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# RSIS COMMENTARIES

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No. 012/2012 dated 16 January 2012

## **India's Food Security Bill: A waste or win for the hungry?**

By Sally Trethewie

### **Synopsis**

*Home to over 25 per cent of the world's hungry poor, India faces major food security challenges and the situation has barely improved in two decades. Will the National Food Security Bill that the Indian Parliament is expected to pass this month alleviate the country's food insecurity?*

### **Commentary**

THE INDIAN Parliament is expected soon to pass a bold but polarising National Food Security Bill which pledges to deliver the 'right to food' to its people. Undertaking to provide subsidised grains and food assistance to 64 per cent of its population, the 'Food Bill' is expected to be popular with voters ahead of a key election year, but critics argue that it will do little to address food insecurity and may even exacerbate the country's food woes.

Few would question that urgent and drastic measures are needed to address India's food insecurity. The Global Hunger Index recently positioned India in the 'alarming' category, with 21 per cent of the population undernourished, more than 43.5 per cent of children under 5 being underweight and child malnutrition rates worse than sub-Saharan Africa. Poor infrastructure, transport and storage facilities typically lead to 30-40 per cent of total food produced being spoiled between harvest and retail.

### **Food insecurity**

However, with India currently being a strong producer of food, the main barrier to achieving food security for its masses is lack of physical and economic access to an adequate and nutritious food basket which includes grain, vegetables and pulses. The Food Bill stands to primarily address just one aspect of India's food insecurity: access to grain. The Food Bill aims to reach 75 per cent of India's rural population and 50 per cent of the urban population. For a period as yet undefined, priority households will receive 7kg of grain per person each month and free meals will be received by lactating mothers, children, the destitute and the homeless. While the Bill's right to food mandate is encouraging, there are concerns regarding the government's capacity to deliver it.

Critics of India's existing food welfare programme – the Public Distribution Scheme (PDS) – argue that grain currently distributed is of low quality, inopportunistically delivered, stored in unhygienic conditions, lacking in micronutrients, known to contain pesticide residues, and is subject to onselling to rice traders by beneficiaries and corrupt PDS officials. Commentator RupaSubramanya laments that the PDS' involvement in Food Bill

operations will result in it providing “the right to rotting food, inefficiently delivered”.

Public debate on the Food Bill is, however, mostly focused on its economic implications, with many concerned that India simply cannot afford the US\$20 billion required to implement it. Others - including the Governor of the Reserve Bank of India – warn that the Bill will contribute to growing inflationary pressures. Pundits also question the rationality of heavy-handed government interventions on both the supply and demand sides of the food equation through the bill in combination with other welfare policy measures.

### **Indian farmers face hardship**

Flaws in the application of previous centralised schemes suggest that the Food Bill may also lead to uneven outcomes within certain demographics, regions and industry sectors. Many of India’s millions of smallholder farmers, for example, may become increasingly geographically disadvantaged by the new legislation. Grain for public distribution has typically been sourced from the country’s north-west. This has been detrimental to many farmers in India’s south and east, who have not been able to compete with cheap and free food distributed in their localities. Despite subsidies to support farmers in these areas, many have left the food production sector and become reliant on food hand-outs after finding farming no longer profitable, while the more fortunate have planted non-food or cash crops - further reducing local food supplies.

An early push for local sourcing and cash payments to farmers was not reflected in the Food Bill currently tabled, and even India’s Minister for Agriculture has admitted that the Bill will likely be harmful for many farmers. A lack of synergy with agricultural development more broadly is a glaring shortfall of the Food Bill, particularly given that production will need to increase substantially in coming decades to meet growing demand for food.

Despite these concerns, the Bill – which arose out of a 2009 election promise and perhaps would have been more aptly named the National Food Welfare Bill – has hurriedly moved through the parliamentary process. After all, it would have taken political gall for constituents to oppose a relatively straightforward and immediate proposal to safeguard the poor’s right to food given the election year ahead. It has, however, faced apprehension from at least six of India’s state governments, which will be required to fund and deliver much of the programme. After being passed in Cabinet in December 2011, the bill is expected to be implemented in mid-2012 after likely parliamentary approval this January.

### **From commodity to public good**

Beyond concerns about India’s administrative, logistical and economic capacity to deliver the Bill’s promises, the implications of transforming food from ‘commodity’ to ‘public good’ on such a scale in a competitive (and developing) economy are significant. At the very least, market distortions seem likely. Some critics pointed out that improving access in a market-based food system calls for enabling and incentivising policies rather than a paternalistic approach such as that which defines much of the Food Bill.

There were also calls for safety nets based on cash and vouchers instead of food hand-outs. The bill does contain several provisions that could be used to address potential future problems such as the Bill’s as yet unspecified time-frame, the scale of entitlements and the cost-sharing arrangements. But it will take immense political will after the implementation of such a weighty programme to tackle the structural issues facing India’s food system.

Whatever the Food Bill delivers in the short-term for the desperately hungry must be seen as a positive outcome. But just like a pile of grain rotting in an ill-equipped warehouse, it seems tragic that such an exceptional wave of political will and resources will not be utilised to its potential to alleviate India’s longer-term food insecurity.

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