

Food Security and the State

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Jos Mooij, *Food Policy and the Indian State: The Public Distribution System in South India*, Oxford University Press, Delhi, 1999, Rs. 575.

Madhura Swaminathan, *Weakening Welfare: The Public Distribution of Food in India*, LeftWord Books, Delhi, 2000, Rs. 275 (hardcover), Rs. 95 (paperback).

In independent India, food subsidies have perhaps been the most potent symbol of a government's commitment to be a friend of the poor. Yet, surprisingly, with the exception of a few southern states, food politics have never been prominent in electoral campaigns. As researchers have noted, the idea of using the public distribution system as a means of ensuring food security among the poor was never considered seriously *till recently*.

The public distribution system started off as a wartime (i.e., the second world war) rationing measure to ensure food supplies to the cities. This piecemeal measure in response to the economic exigency was formalised into a policy in independent India. The ideas of the day saw the key to economic development in large investments in industry. Cheap food was essential to the success of this strategy. Although ideologies that called for heavy taxation of the so-called kulaks were influential, practical politics limited such policies. Instead the public distribution system (PDS) was kept afloat primarily by food aid and its principal objective was to protect the workers in the major urban centres from the slow and uneven progress in food production. It was only in the 1970s that the rhetoric changed and the PDS was enshrined as a friend of the poor. In retrospect, two developments played a role. First, with the decline of food aid and the growth of domestic food surpluses, farmers became a force in the political economy. The policies of procurement and buffer stocks dovetailed neatly into the public distribution system. Secondly, the well-known politics of *garibi hatao* needed potent images and the PDS was handy.

In recent years, however, evidence has steadily mounted that in most places, the PDS is not a particularly valuable friend of the poor. In the southern states, especially Kerala and Andhra Pradesh, the poor seem to make reasonable use of food subsidies. This is not so in the rest of the country. Furthermore, even where publicly subsidised grain reaches the poor, the market is just as important supplier. Most households depend on a mix of the two. In the typical pattern, the market is the dominant supplier (presumably because ration quotas are limited and not available for purchase continuously). If, as the evidence suggests, that the PDS increases the market price of food, then these effects may well dwarf the direct benefits of food subsidies. Symptomatic of the crisis is the huge stocks with the government. At the moment, the government's food policy subtracts (and subtracts heavily) from available supplies rather than augmenting them. This suggests that the PDS is a nasty foe and not just an indifferent friend to at least some of the poor (depending on whether they are located).

Madhura Swaminathan's monograph is a cleanly argued critique of the food policy of the 1990s. This period was marked by swift increases in the issue price (at which the government sells grain) to match consistent rises in the procurement price (at which the government buys grain). The period also saw the introduction of targeting which increased the issue price for the nontarget groups called the above poverty line population in official jargon. As a result of these measures, sales from the public distribution have declined which is one of the reasons for burgeoning food stocks with the government.

To Swaminathan, the principal outcome of these reforms has been the erosion of the PDS. While she acknowledges the problems that prevent the PDS from delivering more to the poor, she persuasively argues that the extent of food deprivation requires more food subsidies rather than less. The book scores well as a concise analysis of current food policy issues. The book is however much less persuasive in its advocacy of desired reforms.

The problem is that Swaminathan sees the problem as much larger than merely misguided or politically motivated food policies. In particular, the current policies of targeting are to her a standard component of structural adjustment processes inflicted on developing countries by the international financial institutions. The deeper plot, she fears, is to dismantle the welfare programmes. Her review of the impacts of structural adjustment in various countries is, however, inconclusive. In all these countries, the introduction of targeting followed a macro shock and Swaminathan's analysis does not separate the contribution of these separate factors to the outcomes for the poor. An outcome of her sweeping judgment is that any policy associated with a structural adjustment program is tarred with the same brush. Although her arguments against targeting are weighty, she also dismisses food stamps because of the Sri Lankan experience where they were not indexed to inflation. Then why not consider indexed food stamps? Food stamps are also criticised for onerous administrative requirements. But are these administrative difficulties any greater than what we face currently with direct delivery of food?

Policy concerns are the backdrop in the book by Jos Mooij. The focus is on the institutions and processes that implement the PDS. As state governments implement procurement and public distribution, the core of her book consists of case studies of these processes in Karnataka and Kerala. Her chapter on the procurement of levy rice in Karnataka is a riveting account of how local government officials, rice mills and traders, and politicians cope with these coercive powers granted to the state. She emphasizes the use of social networks in moderating state (and bureaucratic) power and allowing businesses to function. Her study of distribution practices in the two states echo known results about how the design of PDS, difficulties of access and illegal grain diversions limit the reach and use of PDS by the poor.

In another chapter, Mooij describes the workings of the food and civil supplies corporations in the two states. Although the analysis is thoughtful, her conclusions seem

hasty and pre-determined. On the basis of very doubtful cost figures (for the state corporation), she claims greater efficiency for the Kerala corporation relative to private trade. Her other point is that the problems of these firms stem not from government ownership but because of rigidity of procedures and private misuse (by politicians). Mooij misses the larger point that neither of these problems handicap private firms. In the last case study, Mooij provides an absorbing account of how the Essential Commodities Act works in connection with the PDS. She points out the impossibility of full compliance and the staggeringly harsh legal procedures (such as reversing the burden of proof on the accused, offences being non-bailable) in the event of prosecution.

The rest of the book is concerned with situating the problem and making sense of the findings in the light of theoretical conceptions about the Indian state. Not only are these speculations not as compelling as the case studies, they seem to divert Mooij from grasping the message of her fieldwork. In spite of her attention to how social structures modify regulatory processes in mofussil towns and districts, Mooij is hopeful about the value of coercive laws and government in protecting the weak against the predations of the market. On the other hand, the tales of levy procurement, the essential commodities act and state civil supplies corporations are devastating indictments of the license-permit raj. The critique is, of course, unintended and ironically, for that reason, effective.

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