women of the country, it has directed that the eldest woman in a household, 18 years or above shall be the head of the household for the purposes of the issuance of a ration card.

(3) Insofar as the actual supply of foodgrains was concerned, the provisions of the act stated that the central government will protect the current foodgrain allocation of the states for at least six months. Further the central government will provide funds to states in case of short supplies of foodgrains. The state government will provide a food security allowance to the beneficiaries in case of non-supply of foodgrains. It would be necessary to point out that the total quantity of foodgrains required for this massive programme was calculated by different authorities differently.

(4) Each state, under Section 16 of the act, has to set up State Food Commission for strict implementation and close monitoring of the provisions of the act. Methodology for state and district level redress mechanisms is also provided for.

### Criticisms and Constraints

The introduction of the bill initiated nationwide discussions, inside and outside Parliament. But tapered off when the United Progressive Alliance (UPA) government itself did not seem to be pushing it. However, when the law was introduced as an Ordinance, the debate was reignited. On the political front, criticism of the National Food Security Bill included

allegations of political motivation (in view of the forthcoming state and national elections), as well as fiscal recklessness. A senior politician of the Bharatiya Janata Party (BJP) described the bill as “vote security” for the ruling coalition government, rather than food security. Another criticism condemned it as it had been clearly brought for elections.

On the other hand, the UPA government was gung-ho about the impact that the legislation would have on the majority of the population of the country. The legislation was widely perceived as a personal initiative of UPA chairman and Congress president, Sonia Gandhi, who spoke in Parliament during the final stages of the debate in Parliament that the passage of the legislation would be a “chance to make history.” Economist Jean Drèze, former National Advisory Council member, and said to be the original architect of the bill, had written (2013) that the bill would be a form of investment in human capital, bringing security to people’s lives and making it easier for them to meet their basic needs, protect their health, educate their children, and take risks. The then Minister of Consumer Affairs, Food and Public Distribution K V Thomas stated in an interview: “The day is not far off, when India will be known the world over for this important step towards eradication of hunger, malnutrition and resultant poverty” (quoted in C B Bureau 2013).

The quantum of foodgrains required, estimated differently by different agencies, for the implementation of the act also was a matter of debate. The Commission for Agricultural Costs and Prices (CACP) of the Ministry of Agriculture described the programme as “the biggest ever experiment in the world for distributing highly subsidised food by any Government through a ‘rights based’ approach” (Gulati and Jain 2013). In 2012–13, the Parliamentary Standing Committee on Food, Consumer Affairs and Public Distribution, estimated a requirement of foodgrains, as 6.155 crore metric tonnes, after aggregating current distribution under PDS with all other requirements. However, the final version of the bill signed into law includes the estimate of 5.493 crore metric tonnes.

The cost of the implementation of the act was estimated by the government to be Rs 1.25 lakh crore, approximately 1.5% of gross domestic product (GDP) then. This figure was also debated. The Standing Committee estimated the value of food subsidies at Rs 1.12 lakh crore. However, the CACP, after factoring in the costs of procurement, storage and distribution, placed the estimate at anywhere between Rs 1.25 lakh crore and Rs 1.50 lakh crore.

More importantly, the Technical Advisory Committee on Monetary Policy of the Reserve Bank of India looked at the legislation in larger economic terms and stated,

the Food Security Bill will aggravate food price inflation as it will tilt supply towards cereals and away from other farm produce (proteins), which will raise food prices further... Members desired that the Reserve Bank impress on the Government the need to address supply side constraints which are causing inflationary pressure, especially on the food front.<sup>1</sup>

This was echoed by the CACP which warned that the legislation would create demand pressures, which will inevitably spill over to market prices of foodgrains. “Further more, the higher food subsidy burden on the budget will raise the fiscal deficit, exacerbating macro level inflationary pressures” (Gulati et al 2012) CACP also highlighted the consequences of the legislation that would restrict private initiative in agriculture, while also reducing competition because of government’s near absolute control of the grain market.

Well after the swearing-in of the National Democratic Alliance (NDA) government, when it was clear that the implementation deadline mentioned in the act of 4 October 2014, would be missed by most of the states (only 11 states had either implemented the act or declared readiness to do so), in late November 2014, the union government announced,

Allocation of foodgrains to 11 States/Union Territories (UTs), namely, Bihar, Chandigarh, Chhattisgarh, Delhi, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Punjab and Rajasthan has started under the Act and that the ‘remaining 25 States/UTs have not completed the preparatory measures required for implementation of the Act’... The states were rapped on

the knuckles for this tardy level of implementation. Thus, the government had to extend the deadline for implementation of the Act by another six months, i.e., till 04.04.2015.<sup>2</sup>

## Second Look

That date too has come and gone. A clear articulation of the future of this legislation has not yet been made. On the other hand, there seems to be a quiet move to dilute the thrust and objective of the act. The high level committee constituted under the chairmanship of Shanta Kumar, former Chief Minister of Himachal Pradesh, to look into issues related to the restructuring of the Food Corporation of India (FCI), made certain recommendations in January this year regarding the implications of the National Food Security Act. The committee recommended that the Government of India should take a second look at the act given that leakages in PDS range from 40% to 50%, and in some states go as high as 60%–70%. It recommended that implementation of the act in states that have not done end-to-end computerisation should be deferred.

The committee further recommended that the Government of India should have a relook at various issues such as the proposed coverage of 67% of population, priority households receiving allocation of only 5 kg per person, the central issue price being frozen for three years, etc. The committee has clearly recommended that 67% coverage of population is on the higher side, and hence, should be brought down to around 40%. It was argued that this will comfortably cover BPL families and also the households above BPL. The committee further recommended that the pricing of the grains should not be kept at such low levels, but should approximate to about 50% of minimum support price. The committee felt that the implementation of the provisions of National Food Security Act as it currently stands in the statute books will put undue financial burden on the exchequer, and consequently, investments in agriculture and food may suffer.

Indeed, there are two strands in the issue that have made themselves apparent. One, in the public domain, the

Government of India makes the appropriate noises to threaten the state governments who have so far not implemented the provisions of the act with dire consequences. On the other, the high level committee submits to the Prime Minister its report seeking radical reformulation of the scheme. Admittedly, the matter is not being agitated strongly enough even by the constituents of the then UPA government. But publicly, in March 2015, the Union Minister of Consumer Affairs, Food and Public Distribution, Ram Vilas Paswan, while attempting to silence murmurs that the National Food Security Act is not receiving due priority, and is, in fact, being diluted to suit the imperatives of national macroeconomic indices (in detriment to the needs of the poor and underprivileged), stated that the government had decided not to accept the committee's recommendation regarding reducing the coverage of the National Food Security Act. He clarified that beneficiary coverage at the level of 67% as provided by the National Food Security Act would continue.

## Conclusions

The dichotomy is characteristic of the great national debate in progress. The Union Budget 2015–16 makes drastic reductions in budget allocation for major national social programmes in the country on the argument that greater devolution of tax revenues to the states, as per the recommendations of the Fourteenth Finance Commission has been agreed to by the union government. Such additional untied revenues flowing to the states should be utilised by them to fill the gaps in funding requirements of these social programmes. The reduction of the fiscal deficit is a target looming before the union finance minister. He is rightly concerned with the larger economic and fiscal picture. What better steps, argue the advocates of balanced budgets, can be taken in this direction than the reduction of allocation on schemes that yield no immediate financial results. Thus, it is that Sarva Shiksha Abhiyan, Mid-day Meal scheme, ICDS, etc, have been considerably downsized. Some schemes such as the Backward Regions

Grant Fund have been done away with completely. Recurring revenue expenditure on many of the schemes has been left to the states, with the Government of India now refusing to fund the same.

Indeed, we are on the cusp of a new paradigm shift in the thinking that is emerging from the corridors of the finance ministry. The moot question is, are we seeing the quiet interment of the National Food Security Act? Time will tell. In the meanwhile, farmers commit suicide and the really poor and the indisputably underprivileged find no means to quell their hunger.

## NOTES

- 1 From the minutes of the 24 July 2013 meeting of the Technical Advisory Committee of the RBI on Monetary Policy; [https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=29356](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=29356)
- 2 From press release by Press Information Bureau, Government of India, Ministry of Consumer Affairs, Food and Public Distribution dated 28 November 2014 under the caption "States Gets Another Six Months for Implementation of National Food Security Act," available at: <http://pib.nic.in/newsite/PrintRelease.aspx?relid=112132>

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