

Independent People's Tribunal on the World Bank Group

Food Policies and the World Bank

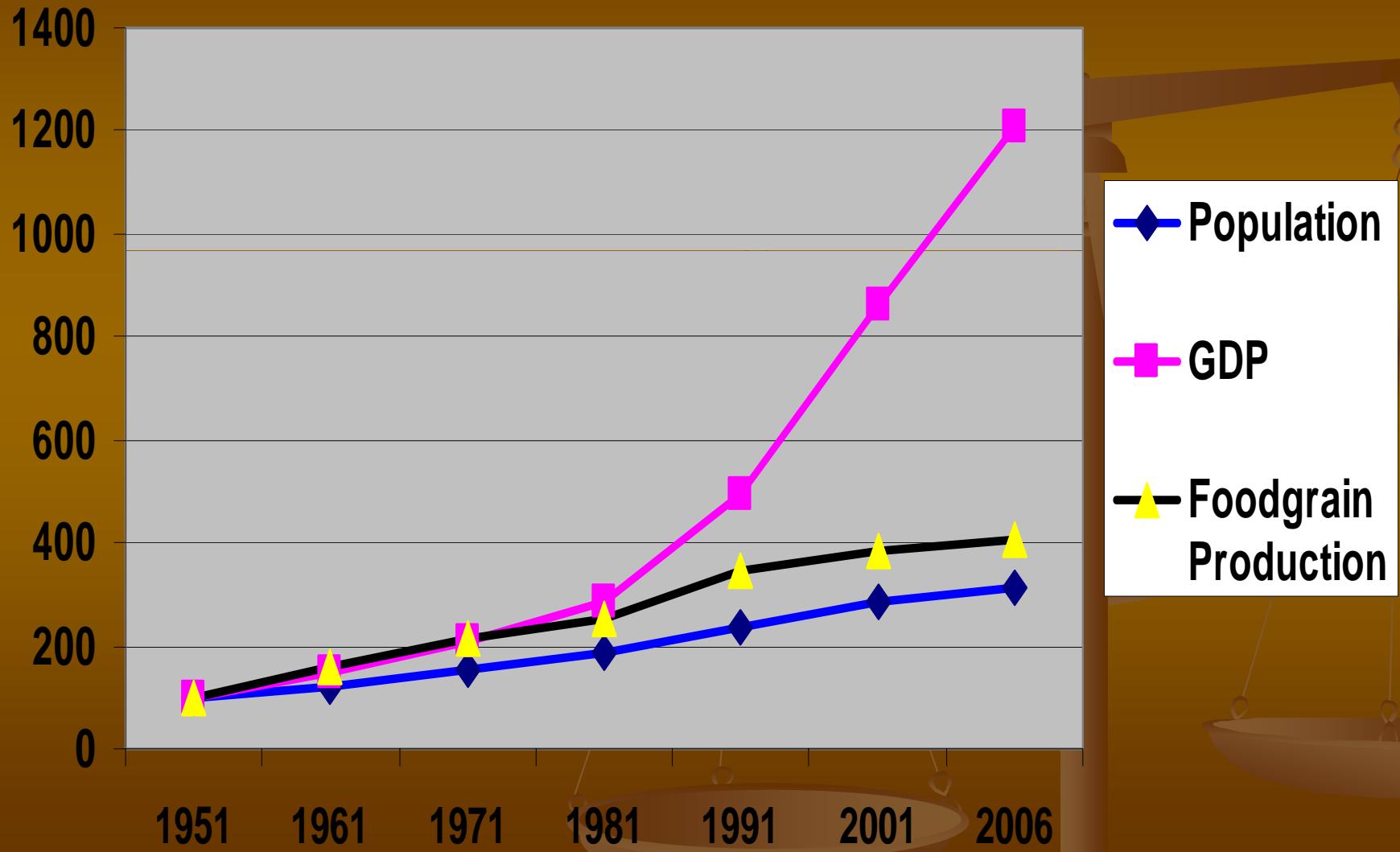


PDS: A Historical Overview

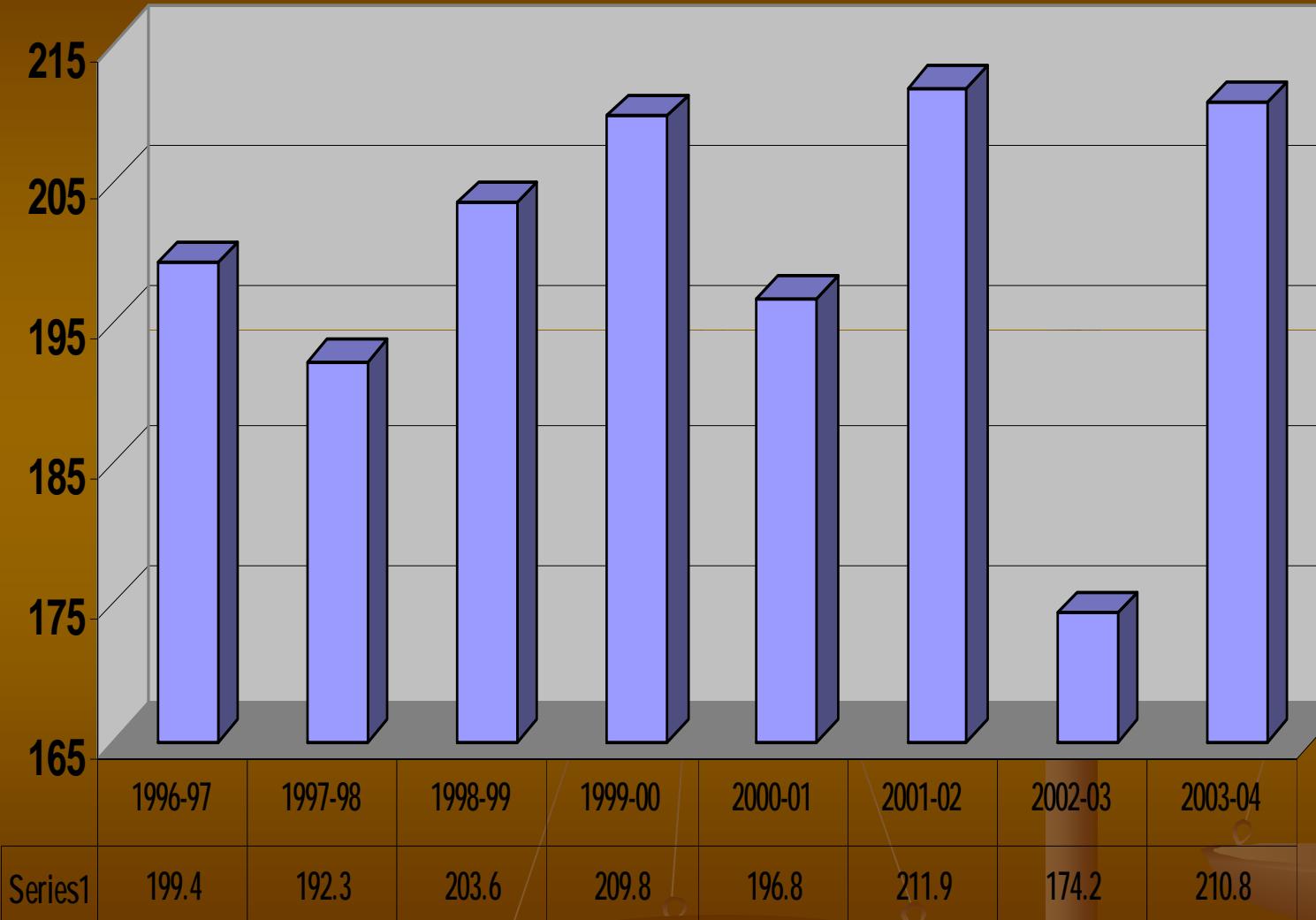
Key Milestones

- Rationing started in 1939 (in Bombay by the British Government)
- 1942 – Basic Principles of PDS laid down
- 1943 – Rationing in all urban centres (population more than 100,000 started)
- 1965 – Food Corporation of India and Agricultural Price Commission started
- 1982 – Made part of the 20 Point Programme
- 1984 – Ministry of Food and Civil Supplies formed
- 1992 – Revamped Public Distribution System initiated
- 1997 – Targeted PDS introduced
- 2001 – PDS Control Order promulgated by the GoI

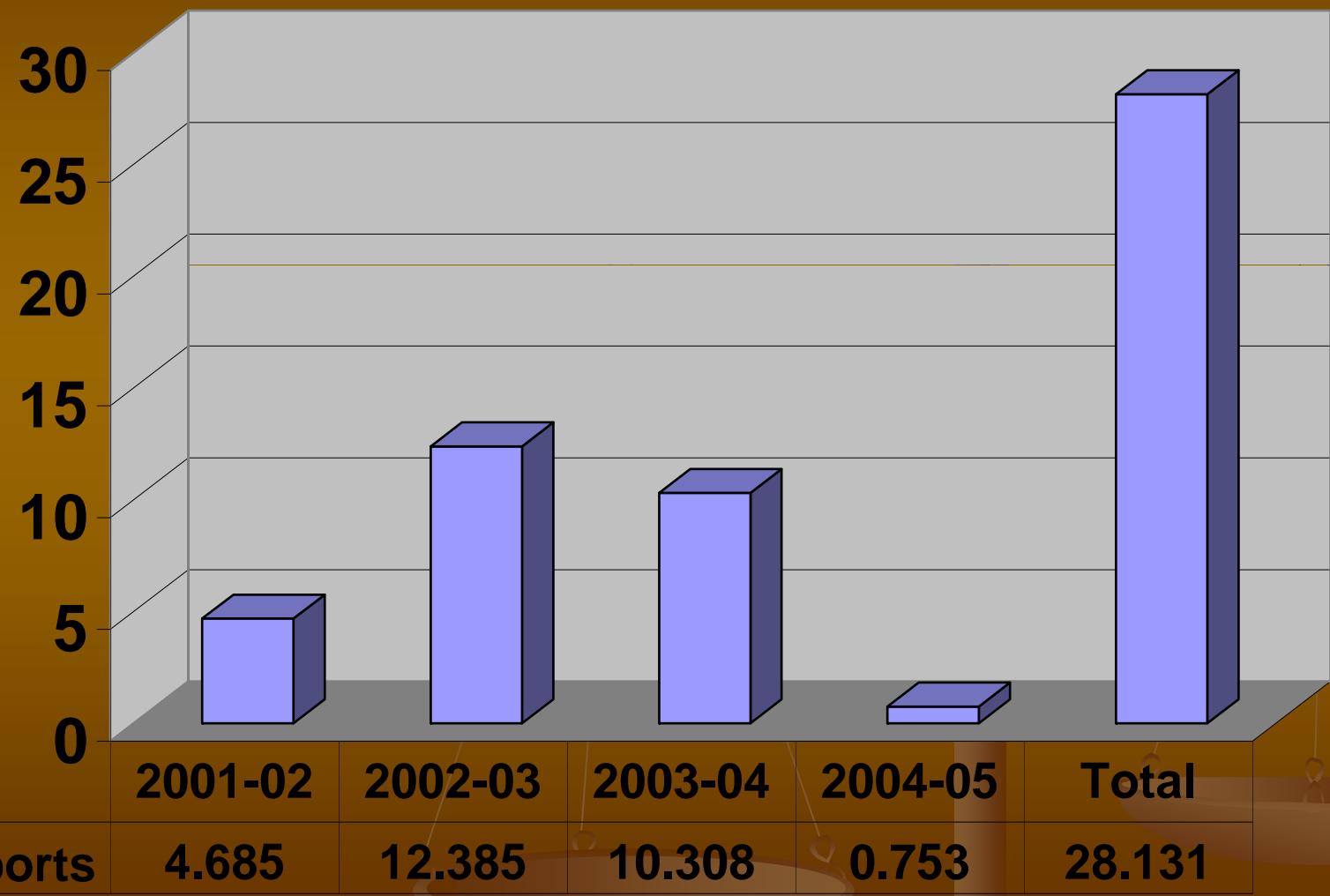
Population, GDP and Foodgrain Production



Foodgrain Production (million tonnes)



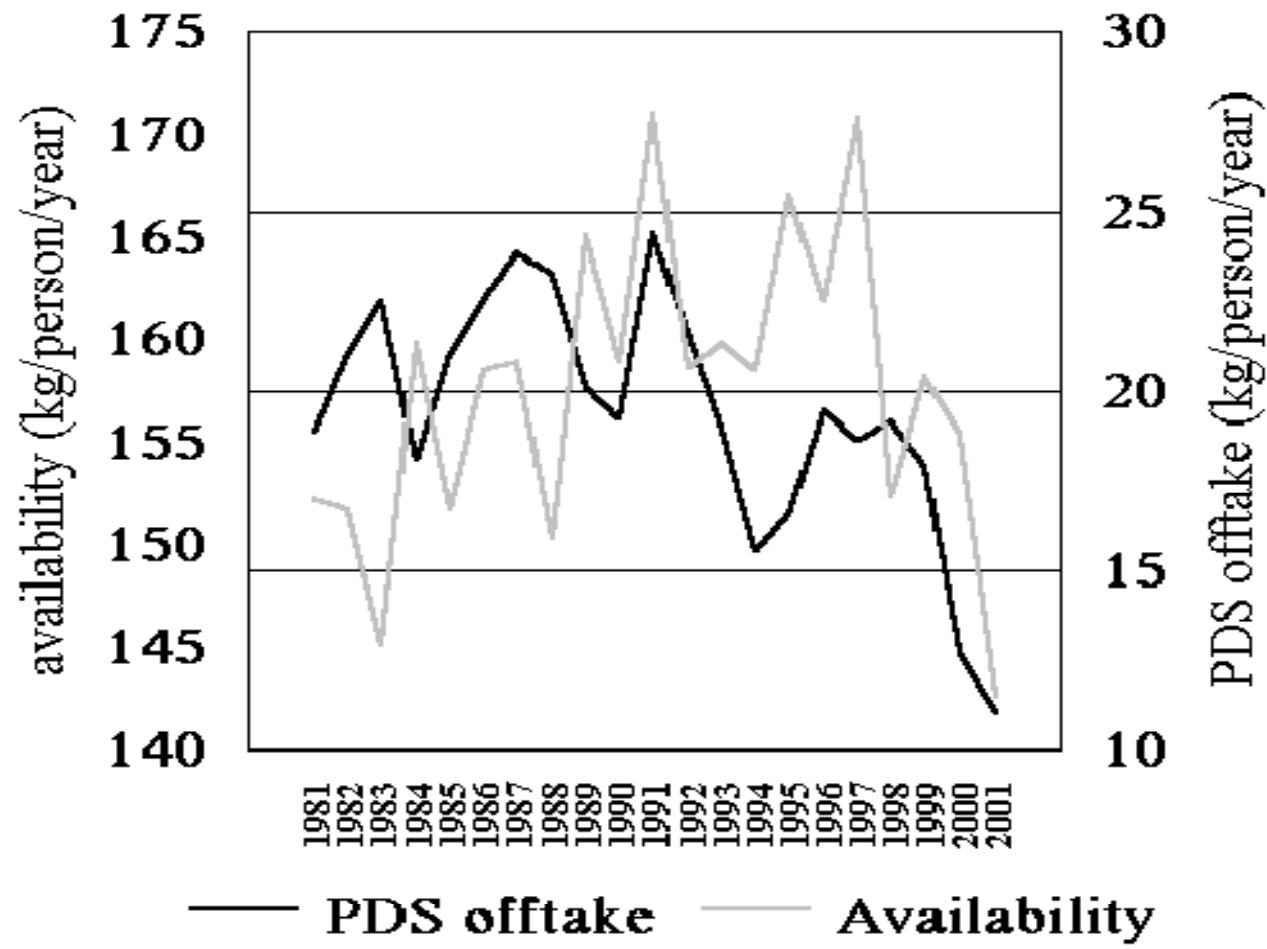
Foodgrain exports in million tonnes



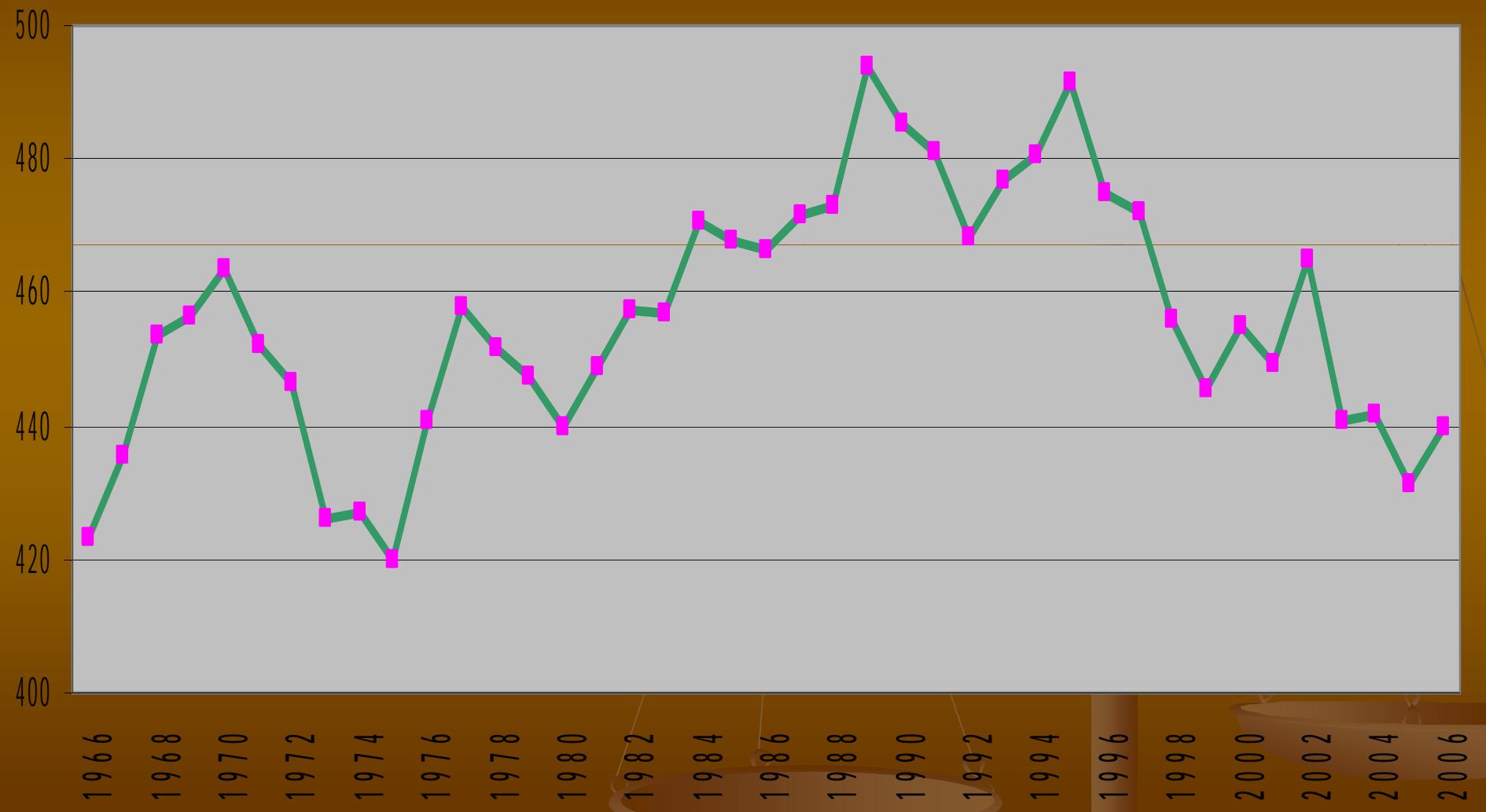
Targeting of the PDS

- Targeting of the PDS as against a universal PDS has been a policy prescription of the World Bank since the 90's
- Most clearly articulated first in their Discussion Paper No 380 (Radhakrishna et.al), 1997.
- Implemented by the GoI in 1997

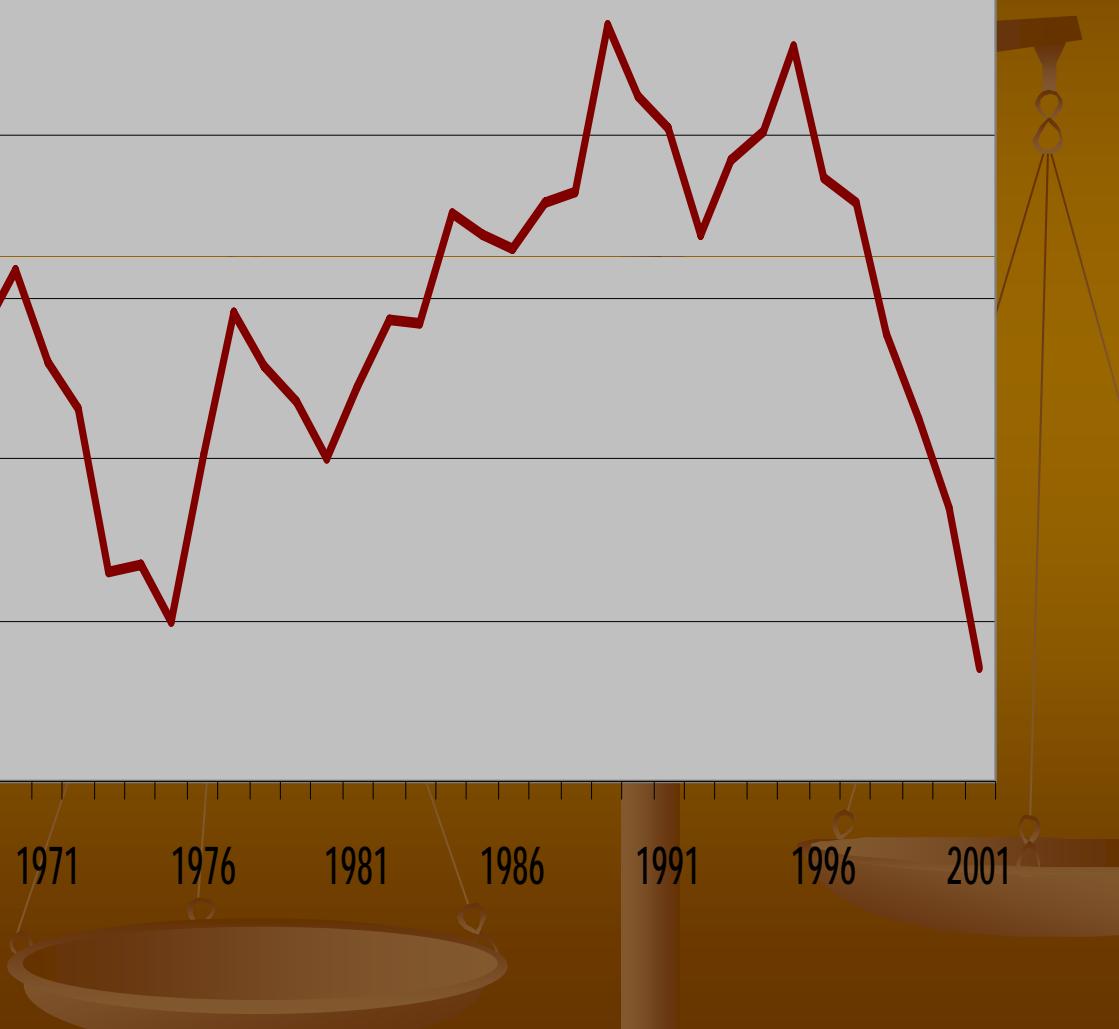
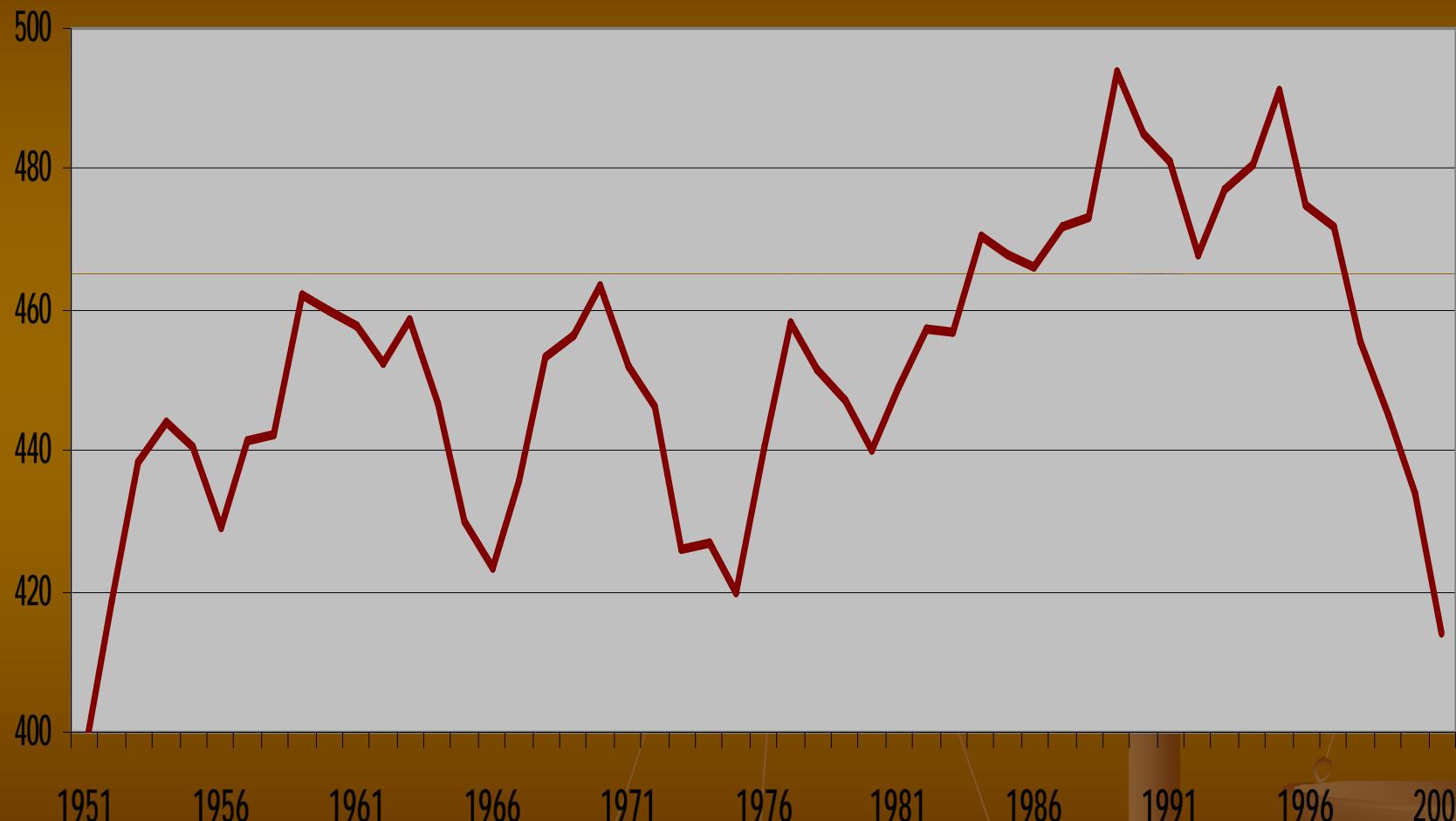
Per capita Cereals Availability and Public Distribution



Per capita foodgrain avialability per day in gms

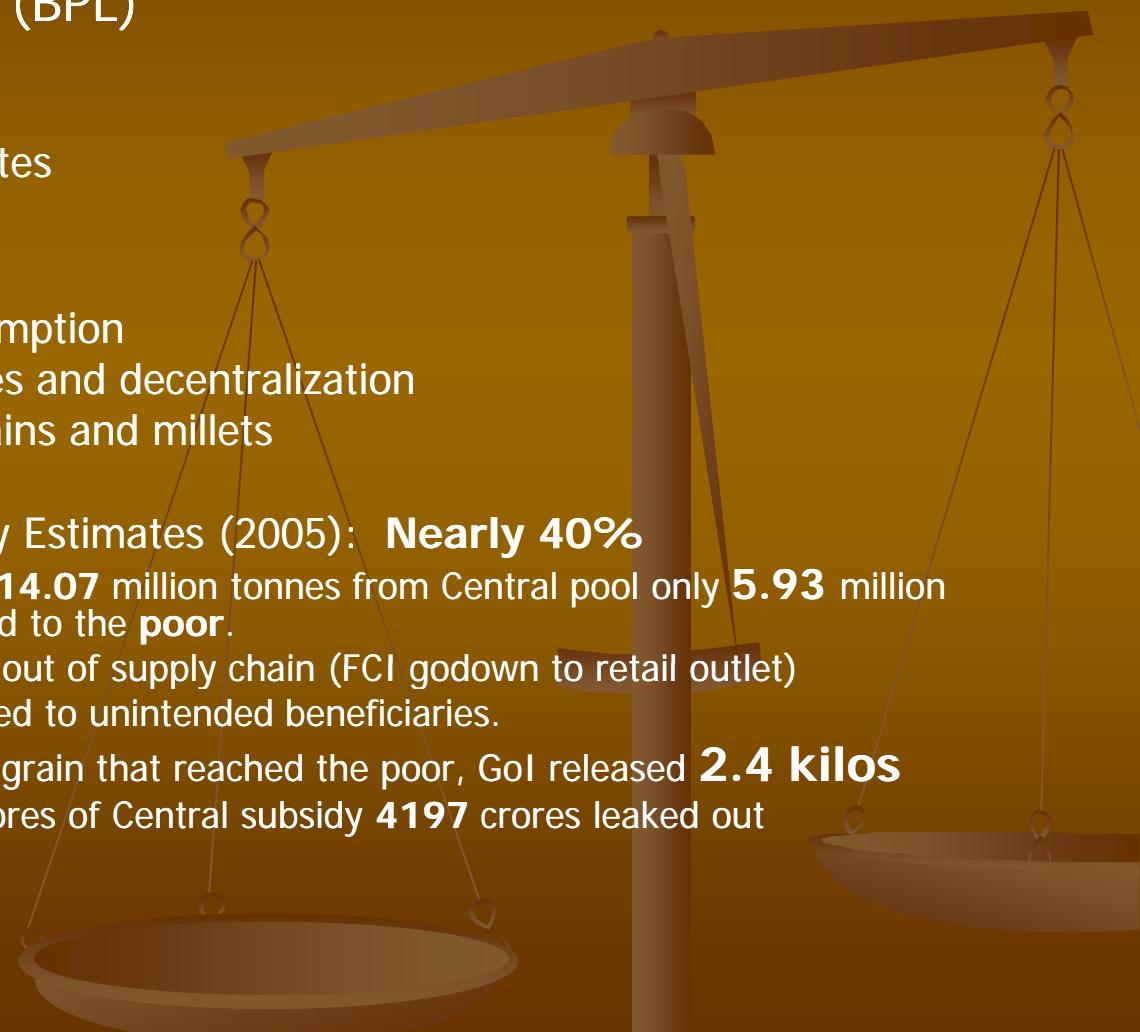


Net availability of foodgrains per capita per day in gms



Some Problems associated with Targeting

- Identification of the Poor (BPL)
 - Inclusion errors
 - Exclusion errors
 - Debates on poverty estimates
- Other Issues
 - Other issues
 - Declining cereal consumption
 - Food sovereignty issues and decentralization
 - Inclusion of coarse grains and millets
- **Leakages and diversions**
 - Planning Commission Study Estimates (2005): **Nearly 40%**
 - In **16** states out of **14.07** million tonnes from Central pool only **5.93** million tonnes was delivered to the **poor**.
 - **5.12** million leaked out of supply chain (FCI godown to retail outlet)
 - **3.02** million delivered to unintended beneficiaries.
 - For **every kilo** of grain that reached the poor, GoI released **2.4 kilos**
 - Out of the **7258** crores of Central subsidy **4197** crores leaked out

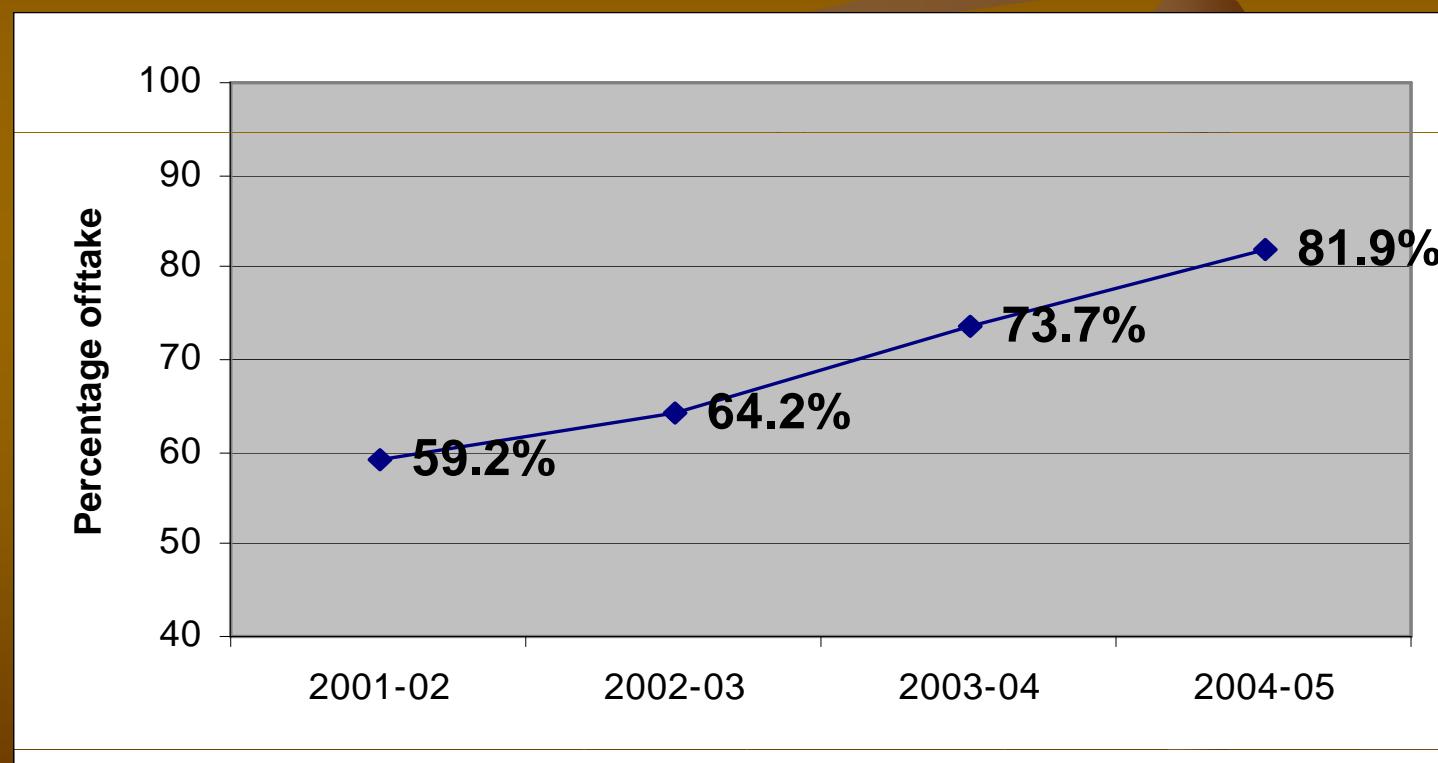


% of HH that possess ration card 2004/05 (NSS 61st round)

	Any card	BPL card	APL card	AAY card
Poorest	77.3	44.2	28.2	4.9
Q2	81.6	40.5	38.4	2.7
Q3	83.3	40.0	41.6	1.8
Q4	84.9	30.5	52.7	1.7
Richest	87.5	16.8	70.1	0.6

Off-take of BPL/ AAY Food Grains

- Figure 3.1: Percentage off-take of BPL/AAY food grains from 2001-02 to 2004-05



Source: Various issues of Monthly food grain bulletin, Department of food and public distribution, GoI

Food Subsidy vs Food Stamps

- Food Stamps to replace the food grain component of the PDS has also been a WB policy advice for two decades now.
- Yet, international evidence from SriLanka, Jamaica and other countries show decreased availability and offtake through food stamps.

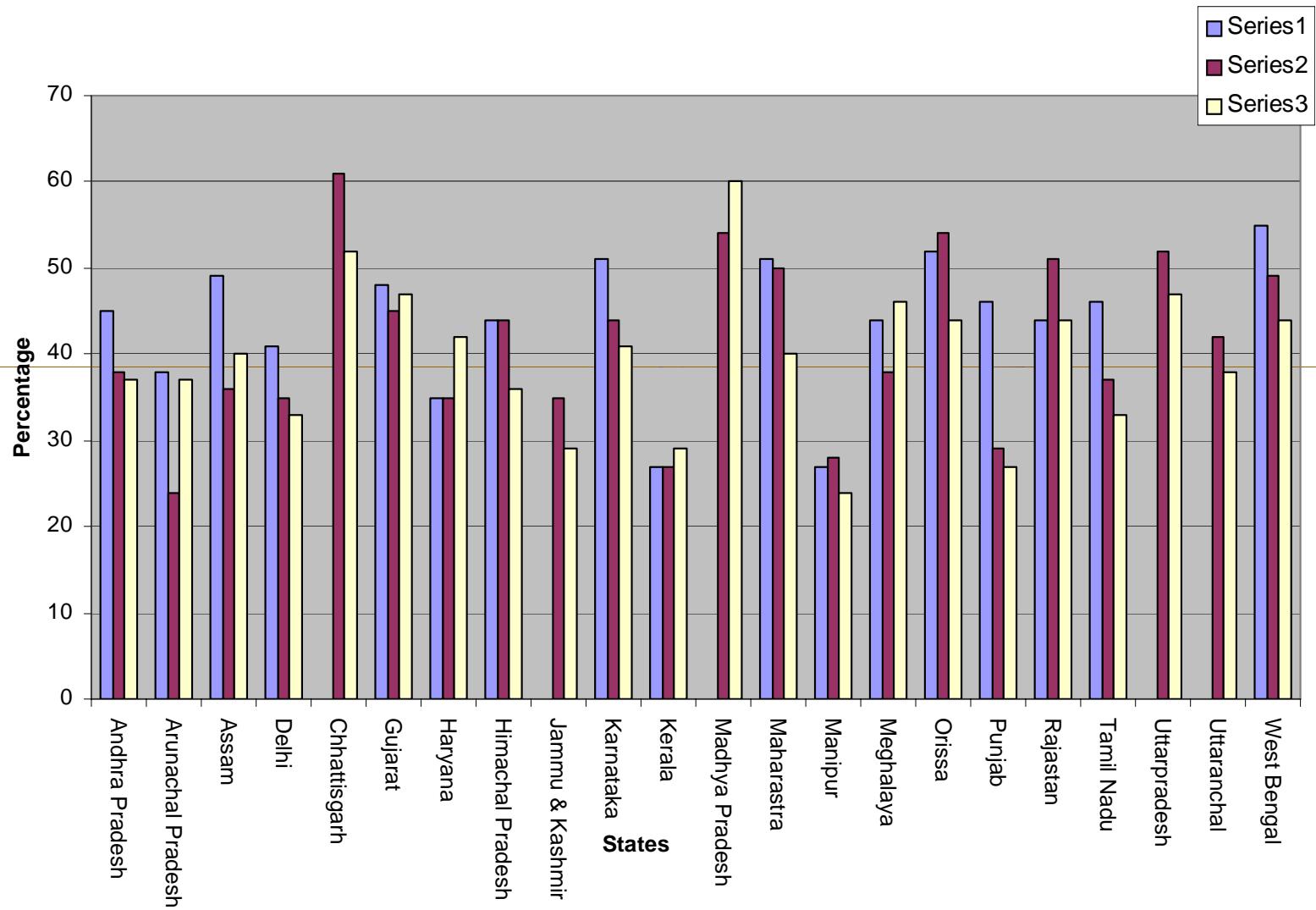
Some problems associated with food stamps

- Fungible
- Easily duplicatable – will lead to increased corruption
- Not inflation adjusted
- Cash instead of grains will reduce the control of women within the household over food resources
- Will affect the macro policies on procurement and eliminate the role of FCI as well as procurement from farmers.

ICDS

- Only institutional mechanism of the Indian State to address the issues of health, nutrition and pre-school education needs of children under the age of six.
- More than three decades old.
- Covers 50% of children under six with six essential services.
- Being universalised by GoI to cover all children under the age of six after Supreme Court Directions.

UNDERWEIGHT



SC Orders on ICDS in the Right to Food Case

- SC Interim order of 28th Nov 2001
 - We direct the State Govts. / Union Territories to implement the Integrated Child Development Scheme (ICDS) in full and to ensure that every ICDS disbursing centre in the country shall provide as under:
 - (a) Each child up to 6 years of age to get 300 calories and 8-10 gms of protein;
 - (b) Each adolescent girl to get 500 calories and 20-25 grams of protein;
 - (c) Each pregnant woman and each nursing mother to get 500 calories & 20-25 grams of protein;
 - (d) Each malnourished child to get 600 calories and 16-20 grams of protein;
 - (e) Have a disbursement centre in every settlement."

Context of SC Interventions

- India has one of the highest rates of child malnutrition in the world with 46% of children malnourished (NFHS 3).
- This is nearly double of the malnutrition rate in Sub-Saharan Africa.
- There has been very little progress in the last eight years with just a 1% decrease in child malnutrition in India from 47% (NFHS 2) to 46% (NFHS 3).

WB Policy “advice” on ICDS

- Documented most recently in “India’s Undernourished Children: Call for Reform and Action (HNP Discussion Paper Aug 2005)
- Advocates targeting instead of universalisation despite unambiguous orders from the Supreme Court.
- Advocates lesser emphasis on food supplementation again in contravention of SC orders.

WB Policy “advice” on ICDS

- Emphasises micronutrient deficiencies and places greater emphasis on pill based strategies to combat malnutrition rather than food based strategies.

Likely impact if WB “advice” was followed

- Targeting of the ICDS with similar consequences to that of the PDS targeting.
- MNCs and private contractors would gain the most if micro-nutrient supplementation was drastically enhanced.
- Would contravene Supreme Court directives on the ICDS.