



G. S. II: SOCIAL JUSTICE

ISSUES RELATING TO POVERTY AND HUNGER

VISIONIAS

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Q1. What are the issues related to poverty and hunger?

The following can be cited as the issues related to poverty and hunger:

- Definition of poverty
- Determining who is poor and the puzzle of head count
- Arriving at a satisfactory methodology to determine the BPL population
- Whether 'poverty line' is a satisfactory measure of determining the extent of poverty
- Whether causes of poverty lie exclusively in the economic structure or social and cultural structures are also a determining factor
- How best to tackle poverty - Growth or redistribution
- Is poverty a major cause of hunger and food Insecurity
- Extent of Malnutrition in India
- Calorie consumption as an indication of increased hunger
- Corruption and inefficiency in the Public Distribution System

Q2. What are the issues regarding definition of poverty? Explain the different concepts of Poverty.

There has been a long standing dispute on whether poverty should be measured in Absolute or Relative terms. This can be better understood in the context of two different approaches: one that considers only material deprivations and the other that includes notions of social exclusion as well. Let us see how differences in the definition of poverty arise depending on which of the two approaches we use.

- Absolute Poverty
 - People are in poverty if they do not have resources to maintain human life.
 - Poverty implies lack of resources.
 - Here an attempt is made to judge the basic subsistence needs that are required to maintain health and physical efficiency. So, measures of poverty are based on the idea of subsistence. Thus it is also called as 'Subsistence Poverty', since it is based on assessments of minimum subsistence requirements.

However, advocates of Relative Poverty argue that a definition must relate to standards of a particular society at a particular time. This brings us to the concept of Relative Poverty

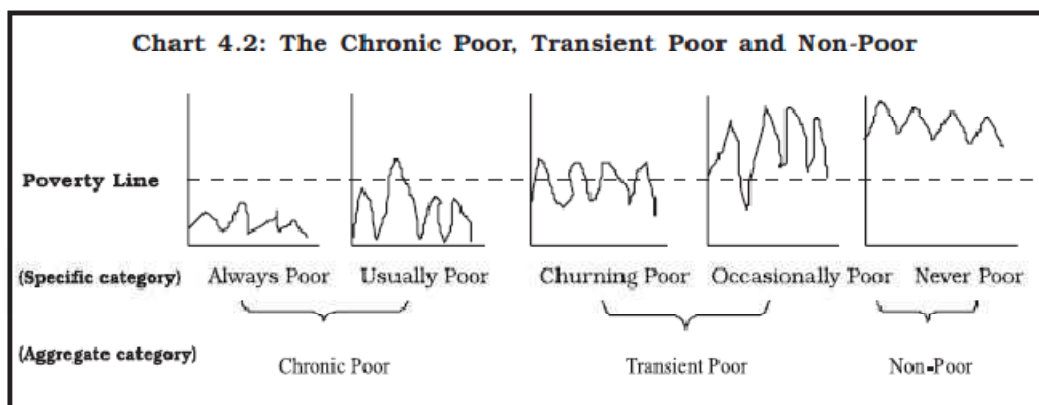
- Relative Poverty

People are in poverty if:

- their resources are much below those of average individuals
- they are excluded from ordinary living patterns, customs and activities
- they lack resources to obtain such diets, activities, living conditions and amenities which are customary or widely encouraged or approved in the societies to which they belong.

Thus it includes notions of social exclusion and multiple deprivations.

There are other ways too, of categorizing poverty. In one such way people who are always poor and those who are usually poor but who may sometimes have a little more money (example: casual workers) are grouped together as the chronic poor. Another group are the churning poor who regularly move in and out of poverty (example: small farmers and seasonal workers) and the occasionally poor who are rich most of the time but may sometimes have a patch of bad luck. They are called transient poor. And then there are those who are never poor and they are the non-poor.



Source: Indian Economic Development, NCERT for Class XI

Q3. What are the issues that arise while using these different concepts of Poverty?

Certain issues arise while using these concepts of Poverty. They are as follows:

- **Absolute Poverty**
 - Establishing a yardstick to measure poverty: the yardstick should be ideally applicable to all societies. This yardstick is known as Poverty Line, below which poverty begins and above which poverty ends. The Poverty Line is based on resources required to maintain health and physical efficiency. However, this raises the issue of pricing the basic necessities and using it to draw the Poverty Line.
 - There is no consensus on what should be included as basic necessities. While some argue that only nutrition, clothing, shelter and health should be included; others have argued that basic cultural needs like education, security, leisure etc. should also be included. However, this broadens the idea of basic human needs. Therefore, some ideas of Absolute Poverty go beyond the notion of subsistence and material poverty by introducing the idea of basic cultural needs.
 - There have been arguments that the concept of Absolute Poverty is based on the wrong assumption that there are minimum basic needs for all people, in all societies; rather needs vary both between and within societies.
 - Further, it has also been argued that no account is taken of the kind and demand of occupation. This makes it difficult to define nutritional needs.
 - The idea of Absolute Poverty becomes even more difficult to define when it is broadened to include the idea of cultural needs. This is because cultural needs vary from place to place and time to time. Therefore, absolute standards cannot be fixed.
- **Relative Poverty**
 - Relative Poverty is measured in terms of standards specific to a particular place and time. Thus it can be measured only in terms of judgements by members of a particular society. This introduces subjectivity.
 - It involves preparing a Deprivation Index, covering a number of socially approved items and thereafter, assigning a score to each household on that Deprivation Index. The deprivation Index covers both material and social deprivations. This requires finding incomes below which deprivation increases rapidly. Households with less than this income are in Poverty. But, such a deprivation index introduces the following issues:
 - The index may be inadequate
 - Items in the index may not represent people's view, rather that of an expert
 - It introduces subjectivity
 - Decisions to include certain items are arbitrary

- The point at which poverty starts is also arbitrary
 - No account of ethnicity, class, age, religion etc.
- It also demands examining how resources affect participation in approved social activities. Therefore, it defines poverty as the inability to participate in approved social activities that are considered normal. This makes it necessary to move beyond consumption to participation in lifestyles. This however, can be problematic. This is because the argument for relative standards rests on the assumption that for practical purposes standards become so fluid that no definition of need, no matter how broad, satisfies the ever changing expectations of modern life.
 - Some have argued that an irreducible core of Absolute Poverty always exists. Thus focus on Relative Poverty alone can distract from efforts made to address this core.
 - Yet another issue is the relationship between Inequality and Poverty. Any society which has inequality will have Relative Poverty. So do we need to eradicate all inequality? Advocates of Relative Poverty say that some reduction in inequality is indeed necessary, though total abolishment may not be required. But, this raises the issue whether there is no poverty if there is no inequality. This line of argument is however wrong. Relative Poverty can only supplement, not supplant Absolute Poverty.

Q4. Analyze the debate on the issues of poverty line and head count.

The Indian government uses an official poverty line in terms of per capita income but calibrated to suffice for the cost of a minimum consumption basket. The concepts of 'poverty line' and 'headcount ratio' have been central to State planning towards poverty eradication in India. At the same time, both these concepts have generated considerable controversy. For instance, the poverty line is taken as a cut-off between poor and non-poor, and is derived on the basis of a minimum requirement of a person. In the absence of data on income, the poverty line in India is measured in terms of monthly per capita consumption expenditure (MPCE) on food and non-food items as compiled by the National Sample Survey Office (NSSO) from its survey of household. But the poverty figures arrived at by using different methodologies have often been questioned on the premise that poverty lines considered are low – for instance how can a family of five with Rs. 5000 monthly consumption expenditure be considered above the poverty line in urban areas?

The estimation of the 'headcount ratio' has been another major contentious issue. Varying methodologies and assumptions have led to varying estimates adding to the confusion. The varying headcount estimates have been used for contradictory claims on the purported rate of decline of poverty in India since the 1990's. The debate has mostly centered on the issue of the correct estimation of poverty in India with reference to the 'poverty line'. It is not clear whether the decline has been faster or slower since the 1990's in comparison to the earlier decades because of the incomparability of estimates. But there is evidence to suggest that as far as the 'headcount ratio' is concerned, poverty level in India has been consistently declining. For instance, if we take the comparable official estimates of headcount ratio between 1993-94 and 2004-05, the figures showed a decline from 36 percent to nearly 28 percent.

So what does it mean when the Planning Commission of India states that the headcount-poverty ratio was almost 28 percent in 2004-05? It means that almost 28 percent of the Indian population was found to subsist below the per capita income specified by the poverty line. However, it does not say how low the income was of those below the poverty line or how acute their hunger was. It also means that according to the Government of India, every fourth Indian lived in absolute poverty; but since this absolute poverty is pegged to a bare subsistence level defined by the 'poverty line', it does not say how many of those who stayed above the line also managed to escape destitution.

Q5. What are the different models adopted to estimate poverty over the years?

The Planning Commission appointed a panel headed by YK Alagh, which defined the poverty line in 1979 as MPCE level of Rs.49.09 for rural areas and Rs.56.64 for urban areas at 1973-74 prices at national level. Then, the DT Lakdawala Committee in its 1993 report recommended a poverty line in terms of a calorie norm based on a

fixed consumption basket. A panel headed by Suresh Tendulkar further refined the methodology in 2009 to include expenses on education and health. It suggested the poverty lines focusing on food, education and health. However, since there was criticism by several experts that it kept poverty lines low, the government set up a committee headed by C Rangarajan to revisit the methodology for estimation of poverty.

To understand the issue in detail we start with the history of poverty estimation in India.

- **Pre independence poverty estimates:** One of the earliest estimations of poverty was done by Dadabhai Naoroji in his book, 'Poverty and the Un-British Rule in India'. He formulated a poverty line ranging from Rs 16 to Rs 35 per capita per year, based on 1867-68 prices. The poverty line proposed by him was based on the cost of a subsistence diet consisting of 'rice or flour, dhal, mutton, vegetables, ghee, vegetable oil and salt'.

Next, in 1938, the National Planning Committee (NPC) estimated a poverty line ranging from Rs 15 to Rs 20 per capita per month. Like the earlier method, the NPC also formulated its poverty line based on 'a minimum standard of living perspective in which nutritional requirements are implicit'. In 1944, the authors of the 'Bombay Plan' suggested a poverty line of Rs 75 per capita per year.

- **Post independence poverty estimates:** In 1962, the Planning Commission constituted a working group to estimate poverty nationally, and it formulated separate poverty lines for rural and urban areas – of Rs 20 and Rs 25 per capita per year respectively.

VM Dandekar and N Rath made the first systematic assessment of poverty in India in 1971, based on National Sample Survey (NSS) data from 1960-61. They argued that the poverty line must be derived from the expenditure that was adequate to provide 2250 calories per day in both rural and urban areas. This generated debate on minimum calorie consumption norms while estimating poverty and variations in these norms based on age and sex.

- **Alagh Committee (1979):** In 1979, a task force constituted by the Planning Commission for the purpose of poverty estimation, chaired by YK Alagh, constructed a poverty line for rural and urban areas on the basis of nutritional requirements. Table 1 shows the nutritional requirements and related consumption expenditure based on 1973-74 price levels recommended by the task force. Poverty estimates for subsequent years were to be calculated by adjusting the price level for inflation.

Table 1: Minimum calorie consumption and per capita consumption expenditure as per the 1979 Planning Commission task force on poverty estimation

Area	Calories	Minimum consumption expenditure (Rs per capita per month)
Rural	2400	49.1
Urban	2100	56.7

Source: Report of the Expert Group on Estimation of Proportion and Number of Poor, 1993, Perspective Planning Division, Planning Commission

- **Lakdawala Committee (1993):** In 1993, an expert group constituted to review methodology for poverty estimation, chaired by DT Lakdawala, made the following suggestions: (i) consumption expenditure should be calculated based on calorie consumption as earlier; (ii) state specific poverty lines should be constructed and these should be updated using the Consumer Price Index of Industrial Workers (CPI-IW) in urban areas and Consumer Price Index of Agricultural Labour (CPI-AL) in rural areas; and (iii) discontinuation of 'scaling' of poverty estimates based on National Accounts Statistics. This assumes that the basket of goods and services used to calculate CPI-IW and CPI-AL reflect the consumption patterns of the poor.
- **Tendulkar Committee (2009):** In 2005, another expert group to review methodology for poverty estimation, chaired by Suresh Tendulkar, was constituted by the Planning Commission to address the following three shortcomings of the previous methods: (i) consumption patterns were linked to the

1973-74 poverty line baskets (PLBs) of goods and services, whereas there were significant changes in the consumption patterns of the poor since that time, which were not reflected in the poverty estimates; (ii) there were issues with the adjustment of prices for inflation, both spatially (across regions) and temporally (across time); and (iii) earlier poverty lines assumed that health and education would be provided by the State and formulated poverty lines accordingly.

It recommended four major changes: (i) a shift away from calorie consumption based poverty estimation; (ii) a uniform poverty line basket (PLB) across rural and urban India; (iii) a change in the price adjustment procedure to correct spatial and temporal issues with price adjustment; and (iv) incorporation of private expenditure on health and education while estimating poverty. The Committee recommended using Mixed Reference Period (MRP) based estimates, as opposed to Uniform Reference Period (URP) based estimates that were used in earlier methods for estimating poverty.

It based its calculations on the consumption of the following items: cereal, pulses, milk, edible oil, non-vegetarian items, vegetables, fresh fruits, dry fruits, sugar, salt & spices, other food, intoxicants, fuel, clothing, footwear, education, medical (non-institutional and institutional), entertainment, personal & toilet goods, other goods, other services and durables.

The Committee computed new poverty lines for rural and urban areas of each state. To do this, it used data on value and quantity consumed of the items mentioned above by the population that was classified as poor by the previous urban poverty line. It concluded that the all India poverty line was Rs 446.68 per capita per month in rural areas and Rs 578.80 per capita per month in urban areas in 2004-05. The following table outlines the manner in which the percentage of population below the poverty line changed after the application of the Tendulkar Committee's methodology.

Table 2: Percentage of population below poverty line calculated by the Lakdawala Committee and the Tendulkar Committee for the year 2004-05

Committee	Rural	Urban	Total
Lakdawala Committee	28.3	25.7	27.5
Tendulkar Committee	41.8	27.5	37.2

Source: Report of the Expert Group on Estimation of Proportion and Number of Poor, 1993, Perspective Planning Division, Planning Commission; Report of the Expert Group to Review the Methodology for Estimation of Poverty, 2009, Planning Commission

The Committee also recommended a new method of updating poverty lines, adjusting for changes in prices and patterns of consumption, using the consumption basket of people close to the poverty line. Thus, the estimates released in 2009-10 and 2011-12 used this method instead of using indices derived from the CPI-AL for rural areas and CPI-IW for urban areas as was done earlier. Table 3 outlines the poverty lines computed using the Tendulkar Committee methodology for the years 2004-05, 2009-10 and 2011-12.

Table 3: National poverty lines (in Rs per capita per month) for the years 2004-05, 2009-10 and 2011-12

Year	Rural	Urban
2004-05	446.7	578.8
2009-10	672.8	859.6
2011-12	816.0	1000.0

Source: Report of the Expert Group to Review the Methodology for Estimation of Poverty (2009) Planning Commission; Poverty Estimates 2009-10 and Poverty Estimates 2011-12, Planning Commission

- **Rangarajan Committee:** In 2012, the Planning Commission constituted a new expert panel on poverty estimation, chaired by C Rangarajan with the following key objectives: (i) to provide an alternate method to estimate poverty levels and examine whether poverty lines should be fixed solely in terms of a

consumption basket or if other criteria are also relevant; (ii) to examine divergence between the consumption estimates based on the NSSO methodology and those emerging from the National Accounts aggregates; (iii) to review international poverty estimation methods and indicate whether based on these, a particular method for empirical poverty estimation can be developed in India, and (iv) to recommend how these estimates of poverty can be linked to eligibility and entitlements under the various schemes of the Government of India. The Committee is expected to submit its report by 2014.

Q6. Is 'poverty line' a satisfactory method for accurately determining the extent of poverty in India?

The 'poverty line' is quite unsatisfactory when it comes to grasping the extent of poverty in India. It is not only because of its extremely narrow definition of 'who is poor' and the debatable methodology used to count the poor but also because of a more fundamental assumption underlying it. It exclusively relies on the notion of poverty as insufficient income or purchasing power. One can better categorize it by calling it income poverty. If poverty is ultimately about deprivations affecting human well-being, then income poverty is only one aspect of it. Income is no doubt a vital means to the attainment of individual well-being, but it is not adequate to ensure against many other kinds of deprivation. For example, illness due to communicable diseases can seriously affect the well-being of a person in various ways ranging from depriving her of a healthy life to curtailing her of income-earning abilities. It is a well-known fact that outbreak of many of the communicable diseases can be effectively prevented by the provision of safe drinking water, public sanitation and health services. Ensuring against communicable diseases and the resultant deprivations to well-being then depends on many factors like access to safe drinking water, public sanitation and health services, and social-insurance systems apart from private income. A strictly income-based approach to poverty often fails to reflect pervasive deprivations relating to many of the basic needs when the satisfaction of the need is also dependent on social provision of goods and services and not just private income and the market.

It is also limiting to think of poverty essentially in terms of material deprivations relating to basic needs. One must also take into consideration other deprivations rooted in underlying structural inequalities and inherent disadvantages. Even when resources are available, people may not be able to take full advantage of them because of pre-existing disadvantages ranging from social constraints like caste, and gender to personal impediments like old age and physical disabilities. Income-based approach to poverty is again found severely wanting in taking into account these other kinds of deprivation.

Q7. Examine the issues related to the causes of poverty. Do you think 'income approach' poverty' is sufficient to holistically understand the concept of poverty and its related problems?

A simplistic view of poverty often explains it as a result of individual circumstances and/or a characteristic of poor people. Some examples are: (i) low levels of education and skills (ii) infirmity, ill health, sickness. It is also argued that poverty is a result of general economy-wide problems, such as (i) low capital formation (ii) lack of infrastructure (iii) lack of demand (iv) pressure of population (v) lack of social/welfare nets.

However, there are arguments that poverty is also caused as a result of (i) social, economic and political inequality (ii) social exclusion (iii) unemployment (iv) indebtedness (v) unequal distribution of wealth.

It has also been argued that a broader understanding of poverty needs to look beyond the income approach. One of the most influential concepts in this regard has been the notion of human capability. Jean Dreze and Amartya Sen write:

"Poverty of a life, in this view, lies not merely in the impoverished state in which the person actually lives, but also in the lack of real opportunity – given by social constraints as well as personal circumstances – to choose other types of living. Even the relevance of low incomes, meagre possessions, and other aspects of what are standardly seen as economic poverty relates ultimately to their role in curtailing capabilities (i.e. their role in severely restricting the choices people have to lead valuable and valued lives".

The freedom of opportunity available to people is influenced by their personal circumstances as well as social situations. The personal circumstances that significantly matter are not just access to 'means' like income or wealth but also the access to basic needs and amenities, like food, clothing, shelter, education and health services, safe drinking water and sanitation. Along with these material means of well-being, it is the actual states of well-being or 'outcomes' achieved by the person, like nutritional status, educational and health achievements that also impact upon the real opportunities available.

Personal circumstances are found to be embedded in social situations. Social, political and economic relations and inequalities determine how resources are distributed and what choices are available to different sections of the society. Some of the most visible examples of these are based on caste, class and gender disparities that constrain the real opportunities available to people.

Deprivations in the form of access to basic needs, actual states of well-being and social inequalities have a great role to play in the creation of economic poverty. On the other hand, economic poverty often reinforces these deprivations. And the circle is difficult to break – a unidimensional approach to poverty as essentially income poverty overlooks the other dimensions of deprivation that make inequality of opportunity persist and poverty replicate itself.

The major dimensions of poverty that persist in India relate to deprivations in nutritional, educational and health achievements, access to basic needs and amenities, quality of physical environment and various social inequalities like caste and gender disparities. In this context, some of the other targets given in the millennium development goals (MDGs), besides reduction in head-count ratio, give a sense of the challenge facing contemporary India in terms of poverty.

India's progress has been much slower than needed to meet the targets in the reduction of incidence of mortality and morbidity among women and children, reduction of hunger and improvement in nutritional status, reduction of gender and caste-related disparities and improvement in general living conditions in terms of better access to basic amenities. India may not achieve many of these targets even by 2015.

This must be qualified by the fact that social progress in India in terms of human development goals is characterized by wide inter-regional and intra-regional divergence. It means that in absence of effective measures directed at bridging the gaps, the regions doing better in terms of human development will be better placed to seize the benefits of growth. The result can be one of growing economic inequality in India. Such a scenario cannot be considered conducive either to the process of rapid economic growth or the prospect of India becoming an economic superpower, if the growing inequalities lead to increasing regional and social conflicts within India.

Q8. There has been an ongoing debate on the best way to tackle poverty. Explain the issues surrounding the policies and programmes adopted by the Indian Government to tackle poverty.

The Indian Constitution and five year plans state social justice as the primary objective of the developmental strategies of the government. To quote the First Five Year Plan (1951-56), "the urge to bring economic and social change under present conditions comes from the fact of poverty and inequalities in income, wealth and opportunity". The Second Five Year Plan (1956-61) also pointed out that "the benefits of economic development must accrue more and more to the relatively less privileged classes of society". One can find, in all policy documents, emphasis being laid on poverty alleviation and that various strategies need to be adopted by the government for the same.

The government's approach to poverty reduction was of three dimensions. The first one is growth oriented approach. It is based on the expectation that the effects of economic growth — rapid increase in gross domestic product and per capita income — would spread to all sections of society and will trickle down to the poor sections also. This was the major focus of planning in the 1950s and early 1960s. It was felt that rapid industrial development and transformation of agriculture through green revolution in select regions would benefit the underdeveloped regions and the more backward sections of the community. However the overall growth and growth of agriculture and industry was not impressive. Population growth resulted in a very low growth in per

capita incomes. The gap between poor and rich actually widened. The Green Revolution exacerbated the disparities regionally and between large and small farmers. There was unwillingness and inability to redistribute land. Economists stated that the benefits of economic growth did not trickle down to the poor.

While looking for alternatives to specifically address the poor, policy makers started thinking that incomes and employment for the poor could be raised through the creation of incremental assets and by means of work generation. This could be achieved through specific poverty alleviation programmes. This second approach has been initiated from the Third Five Year Plan (1961-66) and progressively enlarged since then. For instance, one of the noted programmes initiated in the 1970s was Food for Work. Expanding self employment programmes and wage employment programmes are being considered as the major ways of addressing poverty. Examples include Mahatma Gandhi National Rural Employment Generation Scheme (MGNREGS), Swarna Jayanti Shahari Rozgar Yojana (SJSRY) etc.

Earlier, under self-employment programmes, financial assistance was given to families or individuals. Since the 1990s, this approach has been changed. Now those who wish to benefit from these programmes are encouraged to form self-help groups. Initially they are encouraged to save some money and lend among themselves as small loans. Later, through banks, the government provides partial financial assistance to SHGs which then decide whom the loan is to be given to for self employment activities.

The third approach to addressing poverty is to provide minimum basic amenities to the people. India was among the pioneers in the world to envisage that through public expenditure on social consumption needs — provision of food grains at subsidised rates, education, health, water supply and sanitation— people's living standard could be improved. Programmes under this approach are expected to supplement the consumption of the poor, create employment opportunities and bring about improvements in health and education. One can trace this approach from the Fifth Five Year Plan, "even with expanded employment opportunities, the poor will not be able to buy for themselves all the essential goods and services. They have to be supplemented up to at least certain minimum standards by social consumption and investment in the form of essential food grains, education, health, nutrition, drinking water, housing, communications and electricity." Three major programmes that aimed at improving the food and nutritional status of the poor are Public Distribution System, Integrated Child Development Scheme and Midday Meal Scheme. Pradhan Mantri Gram Sadak Yojana, Pradhan Mantri Gramodaya Yojana, Valmiki Ambedkar Awas Yojana were also attempts in the same direction. It may be essential to briefly state that India has achieved satisfactory progress in many aspects. The government also has a variety of other social security programmes to help a few specific groups. National Social Assistance Programme is one such programme initiated by the central government. Under this programme, elderly people who do not have anyone to take care of them are given pension to sustain themselves. Poor women who are destitute and widows are also covered under this scheme.

Efforts at poverty alleviation have borne fruit in that for the first time since independence, the percentage of absolute poor in some states is now well below the national average. However, despite a variety of approaches, programmes and schemes to alleviate poverty; hunger, malnourishment, illiteracy and lack of basic amenities continue to be a common feature in many parts of India. Though the policy towards poverty alleviation has evolved in a progressive manner, over the last five and a half decades, it has not undergone any radical transformation. We can find change in nomenclature, integration or mutations of programmes. However, none resulted in any radical change in the ownership of assets, process of production and improvement of basic amenities to the needy.

Scholars, while assessing these programmes, state following major areas of concern which prevent their successful implementation. Due to unequal distribution of land and other assets, the benefits from direct poverty alleviation programmes have been appropriated by the non-poor. Compared to the magnitude of poverty, the amount of resources allocated for these programmes is not sufficient. Moreover, these programmes depend mainly on government and bank officials for their implementation. Since such officials are ill motivated, inadequately trained, corruption prone and vulnerable to pressure from a variety of local elites, the resources are inefficiently used and wasted. There is also non-participation of local level institutions in programme implementation.

Government policies have also failed to address the vast majority of vulnerable people who are living on or just above the poverty line. It also reveals that high growth alone is not sufficient to reduce poverty. Without the active participation of the poor, successful implementation of any programme is not possible. Poverty can effectively be eradicated only when the poor start contributing to growth by their active involvement in the growth process. This is possible through a process of social mobilisation, encouraging poor people to participate and get them empowered. This will also help create employment opportunities which may lead to increase in levels of income, skill development, health and literacy. Moreover, it is necessary to identify poverty stricken areas and provide infrastructure such as schools, roads, power, telecom, IT services, training institutions etc.

Q9. Explain the growth-redistribution conundrum w.r.t. poverty alleviation.

Critics of a growth-centered poverty-reduction strategy assert that India need not have waited for growth to happen. It could have, instead, attacked poverty through redistribution from the rich to the poor. This proposition may have some salience in the industrial countries, which have had the benefit of growth for more than a century. The high levels of income made possible by prior growth allow these countries to generate enough revenues to sustain large-scale anti-poverty programmes even if the economy were to fall into long-term stagnation.

But it is quite different for a country like India, which started with its overwhelming population in poverty at the time of independence. The option to eradicate (as against making a miniscule impact on) poverty through redistribution, even if politically feasible, was not available.

The eminent Polish economist Mikhail Kalecki put it rightly when he said that the trouble with India was that 'there were too many exploited and too few exploiters'. That is to say, there were too few from whom the government could take and too many to whom it needed to give. Furthermore, the government needed to attack poverty on a sustained basis rather than approach it as a one-shot affair. With a rising population and stagnant growth, any favourable effects of redistribution on poverty would have quickly eroded.

When the founding fathers of the country opted for a growth centered strategy, they did so in the full knowledge that India's poverty problem was too immense to be solved by redistribution alone. Here it would be in order to recall Jawaharlal Nehru's statement in *The Discovery of India*, where he argued that the immense poverty of many Indians meant that 'to remove this lack and ensure an irreducible minimum standard for everybody, the national income had to be greatly increased.'

The issue of whether poverty could be overcome without growth figured again in the First Five-Year Plan, with the planners opting to endorse the critical role to be assigned to growth in the assault on poverty. In the early 1960's when poverty and income distribution became the subject of heated debates in the Parliament and Prime Minister Nehru became concerned with the question 'where the growing incomes were going', the Perspective Planning Division (PPD) of the Planning Commission took another careful look at the policy options. Among other things, the fifteen-year plan it produced offered a coherent and clear-headed analysis of why growth was necessary. It began by noting that the income and consumption distribution data showed that approximately 50 per cent of the population lived in abject poverty on Rs 20 or less per month at 1960-61 prices. It then proceeded to argue the necessity of growth in the following words:

The minimum which can be guaranteed is limited by the size of the total product and the extent of redistribution which is feasible. If, at the current level of output, incomes could be redistributed equally among all the people, the condition of the poorest segments would no doubt improve materially but the average standard would still be pitifully low. Redistribution on this scale, however, is operationally meaningless unless revolutionary changes in property rights and scale and structure of wages and compensations are contemplated. Moreover, when even the topmost 30 per cent of the households have an average per capita expenditure of only rs 62 per month, it is inconceivable that any large redistribution of income from the higher income groups to the other can be effected. To raise the standard of living of the vast masses of the people, output therefore would have to be increased very considerably.

However, in India, despite the skepticism about redistribution as the route to take to assault poverty on a sustainable basis, redistribution did take place through expenditures on health and education. For instance, as the fifteen year plan noted, the 40 per cent increase in income between 1950-51 and 1960-61 had allowed improvements in the social sphere such as an 85 per cent increase in school enrolment and a 65 per cent increase in hospital beds. But this was hardly a drop in the ocean of poverty.

Q10. Analyze the relationship between poverty, hunger and food insecurity.

Hunger and malnutrition are outcomes of food insecurity or the inability to access adequate food and nutrition. Hunger-related poverty remains one of the major deprivations of India. An even greater cause of concern is the status of malnutrition among children. Malnutrition directly affects the development of the child by retarding their physical and cognitive growth and increases the risk of infection and disease. If lack of income means vulnerability to food insecurity and malnutrition, then the latter also reduces the lifetime-earning potential.

The deprivations relating to hunger and malnutrition, morbidity, mortality and physical environment often reinforce each other and the general condition of economic poverty. To give an example, an illness like diarrhoea is one of the major causes of infant deaths in India, along with malaria, pneumonia and measles contributing to the high infant-mortality rates. Diarrhoea also leads to loss of absorption of nutrients, causing severe malnutrition among children. On the other hand, malnutrition has been estimated to be associated with about half of all child deaths and more than half of child deaths from diarrhea. Access to safe drinking water and basic sanitation facilities greatly reduces the incidence of diseases like diarrhoea. India's achievement in terms of proportion of population having access to either of these basic facilities is woefully low.

There is a gender dimension to hunger and malnutrition in India as well. Half of the country's women suffer from anaemia and the prevalence of anaemia is even higher among the pregnant women. Anaemia is one of the major causes of maternal mortality and also contributes to nearly 30 percent of babies being born underweight. The low birth weight means that there is greater risk of growth retardation, most of which occurs by the age of two and is often irreversible.

A greater prevalence of undernourishment can be seen among the children from scheduled-caste and scheduled-tribe communities. The rate of decline of undernourishment among these sections of the population is also found to be lower in comparison to the general population. It leads to a widening gap in terms of nutritional status among these communities and the general population. A similar observation could be made about the divergence between rural and urban areas in terms of nutritional status. The overall picture that emerges is one of growing urban-rural, inert-caste, male-female and economic class disparities in nutritional status.

It is the dark irony of our times that hunger and malnutrition are so pervasive in the country, while the Indian economy has achieved self-sufficiency in foodgrain production. The Indian government maintains buffer foodgrain stocks to guard against serious food shortages arising from drought and other crop failures. But starvation deaths are often reported from various parts of the country as they continue to be affected by droughts. These happen at the same time when the Food Corporation of India find it difficult to manage the millions of tones of surplus food grains rotting in its warehouses. It is such cases which led to the 'Right to Food' campaign and an ordinance on it thereafter, even as the bill ensuring food security has been introduced in the Parliament. Though chronic hunger and malnutrition are not as visible and shocking as starvation deaths but they happen to be more widespread and persistent.

Q11. Is it true that India suffer from the worst malnutrition anywhere in the world, including the much poorer countries in sub-Saharan Africa?

There is constant repetition by Indian as well as foreign-based civil society groups, journalists, international institutions, bloggers and even academics that India suffers from the worst malnutrition anywhere in the world. The contention has also been that the country is making no progress in bringing malnutrition down.

However, it has been argued that India's nutrition indicators have significantly improved during the last 65 years, starting from abysmal levels that existed at the time of Indian independence. For instance, clinical signs of severe undernutrition (such as marasmus and kwashiorkor) are much less common now than they used to be, and there has been a slow but steady improvement in children's heights and weights. And yet, even today, the nutrition situation in India (and in much of South Asia) remains appalling – worse than almost anywhere else in the world.

To illustrate, none of the countries for which recent nutrition data are available have a higher proportion of underweight children than India. The Indian figure, 43 per cent, is close to South Asian average, but much higher than the estimated averages for sub-Saharan Africa (20 per cent) or the 'least developed countries' (25 per cent), not to speak of other major regions of the world (less than 12 per cent in each case). The latest estimate for China, 4 per cent, is about one tenth of the corresponding figure for India. The broad patterns are much the same for stunting (low height for age), although the contrasts in stunting rates are less sharp, and one or two countries (e.g. Burundi) do have a higher estimated proportion of stunted children than India's 48 per cent.

The Indian population – not just children – also suffer from massive micronutrient deficiencies, including iron deficiency (which affects a majority of women and children), but also shortages of many other essential nutrients. According to the National Nutrition Monitoring Bureau data, the ratio of the average intake to 'recommended daily allowance' among children in the age group of 4-6 years was only 16 per cent for Vitamin A, 35 per cent for iron and 45 per cent for calcium in the early 2000s. The situation remains much the same today in this respect, partly due to the inadequate reach of supplementation programmes. For instance, only one third of Indian children below the age of five years are covered by the Vitamin A supplementation programme, compared with near-universal coverage in every other South Asian country and even in much of the sub-Saharan Africa.

A view is sometimes aired claiming that child undernutrition in India is a 'myth', because Indian children are genetically shorter, so that international anthropometric standards are not applicable to them. However, this recent reincarnation of the so-called 'small but healthy' hypothesis is yet to receive any sort of scientific support.

The phenomenon of high levels of child undernutrition in South Asia (not only India), even compared with many sub-Saharan African countries that have poorer income and health indicators, is known as 'the South Asian enigma'. The low status of women could be a possible explanation for this enigma. One of the connections between women's well-being and child nutrition works through low birth weights: women's poor nutritional status and other deprivations (especially during pregnancy) lead to poor foetal growth and low birth weights, affecting children's nutrition status right from birth and even conception. For instance, weight gain during pregnancy may be only about half in South Asia as in Africa.

In this connection, it is worth recalling that not only children but also adult women are more undernourished in India (and South Asia) than almost anywhere else in the world. According to the Demographic and Health Surveys (DHS), the proportion of adult women with a 'body mass index' below 18.5 (a standard cut-off conventionally associated with chronic energy deficiency) was as high as 36 per cent in India in 2005-06 – higher than in any other country for which DHS data are available, and nearly three times as high as the corresponding estimates for sub-Saharan Africa (14 per cent).

Q12. Is the decline in calorie consumption a reliable indicator of increased hunger?

The concern for adult nutrition has originated primarily in the steady decline recorded in per capita calorie consumption (though a decline in protein intake is also an issue). A 1996 report on nutrition by the National Sample Survey Organization (NSSO) provides some of the early documentation of this trend. Additional data appear in similar follow-up reports. The long term trend is one of declining calorie consumption in both rural and urban areas though the trend is steadier in rural rather than urban areas. Protein intake has shown similar patterns in rural and urban areas though the intake of fats has steadily climbed up.

The trend in calorie consumption and protein and fat intake reflect a shift away from cereals to other lower-calorie, lower-protein, more fatty and sugary foods. Such a shift in diet due to increased income is likely – finer

grains, white flour, rice, fruits and oily foods replace coarse grains and whole-wheat flour. Consumption of fruits, fried products and desserts has seen a steady rise in the last few decades.

While activists interpret the decline in calorie consumption as a decisive indication of increased hunger and malnutrition, other evidence seriously questions such a conclusion. Thus, when directly asked whether they had enough to eat every day of the year, successive rounds of the expenditure surveys of the NSSO show increasing proportions of the respondents answering in the affirmative.

Conceptually, the rising trend in the proportion of the population stating that it had enough to eat throughout the year can be reconciled with the declining trend in calorie consumption once we recognize the factors that explain why there may be a decline in the need for calorie consumption. For example, greater mechanization in agriculture, improved means of transportation and a shift away from traditional physically challenging jobs may have reduced the need for physical activity. Likewise, better absorption of food made possible by improved epidemiological environment (better child and adult health and better access to safe drinking water) may have lowered the needed calorie consumption to produce a given amount of energy.

Hence, the inference that declining calorie consumption implies increasing malnourishment is not warranted. Indeed, the inference is also contradicted by the weight and height trends of adults. While the declining trends in both calorie consumption and protein intake can be sources of concern, poverty can not be measured by the ex post calorie consumption. It must be measured, instead, by how many calories the individuals are able to afford ex ante. The policy response greatly depends on which measure of poverty we choose.

If we measured poverty by the ex post calorie consumption, we would be tempted to offer free food to Bollywood actresses trying to stay slim on low-calorie diets! If, however, we measured poverty, by the amount of calories the individual is able to afford ex ante, we would be spared the obvious policy mistakes. Thus, if the decline in calorie consumption turns out to be the result of lack of affordability, the solution would be to improve the purchasing power of the citizenry through growth and redistribution. If, instead, the decline took place in spite of decision-making, we would want to supply better information, undertake persuasive advertising to 'nudge' people into healthy eating and pass laws requiring fortification of major foods by necessary nutrients.

The dominant view is that the decline in calorie consumption represents increased poverty and therefore hunger. The fact that more and more people in India are able to afford increased rather than reduced food purchases over time and that the decline in calorie consumption has occurred across all individuals, whether they be rich or poor and whether they be residents in rural or urban areas, would suggest, however, that something other than purchasing power – that is reduced need for calorie consumption due to various factors described above – is behind the change.

Q13. Explain the functioning of Public Distribution System in India and related issues.

Public Distribution System (PDS) is a programme managed by the government with the objective of ensuring access to food for all. The PDS does not provide the entire requirement of foodgrains to a household but is only supplemental. The system operates through a three-stage process.

In the first stage, the Food Corporation of India procures foodgrains from farmers at a procurement price. The procurement exercise is carried out with the purpose of providing farmers with a minimum support price and protecting them against unexpected price fluctuations in the market. The procured foodgrains are also used for the maintenance of buffer stocks in times of need and to stabilize the open market prices.

In the second stage, the procured foodgrains are allotted to the various states according to the number of poor in these states and the level of production of foodgrains in the state. This is used as a balance of availability of food between surplus and deficit states.

In the third stage, the foodgrains are distributed at subsidized prices to the population in the various states through a chain of fair-price shops under PDS. The foodgrains are also used for distribution through other public programmes like food-for-work and mid-day meal scheme for children in schools.

Though PDS started as a universal food distribution programme, it faced the problems of extensive leakages and inability to reach the really vulnerable groups. In 1997, the scheme was restructured to supply the foodgrains at differential prices to households Below the Poverty Line (BPL) and those Above the Poverty Line (APL). This has been known as the Targeted Public Distribution System (TPDS). But the failure of the system has been grossly highlighted whenever starvation deaths are reported at the same time when FCI warehouses are overflowing with surplus foodgrains.

The system is found to be so corrupt and inefficient that some studies have estimated that out of every rupee spent, only 20 paise reaches the poor. In many states the surveys to identify the poor are not carried out at times, while in others several families don't even receive identification cards even after surveys. Instances of massive manipulation and harassment by bureaucrats are often reported. It is in this regard that the UIDAI is expected to play a constructive role.

The failures of the PDS system are symptomatic of what ails the government anti-poverty programmes the most. The major drawback has been centralized planning and lack of local level participation leading to mismatched priorities and bureaucratic control characterized by lack of transparency and accountability.

Q14. What can be done to address the pitfalls of the PDS?

In the context of an inefficient and leaky PDS it needs to be emphasized that significant gains in efficiency can be achieved by replacing the public distribution system by cash transfers. The argument against such transfers, that the beneficiaries might spend the money on something other than grains, seems spurious. This is because such an outcome is also readily achievable under in-kind transfers by selling the grain in the open market. The advantage of cash transfers is that they would greatly minimize the leakage along the distribution chain and also eliminate the huge wastage that characterizes the PDS. It is ironic that many activists insist on in-kind transfers while simultaneously advocating the rural employment guarantee scheme, which, after all, pays the participants in cash.

Once the issues of transfer of purchasing power and the right basket of consumption are separated, the focus of policy can shift to ensuring that consumers make the right consumption choices. This would require two sets of measures. One set would inform and then 'nudge' the public in several ways towards a more nourishing diet. The second set, which is more likely to produce results, would aim at getting wholesalers and retailers to fortify various foods with necessary nutrients. The Food Safety and Standards Authority of India can play an important role in the implementation of this set of measures.

Of course, even though demand can be shifted towards dairy products, fruits, vegetables, fish and meat, policy must also be directed to ensure increased availability of these items. The availability of products needed to promote good nutrition depends on both domestic production and imports. It is surprising, however, that discussions on food security, which focus on enhancing the availability of various food items over time, rarely mention imports. This omission has often resulted in India failing to fully exploit the benefits of imports. For example, in the past few years, the key component of 'food inflation' has been milk. Clearly, easing the imports through a reduced tariff on powdered milk could have greatly alleviated the shortage of this critical item. But the government did not take advantage of this channel.

As for domestic production, there is, in fact, a critical need for raising productivity on the farm as well as along the supply chain, for nearly every agricultural commodity. Per-hectare yields in India are lower than in most of the comparable countries in most crops. Likewise, vast volumes of fruits and vegetables perish in transit as the produce makes its way from the farm to the final consumer.

A key element in improving productivity is to reform the laws with respect to sales and rentals of agricultural land. Over the years, land-holdings have shrunk in size, with the result that today more than 80 per cent of the land-holdings are less than two hectares and more than 60 per cent holdings less than one hectare. Only 6.5 per cent of the holdings are four hectares or larger. Ease of sales and rentals will help in the consolidation of holdings. Flexible rental laws, that allow the owner and the tiller to negotiate and sign formal agreements, will provide better security to the tiller and provide incentive for making productivity enhancing investments in land.

Improvements in the supply chain also require the development of contract farming, infrastructure and organized retail. Contract farming can establish a direct link between the farmer and the processor of the produce, thereby cutting all intermediaries and minimizing waste. It can also ensure a good price to the farmer. Infrastructure development includes the provision of uninterrupted supply of electricity at reasonable prices and road and railway transport. The former allows the development of cold storage while the latter rapid movement of produce from the producer to the consumer. Moreover, organized retail has the capacity to develop efficient supply chains.

Finally, agricultural productivity increases today depend additionally on a new Green Revolution. The old Green Revolution was based on the new seeds invented under the leadership of Dr Norman Borlaug and spread in India under the scientific leadership of Dr Swaminathan. Today, they depend on the adoption and absorption of the GM (genetically modified) and BT (Bacillus Thuringiensis or natural insecticide) seeds and agricultural crops like cotton and brinjal. Some NGOs have objected to these as Frankenstein foods, though scientific evidence does not support such fears. We cannot afford to forego the new Second Green Revolution in this way. Else, we will have also replaced the highly improbable Frankenstein by the certain Grim Reaper as scarcity overtakes plenitude in the production of food grains and crops!

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