

# **State Response to Food Security: A Study of the Public Distribution System in Anantapur District of Andhra Pradesh**

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In  
Political Science

By

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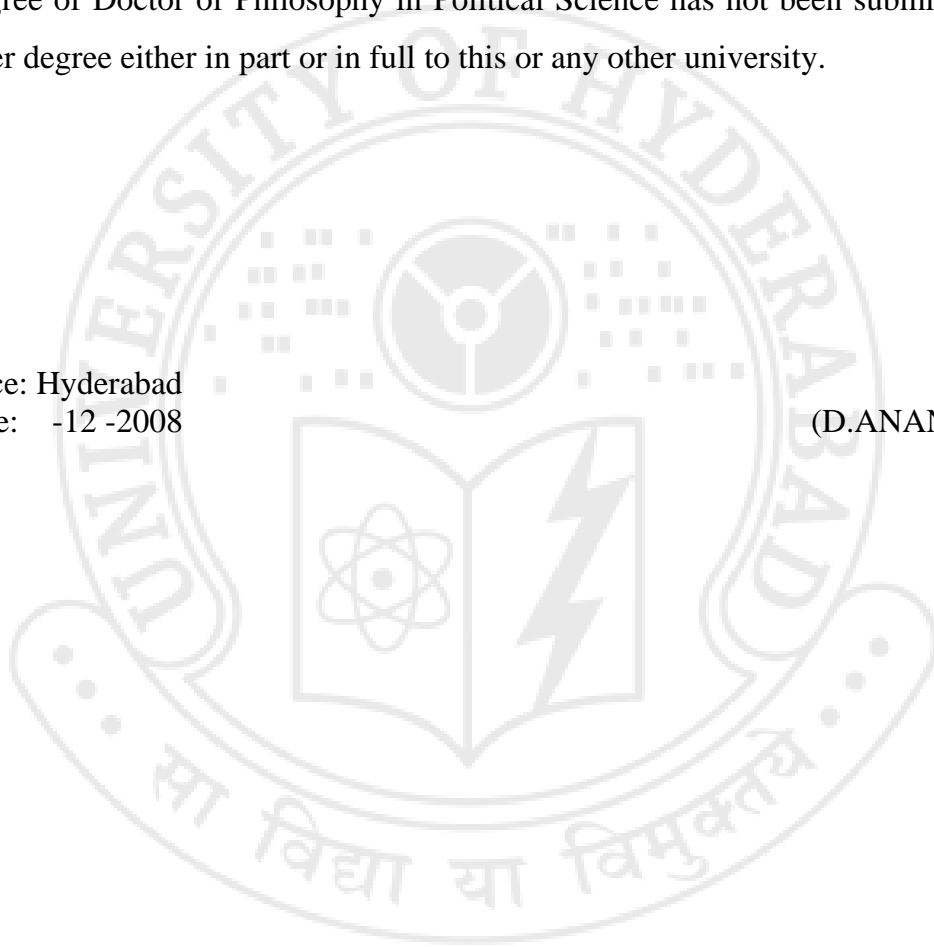
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## DECLARATION

I hereby declare that the thesis entitled “State Response to Food Security: A Study of the Public Distribution System in Anantapur District of Andhra Pradesh” prepared by me under the guidance and supervision of Dr.Manjari Katju, Reader, Department of Political Science, University of Hyderabad for the award of the Degree of Doctor of Philosophy in Political Science has not been submitted to any other degree either in part or in full to this or any other university.

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## **CERTIFICATE**

This is to certify that the thesis entitled “State Response to Food Security: A Study of the Public Distribution System in Anantapur District of Andhra Pradesh” submitted by D.Ananda for the award of the Degree of Doctor of Philosophy in Political Science is prepared under my supervision. The thesis or a part thereof has not been submitted to any other degree at this or any other university.

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## **List of Abbreviations and Acronyms**

AAY	Antyodaya Anna Yojana
AP	Andhra Pradesh
APC	Agricultural Prices Committee, the predecessor of the CACP
APL	Above Poverty Line
APSCSC	Andhra Pradesh State Civil Supplies Corporation
BC	Backward Classes
BPL	Below Poverty Line
CACP	Commission for Agricultural Costs and Prices
CAD	Constituent Assembly Debates
CAG	Comptroller and Auditor General
CPI	Communist Party of India
CPI (M)	Communist Party of India (Marxist)
DRDA	District Rural Development Agency
DWCRA	Development of Women and Children in Rural Areas
FAD	Food Availability Decline
FAO	Food and Agricultural Organisation
FCI	Food Corporation of India
FPS	Fair Price Shop
GDP	Gross Domestic Product
HIV	Human Immune Virus
HYV	High Yielding Varieties
ICDS	Integrated Child Development Scheme
ICESCR	International Covenant on Economic, Social and Cultural Rights
ICMR	Indian Council of Medical Research
IMF	International Monetary Fund
KG	Kilo Gram
MLA	Member of the Legislative Assembly
MLC	Member of Legislative Council
MLS	Mandal Level Stockist
MP	Member of Parliament
MPTC	Mandal Parishad Territorial Constituency



MSP	Minimum Support Price
NABARD	National Bank for Agriculture and Rural Development
NCRWC	National Commission to Review the Working of the Constitution
NFHS	National Family Health Survey
NGO	Non-Governmental Organisation
NTR	Nadamuri Taraka Rama Rao
OBC	Other Backward Classes
PAC	Public Accounts Committee
PDS	Public Distribution System
PUCL	People's Union for Civil Liberties
RPDS	Revamped Public Distribution system
Rs.	Indian Rupees.
SC	Schedule Castes
SGRY	Sampoorna Grameen Rozgar Yojana
SGSY	Swarna Jayanti Gram Swarozgar Yojana,
ST	Schedule Tribes
TDP	Telugu Desam Party
TPDS	Targeted Public Distribution System
UDHR	Universal Declaration of Human Rights
UNDP	United Nations Development Programme
UNO	United Nations Organisation
UPA	United Progressive Alliance
USA	United States of America
WFS	World Food Summit
WTO	World Trade Organisation
ZPTC	Zilla Parishad Territorial Constituency

## **CHAPTER - I**

### **Introduction**

World has enough food, the growth of agricultural production has been faster than population growth, yet millions of poor people go hungry every day. Food is the basic need for the existence of human beings. Poverty and hunger are the most atrocious forms of deprivation. Every one has a fundamental right to be free from hunger and have access to sufficient, safe and nutritious food and its effective utilisation for an active and healthy life. Food resembles other commodities, but differs in some respects from them. Food is simultaneously an economic commodity and a biological necessity. However unlike all economic commodities, food must be provided on a regular basis in adequate amount to all individuals if they are to survive, grow and prosper. In India, Planning Commission specifically adopted certain caloric norm to determine the prevalence of poverty. Minimum per day energy requirements of 2,400 calories per individual in the rural areas and 2,100 calories in the urban areas has been taken as the standard norm to test poverty. Measuring poverty in terms of merely calories is misleading, because other requirements are necessary for a decent human existence. The importance of food security in modern times has been widely recognised socially and legally. Making these commodities available at affordable prices to the people and enhancing their purchasing power have become the basic roles of the state in modern times.

“In spite of the significant progress that our country has made in food production and sufficiency over the last 50 years, most rural and urban populations

have had to deal with uncertainties of food security on a daily basis year after year, most often generation after generation. In aggregate, over one fifth of India's population suffers from chronic hunger. Tracking the incidence of hunger over three reference periods, 1979-81, 1990-92 and 1998-2000, the Food and Agricultural Organization (FAO) of the United Nations plots the number of undernourished as 261.5 million, 215.6 million and 233.3 million respectively.<sup>1</sup> In India the problem of hunger and starvation is widespread despite self sufficiency in foodgrains production. The food insecurity is now affecting many states across the India. Millions of people in dozens of states are unable to afford the food they need, and malnutrition is on the rise. Many know the dictionary meaning of hunger, but do not really know what hunger is. This hunger is not something one feels before a leisurely good dinner, nor is it the stomach pangs we sometimes experience while on a diet. For many people, hunger is not a passing discomfort; it is an ever present reality. It is one thing to talk about it and completely another issue to experience it. Hunger and food insecurity are a devastating and unbearable human experience. It is intensely painful, ultimately it kills human beings if it goes long enough. Hunger is an experience that dominates and diminishes all other social and economic advancements. Different types of deprivations not only physical but also social and economic. Food insecurity prevents the poor from taking the advantage of opportunities that become available to them to improve, be it education, health, work etc. Persistence of hunger indeed reflects a serious denial of social and economic rights, indeed it is a social and economic problem.

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<sup>1</sup> FAO (2002), —State of Food Insecurity in the World  
[http://www.fao.org/documents/show\\_cdr.asp?url\\_file=/docrep/005/y7352e/y7352e00.htm](http://www.fao.org/documents/show_cdr.asp?url_file=/docrep/005/y7352e/y7352e00.htm). date 25/8/2004

The problem of hunger and poverty remains one of the most pressing and formidable social problems of time. Apart from causing visible pain and suffering, hunger and poverty also cast a shadow over the future of society. Extreme hunger is a social constrain which defies every effort of an individual or a society to improve them economically and socially. Hunger affects the health of people which directly affects the productivity. It reduces the physical potential of a person to work and be more productive. It makes people more vulnerable to disease. When hunger manifests itself on a wide scale, with a significant proportion of the population undernourished, it poses a serious challenge to the very objectives of socio-economic development and to success in poverty reduction. Hunger and its consequences are not only morally and ethically unacceptable, but also entail a high social and economic cost to the nations. Moreover, the hopelessness and anger that hunger and poverty generate can become a breeding ground for violence and crime in society.

The consequences of food insecurity at the household level were perceptible, namely, physical, psychological and social. Physical manifestations could translate into a lack of concentration at school and low work capacity either at home or at work. Psychological manifestations related to a lack of access to food were leading to a clear feeling of being constrained to go against held norms and values, as well as creating enormous stress in the home. Food insecurity consequences was a variety of social perturbations that cover the modification of eating patterns and related practices, disrupted household dynamics as well as distorted means of food acquisition and management. In addition, all food-insecure households had to resort

to some extent to food acquisition and management strategies that included unsustainable practices such as harmful practices creating unexpected dependency for e.g., relying on others or relying on credit to eat. The compromised suitability of diets might be expected to have long-term detrimental effects. They are referred to as social implications because they likely affect the potential for development of a society.

Hunger affects the health of a pregnant woman. It limits the mental capacity of a child to learn. Physical impairment because of a lack of food contributed to reduce learning in children and adults as well as a loss of productivity, increased need for health care and expenditure. Apart from livelihood issues, one major problem is starving people succumb to diseases, for example, in normal circumstances, a disease like asthma may not be fatal, a person who is starving is unable to combat it. Another major social problem which is further worsening the food insecurity situation of the poor is the alarming spread of HIV/AIDS, as it directly affects the ability of work. The pandemic is no longer a health problem alone, but is having devastating impacts on agricultural production, household food security and rural people's ability to survive.

Psychological suffering related to food intensified the feeling of exclusion and powerlessness including pessimism as well as a difficulty to overcome obstacles and get back to a normal situation. Food insecurity disrupts household dynamics decreased participation in social life. Not to be ignored are the feelings of revolt such as the very violent anti government as a result of insufficient access to food. Such

repercussions of food insecurity were an important threat to harmonious life in society; if this exists on a large enough scale, it could intensify conflicts in society. Similarly, increased social inequities associated with reduced learning, with increased illnesses and with feelings of exclusion and powerlessness are certainly not conducive to social and economic development.

The National Commission to Review the Working of the Constitution<sup>2</sup> stated in its report, “particularly significant has been the increase in agricultural production between 1950-2000, the index of agricultural production increased more than four fold. Between 1960-2000, wheat production went up 11 million tonnes to 75.6 million tonnes on the production of rice increased from 35 millions to 89.5 million tonnes. This is no mean achievement for a country that relied on food aid until 1960s. Similarly, there has been a rapid expansion in industrial sector. The index of industrial production went up from 7.9 in 1950-1951 to 154.7 in 1999-2000. Electricity generation went up from 5.1 billion KWH to 480.7 billion KWH” (NCRWC. Chapter-II Para-2.13.1). On the other hand, endemic hunger has increased along with the food production in India. The facts and figures from national data give a bleaker view. “According to the National Family Health Survey 1998-99, for example 47 per cent of children below the age of three were malnourished by a weight-for age criterion. Data from the National Nutrition Monitoring Bureau indicate that 48.5 per cent of the adults had a Body Mass Index below the norm in 1993-94. Data from National Sample Surveys show a clear trend of decline in calorie intake. In rural India, the average calorie intake per capita per day fell from 2,226 Kcal in 1972-73 to 2,183 in 1993-94, and further to 2149 in

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<sup>2</sup> The National Commission to Review the Working of the Constitution was appointed by the government of India under the Chairmanship of Justice M.N.Venkatachalaiah on the eve of golden jubilee celebrations of Constitution of India.

1999-2000. Among the lowest 30 per cent of rural households in respect of consumer expenditure, the per capita calorie intake fell from 1,830 Kcal in 1989 to 1,600 Kcal in 1998. The calorie intake per them was less than or equal to poverty line norm of 2400 calories for almost 77 per cent of the rural population in 1999-2000” (Swaminathan 2004: 42).

The National Commission to Review the Working of the Constitution (NCRWC) pointed out that, “Over 260 million people living below poverty line in India are chronically hungry. Hunger and poverty forces families to make trade offs. Trade offs between hunger and meeting other basic needs. Trade offs for who goes to school and who doesn’t, in such trade offs women and children are often suffers. Poorly-fed and malnourished pregnant women give birth to stunted and unhealthy babies who are prone to diseases. ....the Scheduled Castes, Scheduled Tribes and Backward Class are an easy prey of poverty, hunger and women of these categories are its worst victims (NCRWC, 2001:101). It is clear that a task of utmost importance today is to guarantee adequate physical and economic access to food to ensure food security and an end to hunger.

What is the response of the state? State response to the issue of hunger and food insecurity was centred round the Public Distribution System (henceforth the PDS). The PDS in India forms a very important part of state policy for the distribution of food grains and other essential commodities. However, the nature of the policy of the state’s intervention is largely determined by socio-economic and political conditions, which are responsible for its emergence and growth. To meet

the scourge of persistent hunger, the formulation of a food policy is practical necessity. According to Amartya Sen, “Millions of lives depend on the adequacy of the policy response to the terrible problem of hunger and starvation in the modern world. Past mistakes of policy have been responsible for the death of many millions of people and the suffering of hundreds of millions, and this is not a subject in which short cuts in economic reasoning can be taken to be fairly costless” (Dreze & Sen 1990:50).

### **Public Distribution System**

Public Distribution System (PDS) in India started as an ad-hoc war-time measure to mobilise food supplies to prevent undue rise in prices and to ensure better distribution. From that time onwards it has developed into a stable feature of the larger strategy of checking price-rise and to ensuring an equal distribution of essential commodities. Also, the food policies under PDS were designated to ensure remunerative prices to the farmers for their production. This was done through a system of assured minimum support prices and procurement during peak marketing periods when the prices normally tend to be low.

The PDS in India is a retailing system supervised and guided by the state. The basic objective of the PDS in India is to supply food grains and other essential commodities to the poor and disadvantageous sections at fair prices through fair priced shops (henceforth the FPS). The policy aims to ensure fair distribution of food grains and other essential commodities to the weaker sections. The PDS is a system owned and controlled, in principle, by public authorities on behalf of the general public. It is not a system of distribution under public ownership as in the



case of many socialistic countries, nor is it an independent system of consumer co-operatives of the type found in Scandinavian countries. In India, where the large sections of the people live below the poverty line, the PDS has very specific position. It is an arrangement, obviously, would be in the larger interest of economically vulnerable sections of Indian society.

One of the major objectives of planning in India has been to provide a minimum level of living to the people. As the first condition, this requires provision of not only the needed foodgrains but also the required quality of food. The government of India has adopted the dual market mechanism to meet the situation. It has been felt necessary by the government that there should be an efficient PDS because if enough foodgrains are not provided to the weaker sections of the society, it will impair many of government's other programmes. Say, if some sections of the society do not get enough food, mortality rates particularly child mortality rates, would continue to be high in many food deficit states, and consequently, the government sponsored family welfare programmes would not be successful. Even the proposed employment generation programmes would get a set back because of reduced productivity of workers on account of their poor health due to malnutrition. The distribution policy of the government usually evolves in response to the exigencies of critical situations such as shortages, price rise, or deterioration in quality of essential commodities. Because of its exigent nature, the distribution policy of the government tends to be somewhat fragmented. Although concerns are often expressed for a consistent, well integrated public distribution policy, the

situational factors have prevented the emergence of such a comprehensive policy so far.

An effective PDS policy requires the fulfilment of certain conditions. For instance the quantities supplied the range of commodities to be included and their distribution of the essential commodities like rice, wheat, sugar, edible oil and kerosene oil to various sections of society. Public distribution of foodgrains and other essential commodities like rice, wheat, sugar, edible oil and kerosene oil was envisaged as a thoughtful social policy by the government of India, since the beginning of its planning era in 1951. It was, in fact, to form an important component of the policy of growth with social justice. The real aim of such a policy was to keep the prices of essential commodities in check and reduce the economic burden on consumers both in rural and urban areas.

In view of its crucial significance, the PDS has been introduced in almost all parts of the country. Admittedly, the PDS is not a perfect system as it has been facing several problems. The shortcomings of PDS are fairly well known, several studies on PDS by Madhura Swaminathan, Mahendra Dev, Bapna, Tyagi, Indrakanth, Krishnaji, Krishnan Venugopal, George Usta Patnyak and Jos Mooij have criticised PDS for its inefficiency in income transfer to the poor. Heavy leakages as also the food subsidy accruing to higher income groups at a high rate than the poor income groups has also been noted. The operational difficulties of reaching foodgrains to the poor when they need and have the resources to purchase have also been noted. However, while there has been much debate and criticism of

the effectiveness and the desirability of continuing the PDS system in its present, form, there has been very little work on the operational aspects of the PDS at micro level. At the same time there has been little work on the politics of food security and food policy with reference to PDS except few works of Jos Mooij. An attempt has been made in following discussion to bring out the findings of the prevalent literature on the subject of food security with respect to the role and effectiveness of PDS in India.

### **Review of Literature**

According to Bapna (1990) the world has more food than is required for the nutritional wellbeing of its population (Bapna 1990: 99). Access to adequate food for all people at all times is defined as food security. The notion that all people, especially the most vulnerable, have dignified and unthreatened access to the quality and quantity of culturally appropriate food that will fully support their physical, emotional and spiritual health. It means that all people in the community have access to good nutritious food at all times. FAO Rome World Food Summit 1996 defined "food security, at the individual, household, national regional and global levels, exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life."<sup>3</sup> Access to food at all times, in order to have an active, healthy life is food security. Food also needs to be available, affordable, and culturally and environmentally appropriate. The most important season in present

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<sup>3</sup> See appendix-I for the Rome Declaration on World Food Security.

times for food insecurity are lack of purchasing power with the poor and vulnerable sections.

The PDS in India whose basic objective is to provide essential commodities particularly foodgrains to the population, in particular to the vulnerable sections of society, at affordable prices, functions as a security measure to the poor. The supply of grains through the PDS has increased rapidly since the mid sixties. The average annual supply increased from 6.5 million tonnes during the 1961-65 to 11.0 million tonnes during the eighties and further increased to 23.0 million tonnes during nineties. The PDS quantity distributed accounted for 12 per cent of average net availability during 1996. The timely release of foodgrains through the PDS network in years of drought has helped to contain the prices of grains. However, the evidence suggests that government supply is not very sensitive to inflationary situations (Radhakrishna 1996: 175).

In India, although the foodgrains production has increased substantially, from a deficit state to a surplus state, the per capita availability more or less remained the same for quite a long period. However, the recent trend shows that the per capita availability has increased and India is in a position to export grains to deficit countries. Internally there is a widening disparity in per capita food production among the states over the years (Krishnan 1992: 2486). He opined that the foodgrains transferred through PDS, which moved grains from surplus production states to deficit consumer states not only reduced interstate disparity in per capita consumption, but also provided grains to poor through ration/fair price shops at subsidized prices. According to him, the inter-state inequality in per capita

consumption of cereals had probably declined in the 1980s compared to earlier periods (Krishnan1992: 2486).

The continued operations of PDS in India for the past five decades could be perhaps explained by the fact that poverty and inequality still remain high. Though state interventions in the foodgrains markets have been in existence in India for a long time, extensive use of this mechanism has been adopted from the Second World War period (George 1983: 5). In India, poverty prevails, though trend of declivity has been noticed, numerically the poor remain same even after 50 years of independence. Through the incidence of poverty in India has declined form 51.5 per cent in 1972-73 to 36 per cent in 1993-94, the number of poor who lived below poverty line was increased form 292 millions to 320 millions during the same period (George 1983: 4).

Is PDS equally catering to the needs of people across the states? Many studies by Madhura Swaminathanan, Mahendra Dev, Bapna, Tyagi,Indrakanth, Krishnaji, Krishnan Venugopal, George show that there is no equitable distribution of PDS grains among the states. There is also criticism that economically developed states like Kerala, Gujarat, Andhra Pradesh and Tamil Nadu are enjoying the fruits of 'subsidised' grains while poor states like Bihar, MP, Orissa and UP are denied benefits of the establishment of FCI. It has been said that Kerala and Maharashtra have been the largest recipients of foodgrains from the central pool, built up through compulsory procurement from surplus states for which quotas were fixed (Dantawala 1993). He further argues that in a vast country like India the food economy is not centrally controlled and intervention through PDS can not bring

about perfect state-wise balance in availability of food. Geeta and Suryanarayana (1993) confirm the general impression that there have been disparities in the state-wise PDS quantities either with respect to total population or population covered by the PDS (Geeta and Suryanarayana 1993:2211). Tyagi (1990) brought out sharp difference in the working and impact of PDS across the states. Many scholars felt that the need for public intervention must be clearly established and its effectiveness should be constantly reviewed (Tyagi 1990:89).

Another criticism of PDS is that the distribution of foodgrains has not been reaching the deserving population below poverty line in different states (Tyagi 1990:89). Tyagi examined the state-wise per capita production of foodgrains, their share in total public distribution and the poverty ratios and concluded that 'the per capita distribution of foodgrains in different states has not been consistent with the percentage of population below poverty line (Tyagi 1990:99). Bapna (1990) in his study found that in Andhra Pradesh, all ration cardholders participated in the PDS programme. He also found that the off-take of rice in Andhra Pradesh was high but observed that the poor segment obtained lower quantities than the rich.

In view of vast difference in the coverage of PDS among the states, Tyagi (1990) argues that under the present system, the poor in the states where PDS operations are limited or negligible may actually be worse off than they would be under free market conditions. V.M. Rao (1995) recommends that states have to play a better role by relieving the centre of the responsibility from the routine shores. Further, he suggests that an environment has to be created in which the local level

participating organizations would grow, spread and acquire capacity of delivering a wide range of development services to the rural people including schemes for food security for selected groups.

It is only in recent years in response to fears about the adverse effects of liberalisation policies on the levels of living among the poor, that the PDS is being seriously considered as a means of providing food security to the poor all over India (Krishnaji & Krishnan 2000) Analysing the food security and PDS during the structural adjustment, Madura Swaminathan (2000) concludes that the public distribution in India needs to be genuinely reformed if it is to provide basic food security for the vast majority of India's population.

There are conflicting views about the open market prices of foodgrains due to public procurement and distribution operations in India. Some are of the view that both the farmers and consumers have been benefited out of the scheme, others expressed that only consumers have benefited. Radhakrishna and Indrakant (1987) in their study on 'Effects of Rice Market Intervention Policies in Andhra Pradesh' found that the open market price of rice in the dual market system was about 20 per cent higher than in the absence of public intervention.

Tyagi (1990) analysing the food policies followed in India concluded that the producer benefited more than the consumer. In particular, the government failed to contain prices despite large and growing levels of stocks. The main objective of foodgrains price policy in India has broadly been concerned more with the

stabilisation of consumer prices than with ensuring maximum prices to producers. A comparison of the producers' and consumers' prices indicate that the Government of India's price policies tried to play fair between the producer, the consumer and country's economy as a whole. The administered prices in the form of procurement/minimum support prices to the farmers as well as issue prices to the consumers under the public distribution system – hardly touch 10 per cent of the total production of foodgrains and 25 per cent of the entire marketable surplus.

Geetha and Suryanarayana (1993) examined the critical issue of reorganising the PDS. They reviewed the objectives of food policy pursued in different Five Year Plans and have examined interstate PDS disparities and their implications for the ongoing reforms. In the early 1970s the magnitude of subsidy was not that alarming as it was in the 1990s. Though, the share of food subsidy in national budget has not increased substantially, the policy makers and economists felt that this subsidy was provided at the cost of development. Many attempts were made to curtail food subsidy by making reforms in PDS. The major reforms focus on 'targeting' that is providing subsidised foodgrains to the deserving poor and excluding the better-offs from the scheme. Of late, there has been a lot of emphasis on revamping the PDS involving the backward regions and classes and excluding the non-poor from the scheme this called targeting. Such an approach is supposed to not only protect the weaker sections but also at the same time reduce food subsidy and hence budgetary deficit of the central government.



Targeting has been understood as restricting the PDS coverage to the vulnerable sections of the society. The options suggested to achieve this objective range from direct to self-targeting, the latter through supply of poor quality (coarse variety) of foodgrains (Ahluwalia, 1993). Also, many studies suggested that even without explicit targeting, it could be ensured that the benefits of the system accrue to the deserving classes by means of, say, providing inferior cereals mainly consumed by the poor or by supplying goods in predominantly poor areas. Shikha Jha (1992) analyses the effectiveness of self-targeting in the Indian Public Distribution System and shows that the implicit targeting leaves considerable scope for improvement. There is wastage of consumer subsidy in the sense that a substantial amount goes to the non-targeted population, while a part of the deserving population is left out. Hence, it is worth diverting resources to goods, which are better targeted from goods which are poorly targeted. That is, even if targeting cannot be improved, switching of subsidies both between good and areas can lead to improved distribution of subsidies to the poor.

Mahendra Dev (1996) examined the targeting effectiveness of PDS in Maharashtra and West Bengal. The ratio of percentage of quantities purchased from PDS to the population for bottom four deciles of population is used as the criterion to measure the targeting effectiveness. Out of 40 ratios presented, only for eight cases the effective ratio is more than one. It shows that PDS does not particularly favour the poor or there is no implicit targeting towards the poor. Tyagi (1990) found that low and middle income groups are largely benefited by the PDS but not the lowest income groups. He also observed that the issue prices of wheat and rice

are higher than the open market prices in many parts of the country, which might be due to commitment of distribution of foodgrains in the untargeted system. Further, he emphasised the need for government interventions as far as the vulnerable sections are concerned.

In the light of New Economic Policy, when a sizeable number of people are suffering from mal-nutrition and under-nutrition, the removal of inputs and food subsidy adversely affects the vulnerable sections of the society in India (Vyas, 1993). Through the PDS, the states' operations should be limited to provide the basic necessities to the poorer sections. A subsidised PDS for well targeted groups is the best form of food security that has been devised. Analysing the food security and PDS during the structural adjustment process, Madhura Swaminathan (1996) concludes that the public distribution in India needs to be generally reformed if it is to provide basic food security to the vast majority of India's population.

In the 7<sup>th</sup> plan, it was argued whether the PDS should be confined to a well-defined target group. But, for the first time it was made a permanent feature of the strategy of control prices, reduce fluctuations and achieve equitable distribution of essential commodities. However, the Eighth Plan has clearly emphasized the need for exclusion of the non-poor to make the procurement and distribution system more efficient. Till 1979, the PDS policy was rather vague and only after the drought year 1978-79, a consistent policy could be traced. At present it is a permanent feature of food policy and almost the whole population is covered under PDS (Bapna 1990).

Analysing the NSS 42<sup>nd</sup> round (1986-98) social consumption data, Shikha Jha (1992) found that a major part of subsidy goes to the non-poor population. She also found a lot of variation among the commodities preferred by the poor and non-poor. The non-poor who can afford to pay high price preferred to purchase rice and wheat from open market while purchasing sugar and kerosene from the PDS outlets. There is no quality difference in sugar and kerosene between PDS and open market. But in the case of rice and wheat at higher price, one can get better quality of grains in the market. According to her, self-targeting can be achieved by providing coarse cereals, which are mostly consumed by the poor through the public distribution system.

Since the public distribution of food in India is almost universal, many scholars, administrators and policy makers expressed that there are leakages in the system in the form of transferring subsidy to the non-poor. Ahluwalia (1995) conducted a study on the leakages in the distribution of foodgrains and other commodities in the form of losses in transport and diversion to the free market. It is estimated that a little more than 3 per cent of the foodgrains and sugar and over half of the edible oil does not reach the actual users of PDS. Indrakant (1997) in his study of Andhra Pradesh pointed out that there are three types of possible leakages in the system. According to him, they are: 1) the leakages at FCI godowns – the PDS goods does not reach the village fair price shop and are diverted for black marketing, 2) the leakages at the village level – the FPS dealer divert some/all quantities to private dealers at market prices and 3) the leakages at household level – the consumer may also sell his entitlement of PDS commodities at higher prices for

one reason or the other. Further, in his study of four villages in Andhra Pradesh, he found that in backward villages a large percentage of beneficiaries are non-poor. In developed villages, the PDS scheme has provided access to food to most of the poor. He also found substantial leakages at village level. He suggested the need for the targeting the PDS to the poor in the state.

In recent years there was lot of debate on distributional aspects of PDS goods between rural and urban and between poor and rich. Initially the PDS in India was mainly concentrated in big cities, towns and selected deficit areas. Since the PDS is almost universal now, many felt that the exclusion of the coarse cereals from its distribution favours the better off sections of the population. Secondly, in rural areas, the poor whose purchasing capacity is very low may not purchase all his or her entitlement at one time from the ration/fair price shop. The Agriculture Price Commission (1969) opined that the benefits of PDS have accrued predominantly to the urban population, except in the years of widespread drought. Prior to 42<sup>nd</sup> NSS round, the findings of many authors show that a large portion of the total PDS deliveries had gone to the urban sector. For example, George (1985) analysing PDS off-takes concludes that 85 per cent of the PDS supplies benefited the urban areas.

Mahendra Dev and Suryanarayana (1991) made an attempt to verify severe criticism levelled against the PDS in India that it was urban biased and it benefited, by and large, the middle and upper income groups. They used the criterion of PDS quantity per market dependent in rural and urban sectors found that PDS is rural biased at the all India level for rice, coarse cereals, sugar and cloth. However, the

findings at state level vary and in states like West Bengal the PDS commodities are rural biased in Andhra Pradesh. Analysing the same data, they found that at all India level the PDS is not favouring the middle or rich groups. More or less all sections of population depend uniformly to the same extent on the PDS with respect to all commodities in rural areas and in urban areas the poor get slightly higher proportion than the rich. Thus, as the evidence shows, the PDS does not discriminate against the poor as commonly perceived.

However, Howes and Jha (1992) who defined accessibility in terms of crowding in ration shops and distance of residences from these shops, show that the ration shops are more easily accessible in urban areas than in rural areas of many states in India. Analysing the same 42<sup>nd</sup> round data, Shikha Jha (1992) observed that the PDS foodgrains consumption of an average rural dweller was about 70 percent of an urban dweller, which has improved compared to 20 percent in 1978. However, in terms of implicit subsidies, it is only in case of sugar that the rural users of PDS are treated almost on par with their urban counterparts. Emphasising the need for PDS, Venugopal (1992) who was a key architect of 'Rupees Two a Kilo Rice' scheme in Andhra Pradesh during N.T Rama Rao period, carried out a study in which he concluded that some states which did not produce enough foodgrains, had far better record of providing food for the poor than states which had a surplus. Various issues like the intensity of hunger in rural poor households, the financial constraints involved in the rational use of foodgrains in rural employment programmes, reorientation of the PDS to serve only poor and the needy were also discussed. It showed that a very substantial percentage of the beneficiaries, who

were daily wage earners, were unable to buy their entire monthly entitlements. It was also observed that the scheme had not been able to meet the expectations of rural poor labour class in the state of Andhra Pradesh. Venugopal observed that in the present context of acute hunger, poverty and unemployment for millions of people in the country, food subsidy was both inevitable and essential. He further emphasised that the present undifferentiated generalised urban oriented PDS needs proper adjustment to serve the poor.

In the light of new economic policy, it is interesting to note that Indian government is taking steps to revamp the PDS to improve its reach on the basis of an area approach and to eliminate leakages and malpractices that have crept into the system (Government of India 1992) while such efforts continue, the rural-urban gap in terms of subsidised foodgrains has been reduced overtime though completely not eliminated.

Though PDS has played a significant role over the past four decades, it has been seen that its benefits have not been flowing to certain vulnerable sections of the population due to their disadvantageous locations and lower purchasing power. When it was found that in the backward areas people were not getting sufficient supplies from PDS, a revamped public distribution system (RPDS) was launched in 1992 for tribal, hilly and remotely located areas. Initially, it was introduced in 1700 blocks and later on extended to 2496 blocks all over the country. Even the functioning of RPDS was not very much satisfactory. Kripa Shankar (1997) in his study of 21 remote tribal villages found that none of the households received any

foodgrains from RPDS. However, they were supplied sugar (22 percent) and kerosene (44 percent) of their requirement under PDS.

In recent years many scholars tried to assess impact of PDS, where subsidised goods are supplied, to the population in general and to the vulnerable sections in particular. There are few studies where the authors tried to measure the effects of PDS in terms of improvement in calorie intakes, income transfers and decline in inequality. The impact of the PDS can be classified into two categories. First, there is a direct effect in subsidising prices of essential commodities, particularly foodgrains on the consumption pattern of poor in particular. PDS helps to increase the consumption levels and income transfers from better off to the poor. Indirectly, it influences the demand for the supply goods and also open market prices.

According to Bapna (1990), the development programmes introduced in 1970s did have some impact on the poor, but that impact was not sufficient to reduce the degree of malnutrition among the poor. As a result the proportion of poor remained high. In contrast to these programmes, the PDS is considered more effective because it provides (subsidised) nutrition; make food accessible to the poor and at the same time transfers income to the poor. Studies conducted by George (1983) in Kerala and Gujarat amply demonstrate that food subsidy scheme helped to raise the consumption levels and thereby the nutritional status of the poor and middle income groups. Redistributing income through food subsidy is another objective, which may be examined with care.

Vijayendra Rao and Komal (1997) in their four village study of Karnataka observed that there are price variations among the different sections of population for the same quality of goods in free market system. The main reason for heterogeneity in unit price is that higher unit prices are charged when small quantities are purchased. They also observed that the prices paid for same quality of items are income dependent, with the poor paying higher prices than the rich. The reason why the poor pay higher prices is that liquidity constraints force them to purchase goods in very small quantities and consequently subject them to quantity premiums.

These realities make a strong case that it is the high time to reflect on and assess food security and elimination of hunger. The views of the community are significant both in understanding the problem of food insecurity and hunger and in working out the policies and programme strategies most appropriate to solve the problem. Most of the earlier studies are concerned with food policy and changes in functioning of PDS. The study of food problem and its distributional aspects at national level has received considerable attention at the hands of academicians as well as policy makers in recent years. The earlier studies on food policy concerned themselves with selected issues like food grains production, drought and its impact on food production, procurement, demand and supply and consumption levels. There were attempts to find out the impact of PDS on different sections of the population like the different social and occupational groups with an economic perspective. There were attempts to measure the impact of food policy and PDS at



macro levels upon the different sections of the population, in terms, welfare gains and food security. The sizeable literature that has grown around the subject of evaluating the distribution system is large but it has ignored the political aspects of food policies. The major gap in the existing literature on PDS is the influence of electoral politics on food security. There are no studies on PDS from the perspective politics.

In the light of these facts, it becomes imperative to make an in depth study of the politics of the PDS. The contradictions and the interrelations between politics and economy are the ultimate determinants of development of society. Politics explains how the potential resources of a given society are mobilised and distributed through public policy. Until today most research has concentrated on consumptions levels, nutrition levels, the impact of PDS on poverty, and cost-benefit analysis of PDS. Most of the studies neglected politics and ideology in creating and alleviating hunger in society.

Why do hunger, food insecurity and poverty persist in a democratic society? The problem of hunger and food insecurity amidst plenty needs to be analysed from the perspective of Politics. Political thinkers Plato and Aristotle conceived politics as an art of understanding the problems of the society and science of solving the problems of the society.<sup>4</sup> Since politics is supreme science and politics administers and manages the entire society through public policy, what happens at the level of politics is an important question. Policy decisions are taken by the political executive, thus the

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<sup>4</sup> Aristotle gives first place to the politics among other sciences in his famous book 'Politics.' He considered politics as 'Supreme Science or Master Science.'

politics plays a major role through the policy interventions and regulations. What sort of politics is best suited to protecting the food security and well-being of the society? This question leads to the examination of political system that operates in the society and form of government. The purpose of the state is the well being of its people. The state achieves its goals through the government. The government is the instrument of the state through which the aims of the state are realised. The state formulates expresses and achieves its objectives through the public policy and implements through the organs of government. This leads to a major theme within the policy and political process literature, the idea that political parties interact and bargain with electorate, and thereby produce a particular policy outcome. Political parties can be individual, pursuing their own power interests, or they can be collective (coalition) pursue mainly political interests. Policies are made by political compulsions of competing interest groups and sections of society. Policy processes are inherently political. This is because political parties stress interactions between people, mobilisation and pursuance of ideas and interests. There is nothing natural or automatic in a policy process; on the contrary, policy processes are social processes and the outcome cannot be established in advance, but depends on the interactions and the strength of the groups.

The state of Andhra Pradesh is a case to be studied as there are no comprehensive studies on the politics of hunger and PDS in Andhra Pradesh. The present study analyses the policy framework and several political aspects of the PDS in A.P. Further, it also evaluates the working of the system from the feed-back of consumers and beneficiaries as they look at the programme in terms of their level of

satisfaction or otherwise. The main focus of the study is to evaluate the policy intervention to tackle the problem of food insecurity. The study concentrates on the state's obligation to the objective of food security. It also aims at evaluate and analyse the working of Public Distribution System at grassroots levels. To do this Anantapur district of Andhra Pradesh has been selected. Anantapur district is the one of the largest district in Andhra Pradesh. The issue of poverty and hunger in Anantapur district became the subject of extensive public interest in Andhra Pradesh during 1990s to present, as attention was drawn to the cases of extreme need within the area by mounting news coverage, political discussion in print and electronic media. Because of this type of conditions Anantapur district got the attention of central government accordingly; the United Progressive Alliance (UPA) government selected the Anantapur district to launch the National Rural Employment Guarantee Act (NREGA). Accordingly Prime Minister of India, Dr.Manmohan Singh and Chairperson National Advisory Council, Mrs. Sonia Gandhi, launched NREGA in Bandameeda Palli village of Anantapur. Political factionalism is also one of the important features of the district. These conditions strongly influence the standard of living and food security of the people living in the region.

The government of Andhra Pradesh provides a substantial additional subsidy on rice over and above the central subsidy under PDS. In Andhra Pradesh, rice is a major ration commodity, hence the entire distribution system revolves around rice. Since the inception of rupees two a kilo rice scheme in 1983 by N.T Rama Rao government, subsidised rice schemes are a prominent part of PDS in Andhra Pradesh. It is important to examine in detail the direct and indirect effects of the

heavily subsidised rice scheme under PDS in Andhra Pradesh at the grassroots level. It is important to understand the conditions under which this scheme could emerge and consolidate, and why it developed particular features. The questions relate to the politics of PDS and politicisation of food subsidies. Addressing question, may shed light on the conditions under which the PDS is working. The question clearly calls for an extensive field study across the deferent social groups. This would involve interviews with different actors of PDS such as beneficiaries, dealers, local political leaders, civil supplies officials at the district level.

There are a set of questions that could be explored further. The first one refers to the history PDS as massive food subsidy scheme with the inception of the Rs. 2 per kilo scheme. A better understanding of this history is important, because the PDS is a very ambitious attempt to improve the food security of millions of people in Andhra Pradesh. There is a huge cost on PDS in the form of the subsidy. Since liberalisation of the economy at the national level, successive governments Andhra Pradesh started to introduce several economic reform measures and went for World Bank loans, there was some pressure from the World Bank to reduce the food subsidy and make the scheme more targeted. Almost twenty years after its inception under PDS, the scheme is revived and still the major scheme for food distribution in the State. It is clear that the concept of state-mediated food entitlements has become stronger and more widespread in Andhra Pradesh. To what extent has this empowerment been realised, or under what conditions could it be realised more.

### **Objective of the Study**

The study focuses on political process and policy process with special reference to PDS in Andhra Pradesh. Its subject matter is the way in which policy is given shape from the stand point of politics, because the policies are not mechanical resolutions resulting from particular social problems. Since the rice is predominant commodity under the PDS study gives emphasis on rice with special reference to heavily subsidised 'Rupees Two a Kilo Rice' scheme. The present study has been undertaken with the following objectives in view;

- (i) to study the state responses to problem of hunger and food security and policy interventions with special reference to PDS;
- (ii) to study and analyse the politics of hunger with reference to electoral politics and the PDS in Andhra Pradesh with reference to rupees two a kilo rice scheme and politics of the scheme.
- (iii) to critically analyse and evaluate the PDS at the grassroots level and to examine the level of benefits that the rural and urban households are able to get from this system;
- (iv) to analyse the distributive mechanism and political dynamics at the grassroots level focusing on functioning of the fair price shops and to probe micro level problems occurring the delivery system with the perspective of politics.

### **Methodology of Study**

The present study is field-work based. It looks at the both the primary and secondary sources to analyse the issue of food security and the politics surrounding it. The study adopted purposive sampling method. In the first stage, Anantapur district

was selected. The selection of the districts was done on the basis of the following considerations. The Anantapur district is one of the most underdeveloped districts of Andhra Pradesh. Anantapur district is historically known as stocking ground of famines and droughts. The district is located in the driest regions of Andhra Pradesh and is drought-prone. Anantapur district falls under the one of least rain fall areas in the India and least rain fall area in Andhra Pradesh. In Anantapur district monsoon failures have been recurring phenomena, and well known for farmers' suicides, labour migration and political factionalism such problems have been a part of the lives of the people in this region.

In the second stage, three mandals were selected; two rural Mandals and one urban Mandal were selected for the purpose of comparison. Accordingly, Anantapur urban Mandal and Kuderu and Atmakur rural Mandals are selected. A representative sample of 100 card holders in each sample Mandal is taken on a purposive sampling basis to study the working and impact of the PDS. From each sample Mandal, three villages were selected; from each village approximately thirty five households are purposively selected based on the social group and possession of below poverty line (BPL) or above poverty line (APL) household card. The study made use of secondary as well as primary data. The secondary data on PDS schemes was collected from mandal, district and state level agencies. The primary data were collected from beneficiary households through structured questionnaires. Apart from the survey on cardholders and dealers of Fair Price Shops, qualitative information was collected through discussions with card holders and interviews with key Officials like District Supply Officer, District Manager, Civil Supplies, Tahsildars and other officials of

Civil Supplies of Anantapur District. The collected data processed, tabulated and analysed. The responses of consumers were analysed to find out the extent the PDS meets their essential consumption needs, functioning of the fair price shops, quantity, quality and accessibility of major commodities are analysed from consumers perspectives. Since the rice, wheat, sugar and kerosene oil are the major commodities under the PDS in Andhra Pradesh, therefore concentration rests on these commodities.

The study has few limitations, the coverage of sample is small both with regard to the number of respondents and with regard to the issues carry out for study. The difficulty of using a questionnaire method of survey is the possibilities of the subjectivities of the respondents in interpreting the features were taken cognizance of it. Though in the initial stages of the interviews, the respondents were reluctant to give information at later stages they were co-operative and prompt in their responses. The initial hesitation in responding to interviews was it seems because of they believe the information collected may work as feedback for government to eliminate bogus cards and ineligible BPL cards.

Some set of questions may not objective enough to capture views, especially on food security. Because of the rural cultural reasons of the issue, people who are not eating sufficient always may not be willing to say that, for the head of the household to say that, they are short of foodgrains to cook even in some days of the year hit the very dignity of the people. At times Civil Supplies officials also did show impatience and resentment, as they thought the information collected may be used for press reports. To the extent possible efforts were made to bring clarity wherever possible, through

participant observation at Fair Price Shops and Stockiest points several events could be verified. However taken representative sample and qualitative information collected through interviews can through enough light on understanding the issues raised in the study.

## **Chapterisation**

The thesis has five chapters. The second chapter which follows the introduction attempts to elucidate what is meant by food security. It presents the different themes and perspectives of food security and the various approaches to tackle the problem. It also discusses the issue of food as a human right and obligation of the state. The chapter also discusses national and international covenants on right to food. It examines the recent interventions of the judiciary in India, and the public interest litigations filed on the issue of hunger and starvation amidst plenty.

The third chapter examines the state response to hunger and food insecurity. It also looks at policy debates in India with special reference to public distribution of food. It analyses the politics of land reforms and relevance of land reforms in securing food to all. It also discusses politics of the Public Distribution System and electoral politics in Andhra Pradesh. It draws attention on recent developments in public distribution of food in Andhra Pradesh, and analyses electoral strategies and populist food policy of rupees two a kilo rice under PDS. The fourth chapter explores the functioning of the Public Distribution System at grassroots levels. It evaluates the processes and politics in the working of fair price shops. It examines the beneficiaries' responses to various issues in the PDS like availability and accessibility of foodgrains



supplied and also the experiences, complaints and grievances of people. It also looks at the dealers' responses regarding distribution of the foodgrains under PDS. The last chapter presents the summary of findings and conclusion of the study.



## **CHAPTER - II**

### **Food Security: the Concept and the Issue**

The subject of improving food security to the people is an issue of great importance to the today's welfare state. Food is the most important need, as it is indispensable for the maintenance of human life. Despite impressive food production in recent decades, such that enough food is available to meet the basic needs of each and every person, complete food security has not been achieved. It is more imperative in case of India where millions of poor suffer from persistent hunger and malnutrition. The concept of food security has evolved over the last few decades. Academics, policy-makers and activists have contributed substantially to the debates on what constitutes food security and how it can be ensured at the global, regional, state, household and individual levels. There are various definitions of food security. Also different approaches have been devised to tackle the problem of hunger and food insecurity. The present chapter analyses various themes and approaches of food security and in the process examines the various national and international covenants on food security. It also intends to analyse debates on food security and the issue of food as a human right.

#### **Definitions of Food Security**

Food is a fundamental basic need and should be treated as a universal human right. Food also has significant implications for the potential economic and social development. People without secure access to food are unlikely to progress

economically or to contribute indirectly to the welfare of other populations through economic trade, cultural exchange, or social interaction. Thus, alleviating hunger and poverty is in the long-run interest of the human development. Hunger is generally not a question of sudden starvation but rather of chronic under nutrition that leaves populations vulnerable to disease and their members unable to lead active and productive lives. Food security requires ensuring that foodgrains are physically and economically accessible to households. Physical accessibility of foodgrains in India for the poor mainly depends upon the public distribution that operates to a network of fair price shops (FPS). Economic accessibility depends upon the purchasing power of the people, which is primarily affected by two factors, the price of foodgrains and the income of the people. A state of food insecurity exists when the members of a household have an inadequate diet for part or all of the year or face the possibility of an inadequate diet in the future. Here two fundamental concepts are implicit, one, food insecurity is defined in terms of household, and two, food insecurity relates to both the current and future adequacy of the household diet.

Food security can be defined as the state in which all persons obtain a nutritionally adequate and culturally acceptable diet at all times. The notion that all people, especially the most vulnerable, have dignified and unthreatened access to the quality and quantity of culturally appropriate food that will fully support their physical, emotional and health, means that all people in the community have access to good nutritious food at all times. It means that food is available to all people, at all times, in order to have an active, healthy life. The World Food Summit held in 1996 in Rome, which took place at a time of growing international concern over

food security gave a new impetus to the fight for food security by focussing attention on food issues. The Rome Declaration on World Food Security, convened by the Food and Agricultural Organisation defines food security as, “when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.”<sup>5</sup> Thus food security means that there should be enough food for people and they have the purchasing power to access the food so available, and also that the food available is culturally acceptable. It should fulfil adequate nutritional value for healthy life. The definition adopted at the World Food Summit has been referred to in numerous texts and resolutions since and forms the basis of the international consensus on actions required at global, regional and national levels to achieve world food security.

### **Debates on Hunger and Food Insecurity**

The discourse on hunger and food insecurity can be divided broadly into three stages based on the focus on the discourse. The first stage in the evolution of concept and practice of food security was characterised by a focus on the inadequacy of food supplies at the global and national levels. There have always been speculations and forecasts about the world’s capacity to feed itself. Malthus formally framed the debate about whether food resources would be sufficient to feed an increasing world population in his ‘Essay on the Principle of Population’. Malthus saw the food problem in terms of the growth of food supply falling behind the

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<sup>5</sup> The World Food Summit was held in Rome, 13-17 November 1996. It was convened by the United Nations’ Food and Agriculture Organization. See the Appendix-I for Rome Declaration on World Food Security.

expansion of population, and saw both these growths as being primarily determined by nature. This is, of course, the context in which Malthus used his famous argument about food production growing in arithmetic progression, while population grew in geometric progression, soon overtaking the former. Since then, the same basic question has been raised, but from many different perspectives. On one end of the spectrum, people have generated calculations based on partial and generally qualitative analysis, while on the other end, projections have relied on quantitative models based on historical data. In that sense, one would expect an extensive literature evaluating these estimates. However, the studies have undertaken a comparison of predictions and projections with actual outcomes. As modelling and projecting global food security continues to grow more complex and expensive, revisiting the key predictions and projections of the last half century, and assessing how accurate they were, should provide valuable insights for future exercises.

The various approaches to the food problem that can be found in the literature can be divided broadly into two categories. One group looks at the issue from the stand point of natural sciences and engineering, and relates the food problem to various technological factors. The other group concentrates on social issues, including political economy, and sees the food problem primarily in social terms. As Amartya Sen explains, “At the risk of over simplification, the two classes of approach may be called 'nature-focused' and 'society-focused', respectively. These are not, of course, pure, unmixed categories; the classification reflects the relative emphasis that is placed on the different factors. It is really a question of focus rather than of coverage” (Sen 1982 : 447).

The various approaches to tackle the problem of food security in the late 1960s, concern about increasing population growth and poverty also resulted in the regular issuance of largely pessimistic predictions. Massive food aid shipments to stave off famine in India in the late 1960s, followed by the Green Revolution gains of the 1970s, and increased focus on natural resource constraints since the 1980s, each fuelled its own blend of optimism and pessimism when it came to predicting the food outlook. “Malthus did suggest checking population growth through 'moral restraint' to combat what he called 'the excessive and irregular gratification of the human passions, his scepticism of the actual possibility of achieving such a 'moral' solution is also abundantly clear. Malthusian pessimism reflects his view of a natural conflict, but more importantly, the Malthusian focus itself represents a far-reaching abstraction from various social influences on hunger, starvation and mortality, making the food problem turns on the ratio of two physical magnitudes” (Sen 1982 : 448).

Malthusian understanding of food problem led to the ‘Food Availability Decline’ (FAD) argument. According to the Food Availability Decline understanding, people are food insecure because there is not enough food to eat. The Green Revolution in India largely based on this understanding. The protagonists of the Green Revolution argued that all that matters is increased food production for alleviation of hunger. The assumptions underlying Food Availability Decline argument has received a great deal of attention in recent decades. However there are several questions which have to be answered by those holding this position. Does

anyone have reason to accept this futuristic projection? For example have any country really exceeded their carrying capacity? Are there clearly identifiable population trends which indicate major world wide population growth? Are these trends irreversible? However, many disagree with the Malthusian understanding of food insecurity.

The Green Revolution approach based on the developments in the field of science and technology, especially in biotechnology, biochemistry, microbiology, advocates the transformation of agriculture as a massive productive exercise. To achieve this end, genetically modified high yielding seed varieties, double cropping, chemical fertiliser are extensively used. Thus protagonists of the Green Revolution argued for a massive production of foodgrains. The belief was that more food production means less hunger. Much attention is now being directed towards supporting modern biotechnology advances that impact directly on food security. The bio-solutions include support given to the development of micro nutrient-dense staples, and genetically modified foods such as wheat, maize, rice, beans and cassava that are rich in vitamin A, iron, iodine, and zinc. It is expected that over the long-run micro nutrient-dense staples would be a cheaper means of eliminating nutrient deficiencies in developing countries than the traditional methods of food fortification with supplements and pills.

The 'Food Availability Decline' argument has typically been presented so forcefully that the impression has often been created that the world population has already been growing faster than the world food supply. That is most certainly not

the case on the other hand, there has been a steady increase in the amount of food output per head. According to the Sen, “Malthusian pessimism has not been well vindicated by history. His fears have proved to be not merely ill-founded but fundamentally misconceived, as the enormity of technical progress and the vast expansion of food production -far in excess of the growth of population which has itself been very rapid - have shown in the span of nearly two centuries since the publication of Malthus's well-known essay. However, Malthusian pessimism has survived this bit of empirical failure, as indeed economic theories often do (witness the performance of so-called 'monetarism' and its nine lives). But there is a belief - backed by some quite respectable reasoning - that while Malthus's fears did not come true in the first two hundred years, the stage is now set for his pessimistic predictions to be realised. The natural constraints on food production, it is argued, will now begin to bite in a way they have not in the past, and signs of decadence, it is alleged, can already be seen around us” (Sen 1982:448).

The second stage revealed that despite of substantial expansion in food supplies that had occurred at the global and national levels. Sen argues that, making more food available is necessary but not sufficient condition for food security. This was the period of Sen's significant work on poverty and famines, and his elaboration of the ‘entitlements approach’ to the study of hunger. There were disagreements and counter arguments over the issue of foodgrains scarcity. The central character of Green Revolution with focus on increasing food production could not able to alleviate hunger and food insecurity, despite increased food production and in fact surplus of foodgrains. Because, it failed to alter the tightly concentrated economic



power, in terms of land and other resources which play a crucial role in terms of purchasing power. The people who do not have any land on which farm or any other alternative income to buy food go hungry no matter how much foodgrains produced. The narrow focus on the production ultimately ended as futile exercise. Productivity in traditional farming practices has always been high if one takes into consideration the fact that very limited external inputs are required. While green revolution has been projected as having increased productivity in the absolute sense, when resource utilisation is taken into account, it has been found to be counter productive and inefficient. According to Vandana Shiva, “Perhaps one of the most fallacious myths propagated by green revolution protagonists is the assertion that high yielding varieties (HYVs) have reduced the acre-age, therefore preserving millions of hectares of biodiversity. India’s experience tells us that instead of more land being released for conservation, by destroying diversity and multiple uses of land, the industrial breeding system actually increases pressure on the land since each acre of a monoculture provides a single output and the displaced outputs have to be grown on additional acres”(Shiva 2002:43).

It was argued that, purchasing power of the people plays a crucial role to secure food needs. Poverty is defined as lack of access to food, clothing, shelter, education and health care. It is obvious that poverty is a cause of hunger; poor people are always chronically hungry. Unfortunately, however, the concern about hunger and malnutrition has led primarily to a concern about the prospect of food supply falling behind population growth. But over the past several decades, food supply actually kept pace with population in most areas of the world, and yet there

was an increase in the incidence of hunger and malnutrition. Whether or not food supply will keep pace with population in future remains to be seen. What is already clear is that trends in the incidence of hunger and malnutrition do not bear a one-to-one correspondence to the trends in per capita food supply. It is not merely aggregate food supply but also its distribution that determines the incidence of hunger and malnutrition in any society. On the basis of the available evidence, it can be said that while the aggregate food supply has kept pace with population in most countries, its distribution has been getting progressively unequal. The question still remains, why has the distribution of food been getting progressively unequal? In addressing hunger one must steer clear from the poverty debate while understanding the intimate link between the two. The causal relationship between hunger and poverty needs no reiteration. Everywhere poverty is accompanied by hunger, malnutrition, ill health and illiteracy among other problems.

In the high time of Green Revolution, Amartya Sen's 'Essay on Entitlement and Deprivation' (1981) challenged the well received theories of Malthus, and Food Availability Decline theory. It thus contested the Green Revolution approach to tackle food insecurity. The recent growth in field of biotechnology has opened up an enormous potential in the key areas of genomics, bioinformatics, molecular breeding, diagnostics and vaccine technology. Biotechnological research and development must result in improved yield potential and increased productivity. It could also lead to higher yields on marginal lands in countries that today cannot grow enough food to feed their people. Hunger and food insecurity is not a food

production issue. Food insecurity occurs when people lack the opportunity or face denial of opportunity to earn enough money to meet their basic needs.

The enormous growth in global food production and increase in per capita availability of calories, are necessary but not sufficient conditions for eliminating hunger and malnutrition. However, aggregate availability is a necessary condition for food security. Aggregate food availability is insufficient to ensure either access to or proper utilisation of nutrients to achieve food security. Food insecurity is inevitable within an economy lacking enough food to satisfy all of its population's nutritional needs, even if distributed perfectly equitably and without loss or waste. Ensuring adequate aggregate food availability has been, and remains today, a serious challenge in much of the low-income world. Despite global food surplus, underdeveloped countries suffer significant problems concerning food. Most social science and policy discussions of food security work with the food availability assumption that increased food supply is the key to reducing hunger. Critics argue, however, that increased food supply has little impact on hunger. According to them entrenched inequality is that cause hunger rather than inadequate supplies or drought.

In the earlier times famines and droughts were preceded by crop failures due to natural disaster. Even today famines are understood to be caused by a food shortage. This, however, is a fallacy. Food availability in a region or a country does not depend on current local production alone. No region is a completely closed economy. Cross-regional and cross-border trade are indispensable parts of economic operations. There are often stocks of food grains that are carried over from one

region to another, a decline in current local production does not, therefore, automatically imply a decline in food availability. Even when there is a decline in food availability the available food supply may still be adequate to feed the population of the region concerned. Yet, in numerous instances in history, a crop failure in one part of a country has often led to large-scale starvation deaths. The correct conclusion to be drawn from this is that in the course of a crop failure some people lose their access to food, and not that food as such becomes unavailable. Not all people starve to death during a famine; nor do all people suffer economic deterioration. Indeed, some people are able to make extraordinary economic gains during famines. Evidently, famines involve sudden changes in the distribution of food and income. How do such sudden changes occur? In order to answer this question, one has to look into the factors that determine the distribution and access to food in normal times.

In this context, for the purpose of examination one has to specify the basic features of the economic system. In the agricultural economy each family produces its own food requirements. Each family's access to food is, therefore, directly related to its production capability which, in turn, is determined by its command over land, labour, draught animals, and other complementary resources. In the case of a crop failure, the incidence of food shortage, in the first instance, will be distributed among the families approximately in the same manner as productive assets. The families which produce just enough to survive at a level close to subsistence in normal times will now be short of food. Others who produce a surplus in a normal time may now have just enough to survive. Still others who produce a large surplus

in a normal time will now have only a small surplus. Whether or not the families that are short of food will starve depends on whether or not they can exchange their available assets for example land, utensils, labour etc. for food with families having a surplus or in areas outside the affected region. It is not necessary for food to be in short supply for starvation to occur. A sufficient condition for this would exist if the families that are short of food are unable to exchange their available assets for food.

According to Sen's 'Entitlement and Deprivation' (1981) thesis hunger and food insecurity have to be seen as the characteristic of the people not having enough to eat food, this does not tantamount to saying that there are not enough foodgrains to eat. The later could be the cause of the former, but it is not the only cause. According to Sen, "The problem may be illustrated with an example. The Bengal famine of 1943, which killed about three million people, was arguably the largest famine in this century, though there are also other claimants to that distinction. In terms of food availability per head, 1943 was not an exceptionally bad year, and indeed just two years earlier in 1941 the availability of food per person in Bengal had been a great deal less. .... if one were, to start with worried about food supply falling behind population, and then were to find out that the converse happened to be the case- with food supply outrunning population" (Sen 1982:450).

In the year 1981 Amartya Sen 'An essay on Entitlement and Deprivation' explained the other side of the hunger going beyond the food-availability decline argument. As Sen explains; "Starvation is the characteristic of some people not having enough food to eat. It is not the characteristic of there being not enough food

to eat. While the latter can be a cause of the former, it is but one of many possible causes. Whether and how starvation relates to food supply is a matter of factual matter for investigation..... In order to understand starvation, it is, therefore, necessary to go into the structure of ownership. Ownership relations are one kind of entitlement relations. It is necessary to understand the entitlement systems within which the problem of starvation is to be analysed. This applies more generally to poverty as such and more specifically to famines as well” (Sen 1981:1).

In a market society the amount of food that a person or family can command is governed by some set of rules with the contingent circumstances in which that person or that family happens to be placed. The social conditions of production, which reflects the interrelationship between people and the means of production, determine what is produced from a spectrum of goods and services that can potentially be produced. In this scheme of social conditions of production, the existing property relations are the critical elements. This admits in terms of ownership, control and access to the means of production. It is also necessary to examine the structure of agricultural production. If the emphasis is on increasing production of export crops, food availability will decline. Sen explained how hunger and starvation depends not merely on food availability but also on its distribution and purchasing power of the people. according to him, “Consider a private ownership market economy. I own this loaf of bread. Why is this ownership accepted? Because I got it by exchange through paying some money I owned. Why is my ownership of that money accepted? Because I got it by selling a bamboo umbrella owned by me. Why is my ownership of the bamboo umbrella accepted?

Because I made it with my own labour using some bamboo from my land. Why is my ownership of the land accepted? Because, I inherited it from my father. Why is his ownership of that land accepted? And so on. Each link in this chain of entitlement relations 'legitimizes' one set of ownership by reference to another, or some basic entitlement in the form of enjoying the fruits of one's own labour" (Ibid:1-2).

Thus starvation may be caused not by food shortage but by the shortage of income and purchasing power. As Sen explains; "A barber owns his labour power and some specialised skill, neither of which he can not eat, and he has to sell hairdressing service to earn an income to buy food. His entitlement to food may collapse even without any change in food availability if for any reason the demand for hairdressing collapses and if he fails to find another job or any social security benefit" (Sen 1981:155). At present very little attention is being given to address hunger problem in India. One can say Sen's 'Entitlement and Deprivation thesis got much attention in the world due to its powerful counterpoint on earlier theories on hunger. It is not because of Sen raised about hunger that no one had said before, but the way he approached the problem of hunger from a fundamentally new perspective, giving much emphasis on the capacity of individual. The very disposition of the structure of ownership of food is solely with entitlement relationship that every individual possesses. As Amartya Sen termed 'Entitlements' of people. For example, in a private ownership market economy, how much food a person can command will depend on, what he owns and what he can get in exchange for what he owns either through trade or through production, or some combination

of two. Hunger and food insecurity can no longer be convincingly attributed to a worldwide food shortage. It has been increasingly recognised, food insecurity arises out of chronic poverty, its victims possess neither the resources to buy food nor control over the resources needed to produce food. Even availing the opportunities provided for their benefit becomes difficult to those who are caught in the hunger trap. Not only does hunger conclusively exclude a large segment of population from availing of their fair share of benefits of economy, but also results in substantial losses to economy in terms of lower productivity and higher health and safety costs.

The third stage represents the period when food supply was recognised as a concise element in determining food security and policies for it. Until recently, to food security has focused on the production side of the food system and has called for sustainable agricultural production. Some scholars like Amartya Sen have recognized the limitations of this approach and recommended that encompasses food production, distribution, preparation, preservation, consumption, recycling and disposal of waste, and support systems. Sustainable agriculture can only be successful to the extent that other parts of the food system and the rest of society also become more sustainable. At this stage, it was recognised that even the ability to buy will not guarantee food security. What was also needed was an effective delivery system. A household is said to be food-secure when it has the necessary purchasing power to buy foodgrains and has an easy access to the required nutritional amount of foodgrains. This stage opened the way for related food security concerns, such as the environment, cultural practices, education, and health status, to enter into the debates and the means whereby food insecurity is to be



tackled. Food security for all must in every case be at the core of national poverty reduction strategy. Hungry people cannot wait for the benefits of improved infrastructure, a more equitable distribution of resources, access to land and credit and other elements of national policy. Adopting the goal of food security would force poverty alleviation programmes to focus more on micro level aspects like region, vulnerability, seasonality and distribution of resources. This would lead to more realistic strategies based on ground realities. The current strategy sought to situate both food and nutritional security within an array of objectives that poor households pursue for their survival.

The present stage in seeking to extend the household security model by emphasising nutrition throughout the life-cycle. In particular, there is now a clearer recognition that the real goal is not just measuring food security in terms of supply availability, but more specifically nutritional security as determined by household and individual needs. Policies directed towards global and national food supplies, while they remain necessary, are now deemed insufficient to cope with poverty, food insecurity, and chronic hunger, on the scale that they currently exist. Therefore, a wider array of policies must be formulated to address the hunger and malnutrition. Policies must also address issues such as community access to sanitation, clean water supply, health facilities, and stemming cultural habits and practices, especially those that impact food preferences and food preparation. An approach with food security as an entry point to sustainable human development fully integrated into socio economic measures. There is now a favourable policy environment and heightened public awareness regarding the centrality of hunger, food insecurity and

malnutrition issues in state policy. While the goal of development is the reduction and elimination of poverty, policy makers have often overlooked the inherent relationship between poverty and food insecurity, their linkages and their repercussions.

Persistent hunger and food insecurity on one hand and economic disparities on the other can only breed resentment and instigate violence, putting the social fabric of the nation at risk. Poverty eradication issues that do not explicitly address food and nutrition issues are unlikely to be successful. The question is not food insecurity versus poverty, but rather the removal of hunger as a pre-condition to better livelihoods and productive capacity. The biggest challenge would be to integrate the social protection framework and its food based outreach into the core of the poverty alleviation intervention efforts. This will involve identifying and providing the capacities for more focused and efficient delivery system. The question of hunger needs to be viewed in the framework of food insecurity. This covers a range of causes from the availability of food to meet demands of the population and changing dietary needs, access to food which is a function of purchasing power, to sustainable livelihoods and employment opportunities and also entitlement to subsidised schemes.

In extending the political implications of these debates, the democratic institutions and freedoms are significant in providing the conditions within which human development can be achieved. Evidence that public interest in ending hunger has grown in recent decades is reflected in responses to surveys, in pressures placed

on legislators by their constituencies, and in the organised activities of lobbying groups, some of which are worldwide in scope, such as the civil society organisations (Dreze and Sen 1993:5). Yet neither the acceptance of the link between poverty and hunger nor the popular support for efforts to curb hunger can ensure that food aid will have its intended effects. The scholars like Jean Dreze and Amartya Sen have suggested that public pressure may be vital in shaping government policy and in enhancing the governments political will to engage in sound development. The existence of democratic rights and freedoms are crucial in maximizing human capacity.<sup>6</sup> The crux of these debates is that public security and well being and protection against hunger and food insecurity more specifically, is closely bound up with the existence of electoral democracy and the civil and political freedoms. In Sen's words, "Insofar as public policy to combat hunger and starvation including rapid intervention against threatening famines may be depend on the existence and efficiency of political pressure groups to induce the governments to act, political freedom too may have a close connection with the distribution of relief and food to vulnerable groups" (Sen 1989:769).

The politics of the particular society is very important in elimination of hunger and poverty. Politics has to be integrated into debates on poverty and food security. Lack of income is nearly always an immediate determinant of food insecurity, because food is generally available in a given locale at some price, save extreme situations dictated by drought or famine. Chronic poverty often is cited as the source of food insecurity. Social organisation refers to the connectedness and

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<sup>6</sup> See Dreze and Sen's Hunger and Public Action (1993).

functioning of institutional resources in a nation state. Food and nutritional security is primarily linked to the ability of people to acquire the necessary material or economic resources. Although land reform is often cited as a solution to food security in India, the problem is more deeply rooted in patterns of inequality in power and access to human and material resources. Thus, policies that broaden access to opportunity and long-term resilience of livelihoods are central to food security and hunger reduction. Political and economic policies of government and hunger are related by reciprocal causation. Defects in public policy undermine food security; in turn, widespread hunger has corrosive effects on social organisation. When disorder or corruption disrupts institutional functioning, food security is put at risk. Thus, hunger is a political problem and must be addressed through political change especially political democratisation.

Aristotle highlighted the close association between public well-being and the role of state. Aristotle argued that all associations are formed with a view to promoting good life and the state is most sovereign among all associations best equipped to perform this role. Therefore institutions of the state have to make conscious effort to become socially responsible, recognising that the role and functions they perform inevitably have an impact on society. Since they have assumed a greater role in larger governance issues of nation, it is not possible for them to retiring away from assuming different types of responsibilities depending on the society in which they work. Providing food security and eliminating hunger are important among such responsibility. Hence it depends on the institutions of the state to determine policies for society. But it will not be long-lasting unless the

institutions get their act together and develop sound and sustainable policies to determine how they can contribute to eliminate social problems like food insecurity.

### **World Food Summit 1996**

The human right to adequate food at the global level centred on a mandate from the World Food Summit (WFS) held in Rome in November 1996. The objective of the summit was to renew global commitment at the highest political level to eliminate hunger and malnutrition, and to achieve sustainable food security for all. The WFS a plan of action was adapted aimed at reducing the number of undernourished people, estimated to be about 800 million in 1996, to half that number by 2015. The plan of action contained seven commitments that were to act as guiding principles for those involved in formulating principles for those involved in formulating policies to implement the plan at the national and international levels. It also spelt out objectives and actions for the implementation of these commitments. Objective 7.4 under commitment seven of the plan of action stipulates the need to clarify the content of the right to adequate food and the fundamental right to every one to be free from hunger, and to give particular attention to the implementation and full progressive realisation of this right as a means of achieving food security for all.<sup>7</sup> The core content of the right was clarified as being inclusive of the right to accessibility and availability of food. The availability of food includes in a quantity and quality sufficient to satisfy the dietary needs of individuals and free from adverse substances and acceptable within a given culture. The three levels of obligation thus imposed on state. First, the obligation to respect the right to access to food, it means that state must refrain from taking measures liable to deprive any one

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<sup>7</sup> See world Food Summit web for details, [www.fao.org/wfs/index-en.htm](http://www.fao.org/wfs/index-en.htm). Date 25.9.2005

of access to food. Second, the obligation to protect the right, it means state must ensure the food security by adopting legislative and executive measures. Third, the obligation to facilitate and provide, the obligation to facilitate requires the state to proactively engage in activities intended to strengthen people's access to resources and utilisation of resources. It means to ensure their livelihood.

During the WFS in Rome, the plenary of the parallel NGO forum proposed a code of conduct on right to adequate food. The code of conduct discusses the normative content of the right to adequate food, the corresponding obligation of state and non-state actors, the role of civil society and the means and method of implementation. The code of conduct specifies that the ultimate objective of the right to food is the achievement of nutritional well-being and therefore, the right to food needs to be understood in much broader sense as the right to adequate food and nutrition. The code of conduct has been given recognition by the office of the United Nations high commissioner for human rights. While reaffirming the definition of right to food in the code of conduct, the right to adequate food shall, therefore, not be interpreted in a narrow or restrictive sense which equates it with a minimum package of calories, proteins and other specific nutrients. Five years after the Rome meeting, the WFS invited the FAO council in June 2002 to establish..... an intergovernmental working group (IGWG) with the participation of stakeholders, in the context of the WFS follow-up to elaborate in a period of two years, a set of voluntary guidelines to support member states' efforts to achieve the progressive realisation of the right to adequate food in the context of national food security.<sup>8</sup>

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<sup>8</sup> See [http:// www.fao.org/righttofood/en/highlit-23655en.html](http://www.fao.org/righttofood/en/highlit-23655en.html) Date 25.9.2005

The important element of the right to food is that it should be available in adequate quantity and quality to maintain a healthy and active life. When individuals or groups are unable, for beyond their control, to enjoy the right to adequate food by the means at their disposal, state has an obligation to assist. This consists of helping those belonging to the vulnerable sections in making better use of their entitlements. India has progressed from dependent on food imports to feed its population to not only being self-sufficient in grain production, but also building a substantial reserve. Realising the right to food entitles ensuring that foodgrains are physically and economically accessible to households. Physical accessibility of foodgrains in India for the poor mainly depends upon the Public Distribution System that operates through a network of Fair Price Shops (FPS). Economic accessibility depends upon the purchasing power of the poor, which is primarily affected by factors, the price of foodgrains and income of the poor. The purpose of a right based approach to food security is to pin responsibility and accountability. When there are rights there should also be corresponding responsibilities and institutions should exist to monitor the implementation of responsibility.

### **Right to Food**

The presence of widespread food insecurity and malnutrition among the large sections of the disadvantaged population despite several policies and programmes specially designed to address the issues concerning the vulnerable population has brought to the forefront the issue on right to food. There is a growing concern in the India today about the hunger and malnutrition that afflict a large part of humanity.

As evidence accumulates, it is becoming increasingly clear that an ever larger proportion of the population in the India has been falling into a state of hunger and malnutrition. The right to food is identified as essential part of process of the realisation of right to life under article 21 of Constitution of India. The right to food is very important because it is the foundation of all rights. The evolution of the right to adequate food derives from the larger human right to an adequate standard of living set out in the Universal Declaration of Human Rights (UDHR). Article 25 (1) of the UDHR stated that, “and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.....”<sup>9</sup>

Every one has the right to standard of living adequate for the health and well-being of himself and his family, including food, clothing and housing and medical care and necessary social services. Several other international instruments also recognise the right to food as part of the right to an adequate standard of living, focusing especially on the need for freedom from hunger. The preamble to the Constitution of the Food and Agricultural Organisation (FAO) 1965, declares that ensuring humanity’s freedom from hunger is one of its basic purposes. Article 11 of the International Covenant on Economic, Social and Cultural Rights (ICESCR) enjoins state parties to recognise the right of every one to an adequate standard of living for himself and his family, including adequate food, clothing and housing. The same article recognises the fundamental right of every one to be free from hunger.

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<sup>9</sup>Article 25(1) of Universal Declaration of Human Rights (UDHR). It was adopted and proclaimed on 10<sup>th</sup> December 1948.



The United Nation's Convention on the Rights of Child 1989 (CRC) goes beyond the hunger and addresses the issue of child nutrition. Article 24 (2), (C) expects the state parties to take appropriate measures to combat the disease and malnutrition through the provision of adequate nutritious food, clean drinking water and health care. Article 27 (3) of the CRC states that state parties shall in case of need, provide material assistance and support programme, particularly with regard to nutrition, clothing and housing.

In the late 1990s, work on the human right to adequate food at the global level centred on the mandate from the World Food Summit (WFS) held in Rome in November 1996. The objective of the summit was to renew global commitment at the highest political level to eliminate hunger and malnutrition and to achieve sustainable food security for all. At WFS, a plan of action was adopted aimed at reducing the number of undernourished people to be about 800 millions in 1996, to half that number by 2015. The plan of action contained seven commitments that were to act as guiding principle for those involved in formulating policies to implement the plan at national and international levels. It also spelt out objectives and action for the implementation of these commitments.<sup>10</sup>

The operational concept of the right to food as used by the FAO is that of food security. Food security exists when all people, at all times have physical and economic access to sufficient safe and nutritious food to meet their dietary needs

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<sup>10</sup> World Food Summit plan of action at [www.fao.org/wfs/index-en.htm](http://www.fao.org/wfs/index-en.htm). date 25/8/2003

and food preferences for active and healthy life. During the WFS in Rome, the plenary of the parallel NGO forum proposed a Code of Conduct (CoC) on the right to adequate food. The CoC discusses the normative content of the right to adequate food, the corresponding obligations of state and non-state actors, and the role of civil society and the means and methods of implementation. It states that, the right to adequate food means that every man, woman and child, alone and in community with others must have physical and economic access at all times to adequate food or by using a resource base appropriate for its procurement in ways consistent with human dignity.<sup>11</sup> The CoC goes on to add that the realisation of the right to adequate food requires, the availability of food, free from adverse substances and culturally acceptable, in a quantity and quality which will satisfy the nutritional and dietary needs of individuals. Right to food is about freedom from hunger. The narrow meaning of hunger would be the pangs associated with an empty stomach. Based on this interpretation, the right to food may be understood as the right to have two square meals a day. The broader construction of right to food includes nutrition, and right to be free from malnutrition it also includes other entitlements such as drinking water, good health and education.

The notion of accessibility incorporates both physical and economic accessibility. Physical accessibility implies that adequate food must be accessible to every one. The section of the population deserving special attention and prior consideration in this respect have been identified as the physically and mentally vulnerable which may include infants and children, elderly people and physically

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<sup>11</sup> International Code of Conduct on the Human Right to Adequate Food 1997.

<http://www.fian.org/COC.ENG.rtf>

disabled. The economic accessibility implies that the personal or household financial cost associated with the acquisition of food for an adequate diet should not be so high as to compromise other basic needs. As resources available to an individual or household are limited, an increase in the cost of acquisition of food for an adequate diet could lead to a cutting back on other items of essential expenditure. However, socially vulnerable groups and impoverished segments of population may need attention through special programmes to facilitate economic accessibility.

The right to food is essential because it is must for right to life, which is the foundation of all the human rights. This was recognised in several international organisations and declarations like, United Nations Organisation and Universal Declaration of Human Rights etc. The evolution of right to food derives from the larger human right to an adequate standard of living set out in the Universal Declaration of Human Rights (UDHR). According to article 25(1) of UDHR, “everyone has the right to a standard of living adequate for health and well-being of himself and of his family, including food.....”<sup>12</sup> International Covenant on Economic, Social and Cultural Rights (1966) also recognise the right to food as part of the right to an adequate standard of living, focusing especially on the need for freedom from hunger. Article 11 of ICESCR 1966 declares that;

- (1) “The state parties to the present covenant recognise the right of every one to an adequate standard of living for himself and his family, including adequate food .....,and to the continuous improvement of living conditions.”

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<sup>12</sup> Article 25 (1)Universal Declaration of Human Rights.

(2) The state parties to the present covenant, recognising the fundamental right of everyone to be free from hunger.....”

(a) to improve methods of production, conservation and distribution of food by making full use of technical and scientific knowledge, by disseminating knowledge of principles of nutrition.”

(b) Taking into account the problems of both food-importing and food exporting countries to ensure an equitable distribution of world food supplies in relation to need.”<sup>13</sup>

### **Right to Food and Obligation of State under the Constitution of India**

The Indian Constitution does not expressly recognise the fundamental right to food. However, cases brought before the Supreme Court alleging violations of this right have been premised on a much broader 'right to life and liberty', enshrined in Article 21 of the Constitution. Article 21 of the Constitution of India guarantees a fundamental right to life and personal liberty. The expression 'Life' in this Article means a life with human dignity and not mere survival or animal existence. In the light of this, the State is obliged to provide for all those minimum requirements which must be satisfied in order to enable a person to live with human dignity, such as education, health care, just and humane conditions of work, protection against exploitation etc. The Right to Food is inherent to a life with dignity, and Article 21 should be read with Articles 39(a) and 47 to understand the nature of the obligations of the State in order to ensure the effective realisation of this right. Article 39(a) of the Constitution, enunciated as one of the Directive Principles, fundamental in the

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<sup>13</sup> The International Covenant on Economic, Social and Cultural Rights (ICESCR) 1966.

governance of the country, requires the State to direct its policy towards securing that the citizens, men and women equally, have the right to an adequate means to livelihood. Article 47 spells out the duty of the State to raise the level of nutrition and the standard of living of its people as a primary responsibility. The citizen's right to be free from hunger enshrined in Article 21 is to be ensured by the fulfilment of the obligations of the State set out in Articles 39(a) and 47. The reading of Article 21 together with Articles 39(a) and 47, places the issue of food security in the correct perspective, thus making the Right to Food a guaranteed Fundamental Right which is enforceable by virtue of the constitutional remedy provided under Article 32 of the Constitution.

Therefore it is the obligation of the state to be proactive in strengthening people's access to food. The state must fulfil the right directly whenever an individual or group is unable, for reason beyond their control to enjoy the right to adequate food with the means at their disposal. The state's role in strengthening food security is more prominent in ensuring availability of food and ensuring access to the households, particularly for poor households. And also it is the duty of the state to improve the food production, conservation and distribution of food through its policies. No political and economic problem facing the developing countries today is more urgent than of hunger, starvation and food security. While this distressing state of affairs is not new, its persistence in spite of the technological and productive advances of the food grains is nothing short of outrageous.

Report of the NCRWC states that; “Particularly significant has been the increase in agricultural production between 1950-2000, the index of agricultural production increased more than four fold. Between 1960-2000, wheat production went up 11 million tonnes to 75.6 million tonnes on the production of rice increased from 35 millions to 89.5 million tonnes. This is no mean achievement for a country that relied on food aid until 1960s. Similarly, there has been a rapid expansion in industrial sector. The index of industrial production went up from 7.9 in 1950-1951 to 154.7 in 1999-2000. Electricity generation went up from 5.1 billion KWH to 480.7 billion KWH” (NCRWC Chapter-II Para-2.13.1). Yet hunger persists. To meet the scourge of persistent hunger the formulation of a food policy to relieve suffering is indispensable. Amartya Sen observed that, “Millions of lives depend on the adequacy of the policy response to the terrible problem of hunger and starvation in the modern world. Past mistakes of policy have been responsible for the death of many millions of people and the suffering of hundreds of millions, and this is not a subject in which short cuts in economic reasoning can be taken to be fairly costless” (Dreze & Sen 1990:50).

### **The People's Union for Civil Liberties Case**

In May 2001, the People's Union for Civil Liberties (PUCL) filed a landmark public interest petition in the Supreme Court. The case revealed that over 50 million tonnes of food grains were lying idle in the premises of the Food Corporation of India (FCI), although there was widespread hunger in the country, especially in the drought-affected areas of Rajasthan and Orissa. Initially, the case was brought against the Government of India, the FCI, and six State governments. Subsequently,

the list of respondents was extended to include all States and Union territories.

The petition alleged that the State was negligent in providing food security. It was argued that the PDS was restricted to families living below the poverty line (BPL). Yet the monthly quota per family could not meet the nutritional standards set by the Indian Council of Medical Research. Even then, the system was implemented erratically. The identification of BPL households was also highly unreliable. Altogether, the assistance provided to BPL households through the PDS amounted to less than five rupees per person per month. The petition also alleged that the Government's relief works were inadequate. Famine Codes operational in various States governed the provision of these works, and made them mandatory when drought was declared. "By July 2003, at the time of going to press, public grain stocks are reported to have declined substantially compared to last year (the exact figures will become available later), but this decline is mainly because in a severe drought year the government has exported a record 12.4 million tonnes of foodgrains out of stocks with heavy subsidy, thus revealing its preference for subsidising foreign buyers rather than creating sufficient purchasing power for the poor in India through additional food-for-work programmes to enable them to absorb what has been actually exported. Never in the history of India - including colonial India - have we seen such large grain exports even as availability falls drastically inside the country. Unprecedented exports out of mountainous food stocks, while hunger becomes deeper and more widespread and starvation deaths take place especially among tribal groups: this has been the socially irrational outcome of the policies followed in the last five years in particular" (Patnaik

2003:16).

The Supreme Court found that, surplus food stocks were available and, at the same time, that deaths from starvation were occurring in a number of locations. It then issued an interim order directing the States to implement fully eight different centrally-sponsored schemes for food security, and to introduce cooked mid-day meals in all Government and government-assisted schools. Since 2001, the Court has issued interim order that have prodded the Union and the State governments into action. The orders have directed the State governments to complete the identification of the beneficiaries of certain welfare programmes, and to improve the implementation of food schemes and employment programmes. In August 2001, the central government felt the need to take concrete steps towards addressing the problem of hunger amidst plenty. On 15 August, the Prime Minister announced a massive programme of employment generation, the Sampoorna Grameen Rozgar Yojana (SGRY).

### **Right to Food and Supreme Court of India**

The persistence of hunger amidst of plenty became so glaring that something had to be done about it. The status of the country was at stake. Stories of starving tribal people eating poisonous mango kernels in many tribal areas across the country, while rotting grain stocks were thrown into the sea, became a serious issue. The Supreme Court also started breathing down the neck of the government from mid-2001 onwards, after the People's Union for Civil Liberties filed public interest litigation on this issue. There have been some encouraging developments in India regarding the enforcement of the right to food, in recent times' courts taking up



Public Interest Litigation (PIL) cases relating to the violation of the right. In recent times most significant case relating to the right to food is that of the PUCL petition seeking the enforcement of the right to food, was filed in the Supreme Court on 9<sup>th</sup> May 201 against the Union of India, Food Corporation of India (FCI) and the state governments of Orissa, Rajasthan, Chattisgarh, Gujarat, Himachal Pradesh and Maharashtra.<sup>14</sup> Peoples' Union for Civil Liberties (PUCL), prompted by the reports of acute starvation in various parts of the country, the petition draws attention to the fact that in spite of 50 million tonnes of food grains lying in FCI storehouses, several millions are affected by chronic hunger. The petition raised the question; does not the right to life under Article 21 of the constitution of India include the right to food? And, does not the right to food imply that the state has a duty to provide food, especially in situations of drought, to the people who have been affected and are not in apposition to purchase food. The petition also demanded the immediate release of food stocks drought relief and related purposes. Expressing the serious concern over the increasing number of starvation deaths and food insecurity despite overflowing FCI storehouses, the Supreme Court broadened the scope of the petition from the six states to include the entire country. It accepted the importance of actions like free distribution of foodgrains to the poor, but emphasised the need for long-term solutions aimed at raising the capabilities of the people by various means including providing employment. In its order of 23<sup>rd</sup> July 2001, Supreme Court held that, what is of utmost importance is to see that food is provided to the aged, ill, disabled, destitute women, children, men, pregnant and lactating women, and who are in danger of starvation, especially in cases where they or members of their family do

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<sup>14</sup> Ibid. [PUCL vs Union of India (SCC 196 of 2001)].

not have sufficient funds to provide food for them.<sup>15</sup> Moreover the court directed the states to see that all the fair price shops under PDS, if closed, are re-opened and start functioning within one week from the day of the order and that regular supply are made available. In its order of 17<sup>th</sup> September 2001, the Supreme Court directed the States and Union Territories who had not identified the 'below poverty line (BPL) families under the Antyodaya Anna Yojana (AAY) to do so immediately.

In addition, the Court directed the concerned states to implement Food for Work programmes in all scarcity areas. On 28<sup>th</sup> November 2001, Supreme Court came out with a significant 'Interim Order' directing the state governments to implement fully eight different centrally sponsored schemes on food security. These are

- 1) National Old Age Pension Scheme (NOAPS): under which destitute senior citizens receive a monthly pension of Rs 75
- 2) National Family Benefit Scheme (NFBS): This provides BPL households with an assistance of Rs 10,000 on the death of primary breadwinner.
- 3) National Maternity Benefit Scheme (NMBS): this provides pregnant women in BPL households are given an amount of Rs 500. This is provided to women above 19 years of age and is available only for the first two live births.
- 4) National Programme for Nutritional Support to Primary Education/ Mid-day Meals Scheme: this provides cooked meals or foodgrains are provided to

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<sup>15</sup> See Right to Food Campaign website for more details  
<http://www.geocities.com/righttofood/orders/interimorders.html>.date 09.08.2005

children attending schools.

- 5) Integrated Child Development Services (ICDS): This provides a set of six services to children in the age group of 0-6 and pregnant and lactating mothers. The six services are immunisation, supplementary nutrition, health check-ups, referral services, pre-school education and health and nutrition education.
- 6) Antyodaya Anna Yojana (AAY): this provides food security to indigent families. Each identified family is provided 35 kg foodgrains (Rice and Wheat) a month with high subsidised rates.
- 7) Targeted Public Distribution System (TPDS): this is a restructured form of the Public Distribution System (PDS). Under this, families categorised as BPL are provided foodgrains at a subsidised rate while those above poverty line (APL) are to pay the economic cost.
- 8) Annapoorna Scheme: this was introduced in 2000 to provide food security to elderly citizen who have no income of their own and no one to take care of them. Under this scheme, 10 kg of food grains (Rice or Wheat) per month are provided free of cost to all indigent senior citizens who are eligible for old age pension but are presently not receiving it.

The petition filed by the PUCL obtains seminal significance. This petition did not seek a judicial law to ensure the right to food but rather judicial intervention to ensure implementation of various schemes announced by the governments. The litigation has demonstrated the responsibilities of the government and has triggered jurisprudence towards a national frame work. The silver lining is that this whole

episode has led to greater awareness of the problem of endemic hunger and opened up new possibilities of public action. The monstrosity of the situation that prevailed during the last few years, as people starved in the shadow of mountains of food stocks, has led to a healthy renewal of public concern with the issue. The coverage of hunger and nutrition matters in the print media, for instance, has sharply increased. And perhaps for the first time in independent India, there are good prospects of endemic hunger becoming a lively political issue. The main challenge ahead is to bring democratic practice to bear more forcefully on issues of hunger and nutrition. A good illustration of this possibility is the public interest litigation initiated in April 2001 by the People's Union for Civil Liberties with a writ petition submitted to the Supreme Court. Further, this eventful litigation has facilitated the growth of public action for the right to food around the country.

Today, the nation inured to scarcity of food and starvation, the nature of this problem is ironic, is so acute that Supreme Court has been forced to take notice, shocked at the increasing number of starvation deaths amidst overflowing food grain godowns of the government. The Supreme Court passed an interim order on 28<sup>th</sup> November 2001 demanding that large stocks of food grains in Food Corporation of India (FCI) warehouses be released with immediate effect. This is an immoral neglect of the constitutional obligation, against the article 21 of the constitution, which gives a right to protection of life from deprivation. While moving the 'objectives resolution' Nehru said in the Constituent Assembly that, "Most important question is how to solve the problem of the poor and the starving. Wherever we turn, we are confronted with this problem. If we can not solve this

problem soon, all our paper constitution will become useless and purposeless (CAD vol.II:99).

The right to food needs to be linked with other economic and social rights, such as the right to education, the right to work, the right to information and the right to health. These economic and social rights complement and reinforce each other. Taken in isolation, each of them has its limitations, and very difficult to achieve within the present structure of property rights and market economy. To put it another way, there is an urgent need to revive the vision of radical social change embodied in the Directive Principles of the Constitution of India. As Dr Ambedkar, saw it, the realisation of economic and social rights was a paramount requirement of democracy in the full sense of the term. The Directive Principles were central to this project. Specifically, their role was to bring about economic and social democracy, without which political democracy would remain ineffective if not hollow. Different provisions of Directive Principles of State Policy take care of the problem of establishing social and economic Democracy. Members of the Constituent Assembly emphasised importance to the Directive Principles. According to Ambedkar, “In enacting this part of the Constitution the assembly is giving certain directions to the future legislative and the future executive to show in what manner they are to exercise the legislative and executive power they will have. Surely, it is not the intention to introduce in this part these principles as pious declarations. It is the intention of the assembly that in future both the legislative and executive should not merely pay lip service to these principles, but they should be made the basis of all

legislative and executive actions that they may be taking here after in the matter of the governance of the country”(CAD.Vol.VII:382).

Constituent Assembly visualised Directive Principles are tools to achieve economic democracy and social justice. “We do not want merely to lay down a mechanism to enable people to come and capture power. The Constitution also wishes to lay down an ideal before those who would be forming the government.....Have we got any fixed idea as to how we should bring about economic democracy?..... Now having regard to the fact that there are various ways by which economic democracy may be brought about, we have deliberately introduced in the language that we have used in the directive principles something, which is not fixed or rigid. We have left enough room for people of different ways of thinking, with regard to the reaching of the ideal of economic democracy, to strive in their own way, to persuade the electorate that it is the best way of reaching economic democracy” (CAD.vol.VII:494). Policy developments in the last ten years have been diametrically opposed to this revolutionary conception of democracy and social justice. Indeed, it is an interesting paradox of contemporary politics that even as power is becoming more concentrated, it also looks more fragile.

The continuing neglect of the hunger and food insecurity problems faced by the people constitutes a serious violation of human rights enshrined in the Constitution and various international covenants. The Universal Declaration of Human Rights (UDHR) adopted by the United Nations in 1948 affirms in Article 3 that everyone has the right to life. The International Covenant on Civil and Political

Rights, 1966, which India has ratified, affirms in Article 6 that every human being has the inherent right to life. The Declaration on the Right to Development adopted by the U.N. General Assembly in 1986 affirms that equality of opportunity to development is a prerogative of individuals within a nation and that states have a duty to formulate appropriate development policies that aim at the well-being of all individuals on the basis of their meaningful participation in development and in the fair distribution of the benefits resulting therefrom. It also calls for state intervention for the realisation of the right to development by ensuring equality of opportunity for all in their access to basic resources.

The UDHR affirms in Article 21.2 that everyone has the right to equal access to public services in one's country. Article 11.2(a) of the International Covenant on Economic, Social and Cultural Rights (ICESCR), 1966, which India has ratified, refers to reforming agrarian systems in such a way as to achieve the most efficient development and utilisation of natural resources. Article 25 of the UDHR stipulates that everyone has the right to security in the event of widowhood, old age or other lack of livelihood in circumstances beyond one's control. Discrimination is an attitude that is frowned upon by every instrument in the universe of human rights. And equality of treatment and dignity in every circumstance of life is upheld in these instruments. According to Dreze and Sen, "When millions of people die in a famine, it is hard to avoid the thought that something terribly criminal is going on. The law which defines and protect our rights as citizens, must somehow compromise these dreadful events. Unfortunately, the gap between the law and ethics can be a big one. The economic system that yields a famine may be foul and the political system that

tolerates it perfectly revolting, but nevertheless there may be no violation of our lawfully recognized rights in the failure of large sections of population to acquire enough food to secure” (Dreze & Sen 1993:20). Further they emphasised that; “hunger is however intolerable in the modern world in a way it could not have been in the past. This is not so much because it is more intense, but because widespread hunger is so unnecessary and unwarranted in the modern world. The enormous expansion of productive power that has taken place over the last few centuries has made it, perhaps for the first time, possible to guarantee adequate food for all, and it is in this context that the persistence of chronic hunger and recurrence of virulent famines must be seen as being morally outrageous and politically unacceptable. If politics is ‘the art of the possible’ then the conquering world hunger has become a political issue in a way it could not have been in the past (Dreze & Sen 1993:1-2).

Article 47 of the Constitution imposes on the state to regard as among its primary duties, the raising the levels of nutrition and the standard of living of its people and the improvement of public health in particular to bring about the prohibition of the intoxicating drinks and drugs which are injuries to the health except for medical use. The health of the majority of human beings depends more on their food security and nutrition. However important dramatic have been the advances in hygiene, medicine and surgery, it is still true that even more important would be the efforts that proper food nutrition would have on human life. The problem of insecurity of food, malnutrition is widely prevalent across the various socio-economic groups, particularly among those who are living below poverty line, landless agricultural labour, people in slum and remote tribal areas, those who are



affected by constant calamities like drought are more vulnerable to this. National Commission to Review the Working of Constitution<sup>16</sup> (NCRWC) pointed out that, “Over 260 million people living below poverty line in India are chronically hungry. Hunger and poverty forces families to make trade offs. Trade offs between hunger and meeting other basic needs. Trade offs for who goes to school and who doesn’t. in such trade offs women and children are often the suffers. Poorly-fed and malnourished pregnant women give birth to stunted and unhealthy babies who are prone to diseases. ....the Scheduled Castes, Scheduled Tribes and Backward Class are an easy prey of poverty, hunger and women of these categories are its worst victims” (NCRWC 2001:101).

A large segment of the rural masses in India with much lower foodgrains absorption than the average, have been reduced to minimal levels. According to Utsa Patnaik, “The continuous decline in purchasing power, hence decline in foodgrains absorption for direct consumption purposes, resulted in a continuous decline in foodgrains sales from the PDS, which therefore got reflected in the continuous and increasing additions to public food stocks year after year starting from 1998, with the total stocks standing at 63.1 million tonnes by the end of July 2002. This was nearly 40 million tonnes in excess of buffer norms - and this in spite of declining per capita foodgrains output, and 2 to 4 million tonnes of grain exports every year up to June 2002, after which exports undertaken by the government have surged to unprecedented levels” (Patnaik 2004:18 ). The country sadly faces a paradoxical

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<sup>16</sup> A Consultation paper on Socio-economic Change under Constitution, issued by National Commission to Review the Working of the Constitution of India.(NCRWC). The report of the NCRWC available at Law Ministry website. [http:// www.lawmin.nic.in](http://www.lawmin.nic.in) ncrwc/final report.htm

situation of surplus un-lifted stocks of food grains in godowns of FCI, co-existing with hunger and malnutrition. “Hunger is not a new affliction. Recurrent famines as well as endemic underdevelopment have been persistent features of history. Life has been short and hard in much of the world, most of the time. Deprivation of food and other necessities of living have constantly been among the causal antecedents of the brutishness and brevity of human life”(Dreze & Sen 1993:1).

The Public Distribution System essentially is the food subsidy programme explicitly focusing on the poor. The programme was strengthened, improved and renamed as Targeted Public Distribution System (TPDS). The National Commission to Review the Working of Constitution (NCRWC) consultation paper on ‘Pace of Socio-Economic Change under Constitution’ noted that, “Even after fine tuning of the Targeted Public distribution System the performance of the fair price shops in some of the states as revealed by some studies is dismal. In some states the percentage of fair price shops not opening even once a week is estimated to be 87%. The transfer of income intended by Public Distribution System has, by and large, benefited the urban sector and above poverty line sections of society more than the poor. Investigations also indicate that about one-third of the supplies in Public Distribution System are diverted” (NCRWC 2001:102).

### **Excess Stocks of Foodgrains**

The public stock of foodgrains in India consists of two major components; one is operational stock for regular distribution under the PDS and buffer stock for easing fluctuations in consumption and price arising out of instability in foodgrains

production. In India, agriculture is still dependent on the monsoon, the government gives due importance to maintenance of buffer stocks for ensuring food security through the PDS. The actual quantity of buffer stocks to be maintained depends to a large extent on factors like procurement prices, expected shortfalls in production, levels of procurement, expected requirement of foodgrains, cost of holding the buffer stock, and the possible utilization of surplus stocks in new welfare schemes.

During 2000-2001, the unusually high procurement of rice and wheat by FCI resulted in a huge surplus of stocks, much above the buffer stock norms. As against the minimum norm (prescribed by Commission of Agricultural Costs and Prices) of 8.4 million tonnes of wheat, the country had a stock of 32.4 million tonnes on 1<sup>st</sup> January 2002. Similarly, as against the minimum buffer norm of 8.4 million tonnes of rice, the rice stock was 25.6 million tonnes. Consequently FCI had 58 million tonnes of rice and wheat stock, against the minimum buffer norm of 16.4 million tonnes (Centre for Development and Human Rights 2004:189). The most incongruous part of the story is that the bulk of this stock was accumulated during a period of intense drought in large parts of the country. At a time of widespread hunger in drought-affected areas, the government was busy hoarding food on an unprecedented scale and striving to keep prices up, making it that much harder for drought-affected people to buy food in the market.

If the people are hungry, everyone assumes there must not be enough food. From this statistics one can draw two alternative conclusions, either the production focus was correct but soaring number of people simply overran even the dramatic production gains or the diagnosis was incorrect. Scarcity is not the cause of hunger,

the total buffer stock maintained has constantly been much higher than necessary. The surplus have been created artificially by the governments' refusal to engage in distribution and not because supply outstrips demand. The production increase, no matter how great, can never in itself solve the problem. there is a more food, yet if people are still hungry, in fact hunger than before, then what has happened to that extra production? Certainly the increased production is helping somebody. Then whom it helped and where it has gone? Thus the real food security simply can not be measured in production figures. Production figures may well go up while the majority are getting less of the food they need. Food security must be measured by how close a country is to achieving sound nutrition for all. It must also be measured in how reliable, how resilient, and how self-contained the agricultural system.

This clearly demonstrates that food scarcity is not the true cause for hunger. Then how to explain this problem of food insecurity and hunger? What really does cause for hunger and starvation? Measured nationally, there is enough food for everyone now. What counts is whether adequate food-producing resources exist in the country, where so many people go hungry. When there are resources they are invariably under used or misused, creating hunger for many. When the country's tremendous productive capacity proved, while the hunger is real, scarcity is an illusion. Then the scarcity is a product of extreme inequalities in control over food producing resources that spoil development and alter utilisation. According to Usta Patnaik, "The basic reasons for such an abnormal public stocks build- up and the associated fall in food availability for the population, are three-fold: first, a number of macroeconomic reform policies have been implemented which are all

contradictory and income-deflating nature, and second, trade liberalisation has taken place, which has both altered cropping patterns and imported global price declines into Indian markets. These two have come together after the mid-nineties leading to severe employment decline, income decline and hence fall in aggregate demand for a large segment of the population - especially the rural population. Third, this has been combined with the institutional denial to the poor, of access to food owing to targeting in the Public Distribution System (PDS) from 1997-8, namely the division of the consuming population into two groups - below the poverty line (BPL) and above the poverty line (APL), a system which is simply not capable of being implemented with any degree of equity, and which has led to exclusion of millions of the actually poor from those defined as poor and entitled to a BPL ration card. Further targeting within the BPL has not helped and has merely multiplied bureaucratic problems of identification and wrong exclusion” (Patnaik 2003:16-17).

Ironically, the hungry go much, at harvest time, when prices are at their lowest, many are forced to sell so much of what they produce that they do not have enough to cover their own needs until the next harvest. They are forced to do so in great part in order to pay back, with considerable interest, the private moneylenders and merchants from whom they needed to barrow food at much higher prices before the harvest. Many of those trapped in this vicious circle are tenant and small farmers who must pay for all the agricultural inputs and still give over half of their harvest to the landlord. Not surprisingly, many landlords have become moneylender-merchants. The moneylender-merchants hoarding of grain is a prime cause of very scarcity on which they speculate. “Economic reform policies of expenditure cuts and

trade liberalisation, along with targeting, by inducing demand deflation on the one hand and administratively excluding the poor from the PDS on the other, have reduced a functioning PDS to a shambles before our very eyes and gravely undermined the little food security that the people had. While the top one-eighth of our population ranked by income levels, which accounts for at least fifty percent of national income, is undoubtedly approaching advanced country levels of food consumption with rising nutrition levels accompanied by dietary diversification, the bottom six deciles, with less than a fifth of national income, are being pushed further into the ghetto of under-nutrition” (Patnaik 2003:34).

The simple facts, figures and statistics of food production make clear that the overpopulation-scarcity diagnosis is, in fact incorrect. The present foodgrains production alone could provide every person in the country with more than 2400 official norm of calories a day. It is as ironic as it may sound, the narrow focus on increasing production has actually compounded the problem of hunger. Most measures of food security fixate on statistics of agricultural production. But food security simply can not exist in a market system where there is no democratic control over resource use. Commercial growers will not grow food for hungry people, when they can make more money growing luxury crops for the minority who can always pay more. Moreover increased production approached as a mere a technical problem has completely re-shaped agriculture itself, reducing a very complex, self-contained system into a highly simplified and dependent one. The green revolution approach converts recycling, self-contained system into a linear production formula, pick the best seeds, plant uniformly over the largest area

possible, and does with chemical fertilizers. The production of agriculture into this simple formula leaves crops open to attack and soils highly vulnerable to deterioration.

The rationale for providing wide-ranging social security measures including food subsidies in the modern day world by most of the countries is rooted to in the desire of governments in power to seek legitimacy for their rule. In a democratic system there is an added pressure for pursuing such policies of social security measures in terms of existence of adversarial politics. In the socialist countries, ideological commitment may provide the necessary additional justification to pursue such policies. In dictatorships or military governed states, the additional impetus may come from a desire to take care of the needs of certain sections of population from whom threat to the existing power structure is perceived.

Food subsidies which aim at providing food security can be part of much wider policy package of social security aimed at improving the quality of life of the people or they can be implemented without being part of a wider package. In this connection Dreze and Sen mentioned two alternative strategies of growth led strategy and support led strategy. They recommend the support led strategy as the one where nations do not wait for growth to take place to tackle the problems of hunger and poverty (Dreze & Sen1989:183).

Food security as defined by the World Bank in their study on poverty and hunger is “access by all people at all time to enough food for an active and healthy

life. In essential elements, it is the availability of the food and ability to acquire it” (World Bank 1986:12). Food security can be of two forms, transitory insecurity resulting from decline in household access to enough food, the worst form of it being famine. Chronic food insecurity is another form resulting in continuously inadequate diet caused by inability to acquire food. Food subsidy schemes generally aim at the second form of the food insecurity, though they can be used as part of relief programmes to tackle the famine conditions as well.

Amartya Sen’s theory of entitlement suggests that the reason for such a situation may be the lack of purchasing power due to deterioration of entitlement rather than on the aggregate food supplies although they too have a role in determining entitlement by affecting food policies. Dreze and Sen prefer a strategy of public works to enhance entitlement of the affected groups in the short run with the governments playing a role in stabilizing the food prices and food supplies more effectively by participating in public distribution system rather than clamping negative controls on trade. They also prefer payment for works in cash instead of foodgrains, leaving the food supplies to be taken care of by private trade which produces the best results. Though their analysis is mainly with reference to tackling the drought conditions it is equally relevant for dealing with the problem of chronic hunger in the short run (Dreze & Sen 1989:186).

The fundamental dilemma every food policy analysis faces is of having to reconcile the twin policy objectives of providing adequate consumption levels especially to the poor in the short run, while at the same time providing adequate



incentives to the framers in the form of high prices so that supplies of food are maintained adequately in the long run as well. The final effect of food subsidies depends not only on the level of subsidies but also how they are financed. If the financing is done through progressive direct taxation, then the welfare effects of such subsidy scheme are going to be far grater. If the same is financed by commodity taxation the effect depends on the bundle of commodities taxed. Similarly, the effect of food subsidies depends on the mobilisation of quantities needed for feeding public distribution system. If the same is supplemented by imports, then the poor may benefit more in the short run though the long run effects of the same depend on the economic costs in terms of the disincentives to producers through depressed prices. If the same is mobilised through procurement then the net effect depends on how far open market prices rise as a consequence of such procurement. Longer term policies of restoring purchasing power need to be started on an urgent basis, and the stepping up of food-for-work programmes to cover every state whether drought affected or not, as well as increased development expenditures on vital infrastructure irrigation and power constitute the perceptible answer.

## **CHAPTER - III**

### **State Response and Policy Initiative towards Food Security: Politics of Hunger and Food Policy**

Food insecurity has been the major concern of food policy in India. The hunger and food insecurity is the most atrocious form of deprivation in the way of fulfilment of most basic need of every human being. Every individual has a fundamental right to be free from hunger and have access to sufficient, safe and nutritious food and its effective utilisation for an active and healthy life. There should be no place for hunger and food insecurity in a democratic society. Several policies were initiated by the government from time to time to increase food security. Public Distribution System is one of the major state policies to eradicate food insecurity. The Public Distribution System (PDS) is a large-scale food rationing programme, meant to increase food security at both the national and the household levels.

The important dimension to understand hunger and food insecurity is from the standpoint of politics. The very base to solve any social problem is political will and action. Since 1991, as part of the structural adjustment policies, there has been an increasing tendency to reduce food subsidies. The word 'subsidy' is no longer a respectable word in the era of globalisation. Modern day protagonists of liberalisation often tend to regard the concept of 'subsidy' and 'burden' as being synonymous. A critical examination of the food policy is crucial in the era of liberalisation. In these circumstances, the question which comes up is why the

Andhra Pradesh government initiated a heavily subsidised rice scheme? Why food distribution policy has acquired an extra urgency and relevance today and what are the political compulsions behind it. To understand this paradox, one has to take into account the political processes which have shaped and continue to shape the Public Distribution system. With this stance, the present chapter intends to discuss the politics of hunger, the state's response to hunger and food insecurity with special reference to the politics of Andhra Pradesh. The chapter also intends to analyse the politics of PDS with special reference to the 'two rupees a kilo rice scheme'.

### **State Response and Policy Initiative-Public Distribution System**

India faced serious problems on its food front right from the independence and food deficits persisted up to mid 1970s. The government of India has attempted to move towards the goal of food security. The state intervention in this direction has been two-pronged, adopting an economic growth approach and simultaneously a welfare approach. Government has made significant attempts at food security through the food based social security interventions. In this direction Public Distribution System is one of the major policy initiatives. Public distribution of food at affordable prices through the Fair Price Shops has been the key element of food security system in India. Public Distribution System in India is indeed the largest of its kind in the world. The Public Distribution System (PDS) has evolved over a long period in India. Policies are made and remade, not in a kind of evolutionary or natural process but in historical process and as a result of political and economic consequences. They bear the imprint of the social relations and political system in which they were shaped.

The conditions of drought and famines causing acute scarcity of food, and the measures taken by the government to lend a helping hand has been the characteristic way in which the policy to food security has taken shape. An effort of this sort was taken up for the first time during the World War II by the British government. The government thought of distributing the foodgrains to the drought hit in some selected cities. After the Bengal famine in 1943, the distribution system was extended to some more cities and drought affected areas. The prolonged periods of economic stress and disruptions like wars and famines gave rise to what is known as public distribution of foodgrains. Initially it was concerned primarily with the management of scarce foodgrains supplies. Subsequently what was felt necessary was a more organised and institutionalised approach to food security including measures like suspending normal activities of markets and trade. This form of providing food security in India took shape in the form of statutory rationing in selected urban areas and continues to be present even today.

Public Distribution System (PDS) is one of the largest welfare policies in India. It represents the direct intervention of the Indian state in the food market to ensure food security. PDS serves a dual purpose of providing subsidised food to the consumers as well as providing price-support to farmers. It supplements the policy of buffer stocking under which the effect of raising prices on account of supply constraints is modulated by market intervention. The objective of PDS and the grain procurement policy of the government is to achieve the twin goals of price stability of food grains, which is expected to contribute to macro-economic stability and to

create demand for food grains resulting from food subsidies leading to multiplier effects, raising the overall growth of the economy. Over the decades the functioning of the government PDS has suffered due to inefficient management and lack of proper targeting to improve the food security of the poor. Although, India has achieved self-sufficiency in food grain production and surplus food stocks are available in the FCI godowns across the country, the poor have little access to food primarily because they lack purchasing power. This paradox of surplus food availability in the market and chronic hunger of the poor has brought into sharp focus the lopsided policies of the government with regard to food distribution in the country.

India's present system of foodgrains management evolved slowly after the inflationary effects of the second five-year plan (1956-57 to 1961-62) that led to a public outcry against rising prices. At that time, the state's role consisted of little more than allocating imported stocks and making the arrangements for their dispatch to the larger cities. Stocks were not maintained against emergencies, no buffer stock operations were attempted to stabilize prices, and there was no serious attempt to use food stocks as a device for economic planning.

The growth of PDS in India can be grouped into three time phases. These are I) from 1939 to 1965, II) 1965 to 1975 and III) 1975 onwards. In the first period, i.e. up to mid sixties, the PDS was seen as a mere 'rationing' system to distribute the scarce commodities and later it was seen as a 'fair price' system in comparison with the private trade. Rice and wheat occupied a very high share in the foodgrains

distribution. The Need for extending the PDS to rural areas was realised but not implemented. The operation of PDS was irregular and dependent on imports of PL-480<sup>17</sup> food grains with little internal procurement. In effect, imports constituted minor proportion in the supplies for PDS during this period. (Bapna 1988:89)

In the early sixties India faced with rampant inflation and rapidly increasing demand for food, which threatened to disrupt the entire planning exercise. By the mid 60's it was decided to look much beyond management of scarce supplies in critical situations. Stoppage of PL 480 imports forced the government to procure grains internally. In effect, India took a quantum leap in the direction of providing a more sustainable institutional framework for providing food security. The setting of Food Corporation of India (FCI) and Agricultural Prices Commission (APC) known as Bureau of Agricultural Costs and Prices Commission (BACPC) in 1965 marked the beginning of this phase (Tyagi 1990:26). On the basis of BACP's recommended prices, the FCI procures the food grains to distribute through PDS and a part of the

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<sup>17</sup> It is USA food aid programme for Third World countries. Public Law 480 is the Agricultural Trade Development Assistance Act, signed into law on July, 10, 1954, by President Dwight D. Eisenhower. *Food for Peace*, formally known as Public Law-480 has been one of the most harmful programs of aid to Third World countries. While sometimes alleviating hunger in the short run, the program usually lowers the price at which Third World farmers can sell their crops. This depresses local food production, making it harder for poor countries to feed themselves in the long run. Food for Peace, in fact, is mainly an aid program for U.S farmers, allowing them to dump their surplus crops in Third World countries, while poor in less developed countries bear the ultimate high cost. Food for Peace, despite its grand title, hinders agricultural development in Third Word by depending on American aid.

procured quantity is kept as buffer stocks to meet any unforeseen crisis situation. The key components of this system were institutionalised arrangements and procedures for procurement, stocking and distribution of food grains. What is more important to note is that the food security system during this period, evolved as an integral part of development strategy to bring about a striking technological change to raise the productivity selected food crops, especially rice and wheat. It provided effective price and market support for farmers and deployed a wide range of measures to generate employment and income for the rural poor with a view to improving their level of well-being including better physical and economic access to food grains (Rao 1995:18).

In the third period, there was an increase in the food grain production in the country. The buffer stock accumulation too increased substantially. With this, the initial emphasis on buffer stock maintenance and price stabilisation shifted to increase in PDS supplies. Provisions in the 4<sup>th</sup> Plan (1969-1974) state that “in so far as food grains are concerned the basic objective is to provide an effective PDS. The procured quantities were in excess compared to the PDS needs and minimum reserve was maintained. In the fifth five year plan, programmes such as Food for work, started with a view to alleviate poverty as well as to reduce the overstocking of FCI godowns. The imports gradually declined in this period and during the year 1975; there was a net export of food grains though it was a small quantity. Imports were continued with relatively less quantities to maintain level of buffer stocks. The government strengthened the PDS in this period, so that it remained a “stable and permanent feature of our strategy to control prices, reduce fluctuations in them and

achieve an equitable distribution of essential consumer goods” (Government of India 1973:42). Till the late 1970s, the PDS was largely confined to urban population and did not guarantee adequate food to the rural poor in times of crises. During the late 1970’s, and early 1980s some state governments extended the coverage of PDS to rural areas and also introduced the targeting approach. Thus, the PDS was started initially to meet the crisis situation. By the Sixth Five Year Plan, the PDS was viewed as an instrument for efficient management of essential consumer goods necessary for maintaining stable price considerations (Government of India:1981:28).

### **Features of the Public Distribution System**

The Public Distribution System was started as a programme of food supplies to the famine and drought victims in 1939. It has increased its scope of work to include a larger gamut of operations for procurement and distribution of food grains and other civil supplies, as also pricing policies and so on. It is a system of distribution of selected essential goods through the fair price shops commonly known as ‘ration shops’ or co-operatives that are owned by the government and operated by private dealers under the government’s control and direction. Rice, wheat and sugar have continued to be the main items under the PDS supplies. The other important items are kerosene, edible oil etc.

The working of the PDS did not in any way hinder the functioning of the free market mechanism except in the limited statutory rationing areas but worked along with it. Hence, this could be viewed as a dual economy in essential commodities.



Consumers are left free either to purchase through Fair Prices Shops or in the open market. The required amounts of food grains and other items are obtained by the government through internal procurement and/or through imports and a buffer stock is maintained with a view to meet scarcity situations. The government feeds the PDS with supplies, bears the cost of subsidy and decides as to which goods to supply, at what rates, and what amount to be sold per head or per family.

The aim is to provide at least a basic minimum quantity of essential items at reasonable prices especially to the more vulnerable sections of population and also to stabilise their open market prices or at least to prevent an undue rise in such prices under conditions of shortage. The prices charged are usually lower than open market prices and also lower than the procurement and other costs incurred by the government. It was primarily an urban oriented system. Its genesis as well as growth has been in those sensitive urban areas where a shortage of food grains and other essential commodities could become political liabilities for governments.

The PDS has been designed and implemented by both the central and state governments. The central government mainly deals with the buffer stock operations (through FCI) and also controls the external and internal trade of food grains. The Central government through its procurement activity tries to even out the differences of surplus and deficit food grains producing states. Under the PDS the central government has assumed responsibility for procurement and supply of essential commodities, namely rice, wheat, sugar, edible oil and kerosene oil to the states for distribution. These commodities are made available at fixed Central Issue Prices

which are determined by the central government and generally involve subsidies borne by the central government. The implementation of the PDS is the joint responsibility of the central and state governments. The centre is responsible for the procurement, storage and transportation of the commodities upto the central godowns and making them available to the states. The responsibility for the distribution to the people through the fair price shops and administration of PDS rests with the state governments.

### **Policy Formulation**

The basic approach to the PDS is decided by the Planning Commission after detailed discussions with expert groups. Various Plan documents contain the statement of objectives of the PDS as described earlier. The Planning Commission, the main policy formulating body of the government, decides the objectives. The PDS has been assigned multiple objectives such as,

- 1) Stabilising prices of essential foodgrains.
- 2) Aiming at an equitable distribution of essential commodities.
- 3) Providing access to essential commodities at reasonable prices to the vulnerable sections.
- 4) Keeping checks on private trade, and,
- 5) Rationing essential commodities during situations of scarcity, drought and famine.

It is clear that some of these objectives are less important today than in the past, like rationing in periods of famine and checks on private trade. Prior to the establishment of the Food Corporation of India (FCI) in 1965, procurement from internal sources was limited. It was the responsibility of the State Department of Revenue and the Department of Civil Supplies to procure food grains by imposing a levy on farmers, traders and millers. The major source of procurement prior to the mid-sixties was imports under PL-480 handled by the Government of India through the State Trading Corporation. As mentioned earlier, since 1965, internal procurement has been managed by the FCI and the state agencies such as the Civil Supplies departments or Civil Supplies Corporations. As part of the procurement strategy, cooperatives were also encouraged as agencies through which these organisations could procure foodgrains. “The Food Corporation of India generally purchases foodgrains in regulated markets and pays commission to the agents for their services. The price paid is fixed by the government on the recommendations of the Commission for Agricultural Costs and Prices. In order to facilitate procurement, the prices in surplus states are depressed by restricting movement of grains outside the zones so that the prices closely approximate the support prices” (Bapna 1990:114).

### **Public Distribution Systems in Andhra Pradesh**

In Andhra Pradesh, the Public Distribution System occupied a predominant role in distribution of essential commodities, thorough fair price shops to the public in general and the vulnerable sections of society in particular. At the state level, the

## **Organisational Structure of PDS in India**



(Source: Swaminathan 2000:8)

Directorate of Civil Supplies is headed by the Commissioner in the Department of Civil Supplies. It makes all the policy decisions and monitors the functioning of Public Distribution System in the state. For the effective functioning of PDS, the following agencies of central and state governments are operating for procurement and distribution of essential commodities. They are, the Food Corporation of India (FCI), the State Civil Supplies Corporation, and Fair Price Shops. The important milestone in the public distribution system has changed both qualitatively and quantitatively in Andhra Pradesh in 1983 with the introduction of 'Rupees Two a Kilo Rice' scheme under PDS there has been extensive coverage of rural areas under the PDS since 1983. With this scheme PDS became rice centric since the rice is the predominant commodity under PDS in Andhra Pradesh. Though, other items like sugar and wheat distributed from the fair price shops, but the share of sugar and wheat distribution is very nominal and negligible.

### **Food Corporation of India**

The principal public agencies involved in the procurement and distribution of foodgrains on behalf of the government is the Food Corporation of India. The purpose of setting up the Food Corporation of India was, to secure for itself commanding position in the foodgrains trade of the country as a countervailing force to the speculative activities of certain sections of private trade. Food Corporation of India purchases foodgrains from the farmers at Minimum Support Price (MSP) and allocates to the states. The allocation is made on the criteria of poverty and level of

domestic food production in a particular state. Thus there is an attempt at the national level to balance the availability of food between surplus and deficit regions. The other objective of Food Corporation of India is to act as the main agency for handling foodgrains on behalf of the central government and to function as a major instrument of state policy in achieving the following objectives.

- A) To procure or acquire a sizeable portion of the market surplus at incentive prices from the farmers on behalf of central and state governments,
- B) To ensure timely releases of stocks through the public distribution system so that prices do not rise unduly,
- C) To minimise inter-seasonal and inter-regional prices variations; and
- D) To build sizeable buffer stocks of foodgrains from out of internal procurement and imports.

### **Andhra Pradesh State Civil Supplies Corporation**

In the states, distribution of essential commodities received from or through agencies like Food Corporation of India and State Trading Corporations is, by and large, handled by the State Civil Supplies Corporation. The main objective of the Corporation is procurement and distribution of few selected foodgrains in the state. It also functions as wholesale agent for supplying essential commodities to all fair price shops in the state through their branches. The objective is to ensure regular and prompt supply of essential commodities to the fair price shops. The rice allocated by the central government and the rice procured by the state Civil Supplies Corporation

are received from the respective godowns and transported to the mandal level stockist points (MLS points).

The Andhra Pradesh State Civil Supplies Corporation Limited was incorporated in the year 1974, as a limited company under the Companies Act 1956. The share capital of the Company was fully contributed by the Government of Andhra Pradesh. The Andhra Pradesh State Civil Supplies Corporation is a State Agency appointed by the State Government for lifting of rice and wheat from FCI and sugar from factories under PDS. It is the responsibility of the Corporation to undertake transportation, storage and delivery of the stocks under PDS at the doorstep of the fair price shop dealers.

The stockist points are setup at convenient places so that the stocks are moved at least possible transportation cost. The transportation of stocks from FCI / Factories to Mandal Level Stockist (MLS) Points is called as Stage-I transportation, which is being undertaken through the District-wise and Zone wise transport contractors appointed for foodgrains and sugar respectively. The transportation from MLS Point to the doorstep of the MLS Point is called as Stage-II transportation. In some districts, the direct lifting of food grains is also being undertaken from certain FCI godowns to FP shops within the radius of 25 kilo meteors by avoiding Stage-I transportation and handling charges.

## **Storage**

The Corporation is having 431 Mandal Level Stockist (MLS) points in the State for storage of stocks, out of which 26 MLS Points are being handled by the GCC and the remaining 405 MLS Points by the Corporation. Physical verification of stocks at MLS points is being under taken by various officers every month.

### **Fair Price Shops**

Since the beginning of the Second World War the fair prices shops are operating in India to supply essential commodities to the people at the time of scarcity. These fair prices shops are organised and controlled by the government to distribute the essential commodities at reasonable rates. Fair price shops are operated by the dealers in every village. The objective of fair price shops is to distribute the essential commodities at fair prices fixed by the state authorities from time to time. The main purpose of fair price shops is to make available of specified food items at government regulated and sometimes subsidised prices.

### **Targeted Public Distribution System**

The debate on food subsidies has taken a new turn with introduction of economic liberalisation policy. The cut in subsidies, including a reduction in food subsidies is one of the key tenets of liberalisation policy. The subsidies are seen as wasteful by advocates of liberalisation and reducing subsidies including food subsidies. As part of liberalisation and programme of structural adjustment, specific changes were made in the 1990s to incorporate new principles of targeting. In 1992, the Revamped Public Distribution System (RPDS) introduced targeting specific areas, with special preference given to the population living in the most difficult areas, such as drought-prone areas, desert areas, tribal areas, certain designated hilly



areas and urban slum areas. The important objectives of RPDS are to increase the population in the target areas, improve access and range of commodities supplied by fair price shops, and to provide select commodities at prices lower than the general PDS. The main adversity in RPDS policy, the entitlements differ as between RPDS areas and non RPDS areas. Foodgrains entitlements are lower in RPDS areas than in areas under the general PDS. Thus, the curtailment of entitlement of foodgrains was initiated in the name of target focus policy.

In 1997, the Government of India introduced the Targeted PDS (TPDS) in an attempt to curtail the food subsidy in the context of economic liberalisation. The identification of poor households which will benefit under the target system is crucial under TPDS. Under the new system the states were required to formulate and implement foolproof arrangements for the identification of the poor households. The policy initiated targeting of households on the basis of an income criterion, that is, used the income poverty line to demarcate poor and non-poor households. The Targeted PDS differs from earlier variants of the PDS in certain key respects. The most distinctive feature of the TPDS in relation to previous policy in India is the introduction of targeting, specifically, the division of the entire population in to Below Poverty Line (BPL) and Above Poverty Line (APL) categories, based on the poverty line defined by the Planning Commission. The two groups are treated differently in terms of quantities and prices. With this, the Government of India initiated a policy of targeting households with incomes below the official poverty line. The second distinguishing feature is that the PDS now has dual central issue prices, prices for BPL consumers and prices for APL consumers. In March 2000, a

major policy change occurred when it was announced in the budget that central issue prices that is, prices at which the Food Corporation of India (FCI) sells grain for the PDS to State governments will be set at half the economic cost incurred by the FCI for BPL households and at the full economic cost for APL households.

The other important feature of the Targeted PDS is that it has changed centre-state responsibilities with respect to entitlements and allocations to the PDS. PDS was and is designed and managed by state governments, and state governments differ with respect to entitlements, commodities offered, retail price (state issue price) and so on. In the past, state governments demanded a certain allocation from central pool, and based on certain factors, most importantly, past utilization and the requirements of statutory rationing, the central government allocated grain and other commodities to states for their public distribution systems. With the TPDS, the size of the BPL population and the entitlements for the BPL population are decided by the central government.

There are many problems with the Targeted PDS. First, targeting has led to large-scale exclusion of genuinely needy persons from the PDS. The major problem of targeting is the targeting errors. Targeting errors leave out those who are genuinely deserving of access to foodgrains. There are two types of errors in targeted public distribution due to defective measurement of poverty levels; a miscalculation leads to the exclusion of genuinely poor or deserving households from PDS. Errors of wrong inclusion refer to the inclusion of non-eligible persons or APL households in a programme. Madhura Swaminathan pointed out, “The problem is that we need to assess the trade-off between the two types of errors. Universal

programmes are likely to have low errors of exclusion but high errors of inclusion. On the other hand, a programme targeted to a specific group is likely to have a low error of wrong inclusion but may lead to a high error of exclusion. When one type of error decreases, the other type of error increases and so we have to attach weights to the two types of errors. Proponents of orthodox reform have implicitly attached a zero weight to errors of inclusion and are thus concerned only with minimising errors of exclusion. This implicit valuation should be recognised openly and debated, for a strong case can be made for a weighting system that reverses the weights attached to the two types of errors, and places higher weights on errors of exclusion than on errors of inclusion” (Swaminathan 2003: 62).

The existing definition of eligibility for BPL status is based on the official poverty line as estimated by the Planning Commission in 1993-94 and adjusted for population levels in 2000. Is the expenditure poverty line the best criterion for identifying households that should be provided some food security through the PDS? The issue is relevant because if other criteria are considered, e.g., nutritional status, then a much larger population would be termed eligible. “The official poverty line in India, however, represents a very low level of absolute expenditure. Low and variable incomes imply that a much larger section of the population is vulnerable to income shortfalls than observed by means of a static poverty line. The National Nutrition Monitoring Bureau conducted in seven states in 1993-94, 48 per cent of adults, men and women together, were undernourished. In a similar vein, the National Family Health Survey (NFHS), which was conducted in 24 states in 1992-93, estimated that 53 per cent of boys and girls were undernourished and 21 per cent

of the children surveyed were severely undernourished by this criterion. More recently, the National Family Health Survey, conducted in 1998-99, showed that at the all India level, 45.5 per cent of children between the age of 6 and 36 months were stunted (chronically undernourished on the basis of a height-for-age criterion), and 47 per cent were undernourished in terms of a weight-for-age criterion” (Ibid:63).

The poverty estimates have been criticised by many scholars, and pointed out the anomalies and arbitrariness in the estimation method. It is common knowledge that those who access food from fair price shops are those who cannot buy it from open market. Professor Usta Patnaik relentlessly criticised Planning Commission criteria of measuring the poverty. “The Planning Commission, when it first estimated the poverty line expenditure for 1973-74, had said that it would base its estimate on quantities of foods people consumed thirty years earlier in 1943-44, obviously no-one would have taken its estimate seriously. Present day Planning Commission and academic estimates are based precisely on a three decade old consumption pattern relating to 1973-4, and they no longer deserve to be taken seriously. In fact they are no longer worth the paper on which they are written” (Patnaik 2004:21).

Even if the income poverty line is a conceptually suitable criterion, there are lot of problems in administratively identifying households on the basis of this criterion at the ground level since we do not have any estimate of the actual incomes of households. The majority of households are depending on agriculture and

unorganised sector; in this situation it is very difficult to identify the real income of the household. Thus, due to problems, both conceptual and operational, in identifying households below the poverty line, the chances of misidentification and of excluding the vulnerable population from the TPDS are very high. The important objective of the PDS has always been to ensure price stabilisation in the country by transferring grain from cereal-surplus to cereal-deficit regions. In a universal PDS, automatic stabilisation of prices is ensured, as the demand for grain from fair price shops increases at times when the gap between the PDS price and the market price rises. In the new system, however, with APL priced out of the PDS and BPL quotas low and fixed, the role of the PDS as an automatic stabiliser has been weakened. “The scheme is ineffectual not merely because it is beset with problem at the implementation level such as incorrect categorisation of family’s income, but remains flawed at the conceptual level itself. Targeting in a predominantly poor country like India results in differentiation not between the rich and the poor, but between persons at marginally different levels of poverty. It is based on the creation not the elimination of mistaken identities, aimed at statistically reducing the number of poor, even though in real terms an increasing number of people are getting more and more poor. This arbitrary quota raj also ignores the issue of continuous impoverishment of large number of people” (Anand 2004:503).

Globalisation has fundamental impacts on food security. First, it has changed the regulation of agricultural trade. Regulatory changes are pushing the global economy away from the special arrangements, protected markets, subsidised production, and national regulation, which currently characterise food and

agricultural trade, to a more open, deregulated, rules-based, liberal trading regime, under the auspices of the WTO. Therefore, the scope for exclusive or national determination of the policy framework for food production will be severely curtailed. In addition to a reduction in explicit food subsidies, structural adjustment usually entails a reduction in implicit food subsidies and the most obvious outcome of this is food price inflation. As prices of commodities increased in PDS at faster rate than the market prices of similar commodities in many regions and price differentials between the PDS and open markets narrowed or even disappeared. The Rupees two a kilo rice scheme are exceptional cases because of political and other compulsions. Thus reforms under period of liberalisation have led towards further dismantling and weakening the public distribution food. “Forty years of effort have been lost in the last decade of neo-liberal economic reforms, with over four-fifths of the loss taking place in the last five years alone. The most remarkable and disastrous feature of the last five years in India, has been the slide-back to the low level of 151 kg per head food absorption in rural areas by 2001, a level not seen for fifty years. Reports of starvation, farmer suicides and deepening hunger, should cause little surprise when we consider the recent trends in the official data on foodgrains output and availability. If we exclude the abnormal drought year 2002-03 and consider the average output of the preceding two years, we find that net foodgrains output per capita has fallen by about 5.5 kg compared to the early nineties, owing to a slowing of output growth” (Patnaik 2004:15).

In the era of neo-liberal economic reforms, the maintenance and continuation of programmes of universal food subsidy are under threat. The logic of orthodox

structural adjustment and liberalisation calls for reductions in government expenditure, including expenditures on subsidies. According to Madhuara Swaminathan, “The first change has been the principles underlying in the policy and objectives of PDS. The second future of policy change has been the steady increase in food prices. Thirdly, there has been a decline in the supply of food to the distribution system. Fourthly, the policy has attempted to cut back coverage and consumption by means of targeting and denial of principle of universalism. Universal coverage, it is argued, is an extravagance that a poor country like India cannot afford” (Swaminathan 2000:78).

The history of food subsidies shows there is no evidence to suggest that food subsidies impede or foster growth, this depends on the other policy distortions leading from it and other accompanying policies. Food subsidy schemes differ widely depending on their objectives. They can be untargeted covering total population and ensuring fixed quantities to all consumers at a fixed price. They can be targeted covering the total population and ensuring fixed quantities to all consumers at a fixed price. They can be targeted covering certain percentage of the population as per a set of criteria. Targeting can be done certain locations or areas that are predominantly inhabited by the poor or drought and famine. In the words of Usta Patnaik, “Food security systems can collapse very fast with wrong policies, the system has been already severely undermined, and in a still poor country, mass starvation is a hair's breadth away. There is nothing wrong in principle with the PDS or with its distribution mechanism, and despite all its problems it worked reasonably well for three decades from 1967 to 1997. The reason it started packing up from

1998, and has reached a crisis point today, is because purchasing power especially in villages, has collapsed under a combination of government's contractionary fiscal policies and the effects of globally falling farm prices as protection was removed, and the poor have been excluded from the PDS by the misconceived targeting of the food subsidy” (Patnaik 2003:37-38).

### **Land, Agriculture and Food**

Agriculture plays a pivotal role not only in ensuring the food, but also in providing opportunities for jobs and income and subserve the broad goal of poverty eradication. Agriculture being a way of life for more than two-thirds of the population, most of who mainly produced for their own consumption, concern for food security was linked with that for agricultural development. The agriculture provides productive employment opportunities and income for the bulk of the population. It plays a crucial role in eradicating poverty, and achieving the food security. The question of food insecurity and hunger got major attention in the democratic discourse in India from constitution making. The state initiated many policies and programmes in order to alleviate the food insecurity and hunger. Towards eliminating hunger and food insecurity land reforms are essential elements in a comprehensive scheme for food security. Land is one of the fundamental resources for food production, therefore equitable distribution and access to land is necessary, unequal distribution and access to land leads to jeopardy to food security. The capacity and potential of agriculture to provide employment and hence access to food are clearly identifiable. Land and water which are the vital resources that make food security possible should stay under the democratic control of peasants and



farmers. Since the constitution making there had been many efforts to address the problem of hunger and food security in India with the initiatives of various policies and programmes. A land mark attempt in this direction was Land Reforms legislation. The land reforms with its regulations regarding tenancy and ceiling on agricultural holdings are supposed to split up large estates in order to reduce social disparity among people at large and to provide answer to hunger problem in India.

Land and agriculture is central to the issues of poverty and food security. Agriculture is the main source of employment and income in most developing countries and its growth and development is essential for achieving food security both at the national and household levels. In India majority of the population depend on agriculture. This implies that any adverse developments within this sector would have larger ramifications in terms of its impact on the levels of poverty and employment as well as food security. Agriculture has moved too far from the centre of the debate on hunger and food security maybe of entitlement theory. Renewed attention to the potentials of agriculture in food-insecure environments is urgently needed, if only to temper the polarised discussions that threaten to stultify future progress in tackling under nutrition. Food supply data are an important part of the food security story, but an over reliance on such data could inadvertently contribute to the marginalisation of agriculture. Agriculture is about much more than food production; it is also the main source of income for many of the world's poorest people.

The land and agriculture was included in state list in the Constitution of India. Therefore it is the responsibility of states in India to implement land reforms under the Constitution of India. It was struggle for freedom that underpinned the progressive and radical core of the Constitution of India. It gave voice to the aspirations of a newly free people by enshrining universal adult suffrage, primacy of the legislature in lawmaking, and laying the foundations for a decentralised polity with strong local self-government, the Panchayati Raj. It recognised social and economic inequality, and therefore sought to operationalise equality of status and of opportunity through constitutionally guaranteed reservations for Dalits and Adivasis, and through land reforms. But if the Constitution reflected the radical aspirations of the people of India, it also reflected the fact that the struggle for independence had left influential formations and rural power structures relatively untouched. Therefore, the federal government was constitutionally denied powers to tax agricultural incomes, and agriculture was to remain a purely 'state subject' in terms of the legislative domain. The contested nature of the centre-state relationship is demonstrated by the continuing struggles between the federal and state governments for political space.

After independence, the government indicated its commitment to land reforms, as land is one of the important factors which determine poverty and hunger. Absence of land means no security to a household in a country like India where majority of people depend on agriculture. Landless families eat if they have work on other people's farms. They just barely survive on the little they are able to borrow. Thus, landlessness means that people go hungry, it also means that those sections of

people are denied the opportunity to engage in meaningful economic activity. Land reforms consist of the abolition of intermediaries, tenancy reforms aimed at scaling down rents and fixing ceiling on land holdings. The land reforms hold the key to social change. Although land reforms in principle have been agreed upon by all political parties, their essence has been diluted in political sphere. It may be the reason why most of parties are not willing to implement land reforms in the proper spirit by citing some technical problems to avoid its implementation. Many loopholes in the law were used to prevent redistribution of surplus land. The lacunae in the legislation give space to landlords to enjoy their ownership over their land without any loss. All this could be done through bogus names and *benami* (fictitious) property rights.<sup>18</sup>

The subsequent record of successive governments was a stark betrayal of commitment. Thus while officially the states accepted the land ceiling programmes most of these states rejected them in practice. This provides a backdrop in understanding the politics of hunger. According to C. H Hunumantha Rao, “All around the country it is the rural elite group that constitute the social base and vote bank for all most all political parties. Interestingly, this class consists of mostly large and intermediate landlords, who don’t oppose the government’s policies directly but instead, they ensure that the intentions of the policies are defeated by manipulating the process of implementation” (Rao 1974:1285-1286). At the same time there is the

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<sup>18</sup> The surplus land can be distributed among one’s family members or relatives in order to prevent loss due to implementation of land reforms act so that they can retain their lands. For instance recently Chief Minister of Andhra Pradesh surrendered 1300 odd acres of land (known as Edupulapaya Estate) to the Kadapa district collector, which was under the control of his and his family members.

radical grassroots mobilisation by middle and lower castes and other marginalised groups, in their quest for a prosperous but also more equitable society.

The rural dominant class' passive resistance to implement land reform meant that agricultural productivity remained fettered by landlordism. Consecutive droughts during the early 1960s left the economy facing an acute shortage of food crops, and sharply underlined the question of agricultural productivity. Political unwillingness to effect institutional change made the Indian state respond to the issue of lagging productivity with a technological solution called Green Revolution. Mere the state underwrote agricultural productivity and profitability by subsidising costs, as well as risks, of new technology. Of course, institutional and technological change need not be an either-or phenomenon, and under certain circumstances one can reinforce the other in terms of impact on agricultural productivity. However, whereas land reform is aimed at removing pre-capitalist fetters to agricultural productivity, in its absence technological change can reinforce the longevity of those fetters, or at least may be insufficient to overcome them. Francine Frankel points out, "The national leadership's inability to enlist the support to the state leaders for effective implementation of land reforms resulted in defective legislation that actually aggravated existing inequalities in the distribution of protected land rights enjoyed by land owners and those without land" (Frankel 2005:190).

Absence of political will in favour of land reforms is a sign of political will operating consciously against land reforms and for the matter against all institutional reforms aimed at changing the prevailing property relations. "The open linkages

between the vested interests and the various levels of politicians are too apparent to be stressed. The nexus between politicians and organised pressure groups reinforces the corruption and lack of motivation on the part of official machinery. In Kerala, Maharashtra and West Bengal where political will is relatively pronounced in favour of the poor, describes why land reforms have been comparatively more successful in those states than the rest..... In this whole trajectory the class character of the state must be taken seriously in examining the question of hunger in the context of socio-economic and political framework. Systematic political action to arouse the masses to assert rights seems to be the only possible solution. This is much true for a programme of action that seeks to alter property relations within the existing legal framework (Lal 1982:16-17).

In the absence of land reforms, the acute poverty and hunger that resulted from slow-growing agriculture in the early stages of the Green Revolution, and insufficient non-farm opportunities did not go away, manifesting itself in the armed rebellion of the Naxalbari movement of the late 1960s for an agrarian revolution. The might of the Indian state crushed the Naxalbari movement, and subsequently sidelined, until very recently, land reform from the political agenda, barring in a few states with leftwing pluralities. But the Indian state also responded by investing in agriculture in particular (irrigation) and rural areas in general. In 1969, private banks were nationalised and bank credit channelised to rural areas. On the backs of these measures, driven by both public and private investment and rural credit, Green Revolution technology spread, allowing for a revival of agricultural growth and profitability from around the mid-1970s. This, in turn, led to the growth of agrarian

capitalism and the rise of a nascent rural bourgeoisie that was willing to invest in agriculture in the expectation of profit. Alongside public and private investment was also expenditure by the central government on poverty-alleviation programmes. Rural growth generated both agricultural and non-agricultural employment opportunities; as a result, for the first time, the economy during the 1980s saw a decline in poverty.

There was the worst famine that occurred in 1943 in British-ruled India, known as Bengal famine, due to which an estimated four million people died of hunger, that year. When India got independence in 1947, India continued to be haunted by the bad memories of Bengal famine in addition to the larger hunger crisis. It is natural that food security was one of the main items in free India's agenda. Thus India called for immediate and drastic action to increase food production by emphasizing upon agricultural yield. However the action got reinforced in the form of Green revolution in early 1970s. The basic elements in the method of Green Revolution were expansion of farming areas, double cropping, using genetically improved seeds. Notably double cropping was a primary feature of the Green Revolution. Agricultural technologies of the green revolution have brought substantial direct benefits to many developing countries. Prominent among these have been increased food output, some times even in excess of the increasing food demands of growing population. This has enabled the food prices to decline in some countries.

At the same time it was argued that, rural poor did not receive a fair share of the benefits generated. Only large farmers were the main adopters of the new technology, and smaller farmers were either unaffected or adversely affected because Green Revolution resulted in lower product prices and higher input prices. The efforts of large farmers to increase rents or force tenants of the land, and attempts by larger farmers to increase land holdings by purchasing smaller farms, forced those farmers into landlessness. According to Francine Frankel, “The dominant landed castes increasing both their economic and political leverage, gained access to additional sources of credit and scarce modern inputs introduced into the villages by the Community Development Programme, and enlarged their role as intermediaries in relationship between the village and outside authorities in the administration and ruling party” (Frankel 2005:190).

However, India was able to reach a self-sufficient status in foodgrains, only because of Green Revolution. National self-sufficiency in food production, does not guarantee all citizens the right to adequate food. Whatever its merits, in reality preventing hunger depends on the politics of the country rather than simple demand and supply of the foodgrains. The public policy should cause food to be available for purchase in the quantities required for adequate nutrition. The democratic political system that has a mechanism for equitable distribution is essential for achieving food security. In other words power and politics are critical factors. The analysis on Green Revolution would provide adequate clues in understanding the politics of hunger. Frankel points out “definitely Indian poor have not achieved social justice through limited implementation of land reforms. Also that, there was not much

impact of green revolution in the poor people's lives as well as hopes on their future" (Frankel 1972:28).

This indicates that, the big landlords at rural level have appropriated gains of Green Revolution technology. So the fruits of Green Revolution were unfortunately not enjoyed by the very poor from whose side a greater upliftment is necessary. "In fact, from the very beginning, India's development policy was influenced by the rapid economic growth and social justice. However, in view of increasing food shortages and mounting concern for immediate gain in production led to the shift in the developmental priorities" (Sharma 1989:10).

The Green Revolution proved a turning point with the modernisation attempts of Indian agriculture. The introduction of new technology, High Yielding Varieties (HYV) made the farmers increasingly dependent on the market for new seeds, chemical fertilizers and farm machines etc. consequently, agriculture has become increasingly capital intensive. The majority of farmers in rural India could not cope up with green revolution strategy, which is a very costly affair to their level of economic standard. The important point is that, the particular genetically modified seed may not be productive in a particular and a peculiar area and climate. Genetically modified seeds are very productive in specific conditions (laboratory conditions) in terms of water atmosphere and fertilizers. For example a high yielding variety of paddy may not be productive in a very arid district like Anantapur or any such districts where water and other peculiar conditions are entirely different. Many new seed varieties are such that farmers can not harvest them and plant them again.



Each time seeds have to be brought from company and they can increase prices. Moreover their seeds require more and more chemical inputs.

The new varieties proved very prone to disease, compared with traditional varieties, and the rice, in particular, was very sensitive to variations in climate and growing conditions. This, in turn, necessitated a heavy public investment in agricultural research to protect the revolution from genetic failures. Even at the time, some were cautious about the potential of this revolution. The success of the technology depended on large fertilizer usages to sustain the highly vulnerable technology. Agriculture has now become market oriented. It neither meets the household food requirement nor is it very profitable to the farmer. Ever since agricultural commercialisation took place, the indebtedness of farmer has increased. Market based agriculture is mostly being supported by commercial loans. Consequently farmers began to take loan from traditional moneylenders. As moneylenders, became exploitative, the state came in support of farmer by providing Agricultural Credit through banks and others public institutions. Today farming has become worse than business. As loans have not just turned farmers insolvent but have driven them to committing suicide. "Farmers suicides are a result of the new seed policy which has encouraged the privatisation of the seed sector and displacement of ecologically adapted local crops by monocultures of economically vulnerable hybrid seeds..... The combination of concentration of the seed industry with the monopolies linked in Intellectual Property Rights (IPRs) can spell total disaster for the economic security of farmers and the food and ecological security of the country" (Shiva 2002:59). Village and small industries also could not

benefit due to liberalisation policies. On the other hand, whatever the artisan units were existing earlier, they also succumbed to the attack of trade practices. Employment generation programmes and food for work programmes were snatched away by contractors, politicians and officials denying employment to the village labourers. As a result, employment and incomes have declined. Most of the villagers from backward areas have been migrating to nearest towns and cities in search of livelihood.

The Green Revolution technology has been criticised that it produces potentially dangerous social side effects in the agriculture. This argument contends that, due to the intensification of production, landlords have been encouraged to resume cultivation of their own land and eject their previous tenants. The result, it would be rapidly growing rural insecurity. The situation is that the fruits of green revolution were only available to those which were already prosperous regions and groups. The drought prone areas like Anantapur, Mahaboobnagar, Srikakulam Nalgonda etc in Andhra Pradesh, Kalahandi, Kasipur, Koraput in Orissa and some similar districts in Rajasthan and other parts of India, did not benefited from green revolution technology. “This further accentuated economic inequalities between rich and poor. At another level, green revolution indirectly caused hunger by giving impetus to displacement of labour and unemployment. In many areas, critics argued that the green revolution has been responsible for accelerating the pace of mechanisation.....which caused displacement of the labour and unemployment” (Ladejinsky 1969:36). The landlords prefer contract or casual labour. The payment is hence made in cash rather than in kind of foodgrains, earlier tenants used to share

certain amount of crop with the landlord for investing labour as well as some money for the cultivation, which directly serves the food needs. This shift in the source of livelihood to the rural poor is forced to spend much of their money for purchase of foodgrains alone. “The green revolution has failed to raise incomes of the rural poor and contribute substantially to enhance their effective purchasing power in growing market” (Sharma 1989:10).

“Green Revolution not only quickened the process of economic polarisation both in rural and urban settings, but it also contributed its major share to increase social antagonism between landlords and tenants, landlords and labourers. The levels of economic polarisation and social antagonism in the form of class conflicts have emerged very quickly than originally anticipated” (Frankel 1972:54). The food availability decline (FAD) argument itself emerged out of misconception about hunger in India before opting for the implementation of Green Revolution methods in Indian agriculture sector. The idea of food availability decline argument is too reductionist in nature and goes against the socio-political and economic factors contributing to hunger in society, as Amartya Sen explained in his ‘Entitlement and Deprivation’ thesis.

There are basically three reasons for the failure of land reforms and Green Revolution. First, in areas where the new technology is unsuited, agriculture is still stagnant. There has not been enough economic pressure to divert local institutions away from their traditional preoccupation with distributing patronage to undertaking effective developmental roles. Second, in areas with highly unequal land holding

sizes, politics are dominating by patron-client relations. The small farmer is dependent on the larger farmer and cannot bring effective pressure to bear for more widespread dispersion of needed inputs such as credit and water and fertilizer. The benefits, if any, tend to be highly concentrated among the few politically powerful castes. Third, even in technically dynamic areas with moderately equitable land holding patterns, the local institutions can be rendered ineffective if inadequately designed. This was certainly the case with local governments in both India, where elections favoured elite control in local bodies and confusion and overloading of functions repressed accountability. The combined effect of these technological, social, and institutional problems has tended to restricting even progressive national policy objectives.

The continuous neglect of farm sector, leads to the policies like subsidised rice to people. Most of these people are engaged in agriculture production and agricultural labour. This tragic reversal of the role, feeding the farmers who have been feeding the country all these years, is the culmination of national policies that have neglected agriculture and farming in the wake of globalisation and economic liberalisation. India has majority of the population depending on agriculture and the cost of faulty economic liberalisation has begun to prove. Withdrawing the state support to agriculture and farming, and increasingly leaving farmers at the mercy of the monsoon and the markets, the national policies were in reality being drawn to shift the national resources for the benefit of only the business and industrial houses. Liberalisation which made the blunder of strengthening industry at the cost of farming in 1991 has only intensified the crisis by moving the scarce resources to

reinforce the industry. While agriculture continued to be neglected, industry continued to receive tax-holidays, cheaper credit, highly subsidised lands, in name of Special Economic Zones (SEZ) and excise duty relief and other benefits. Where as the farmers lost their lands and became landless and forced to work as labourers in their own lands.

The recent social movements against Special Economic Zones (SEZs) in Singur and Nandigram areas of West Bengal and similar movements against SEZs in many other places are the result of the deprivation of land and livelihood. Agriculture credit became a low priority, credit for housing and buying a car is available at 9 to 11 per cent rate of interest while the crop loans to farmers fetch a heavy interest of 17-20 per cent. In reality, farmers were worse-off with almost 60 per cent of them depending upon the private moneylenders. Farmers defaulting the banks and private moneylenders with petty outstanding dues, were severally humiliated. The more the poverty levels, the more the rate of interest. Thousands of farmers in distress preferred to commit suicide rather than to be faced with humiliation that comes along with indebtedness. With the intervention of World Trade Organisation (WTO) policies, agriculture is commercialised, where as in traditional agricultural mode of production farmers used to sell only surplus foodgrains after keeping foodgrains for their dietary needs and for the purpose of seeds. Present farmers have to depend on multinational corporations for seeds. This led to the decline in food production for domestic usage due to the export cash-crop production. It leads to the destruction of the foundations of food self-sufficiency so industriously built over the past several decades. "The Green Revolution has been a

social disaster, the effects we can legitimately expect from direct western agribusiness intrusion into traditional rural societies may be nothing short of catastrophic. There is already plenty of evidence to suggest that agribusiness is capable of destroying everything it touches; local employment patterns, local food crop production, consumer tastes, even village and traditional structures” (The United Nations University 1984:42). The deteriorating economic situation of peasants and the rural poor caused rapid migration from rural to urban. The government goes on pursuing policies of WTO, and dismantling the planks of food security and in the process driving millions of farmers from their small land holdings to head for the urban centres looking for menial jobs. The economic circumstances of the rural peasants contributed to the migration to the towns and cities. But the pace of industrial advance in town and cities was not sufficient to absorb the rural migrant poor. The result is that, the growth of urban unemployment, hence the growth of slums, extreme hardship, uncertain employment, abysmal wage rates, rampant exploitation, prostitution and other types of social evils such as crime and violence.

Neo-liberal policies have attacked both production and access. The attack on the Indian peasantry is not only from the WTO but also from the genetic engineering industry, both of which work in close tandem. Governments at the national and the state levels is being lined up to pave a way for the smooth entry of the genetically modified crops. Now farmers need to select seeds from the market rather than their choice and food needs. Very conveniently diverting the national attention from the more pressing crisis afflicting the farming sector, agricultural scientists have joined

the campaign to bring in the genetically modified crops keeping the country's growing food need. If only the effort that is being made to bring in the genetically modified crops was directed to distribute the mountains of surplus foodgrains that rot in the open, millions of hungry people in India could have been adequately fed. "The logic that these people have been following for 15 years is that food security does not matter, farmer should produce to supply supermarkets in advanced countries under the contract to transnationals, and we can always import food if required. This ignored the fact that if we are growing cash crops, there is no control over the foreign exchange earnings if the unit of the dollar price of export crop falls."<sup>19</sup>

Most of the governmental programmes, which are meant to abolish poverty levels, hunger and food insecurity are in fact, used for the political purposes rather than to tackle poverty. Pranab Bardhan points out, "The Indian style of politics is deceptively consensual, but over the years the process of intense bargaining and hard-fought apportionment of benefits among the different partners of the dominant coalition have come out more into open, and politics has acquired a more unseemly image in public mind.....Political democracy has also its way of building up pressures for state subsidies from a growing number of groups even beyond the confines of dominant coalition. Some sections of unionized workers, small traders and some other small propertied interests, taking advantage of their larger numbers are increasingly vocal in electoral politics for a large share of the pie" (Bardhan 1984:66-67).

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<sup>19</sup> Frontline, 25<sup>th</sup> April 2008. p.28

In any society economic growth helps to reduce poverty, as it is supported to create more jobs, and revenue to be invested in social sector. “In many parts of India poor have started questioning, with slowly growing assertiveness,.....with the periodic exigencies of electoral politics, the vote mobilizing rhetoric of competing political notables escalates in radical populism” (Bardhan 1984:82). Especially the emergence of regional political parties as power centres has become a dominant factor to determine policies which are meant to eliminate poverty in general and hunger in particular in India. The emergence of powerful regional political parties like D.M.K, Telugu Desam, Akali Dal Samjvadi etc have created an atmosphere in which parties have used poverty elimination schemes more for their benefit rather than removal of poverty in India. “Indian nation state could not manage to provide an effective poverty elimination scheme that can potentially work out in all the states, whose nature is complex as well as dynamic time and again. No one can deny that India is deposited with both well off and bad; I must say states in terms of economic, social and political. Even the selection of region to be benefited for any welfare scheme itself is involving politics for the political party’s future” (Bardhan 2003: 282).

### **PDS and Electoral Politics**

It is an irony of Indian democracy that whatever may be the economic or social issues dominating the agenda of political parties, a sudden rise in onion prices in north India or an offer of rice at rupees two a kilo in the south can still make or unmake a government. The potential of rice to tilt the electoral balance was first



discovered by the DMK founder late C. N Annadurai whose promise of one 'Padi'<sup>20</sup> rice at one rupee brought him to power in the 1967 elections. The present DMK leader and Tamil Nadu Chief Minister M Karunanidhi lived up to that tradition by offering rice at rupees two per kg to all ration card holders in the state in the last Assembly elections. Karunanidhi also offered free colour television for every family and free gas stove to all poor women. He came back to power with a thumbing majority. In Karnataka it was Devraj Urs in the 1970s introduced several populist welfare measures. From 1980s onwards, food became an issue in populist politics in Andhra Pradesh. Subsidised rice under PDS is one among the promises with which political parties tried to win the favour of the electorate. The political-economic background that gave rise to this development is the intensified political competition. Opposition parties emerged and became influential in many states. Moreover, the increasing political awakening and emancipation of large parts of the population made it necessary for politicians and political parties to formulate policies that appeal to these voters.

### **Emergence of Telugu Desam and Politics of Food in A.P**

The dominance of the Congress Party in the political history of Andhra Pradesh continued uninterrupted for three decades till it was upset by the Telugu Desam Party (TDP) in the 1983 elections. The Andhra Pradesh state was to go to the polls in January 1983 to the state Legislative Assembly. It was an important year in the political history of Andhra Pradesh. It saw the rise of a new political party, the

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<sup>20</sup> Padi is a colloquial word used in Tamil Nadu and southern Andhra Pradesh, which is about 1.5 Kg. Agricultural labour used to get foodgrains as wages in terms of 'Padis' for their work in agricultural fields in Tamil Nadu and southern Andhra Pradesh.

Telugu Desam Party (TDP), which succeeded in ending the Congress hegemony within a very short time. After a short campaign the party the TDP won the elections, thus marking the end of a long era of Congress in Andhra Pradesh. The leader of the Telugu Desam party was N.T. Rama Rao, a popular film star. In several films he had played the roles of Hindu mythological characters Lord Srirama, Krishna, Karna, etc and a moral figure who champions the cause of the weaker sections of society. He was very popular and had a great deal of charisma. Based on his earlier fame, extensive touring and clever campaigning, he was able to strike a chord with the people that would last for quite some time.

The Telugu Desam Party which came into existence just six months prior to the polls was trying to wrest power from the ruling Congress Party and had been repeatedly promising that it would make rice available to the people under PDS at rupees two per kilo, if voted to power. The election manifesto of Telugu Desam Party which was released before the January 1983 elections, stressed the need for streamlining PDS so that essential commodities could reach the villages and be sold at reasonable prices, making the sale of rice at rupees two per kilo, the central objective of the larger policy.<sup>21</sup> The manifesto also stated that rice would be made available to the poorest of the poor. The TDP government, after coming to power in 1983, made rice available at rupees two per kilo in keeping with its poll promises. With the massive mandate from electorate N.T Rama Rao went ahead with a

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<sup>21</sup> Rice is the major ration item under PDS in Andhra Pradesh apart from rice, sugar, kerosene, and occasionally wheat and edible oil also includes under PDS. Since the other commodities are very nominal under PDS, political parties focus only on rice. PDS means only rice distribution in Andhra Pradesh. Thus the entire PDS revolves around rice.

vengeance to introduce populist schemes, especially he became very popular with subsidised rice at rupees two per kilo. This populist scheme has remained important in Andhra Pradesh's political history. The TDP was defeated in 1989, but it came back to power in 1993, partly again because of its promise to reintroduce the rupees two per kilo scheme.

In Andhra Pradesh, it was former Chief Minister N T Rama Rao who first launched the rupees two a kilo rice scheme which paid rich electoral dividends for him in the polls. When N.T. Rama Rao started advocating the idea of a Rs. 2 per kilo of rice scheme, the ruling Congress government did not take the idea very seriously, and was convinced that it was an impossible plan. The people of Andhra Pradesh, however, were taken in by the idea. Hence, it is no surprise that the idea for a Rs. 2 per kilo scheme was received very well by the poor.

In September 1995, Chandrababu Naidu took over as Chief Minister in Andhra Pradesh. He replaced his father-in-law, N.T. Rama Rao. After coming to power Chandrababu Naidu as strong protagonist of economic reforms, took several unpopular measures, such as raising electricity charges for a wide variety of consumers, enhancing the price of subsidised rice from Rs. 2 to Rs. 3.50 a kilo, and later on in year 2000 to 5.25 a kilo. At this time the government is offering, attractive price of rice at Rs.2 a kilo under PDS, when the open market prices rule between rupees twelve and twenty. The unresolved question is should the government focus on improving the living conditions of the poor or simply play with their minimal needs.

The story of the scheme's origin reveals that the rice subsidies main purpose was never just to help the poor. Instead its main intention was to be a visible, if a small gesture of generosity on the part of the ruling parties in the state. That token gesture would, party leaders hoped ensure enough votes for continued power of the state over the voters. The state government's legitimacy is then enhanced by its electoral popularity. Telugu Desam Party's election manifesto 1983 stated that, Telugu Desam will strengthen the Public Distribution System and will see that the essential commodities are made available to people at very reasonable rates. It is the firm resolve of Telugu Desam to ensure sale of a kilogram of rice for rupees two. After winning power in 1983 TDP government implemented the rice subsidy scheme as it promised to the electorate.

The main reason for the scheme's popularity is that ration cards as well as ration shops actually have reached the most remote areas of Andhra Pradesh, unlike many development schemes which, one way or another, have concentrated on central places. The ration shops have reliably supplied rice to card holders, with the leakages and corruption problems faced by civil supplies kept to a minimum by the high visibility and local nature of fair price shops.

In Andhra Pradesh, both the Congress (I) and TDP were prepared to promise some handouts to the poor in 1983. N T Rama Rao, the leader of TDP, boldly promised a higher subsidy than Congress (I) had ever provided, and they won the 1983 elections. When the TDP's leading position in the state assembly was

questioned in 1985, their strategy of combining ‘Telugu Jaathi’, ‘Telugu Prajala Atma Gouravam’<sup>22</sup> with the extensive food subsidy paid off in a solid electoral victory. The Congress (I) has since been silenced from criticizing the Rs 2 KG rice scheme because if it does, TDP will use this advantage by accusing the state Congress (I) of wanting to impose central government anti-Andhra Pradesh policies on the Telugu people. The Left parties had been forced to go along with TDP policies by its ongoing electoral alliance with TDP involving seat allocations and mutual support. The scheme was used as propaganda for TDP; the scheme was called as ‘Anna-Varam’.<sup>23</sup> Telugu Desam Party’s populism and regionalism are also a convenient way of legitimizing a regime which in many ways represents in the absence of a viable Left alternative. The CPI (ML) Maoists, which is also popular among radical youth, is running its chances by engaging in terrorist tactics and indulging in revenge murders. The voters of Andhra Pradesh prefer the one which at least offers some concrete, immediate benefits; most voters have no expectations of any more fundamental change in society.

In states where rice was introduced at attractive prices under PDS, there were reports of large scale black marketing and diversion of rice from PDS to the open market. The governments of the day failed to curb corruption and plug the leakages.

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<sup>22</sup> Popular slogan of Telugu Desam Party, implying self respect, pride and dignity of Telugu people.

<sup>23</sup> NT Rama Rao popularly known as ‘Anna’ in Andhra Pradesh, which means elder brother in Telugu, and also ‘Annamu’ means food, ‘Varam’ means gift or divine gift. Thus Anna-Varam connotes two meanings elder brother’s gift and food gift. He projected himself as the elder brother who gives rice and sarees to women, a benefactor doing good to Telugu people. This discourse can be characterised as donatives, since it stresses hand-outs, charity and welfare provided by a benevolent ruler

Such populist measures were introduced without making adequate provision in the Budgets. Consequently, the freebies led to huge budgetary deficits and rise in inflation, which contributed to further rise in prices in the open market. So such electoral gimmicks, unless backed by sound economics, are bound to boomerang on the people.

The major issue of food security is increasingly challenging the state politics and governance. Food supply and demand projections are being made with arguments being offered about food surpluses and falling prices on the one side and food scarcity and hunger on the other. Such projections and contrasting arguments have tremendous implications on the future of political system. Since the Telugu Desam party was propelled into power largely on the basis of its electoral promise of cheap rice, at rupees two per kilo rice subsidies have been a major issue in Andhra Pradesh politics. “Telugu Desam Party’s populism and regionalism are also a convenient way of legitimising a regime which in many ways repress the very people-‘the poorest of the poor’- whom it claims to represent. Legislation exist which would enable these people to reach a higher standard of living through their own efforts-the minimum wage and land ceiling laws. But the minimum wage laws are openly flouted, especially in agriculture where the poorest workers receive the lowest possible wages. The land ceiling act, though an effective deterrent to land accumulation by rich individuals, is also bypassed as rich farmers allocate land to various relations (on paper) but actually till holdings far over the limit. TDP has done nothing towards implementing these basic progressive laws” (Olsen 1989:1598).

The government of Andhra Pradesh introduced the subsidised rice scheme in the early 1980s to improve the consumption levels of weaker sections of society as well as for electoral gains. Households with annual income of less than Rs 6000 were regarded as poor and were issued green cards; other households were issued yellow cards. A household with a green card was entitled to 5 kg of rice per person for a month subject to a ceiling of 25 kilos at rupees two per kilo. Besides rice, they were entitled to buy sugar and kerosene. A household with a yellow card, in the initial years was permitted to purchase rice from fair price shops but at the higher price of 3.50 per kg later on this facility was withdrawn. However the yellow card holders were entitled to higher quota of sugar and kerosene and occasionally edible oil was also supplied to the card holders through fair price shops.

The Congress government in 1991 moderated the scheme. The green cards were replaced with the white cards and yellow cards with pink cards. The ceiling on the rice for white cardholders was initially reduced to 16 kg but later on it was again increased to 20 kg. On account of increase in issue price by the Food Corporation of India (FCI) the state government increased the ration prices to 3.50 per kg. In 1994 Telugu Desam party came to power and restored the ceiling on rice to white cardholders to 25 kg.

Andhra Pradesh is a surplus state, encompassing large surplus as well as deficit tracts within its area. “Andhra Pradesh has several districts that are heavily surplus in rice such as West Godavari, East Godavari, Krishna, Guntur, Nalgonda

and Karimnagar; on the other hand there are also chronically drought-prone and heavily deficit districts such as Anantapur, Chittoor, Cuddapha, Kurnool, Adilabad, Visakapatnam and Vijayanagaram” (Venugopal 1992:168). Apart from the usual public distribution system through fair price shops several central and state level programmes are implemented by the government of Andhra Pradesh such as Antyodaya Anna Yojana, Annapurna Scheme, Food for Work, Mid Day Meal Scheme for school going children, Integrated Child Development Scheme (ICDS). In spite of many policies and programmes to secure food, reports of hunger and starvation deaths remind an important task of government. There is an urgent need to understand the rationale as to why people remain hungry when enough foodgrains are produced.

The irony of the situation is the fact that the majority of those who experience persistent hunger are people who are involved mainly in activities related to food production. The obvious affirmation to the query necessitates that a single starvation death in the midst of several millions of food grains in warehouses is a multiple blemish on the state and its instrument of food policy and public distribution system. The plight of starving masses due to food insecurity should be understood in the context of failed policies. A requirement of food security is to first understand the food needs, and then ensuring that, in answering these needs, integrity of natural ecosystems is not compromised so that the food can be made available in a safe and sustained manner. The policy of food production and consumption must recognise this issue, given the over exploitation of natural resources, the highly degraded state of environment today.



## **Electoral Politics and Two Rupees-A Kilo Rice Scheme in A.P**

The popular rupees two a kilo rice scheme was introduced in Andhra Pradesh by Telugu Desam Party (TDP) government as an election promise after it wrested power from Congress-I in 1982-83. Prior to 1983, the PDS was mostly concentrated in urban areas like in many other parts of India except Tamil Nadu and Kerala. The government of Andhra Pradesh decided to extend the subsidised rice scheme to the poor living in rural areas. With the enumeration of all households in the entire state, households whose income was less than Rs.6000/- per annum was identified as poor. All the identified poor households were issued yellow ration cards (presently white cards). All those households whose income was more than Rs.6000/- were issued green ration cards (presently pink cards) for supply of ration items under PDS. All those households who possessed yellow ration cards were provided 10 kg of rice at Rs.2/- per kg through fair price shops. Later on it was raised to 5 kg per head with a ceiling of 25 kg per household per month. When the quantity allocated by the central pool was not sufficient to meet the commitment, the state government entered into the rice marketing and purchased additional required quantities by the State Civil Supplies Corporation at a negotiated price, which is higher than central procurement price. This involved additional subsidy burden on the states exchequer.

This new task of food distribution policy in the political process has a lot to do with the search for political legitimacy which is no longer given, but has to be established and defended. This has to do with the dynamics generated by the parliamentary democratic system. In the course of time voters become more

assertive and demanding, and start increasingly to make demands on politicians and governments. Governments which do not deliver what they promise are quite often voted out. The increasing search for political legitimacy has to do with the breakdown of the Congress dominance. The erosion of the Congress party and the increasing importance of competition among political parties led to the political populism. One of the ways in which politicians and political parties now try to establish political legitimacy is through populist programmes that appeal to large parts of the population, and food distribution has obviously become one of them because providing essential commodities attracts people.

In 1992, the rice quantity per poor household was reduced from 25kg to 16kg per month. From January 1993 the quantity increased to 20 kg per household and ration issue price was raised to Rs.3-50 per kg instead of the earlier promised rupees two a kilo. From January 1995 its price was again brought down to rupees two per kilo with an entitlement of 5 kg per head with a maximum of 25 kg per household. This continued for a short period as an election promise made by the TDP. But, the government revised its price to Rs.3-50 per kg to contain the mounting subsidy with effect from August 1996 and also restricted the quantum of rice to 4 kg per head with a maximum of 20 kg per month per household.

Since the scheme has paid rich electoral dividends to Rama Rao in the past, the Y.S Rajasekhara Reddy government decided to revive it ahead of 2009 elections. Apart from direct electoral political pressures, there was a tendency to assign minimum needs a high place on the political agenda anyway. The political think

tank of the Andhra Pradesh government under the leadership of Y.S Rajasekhara Reddy, had proposed a several populist programmes, including rupees two a kilo Rice Scheme, Indiramma Ellu, (Indira Gandhi Housing) Rajeev Arogya Sree<sup>24</sup> (health Scheme for poor) Pavala Vaddi<sup>25</sup> for DWCRA (Development of Women and Children in Rural Areas) groups, rural roads and so on. These programmes were not only a brainchild of some benevolent planners but also the result of political pressure and demands. The ruling party hopes this scheme, coupled with free electricity to farmers, massive programmes of construction of houses for poor and irrigation projects, would help it retain the power. “The presentation of food programmes has been referred to as a donative discourse, because of the emphasis on charity and generosity of the government. The scheme is linked to the personality and care of the Chief Minister. In Andhra Pradesh, the rice scheme was not named after the Chief Minister himself, something which happened in Tamil Nadu for instance, but the Chief Minister was very much identified with it. This was done intentionally to improve the image of N.T. Rama Rao who was presented as a big brother, someone to be trusted and relied upon. He was presented as a benefactor who gives a helping hand to the poor” (Mooij 2002:28).

### **Revival of Rupees Two a Kilo Rice Scheme**

The Andhra Pradesh government re-launched the Rs 2-a-kg rice scheme for below-poverty-line (BPL) families in the State on 9<sup>th</sup> April 2008, twenty five years

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<sup>24</sup> In Andhra Pradesh, Y.S Rajasekhara Reddy Government is extensively using Mrs Indira, Rajeev names as suffix or prefix to all programmes and policies. The names of the schemes clearly illustrate the significance of the personality cult of political leaders.

<sup>25</sup> Lone at interest rate of 25 paisa for self help groups.

after it was first introduced in the state. Chief Minister Y.S. Rajasekhara Reddy formally inaugurated the scheme at Jadcharla in backward Mahbubnagar district, even as his ministerial colleagues, Congress legislators and MPs had started the sale of subsidised rice to BPL families through fair price shops across the State. Legislators of other parties, too, participated in the launch in their respective constituencies. In all, about 42,000 fair price shops are networked to sell the subsidized rice. Apart from rice, kerosene and sugar, the state government is also planning to provide pulses and edible oil on subsidised prices for the white ration cardholders.<sup>26</sup>

Since early 1990s the state of Andhra Pradesh has received a lot of attention, both nationally and internationally. Andhra Pradesh was among the pioneers of economic reform programmes in the 1990s. The question why the Andhra Pradesh government does what it does in this field of food distribution policy has acquired an extra urgency and relevance. Since 1991, as part of structural adjustment policies, there has been an increasing tendency to question the necessity and size of the programme, especially the huge costs which are now a thorn in the flesh of many political economists. Generally, the viewpoint of the Left parties in India has been in defence of the PDS. They have argued that one cannot and should not rely fully on the market. Food is too essential; the state should not withdraw but rather take

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<sup>26</sup> The Government is forcing the ration shop dealers to display Andhra Pradesh Chief Minister Y.S. Rajasekhara Reddy's portrait while supplying rice under the Rs. 2-a-kg rice scheme. Congress party is insisting on such display and asking the Congress workers to oversee such display. Government is giving wide publicity for the scheme in all news papers. See appendix-II for such advertisement in news papers.

responsibility for a more equal distribution. Particularly in situations as the present one, it becomes important to know why and under what conditions governments tend to take up certain responsibilities, and under which conditions they tend to turn these down.

Expansion of the PDS is not an agenda in the present political and economic ambience. To understand government policy it is crucial to know why the government would be interested at all. What is the history; who have been the advocates; which interests were at stake? “In this context it is needed to raise some pointed questions. The regime which lays claims to pursue neo-liberal reforms through the reduction of fiscal deficit, public sector disinvestment and reduction of public expenditure on employment and subsidies as part of the transition from state to market, in fact in practice ends up with wasteful expenditure of public money.....quite contrary to its stated policy objectives” (Reddy 2002:871). The search for accurate picture of how political issues shape development performance forces look beyond the neo-liberal reforms and structural adjustment context.

Policies are shaped by not only by national and international social context and process, but also by the set of electoral strategies, beliefs and values in plural democracies, because political culture of particular region or nation matters in shaping public policy and developmental outcomes. Political culture represents the link between the events of politics, electoral outcomes, and policy decisions of governments. “The first is that social policies do not just address welfare issues or social development; they also play a role in the creation of regime legitimacy.<sup>18</sup>

Social policies are high on political agendas and mentioned prominently in budget speeches and other public policy statements, and large claims and promises are repeatedly made. Food policy illustrates the point even more clearly. Proposed policy changes can rely on being subjected to intensive debates (in fact, often immediate protests). Individual politicians, especially in south India, have tried to get political mileage out of presenting themselves as patron-rulers looking after the welfare of their subjects. This fact that social policies are important for regime legitimacy and individual popularity of politicians can be easily understood against the background of high levels of poverty and deprivation. For tens of millions of poor households, the PDS supply may be their most secure food entitlement” (Mooij 2007: 332).

The scheme originally introduced by the then Telugu Desam government led by N T Rama Rao on Ugadi<sup>27</sup> day in April 1983, the rupees two a kilo rice scheme was subsequently scrapped by the Congress regime that raised the price to Rs 3.50 per kg in 1992. Later, N.T.Rama Rao re-introduced the scheme in January 1995 on regaining power in 1994 elections. NTR's son-in-law, N Chandrababu Naidu, who took away power from him in 1995, scrapped Rs 2-a-kg scheme in July 1996 and raised the price to Rs 3.50 a kg. The price was raised further to Rs 5.25 per kg in the year 2000. The Rs 2-a-kg scheme has been revived after a gap of 12 years. Speaking on the occasion, the chief minister said that the scheme would provide 'food security' and blunt the effects of a price rise for poor sections in the State. In all, about 1.85 crore (18.5 million) BPL families holding white ration cards would benefit from the

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<sup>27</sup> Telugu New Year

scheme. The state government has earmarked Rs 1,980 crore for the scheme in the budget for 2008-09.<sup>28</sup> The government also decided to distribute, red gram and palm oil for the card holders at fair price shops from the month of July 2008. “The Rs 2-a-kg rice scheme relaunched by the government marks the start of the electoral silly session and is likely to trigger competitive populism as the state gets ready for assembly polls.....has been clearly done with an eye on the assembly elections less than a year away.”<sup>29</sup> Dr. Rajasekhar Reddy said, "The scheme will benefit 6.51 crore (65.1 million) persons out of the state's total population of 8.22 crore (82.2 million) now. We are trying to bring back Indiramma Rajyam (Indira Gandhi's rule) in the State in letter and spirit. Our main focus is welfare of the people, particularly the poor.”<sup>30</sup> “The chief minister is banking heavily on the rice scheme to fetch votes. He feels this scheme, coupled with free electricity to farmers, construction of houses for the poor and irrigation projects would help the Congress party retain power. He also hopes that it would stunt the campaign for separate Telangana region and the drive against corruption in the run-up to the polls.”<sup>31</sup>

The review of the emergence subsidised rice scheme and evolution of the PDS, is that food policy is not an automatic response to food insecurity. Food policies are shaped in and through concrete historical and political economic processes. The direction in which the PDS develops has been influenced by the specific political economic context in which it was shaped. The food policy is

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<sup>28</sup> The Hindu, 10<sup>th</sup> April 2008.

<sup>29</sup> India Today, 28<sup>th</sup> April 2008, p.28.

<sup>30</sup> The Hindu, 10<sup>th</sup> April 2008.

<sup>31</sup> India Today, 28<sup>th</sup> April 2008, p 29.

strategically employed by the governments in political and economic situations. The political gains to the government which promises a certain entitlement to needy consumers and ensures its discharge can be an attractive undoubtedly. Thus guaranteed supply of essential foodgrains to the poor households by way of assured food security is also a good political and electoral strategy. “Food in populist vote-catching practices, the development trajectory of food distribution policy has not become fully subordinate to political opportunism. In fact, food policy is still closely linked to wider issues of development and planned state intervention. The development of food policy in the 1990s cannot be understood through a reference to populist politics alone. There is also the connection with structural adjustment policies. I recall that PDS issue prices have been increased in compliance with these economic policies, and that there are efforts to reduce the subsidy and restructure the whole system. In short, it is not only opportunistic politics that forms the wider context in which food policy is shaped, but also economic policy” (Mooij 1998:94).

Since the 1980s Andhra Pradesh has populist leaders who have tried to secure votes by formulating and implementing various kinds of welfare schemes. The idea that government is there to serve the people has taken developing some extent. Despite of corruption and misappropriation beneficiaries continue to have some positive expectations because they are also voters these have to be benefited to some extent. This means that both political leaders as well as the beneficiaries have a common interest in formulating populist welfare policies and programmes. Populism has become one of the most important electoral strategies in present state of affairs. What is the amount of subsidy spent on PDS? Would it have an effect



which is different in the short and long term if those same finances could have been used in other ways by government? These issues are not well discussed and debate on populist schemes under PDS. The sustainability of these programmes on such a large scale is doubtful from the economic point of view. "Populism was a necessary political strategy for the regimes to attend the redistributive question and legitimize the ruling class coalition there of. More often than not, populism was a compensation for the increasing imbalances that accrue out of development itself. Thus populism is normally understood as inevitable and integral to the politics of state-led development....However, this apparent discomfort between populism takes shelter under certain presumptions that populism has to be understood as a historical product of state-centred economies and that market oriented neo-liberalism leads to the demise of populism. This narrow perception primarily emanates out of one-sided economic dimension of populism that finds unlinear linkages between the two. Populism being amorphous in its nature needs to be understood in its multidimensionality" (Reddy 2002:872). These populist government schemes are justified as welfare measure where as in practice they act as relentless downward pressure on all sections of people. "It has suggested that the foundations of security and well-being are established through a system of obligations and correlative climes held by political associates within the polity. These goals are closely bound up with the legitimate and socially regulated exercise and renewal of authority; with a mode of justified authority that implies that possibilities for discursive challenge exist and are some times exercised, but are not to bare on every authoritative decision. Instead, these political conditions allow a limited suspension of judgement on the part of the citizens because the institutionalised possibility of challenge exists

when they need it; and authority holders act in the knowledge that they can justify their policy choices, even if they are not required to do so on every occasion (Currie 2000:173)

The rupees two rice scheme under PDS is being implemented at a time when the open market price of rice has swelled to Rs 15 to 20 a kg. Such a huge difference between the subsidized price and the market rate gives scope for diversion into the black market. The profitability of this illegal trade is depends of the open market price and controlled price. The smaller this price difference, the more foodgrains reach the cardholder, but the smaller impact for the cardholder. Civil Supplies Minister Kasu Venkata Krishna Reddy said that, about 340,000 ton of rice per month would be required for the scheme. The government is working out the modalities for conducting regular social audit on the quality, timely delivery and other aspects of the scheme. Integrated flying squads would be constituted at the district level. To check diversion of subsidised rice stocks to open market by fair price shop dealers or others, the government has constituted committees at the state and district level to continuously monitor the implementation of the scheme. A special cell headed by a senior IPS officer is being set up to supervise the implementation of the scheme. District collectors are entrusted the task of monitoring the scheme.<sup>32</sup>

The Vigilance and Enforcement Cell of Civil Supplies Department is tasked to undertake regular physical inspection of stocks. Check-posts are being opened to thwart illegal movement of rice stocks. Strict surveillance is being mounted on

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<sup>32</sup> Enadu 10<sup>th</sup> April 2008.

supply and transportation of rice on a day-to-day basis. The department is opening toll-free telephone lines to be manned by special cell at the state level and wings headed by joint collectors at the district level to receive complaints and to ensure smoother operation of the scheme.<sup>33</sup>

The low price of rice has also given scope for misuse by politicians in many districts to distribute it free of cost along with their photographs.<sup>34</sup> Some enthusiastic MLAs and MLCs from the ruling Congress as well as the opposition Telugu Desam had announced their decision to bear the cost of the rice supplied to few villages in their respective areas. Coupled with this were allegations by the opposition Telugu Desam and the Left that ministers mounted pressure on the fair price shop dealers to ensure supply of quota free of cost for political gains. Within days of the implementation of the rice scheme, there were reports of cabinet ministers in the Reddy government, Congress MLAs and some others leaders buying large quantities of PDS rice for rupees two and selling it even less or supplying it for free to the poor. The system was simple, the politicians struck deals with the fair price shop dealers to sell PDS rice to those with BPL cards for rupee one or free while they became identified as the benefactors. The dealers were given the marginal difference by politicians themselves or compensated by bogus BPL cards with which they were allowed to sell the rupees two rice in the open market.

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<sup>33</sup> Enadu 10<sup>th</sup> April 2008.

<sup>34</sup> Telugu dailies like Enadu, Vaarta and Andhra Jyothi and English Dailies like The Hindu and Times of India, published series of reports of politicians belongs to Congress and Telugu Desam distributing PDS rice free of cost in their respective constituencies during the launch of scheme.

This led to the Civil Supplies Commissioner Poonam Malakondaiah to clarify that, “Sale of PDS rice meant for the scheme could not be distributed free of cost by anybody, sale of rice at price other than that specified by the government was an offence and amounts to violation of the Price Control Orders and the PDS.”<sup>35</sup> The Commissioner of Civil Supplies, Poonam Malakondaiah said that, “if some politicians want to do charity, let them purchase rice from the open market at Rs. 18 a kg and distribute it free to the people. We will not allow anyone to distribute free of cost PDS rice for which the Centre and the State are providing huge subsidy,”.....“we will see that every single grain of rice goes to the cardholders with the right quality, in the right quantity and at the right time.”<sup>36</sup> She has also ordered suspension of licenses of fair price shop dealers for selling PDS rice at any rate other than what was prescribed by the government and even for abetting free distribution by politicians out to gain mileage from the subsidised rice scheme in this election year. In a circular to all Collectors, she asked them to seize vehicles illegally transporting PDS rice and book cases under the ‘Essential Commodities Act’ as well as the ‘Motor Vehicles Act.’ As for errant fair price shop dealers, she wanted criminal cases also to be booked against them.<sup>37</sup>

The Congress government, with an eye on the next elections, presented a tax-free, welfare-oriented budget for 2008-09, with Rs 120 crore surplus and announced revival of the rupees two per kilo rice scheme. For the first time, the Budget size crossed the rupees one lakh crore mark, including Rs 48,551 crore plan expenditure,

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<sup>35</sup> The Hindu 10<sup>th</sup> April 2008.

<sup>36</sup> The Hindu 11<sup>th</sup> April 2008.

<sup>37</sup> Enadu 11<sup>th</sup> April 2008.

which is highest for any state in the country.<sup>38</sup> Presenting the annual Budget in the Assembly, state finance minister K Rosaiah said, “Irrigation, housing, agriculture, rural development and social welfare sectors would continue to be the thrust areas for the government. The total Budget size stood at Rs 1,00,436 crore, an increase of 24% over the current year. This includes non-plan expenditure of Rs 51,885 crore and Rs 48,551 crore under the plan. The revival of the rupees two per kilo rice scheme after a gap of 25 years, with an allocation of Rs 1,980 crore, was the highlight of the Budget. In tune with the Congress government's priorities, irrigation and housing got lion's share of the allocations, accounting for Rs 16,500 crore and Rs 5,850 crore respectively.”<sup>39</sup>

The Rs. 2 per kilo scheme under the PDS became a big hand-out to almost the entire population of Andhra Pradesh. It became a major populist scheme, costing the Andhra Pradesh government about Rs. 2, 000 crore. It is clear the programme was allowed to expand so dramatically within a short period of time, especially since 1983, for narrow political interests. The subsidised rice scheme alone will entail an additional burden of around Rs. 1,000 crore to the state government. Even if government spending Rs. 800 to 1,000 crore on this scheme, it need to be examined whether this food subsidy is at the expense of investment on agriculture or investment in infrastructure. PDS has often been attacked for inefficiencies in its functioning, reported diversion of commodities from FPS to open market and its

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<sup>38</sup> On 16<sup>th</sup> February 2008, budget for 2008-2009 was presented in Andhra Pradesh Legislature. See Telugu dailies dated 17<sup>th</sup> February, Enadu, Vaarta, Andhra Jyothi and English dailies The Hindu, Deccan Chronical and Times of India for analysis on Andhra Pradesh budget and allocation for rupees two a kilo rice scheme.

<sup>39</sup> The Hindu, 17<sup>th</sup> February 2008.

failure to fully reach the target groups for whom it is intended. Added to this is the sharply raising food subsidy bill, with the manifold increase in grain output, current buffer stocks are far above the required norms entailing a heavy burden on exchequer. Who will bear the burden ultimately? How the government will fill its treasury?

However people have to bare the burden by paying extra taxes. To fill its treasury, government increased the excise duty on liquor. According to media estimations this increment will fetch the government about 800 crore revenue.<sup>40</sup> Thus government was not doing any favour to the people as it was spending around 1,000 crore on subsidised rice scheme. The amount was recovered from people by encouraging wine shops, bars, belt shops,<sup>41</sup> and sale of cheap liquor to the common man. With this hike the rates of beers, whiskey, brandi, rum, vodka and cheap liquor will go up. A little hike on quarter bottle of whisky or rum is enough to turn the poor consumer to illicit liquor. It will drive the poorer sections of society to illicit liquor and thereby endanger their lives. Thus the government collects from the poor, what it intends to spend on them. Generally the weaker sections of society especially daily wage labourers fall in to this vicious net. The unusually high appropriation of household income liquor will made serious inroads into food security of the poor households, by diverting resources which cold have been used to buy foodgrains and reducing money available for basic education and primary health care of the BPL families. The benefits of spending more on health education, water supply and power and less on populist schemes may great effect. Another contrast is between

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<sup>40</sup> Eenadu, 18<sup>th</sup> February 2008.

<sup>41</sup> Belt Shops are illegal retail outlets for liquor sale at every corner of streets.

health and education spending and rice subsidy. A widening of health and education opportunities for weaker sections of society could benefit them more permanent ways than the populist food subsidy has by making them better able to compete for better opportunities and improve their livelihood.

The major problem is preventing the diversion of PDS rice into the black market has now become a major problem. The launch itself was relatively undisturbed as a PDS scheme is already in place and Rs. 1,980 crore available for it in the budget. The major problem before government is now, the scope for corruption on account of the huge price difference of nearly rupees 12 to 14 a kg between PDS rice and the one sold in the open market. This makes black-marketing very attractive and worth risk-taking for hoarders. The system also becomes non-sustainable with increasing issue price and increasing subsidy. This has put enormous strain on the state resources and thereby reduces the availability of resources for infrastructure such as irrigation and electricity and the inability of the state to spend large investments in employment generating and foodgrains production could decline. "Competitive populism and allotting a higher proportion of expenditure to welfare programmes and subsidies comes invariably at the cost of education and health, and slows down the growth. But in election year the dividing line between rhetoric and reality becomes really thin."<sup>42</sup> The political parties in the era of liberalisation, privatisation and globalisation, are facing contradictions in handling the political and popular compulsions emerging out of structural adjustment and liberalisation of economic policy. The times that are keen on taking

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<sup>42</sup> India Today, 28<sup>th</sup> April 2008.p29

forward the liberalisation agenda shape themselves evolving strategies to overcome these compulsions that range from electoral to mass movements.

Telugu Desam party is annoyed as the government decided to launch the rice scheme when the TDP was considering its inclusion along with the supply of free power to farmers in its election manifesto. The Congress, which got wind of the Telugu Desam Party's plans to repackage N.T. Rama Rao's high success 1983 scheme for the 2009 election manifesto, simply went ahead and implemented. It was a astonishment to Chandrababu Naidu who is trying to come to power again in the state. Who was projected himself as a champion of the reforms, and presented the economic reform policies as part of a larger development and governance during his tenure of rule. "Now Naidu, a darling of the World Bank who slashed food subsidies early in his tenure as chief minister, is thinking of giving rice to the poor free of cost if voted to power, completely glossing over his long-term vision for economic growth by 2020."<sup>43</sup> The political parties often try to discover electoral strategies afresh with new meanings and new attributes in the process of shaping their election manifestos. Each election is a response to new rhetoric of populism. The discovery of electorates with a specific meaning seeks to lend fresh credibility to the functioning of the system.

The Telugu Desam party, CPI and CPI (M) have described the rupees two a kilo rice scheme launched by the government as a publicity stunt with an eye on the

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<sup>43</sup> Ibid



next elections.<sup>44</sup> The main opposition TDP, which dubbed the scheme as a poll stunt, has warned the government against forcing the ration shop dealers to display Reddy's portrait. The party alleged that the government was insisting on such display and asking the Congress workers to oversee the scheme.<sup>45</sup> Mr. Tammineni Seetharam, spokes-person of Telugu Desam party said, "People were not in a mood to believe the Congress government in implementing the scheme much like it happened in 1994 elections, when the congress dispensation started the Rs1.90 a kg rice scheme. But people preferred Telugu Desam in the following elections and it won with thumping majority. Same thing will happen now."<sup>46</sup> Further he said, "It is our baby and we hold a patent, but the Congress government has launched it now in the last year of its tenure as vote gathering exercise, people are not so naïve to believe in whatever the Congress says given its track record of deceiving them."<sup>47</sup>

### **Bogus Cards**

The number of BPL cards and the per cent of below poverty line households is very confusing and contradictory each other. There is a considerable corruption for getting BPL ration cards to ineligible people. Possession of a ration card is widely required as a pre-condition for verifying identity and domicile without which access to many public and private services is impossible. It is a de facto identity card, and obtaining one is a major pre-occupation of many poor families. A great problem is in the making in the form of bogus ration cards for Below Poverty Line

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<sup>44</sup> The Hindu 10<sup>th</sup> April 2008.

<sup>45</sup> Vaartha 10<sup>th</sup> April 2008.

<sup>46</sup> Enadu 10<sup>th</sup> April 2008.

<sup>47</sup> The Hindu 10<sup>th</sup> April 2008.

(BPL) families ahead of the commencement of the rupees two a kilo rice scheme. This is because the number of such BPL families as being claimed by the state account for almost 85 per cent of the state population, and is in complete variance with the figure of around 25-30 per cent of the population as per estimates by the Central government. The scam is in the form of huge subsidy being borne by the exchequer and the sops of the schemes being misused as literally hundreds and thousands of such BPL families exist only on paper.<sup>48</sup> A wide-spread practice among FPS dealers is to get bogus ration cards made in the name of people who do not even exist. The ration is regularly drawn by FPS dealers in the names of these card-holders and sold in the black market. Another frequent problem is that the ration cards do not reach the people who had applied for them. Instead, unscrupulous FPS dealers and Civil Supplies staff draw ration on them and sell it in the black market. There are a large number of households who do not take ration from FPS but still the records show off-take. The supplies are actually sold in the black market.

The white (BPL) ration card is needed to avail benefits of many programmes of Andhra Pradesh, to a house under the Indiramma scheme, pension, and scholarships for students, subsidised rice and social security. Put together, these schemes amount to spending thousands of crores of rupees of public money by the state. “According to the official figures by the state government, there are 1.87 crore white (BPL) cards, 15.57 lakh Antyodaya Annayojana cards and 93,200 Annapurna rice cards in the state.”<sup>49</sup> Taking four as the average number of one BPL family, they account more than seven crore of the state population when the total population

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<sup>48</sup> Enadu 15<sup>th</sup> April 2008.

<sup>49</sup> Ibid

itself is around 8 crore. Thus as per state's claim, 85 per cent of the state's people are living below the poverty line, which is unreasonable. "What successive governments did was to indulge in a delicate balancing act. On the one hand, they decided to placate the cardholders by allowing their number to grow. On the other, they pleased rice millers, who contributed to party and personal coffers, by varying quantum of procurement and permitting them to export rice to other states at a premium. As a result of this ambivalent policy, the number of poor cardholders has grown over the years with no certainty that they would get in full what the government of the day declares they are eligible for."<sup>50</sup>

The variation of BPL population in the state and central figures is more than 50 per cent, which is unbelievable. Bihar, which is considered as among the poorest states in the country, has a population of 8.28 crore. As per Planning Commission figures, in such a poor state, the BPL families are around 50 lakh. Thus if the number of BPL families is an indicator of poverty, then AP should be the poorest state in the country if the state government numbers are true.<sup>51</sup> The increase of ceiling on the annual income of a family for being eligible to get white card is another political ploy by government for electoral gains. The income limit for the white ration card was only Rs 20,000 per annum for rural and Rs 24,000 per annum for urban families. "The decision of Andhra Pradesh government to increase the upper income limit for the eligibility to the white ration card to Rs 60,000 and

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<sup>50</sup> India Today, 28<sup>th</sup> April 2008. p.28

<sup>51</sup> See Enadu Telugu daily 12<sup>th</sup> and 15<sup>th</sup> April 2008. Enadu published a news report in front page on 15<sup>th</sup> April 2008, how the MLAs pressurising the officials to issue white ration cards to their supporters with an eye on upcoming elections. Similar reports are published in other Telugu dailies like, Vaartha and Andhra Jyothi in the second week of April, when the Scheme was launched.

Rs75,000 per annum respectively for the rural and urban families will benefit another 30 lakh families in the state. With this the total number of white ration cardholders will shoot up to 22 million adding considerable burden on the state exchequer.”<sup>52</sup>

The White Card otherwise known as ‘Rice Card’ in rural areas is the most sought after piece of paper in Andhra Pradesh because it entitles the holding family not only to the cheap rice but also health care, pension, housing and many other benefits. The government has decided to increase the income limit for white ration card at a time when the questions were being raised on how 19 million families in the state had white ration cards while the number of below poverty line families was officially reported to be only 23 percent of the state population. “When NTR had first introduced the scheme, the market price of the rice was Rs 4-5 per kg. NTR’s implementation of the scheme after his come back in 1994 had dragged the state deeper into a financial morass. He sharply increased the rice subsidy and banned the sale of alcohol, depriving the state of a quarter of the revenues that it had earned through taxes on liquor. World Bank reports and other economic studies have shown that though Andhra Pradesh is one of the India’s larger and resource-rich regions, the state presents a good example of what rampant populism can do to destroy growth prospects.”<sup>53</sup>

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<sup>52</sup> See The Hindu 9<sup>th</sup> May 2008 and Enadu telugu daily 12<sup>th</sup> May 2008.

<sup>53</sup> India Today, 28<sup>th</sup> April 2008, p.29.

It was suspected that more than half of these white cards were held by the well to do families to take benefits of various government schemes.<sup>54</sup> Political opportunism gives rise to a demand for more and more benefits for the ineligible, and the political will that is necessary to resist it becomes conspicuous by its absence. There is a great need to eliminate the ineligible households from the purview of PDS. The highest priority and attention is required of the state's political leadership. If this is not done, there is the danger of most deserving being elbowed out of the scheme by the least deserving households. The elimination of every ineligible household means a savings to the state's exchequer.<sup>55</sup>

Political parties (except the Left parties like CPI, CPI (M) and the Maoist Parties) in the era of globalisation are characterised as catalysts of economic reforms. The neo-liberals are increasingly realising the indispensability of the state in smoothening the road to liberalisation. What the transformation of populism in the contemporary politics signifies is that economic liberalisation is taking the back seat when it comes to the electoral strategy and context. What are the politics of this compromise? What are the political compulsions of the system? Do the compulsions spring up from the economics of the regime or its electoral politics? "Despite the

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<sup>54</sup> Enadu 9<sup>th</sup> May 2008.

<sup>55</sup> To tackle the problem of bogus cards, the State government is using the latest software in 'Iris' technology, to weed out bogus ration cards. The software would be extensively used to check irregularities in the distribution of ration cards. The government had issued 1.8 crore cards based on 'Iris' recognition, a biometric security system, to authenticate the identities of people. A Designated Photo Location (DPL) centre would be set up in every revenue division headquarters to verify the cards. The state government had announced that an electronic database of card holders, facilities for online filing of application for family cards and introduction of smart cards were among the plans to automate and streamline PDS processes.

economic ideology of the 1990s that stresses the virtues of the market and the failure of planning, it is still through government programmes and distribution schemes that politicians try to woo the voters, who generally tend to prefer and vote for direct material benefits, instead of economic policies with potentially positive long-term effects, but with a possible detrimental short-term impact on employment and prices..... Apart from its role in political legitimacy at the national level, food policy is also part of a project to establish political legitimacy in the international arena, in which aid agencies and UN organisations and summits stress the need of social policies and a social safety net, while international banking institutions put more emphasis on a reduction of government spending” (Mooij 1998:93). From the preceding analysis one can understand to what degree has the critical questioning and public deliberations of welfare policy made any dynamic impact on efforts to reduce poverty and hunger in state? And what extent and what ways, has the persistence of poverty and hunger influence patterns of electoral politics in Andhra Pradesh. “What kind of interests politicians develop in the PDS (or, perhaps, rather what kind of politicians get an opportunity to become influential) depends on the overall political culture and its dynamics. Simplifying, it is possible to discern two different kinds of dynamics linking electoral politics on the one hand with policy implementation and service delivery on the other. One is a positive dynamic. As a result of political mobilisation and grassroots politics, or as part of a strategy to enhance popularity and secure legitimacy, politicians claim that they work for the poor and make promises to deliver cheap food and other welfare provisions. In turn, poor people start to expect some benefits. If these expectations are not met, politicians are not re-elected. As a result, politicians are forced to deliver to some extent. They

develop an interest in a reasonably functioning delivery system. Improved performance will, in turn, reinforce ideas about entitlements of the people and duties of the government” (Mooij 1999b: 633-634)

The analysis of PDS and subsidised rice scheme in Andhra Pradesh illustrate the changing function of food policy in economic development and politics. Food became an issue on the political agenda. Also, other electoral considerations have prompted politicians to promise expansions of the food distribution schemes. This connection between food and populist politics was not exceptional; this existed in other States as well, such as Karnataka, Kerala and Tamil Nadu. There are important pressures like separate Telangana, classification of Schedule Castes etc, to which Andhra Pradesh State political parties and politicians have to respond. But there is no pressure or movements for food subsidies. But politicians themselves took the initiatives for electoral reasons. “Nevertheless, despite this balancing of the two faces of the regime and despite the presentation of rice at Rs. 2 per kilo as a gift, there is little doubt that the scheme has produced a change in the overall expectations of the citizens. The belief that poor people have entitlements and that the government has a duty to fulfil these to a certain extent, has become stronger. This means that, although the subsidised rice is an enormous burden to the AP exchequer, no government can afford to make drastic cuts. Populism has remained an important component of the AP governments, and perhaps it is possible to argue that it helps governments to stay in power despite the fact that on other fronts policies are implemented that could be labelled as anti-poor or anti-worker” (Mooij 2002:28-29).

The logic of structural adjustment dictates a reduction of food subsidy and the logic of populist politics, on the other hand, implies further enlargement of the system, the inclusion of hitherto excluded categories of people and a continuing burden to the exchequer. What does all this explain the future of the Public Distribution System? The function food distribution fulfils in the political arena is too important for an abrupt change, despite the pleas of some economists and the rhetoric of the government to reduce or revamp the system. This function will not disappear in the near future, especially in the conditions of parliamentary democracy and massive food insecurity. “The great enthusiasm and high expectations regarding the PDS as a safety net to help overcome the negative repercussions of the new economic policies for the poorest people, is without foundations. If the PDS functions as a safety net, it does not so for the politicians and policy makers. It enables them to pretend that there is a solution available to overcome the adverse side effects of structural adjustment measures, meanwhile continuing these policies. In other words, the frequent reference to PDS hides the fact that in reality the position of the poorest people do not seem to deserve more than a reference to a public policy that, on closer inspection, does not matter much to them” (Mooij 1994:124).

The failure to build a credible food security system continues unabated. The quality of the public distribution system did not improve, and aggregate off-take declined. The transition to a targeted PDS in 1997 alleviated some of the earlier problems, but created new ones, especially the pernicious division of the rural population into two artificial classes: APL and BPL households (above and below



the “poverty line”, respectively). Financial allocations for rural employment programmes declined sharply. Nutrition programmes such as the Integrated Child Development Services (ICDS) continued to limp along with nominal budgets, inadequate monitoring and easily broken accountability mechanisms. Public health services were grossly neglected, to the extent that the steady decline of infant mortality virtually came to a standstill. No major initiative was taken to address the problem of endemic hunger.



## CHAPTER - IV

### **Public Distribution System at Grassroots Levels: A Study of Anantapur District**

Food insecurity is one of the most persistent problems in India. Despite the Green Revolution and several decades of food market interventions and food distribution programmes, there are still millions of people in India whose daily intake of calories is insufficient. The Public Distribution System is one of the major attempts of the Government of India to address the issue of food insecurity. The Public Distribution System is an enduring feature of India's public policy for the supply and distribution of essential foodgrains at reasonable prices to the downtrodden sections of the society. To identify with the real impact and implications of any policy, it is necessary to analyse the functioning of any policy at the micro level. The present chapter intends to analyse the operational aspects of PDS at the grassroots level. It examines the consumers' responses to various issues in the PDS like availability and accessibility of foodgrains supplied under PDS, and also the experiences, complaints and grievances of people in the overall functioning of PDS. It also works at the dealers' responses regarding distribution of the foodgrains under PDS.

The problem of food insecurity and hunger in India is not a new or recent phenomenon. This issue can be looked at from the stand point of politics. It is important to pose the question, why starvation and food insecurity is not in the forefront of political debates. Changes in any society need political action. The role of politics can not be ignored with respect to food security. The state's unwillingness towards solving certain issues results in popular discontent. The study of Public

Distribution System needs to focus its attention on the various factors that affect the degree of utilisation and the access to consumers. The major focus of analysis has been the approach of consumers towards the PDS and actual operation of the system. The adequacy of the quantity supplied and the quality of foodgrains, the regularity of supply, weighing procedure the impact of local politics are crucial. The analysis of these factors may provide an insight not only in the operational aspect but also the overall impact of PDS policy on consumers. This impacts upon food security in terms of accessibility of foodgrains and the adequacy and quality of foodgrains.

### **Area of Study**

The area chosen for study comes under the Anantapur district of the Rayalaseema region in Andhra Pradesh. Anantapur district is the worst affected of all drought-prone districts of Andhra Pradesh. Rayalaseema is one of the three major geographical regions of Andhra Pradesh. The other two regions are Coastal Andhra and Telangana. The Rayalaseema region of Andhra Pradesh comprises of four southern districts; Anantapur, Kurnool, Kadapa and Chittoor. Anantapur district has an area of 19,130 Sq. KMs. The total population of Anantapur district is 3,640,478 with the density of 190 per Sq KM. The male population is 1,859,588 (51.09 %) and 1,780,890 of females (48.91 %) with a sex ratio of 958 women to against 1000 men. The district is divided into 63 mandals, with total 952 villages. There are total 779,052 households. The density of population of the District is 190 per Sq. K.M, against (277) of the State. The rural and urban population proportion to the total population of the District works out to 75% and 25% according to the 2001 Census. The work force in

the total population of District is 48.83% as per 2001 census of which 26% are in the Agriculture Sector.<sup>56</sup>

To understand the social, economic and political conditions and their impact on food insecurity one needs to look at the geographical location, rainfall, and irrigation and land utilisation. Survival in a fragile ecological unit characterised by dry land and uncertain rainfalls is the major struggle for the poor in Anantapur. Monsoon failures have been recurring phenomena in Anantapur and many suffer from the calamity of drought. The most disastrous droughts come at irregular intervals. Starvation, labour migration and such problems have been a part of the lives of the people in Anantapur district. The Rayalaseema region especially Anantapur district is historically known as stocking ground of famines and droughts. The district is the driest among all the districts of Andhra Pradesh and is drought-prone. “Anantapur district is one of the six districts in India known for their low average rainfall. It is marked by a high frequency severity of severe droughts. Its proportion of irrigated land is also quite low. Consequently, the region ranks very low in socio-economic development. The district has attracted World Bank’s attention also because of its drought-prone nature”(Prasad 1998:55). To have better insight about the drought proneness of Anantapur district, and its impact on food production and food security, it is important to look into a few details like geographical location, climatic and soil conditions and land use pattern as mentioned earlier.

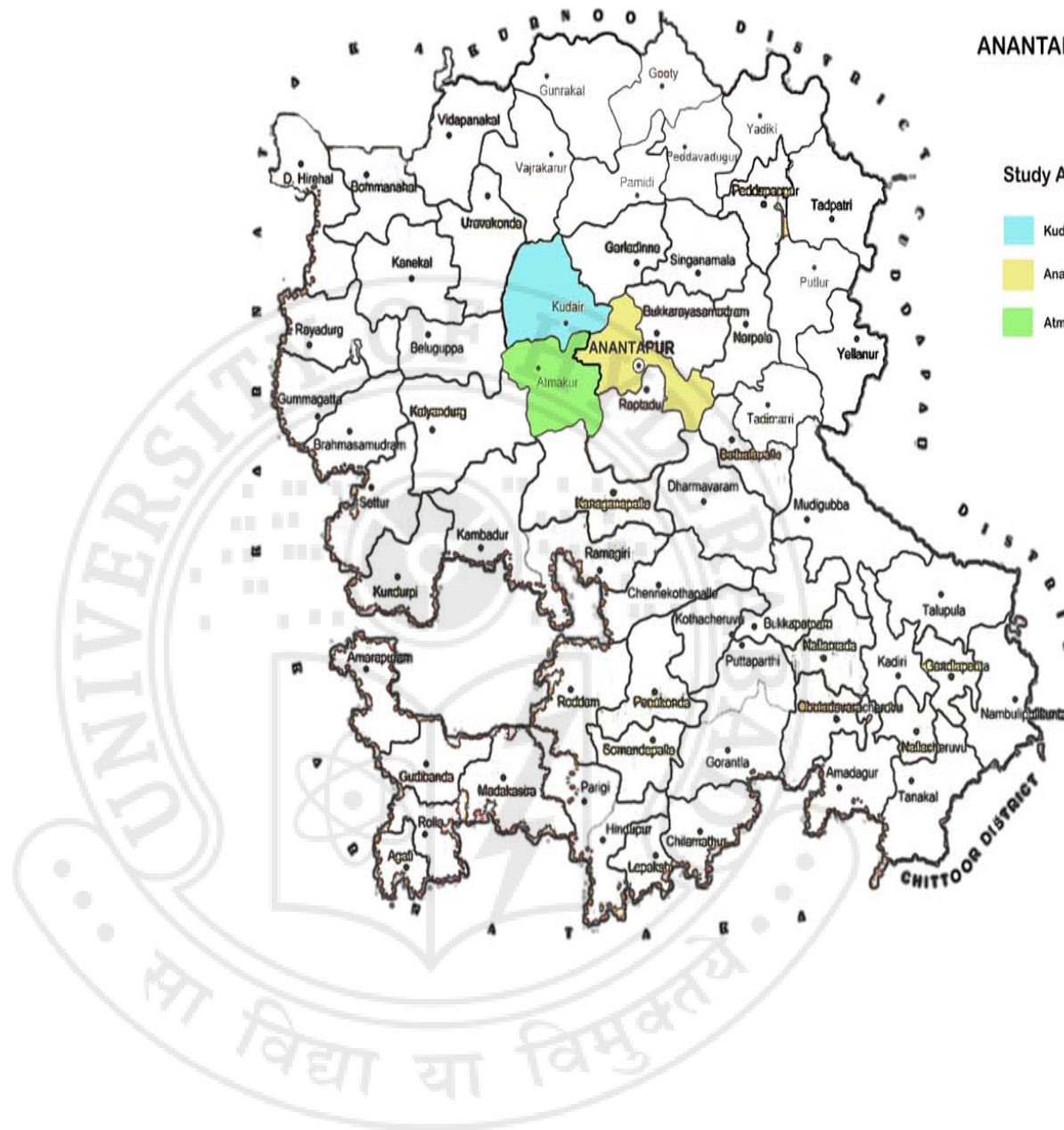
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<sup>56</sup> The data and information are drawn from the Census of India 2001.

## ANANTAPUR DISTRICT

### Study Area

- Kudair
- Anantapur
- Atmakur



Anantapur district was formed in the year 1882 by bifurcating Bellary district which is now in Karnataka state. Later it was expanded with the addition of some revenue Mandals from Kadapa district, presently the district has been divided into three revenue divisions consisting of 63 Mandals (Government of Andhra Pradesh 2003:1). Anantapur district located in the interior Deccan flat terrain, the district has a warm and dry climate, with a very low annual rainfall. The district has the lowest rainfall in Andhra Pradesh and even at all-India level it is the second lowest. It has a gradual fall from the South North towards the valley of the Pennar in Peddavadugur, Peddapappur and Tadipatri Mandals. There is a gradual rise in Hindupur, Parigi, Lepakshi, Chilamathur, Agali, Rolla and Madakasira Mandals in the South to join the Karnataka Plateau where the average elevation is about 2000 feet above the mean sea level. It is about 1100 feet at Anantapur and the lowest 900 feet at Tadipatri (Government of Andhra Pradesh 2003: 12).

### **Rainfall**

The geographical position of the peninsula renders it the driest part of the state and hence, agricultural conditions are often precarious. Monsoons also evade this part due to its unfortunate location. Being far from the east coast, it does not enjoy the full benefits of North-East monsoons and being cut off by the high Western Ghats, the South West Monsoon is also prevented from reaching the area. It is therefore subjected to droughts due to lack of rainfall. The normal rainfall of the district is 552.0 MM. by which it secures least rainfall when compared to Rayalaseema and other parts of Andhra Pradesh. The normal rainfall for the South West monsoon period is 338.0 MM. which forms about 61.2% of the total rainfall for the year. The failure of the rains in this South

West monsoon period of June to September will lead the District to drought by failure of crops. The rainfall for North East monsoon period is 156.0 M.Ms. only, which forms 28.3% M.Ms. of the total rainfall for the year (October to December). The other months are almost dry March, April and May are warm months when the normal daily maximum temperature ranges between 29.1 degree celsius November, December and January are cooler months when the temperature falls to about 17.2 degree celsius Hindupur, Parigi, Lepakshi, Chilamathur, Agali, Rolla and Madakasira Mandals being at high elevation are more cooler than the rest of the mandals in the district (Government of Andhra Pradesh 2003: 16).

### **Soil Condition**

The soil in Anantapur District is predominantly red except at Kanekal, Bommanahal, Vidapanakal, Uravakonda, Vajrakarur, Guntakal, Gooty, Pamidi, Peddavadugur, Yadiki, Tadipatri, Yellanur, Peddapappur and Putlur. In these mandals red and black soils are formed almost in equal proportion. Thus in district as a whole 76% is red soil, and 24% is black soil. The District is not rich in forests and does not have dense tree population with thick foliage (Government of Andhra Pradesh: 2003: 17).

### **Utilisation of Land**

The total geographical area of the district is 19.13 lakh hectares. The total cropped area is 10.44 Lakh hectares (54.57 %). The cultivated area of the District is 10.44 Lakh hectares, out of which 9.00 Lakh hectares (86.20 %) is under Kharif and 1.44 Lakh hectares (13.80 %) is under Rabi Season during the year 2002-2003. The District occupies the lowest position in respect of irrigation facilities with only 14.98% of the gross cropped

area during 2002-2003, out of the gross irrigated area of 1.56 Lakh hectares. During 2002-2003 canals accounted for 13.23% tanks, 1.39% (tube wells) 64.83% wells 19.22% and other sources 1.33%. All the principal sources except canals are non-precarious (Government of Andhra Pradesh: 2003: 11). While the level food production is very low in district, and fluctuations in agricultural production affect those households dependent on rainfed agriculture.

## **Methodology**

The study has adopted a purposive sampling method. In the first stage, Anantapur district was selected. The selection of the district was done on the basis of the following considerations. The Anantapur district is one of the most under-developed districts of Andhra Pradesh. It is historically known as stocking ground of famines and droughts. The district is located in the driest regions of Andhra Pradesh and is drought-prone. In Anantapur district monsoon failures have been recurring phenomena, and it is well known for farmers' suicides and labour migrations. Political factionalism is also a feature of the district. These conditions strongly influence the standard of living and food security of the region. The United Progressive alliance government selected Anantapur district to launch the National Rural Employment Guarantee Act (NREGA). Accordingly the Prime Minister of India, Dr. Manmohan Singh and the Chairperson, National Advisory Council, Mrs. Sonia Gandhi, launched NREGA in Bandameeda Palli village of Anantapur.

In the second stage, three mandals were selected, two rural mandals and one urban mandal. This was done for a comparative study. The Anantapur urban mandal and



Kuderu and Atmakur rural mandals are selected. The Anantapur urban Mandal which constitutes the headquarters of the district has been selected to study how PDS is functioning in urban areas. As urban areas are relatively developed in comparison to rural areas, this would provide a useful insight. In general the purchasing power of households in urban areas is relatively better than rural areas. Kuderu and Atmakur rural mandals were selected on the basis of level of irrigation. These two Mandals are drought prone without any water resources for irrigation. From these two rural mandals three villages from each mandal were selected for survey. In order to bring out the household food security and functioning of PDS, total six villages were surveyed apart from Anantapur urban mandal. The selection of the villages was done with a view to capturing the various socio-economic and political conditions and their influence on functioning of the PDS. The selection of the sample households for the survey was done on the basis of household possession of white card or pink card and the social group of the household i.e O.C, OBC/BC, SC and ST. The Sample represents approximate proportion of O.C, OBC/BC, SC and ST population in the district. The summary of the sample in each mandal social group wise presented in Table-1, 2, and 3.

**Table: 1**  
**Anantapur Urban Mandal**

**Ration Card \* Social Group Crosstabulation**

			Social Group			Total
			OC	BC/OBC	SC/ST	
Ratio n Card	White	Count	15	37	10	62
		% within Ration Card	24.2%	59.7%	16.1%	100.0%
	Pink	Count	14	20	4	38
		% within Ration Card	36.8%	52.6%	10.5%	100.0%
Total		Count	29	57	14	100
		% within Ration Card	29.0%	57.0%	14.0%	100.0%

Anantapur urban mandal is the headquarter of district. From the Anantapur urban mandal a representative sample of 100 cardholders were selected purposively for investigation. In Anantapur mandal there are 64981 cardholders. There are 142 fair price shops functioning for the delivery of foodgrains under PDS. Hundred cardholders are selected for survey, out of 100 cardholders 29 % from OC social group, 57 % from Backward Class, and 14 % from SC/ST categories were selected for survey. The sample represents the 62 Below Poverty Line (BPL) households and 38 Above Poverty Line (APL) households.

**Table: 2**  
**Kuderu Mandal**

**Ration Card \* Social Group Crosstabulation**

			Social Group			Total
			OC	BC/OBC	SC/ST	
Ration Card	White	Count	5	57	25	87
		% within Ration Card	5.7%	65.5%	28.7%	100.0%
	Pink	Count	12	1		13
		% within Ration Card	92.3%	7.7%		100.0%
Total		Count	17	58	25	100
		% within Ration Card	17.0%	58.0%	25.0%	100.0%

From the Kuderu rural mandal a representative sample of 100 cardholders were selected purposively for investigation. Kuderu mandal is very drought-prone mandal, since the irrigation is limited and there is dependence on rains for agriculture, the cropping pattern is guided by the rain fall pattern. Groundnut is the predominant crop in the mandal. This has as much to do with poor state of agricultural production. In Kuderu mandal there are 9898 cardholders. There are 24 fair price shops functioning for the delivery of foodgrains under PDS. Three villages were selected for survey from this

mandal, they are Muddalapuram, Korrakodu and Kadarakunta. From these three villages a representative sample of hundred card holders selected, out of 100 cardholders 17 % from OC social group, 58 % from Backward Class, and 29 % from SC/ST categories were selected for survey. The sample represents the 87 Below Poverty Line (BPL) households and 13 Above Poverty Line (APL) households.

**Table: 3**  
**Atmakur Mamdal**

**Ration Card \* Social Group Crosstabulation**

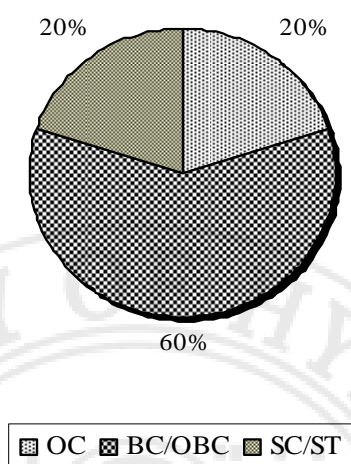
			Social Group			Total
			OC	BC/OBC	SC/ST	
Ratio n Card	White	Count	3	54	28	85
		% within Ration Card	3.5%	63.5%	32.9%	100.0%
	Pink	Count	7	7	1	15
		% within Ration Card	46.7%	46.7%	6.7%	100.0%
Total		Count	10	61	29	100
		% within Ration Card	10.0%	61.0%	29.0%	100.0%

From the Atmakur rural mandal a representative sample of 100 cardholders were selected purposively for investigation. People are predominantly depends on Agriculture, land holdings are very small and hence agriculture as a source of livelihood all by itself is very difficult. Paddy cultivation is very nominal due to lack of water facilities, Groundnut is the predominant crop. The traditional professions in which different caste specialised are declined. In Atmakur mandal there are 10490 cardholders. There are 23 fair price shops functioning for the delivery of foodgrains under PDS. Three villages were selected from this mandal; they are Atmakur, Talupur and Sanapa. A representative sample of hundred card holders surveyed, out of 100 cardholders 10 % from OC social group, 61 % from Backward Class, and 29 % from SC/ST categories were selected for survey. The sample represents the 85 Below Poverty Line (BPL) households and 15 Above Poverty Line (APL) households.

A representative sample of 300 card holders in total is taken on a purposive sampling basis to study the working and impact of the PDS. From each rural sample Mandal, three villages were selected; from each village approximately thirty five households are purposively selected based on the social group and possession of BPL or APL household card. The study made use of primary data from the field investigation. The primary data was collected from beneficiary households through structured questionnaires. Apart from the survey on cardholders and dealers of Fair Price Shops, qualitative information was collected through discussions with card holders and interviews with key officials like District Supply Officer, District Manager, Civil Supplies, Tahsildars and other officials of Civil Supplies of Anantapur District. The collected data is processed and tabulated and analysed, to find out the extent to which the PDS meets their essential consumption needs. Since rice, wheat, sugar and kerosene oil are the major commodities under the PDS in Andhra Pradesh, the focus would be on these commodities. Socio-economic background of different social groups is being looked at to understand the needs of the target groups and to assess its impact. Therefore at the outset the socio-economic features of the sample containing different social groups are studied. Graph-1 throws the light on these aspects.

**Graph-1**

**Social Group wise Percentage**



The three hundred households are selected for sample, hundred from each mandal. Out of total three hundred card-holds two hundred are from rural mandals and hundred are from urban mandal. Out of total sample OC population is 20.0%, BC/OBC population is 58.7% and SC/ST population is 21.3%. When it is compared between rural and urban, OC cardholds 13.5% in rural area and 33.0% in urban. The BC/OBC 59.5 per cent in rural and 57.0 in urban. The SC/ST population 27% in rural and 10 % in urban areas (See table-4).

**Table: 4****Ration Card \* Social Group Crosstabulation**

			Social Group			Total
			OC	BC/OBC	SC/ST	
Ratio n Card	White	Count	29	155	63	247
		% within Ration Card	11.7%	62.8%	25.5%	100.0%
	Pink	Count	31	21	1	53
		% within Ration Card	58.5%	39.6%	1.9%	100.0%
Total		Count	60	176	64	300
		% within Ration Card	20.0%	58.7%	21.3%	100.0%

The sample is covered approximately the proportionate ratio different social groups in the total population of Anantapur district. Table-4 shows the position ration cards of different social groups. Out of three hundred cards 247 cards are white cards and only 53 are pink cards. This shows that there is a very high level (82.33%) of Below Poverty Line (BPL) households among the respondents. The Pink cards or Above Poverty Line (APL) are 53 (17.66%) among the respondents. Since the PDS is reformed under the ages of liberalisation and changed to universal to targeted groups, this aspect is very important in analysing the PDS.

**Table: 5****Social Group \* Education Crosstabulation**

			Education				Total
			Illiterate	Primary	High School	Higher Education	
Social Group	OC	Count	7	16	22	15	60
		% within Social Group	11.7%	26.7%	36.7%	25.0%	100.0%
	BC/OBC	Count	51	69	28	28	176
		% within Social Group	29.0%	39.2%	15.9%	15.9%	100.0%
	SC/ST	Count	42	15	7		64
		% within Social Group	65.6%	23.4%	10.9%		100.0%
Total		Count	100	100	57	43	300
		% within Social Group	33.3%	33.3%	19.0%	14.3%	100.0%

It is noticed from Table-5 that there is a considerable level of literacy among the respondents. Out of 300 cardholders 200 are literates (66.6%). Only 33.3% are illiterates, out of this 33.3% most of them are belongs to rural areas. Its is significant to note that, among the SC/ST respondents 65.6% are illiterates, where as 29.0% among BC/OBCs respondents and only 11.7% among the OC respondents. This disparity project the educational backwardness of SC/STs. As to their educational levels, 14.3% are graduates or post-graduates and above, 19.0% are of high school level and 33.3% are of primary level. In educational levels also there is huge disparity among the social groups, within the OC social group 11.7% are Illiterates, 26.7% are Primary, 36.7% are High School and 25.0% are Higher Education. Among the BC/OBC respondents 29.0% Illiterates, 39.2% Primary, 15.9% High School and 15.9% are Higher Education. Among the SC/ST social group very high level of 65.6% are Illiterates, 23.4% are primary and 10.9% are High School level. It is significant to note that there are no SC/ ST respondents with higher education.

**Table: 6**

**Occupation**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agriculture	133	44.3	44.3	44.3
	Business	34	11.3	11.3	55.7
	service govt/private	37	12.3	12.3	68.0
	other/cool/tailor etc	96	32.0	32.0	100.0
	Total	300	100.0	100.0	

It is notices from the table-6, respondents are from different occupations. Those in agricultural farmers are most predominant which constitutes 44.3%, this is very

important for the present study. It is crucial that the actual producing sections are dependant on PDS foodgrains for their dietary needs. It was followed by occupations like agricultural labourers (Coolies), Tailors and other small occupations like potters, which constitutes 32.0%. There are 12.3% of the respondents who are in government or private service and 11.3% reported business as their occupation. There are urban and rural differences that are obvious and do not require further explanation.

After analysing the socio-economic conditions of consumers, there is a need to discuss the important aspects affecting the real operation of PDS. Therefore, this study takes up issues such as the purchase procedure, availability of foodgrains behaviour of the dealers, quality and quantity of foodgrains supplied in FPS etc. The field observation reveals that majority of the respondents are not entirely aware of the objectives of the government in establishing the FPS under the PDS. This indicates that despite the differences in the levels of literacy, social group and occupation, the level of awareness with regard to the objectives of PDS is almost the same among the rural as it is among the urban respondents.

### **PDS in Anantapur District**

The Public distribution System in Anantapur concentrates on distribution of rice, sugar and kerosene oil. This functions as a system of entitlement protection by which the ration card holders are entitled to purchase, on monthly basis a fixed quota of subsidised commodities from the government maintained fair price shops (FPS). The entire Anantapur district has a network of 2421 Fair Price Shops. The PDS foodgrains are sold to consumers in fair price shops. Households who hold ration cards are entitled to



purchase a certain quantity of the commodities. The price depends on whether the household is classified as APL or as BPL. The shops are run by dealers who sell these foodgrains for a fixed price, and earn a commission for themselves. The population of Anantapur district is 3,640,478, according to the 2001 Census. The households below the poverty line are issued White ration cards, and the households above poverty line are issued Pink ration cards. The annual income is the basis to determine the poverty line. The income limit for the White card was Rs 20,000 per annum for rural and Rs 24,000 per annum for urban families this was fixed by government to identify BPL families.<sup>57</sup> All the households below the Rs 24,000 annual incomes in urban and 20, 000 in rural areas are issued White cards. The household income above 24,000 in urban and 20,000 in rural areas are issued Pink cards. Pink card or APL Card holders are entitled to ration of sugar and kerosene oil, and occasionally wheat. The White card holders are entitled to rice, sugar, kerosene oil and wheat.<sup>58</sup> Below Poverty Line (BPL) households could purchase 20 kgs of rice each at the rate of Rs. 2 per kg for month. The quantity depends on the size of the household, with an allocation of four kilos per person, and a maximum of 20 kilos per household. The government of Andhra Pradesh uses the Irish Camera technology to issue the ration cards and to prevent bogus cards.<sup>59</sup> The price of the card is

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<sup>57</sup> The Andhra Pradesh government recently increased the upper income limit for the eligibility to the white ration card to Rs 60,000 and Rs75,000 per annum respectively for the rural and urban families.

<sup>58</sup> The White Card is known as “Beemu Card” (Rice Card) and the Pink card is known as “Chekkara Card” (Sugar Card) in Anantapur district.

<sup>59</sup> In each mandal one Designated Photo Location (DPL) centre was opened to issue Iris Based Ration Cards. The DPL centres function under Tahsildars who monitor and screen the applications to issue ration cards. The revenue officials make enquires about the applicants’ land-holding and other assets in order to determine their BPL/APL status. Accordingly, BPL card/White card and APL/Pink card are issued. The photograph of members of household is taken for the cards. The important process here is capturing the Iris image (eyes of the applicant) through the use of the Iris Camera Technology. If any person takes another card in another location with another name, the Iris technology recognises the person. This

rupees forty five. The Rice and Kerosene oil coupons also issued to the cardholders along with the card.<sup>60</sup>

Ration commodities are allotted to all the 'Iris Based Ration Cards' each month. The A.P. State Civil Supplies Corporation is the agency for lifting of food grains, edible oils, sugar etc; for the Public Distribution System. The Corporation lifts rice and wheat from the FCI and the sugar from the sugar factories. These stocks are transported to the Mandal Level Stockist (MLS) point from the FCI/sugar factories, and stored in the MLS points. They are transported to the fair price shops after the allotment of the quantity for a particular month. Food coupons are distributed to cardholders in advance. Cardholders go to their respective FPS every month and submit the month's coupons to the dealer and get the ration commodities. The issue price of ration commodities to the BPL/White card holder is; rice at the rate of rupees two per kilo. *Antyodaya Anna Yojana* (AAY) card holders are issued 35 kilograms of rice for family irrespective of the number of members in the card at the rate of Rs 3 per kilo, ten kilograms of rice per *Anna Purna* card free of cost. One kilogram of sugar to BPL card holders and *Antyodaya Anna Yojana* (AAY) card holders, on first come first serve basis is issued at the rate of rupees 13.50 per kilo. A maximum of 10 kilograms of wheat per card is issued at the rate of rupees seven per kilogram.

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technology tries to put a check on duplication, fraud and misuse of the facility. See appendix-III for white card.

<sup>60</sup> The allotment of quantity of foodgrains is mentioned on the food coupons. The quantity is decided by the number of members in households. Four kilograms of rice per head is issued subject to a maximum ceiling of 20 kilograms for a month irrespective of number of members. See appendix-IV for food coupons.

## Accessibility of Foodgrains

The entire district consists of 63 mandals, each mandal is divided into routes for the transportation of essential commodities, and each route is assigned to either a Revenue Inspector or a Deputy Tahsildar. These officers are responsible for collecting the demand drafts for the value of the stocks and handing them over to the Civil Supplies Tahsildars, based on the allotment given by the Mandal Revenue Officer (MRO) issues release orders and also makes the arrangements for transport of the stocks. Immediately on receipt of the stocks at the fair price-shop the availability should be made known to the cardholders by public announcement. The consumers are free to purchase their ration commodities. An important aspect of the viability of the system relates to the organisation of delivery system. About 16,490.804 metric tonnes of rice is distributed in a month in Anantapur under PDS in every month.<sup>61</sup> This quantity includes the rice distribution for *Antyodaya Anna Yojana* (AAY) and *Annapoorna* cardholders. The 863 metric tonnes of sugar and 162.722 metric tonnes of wheat is distributed in a month in Anantapur. Access to the PDS facilities depends on a variety of factors, among which organisation, performance and viability of the fair price shops are crucial. Apart from the general factors affecting FPS operations, the increase of supplies through the state owned procurement programme and extent of coverage needs to be analysed. These sets of factors are related to the administrative arrangements made for public distribution and tend to affect directly the operations and viability of FPS. Some of the important variables that directly reflect the administrative arrangement are the number of cards attached to each FPS and their location, profit margins allowed to FPS dealers, control

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<sup>61</sup> See Appendix-V for Allotment order for allotment of rice, wheat and sugar.

and regulation FPS, transport frequency of inspection, complaints by consumers and FPS dealers need to be analysed to understand operational aspects of FPS.

**Table: 7**

**Social Group \* how frequently do you purchased food items from FPS Cross tabulatic**

			How frequently do you Purchase food items from FPS		Total
			Every Month	Occasionally	
Social Group	OC	Count	24	36	60
		% within Social Group	40.0%	60.0%	100.0%
	BC/OBC	Count	112	64	176
		% within Social Group	63.6%	36.4%	100.0%
	SC/ST	Count	54	10	64
		% within Social Group	84.4%	15.6%	100.0%
Total	Count	190	110	300	
	% within Social Group	63.3%	36.7%	100.0%	

The Table-7 brings out the vividly that it is the SC/ST households who draw their quota more regularly as compared to the BC/OBC and OC households. When compared between BC/OBC and OC households BC/OBC households draw their quota more regularly. On an average 63.3% only drawing their quota every month and 36.7% are occasionally purchasing PDS items. It is significant to note that 84.4% of SC/ST households purchasing the foodgrains every month from FPS, whereas 63.6% in BC/OBC and only 40.0% in OC households. The data clearly shows that the lower strata of households depend more heavily on PDS. It was also found that few households do not avail their ration quota at all but they don't openly talk about it and they lend their cards to their relatives or workers who work for them. What this means is that the quota that is unutilised is diverted by the dealers to the black market. Many large farmers, landlords, merchants, families with salaries such as teachers, police constables etc have white cards. In fact landlord household don't use PDS rice for their

consumption, instead they use the ration rice to feed workers, who work in their fields so that they can reduce wages to compensate for food served to them.<sup>62</sup> The consumers buy ration foodgrains from the FPS mainly for the lower prices of PDS commodities as compared to the prices of similar commodities prevalent in the open market. It was also noticed that rice is the most preferred item in rural and urban areas. People prefer to buy commodities from the FPS first and then try in the open market. This is particularly true in case of SC/ST house holds in rural areas. In the months of harvest many households in rural areas did not take up their entitlements every month, however non-harvest season there was extended reliance on PDS entitlements.

### **Other Benefits of White Card**

The Government of Andhra Pradesh recognised the White Card as basis to recognise beneficiaries for many welfare schemes. The household below the Rs. 20,000 and 24,000 income in rural and urban areas respectively is entitled to get White Card (BPL Card), if the household income exceeds Rs: 20,000 in rural and 24,000 in urban it is eligible for Pink Card (APL Card). The Government of Andhra Pradesh to recognise beneficiaries for many welfare schemes takes the White Card as the basis because these cardholders come under below poverty line. This drives the non BPL households to get White Card by means of manipulation and foul practices to get benefits of schemes like Rajeev Arogya Sree.<sup>63</sup> This category of people never go to the FPS for foodgrains, they

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<sup>62</sup> Few households in Muddalapuram, Korrakodu villages of Kuderu mandal and Talupur village of Atmakur mandal freely admitted it during the field investigation.

<sup>63</sup> Rajeev Arogya Sree is a new programme launched by Government of Andhra Pradesh. Under this programme white card holders will be given medical treatment in very big corporate hospitals like Apolo, Care, Medinova etc. the cost of treatment will be paid by government to those corporate hospitals. Under this scheme, treatment or operations like heart and kidney transplantation will be undertaken. Now it is a

want other benefits that come with white card. The result is corruption and black marketing. The corrupt nature of the FPS dealers is not an insignificant aspect to overlook since it costs the lives of weaker sections of society. Corruption, lack of transparency is symptoms of a failed social organisation and inhibits the functioning of policies intended to prevent food insecurity. Corruption can undermine even the most insightful and forward-looking food policies like PDS. Widespread corruption can create food insecurity by destroying the integrity and functioning of national institutions. At the same time, on the grounds of corruption the benefits of PDS cannot be ruled out.

**Table: 8**

**Rural / Urban \* Commodities mainly purchased from FPS Cross tabulation**

			Commodities mainly purchased from FPS						Total
			Rice	Wheat	Sugar	Kerosene oil	Sugar and Kerosene oil	Rice& Sugar	
Rural / Urban	Rural	Count	122	3	13	3	42	17	200
		%	61.0%	1.5%	6.5%	1.5%	21.0%	8.5%	100.0%
	Urban	Count	36	2	31	3	26	2	100
		%	36.0%	2.0%	31.0%	3.0%	26.0%	2.0%	100.0%
Total		Count	158	5	44	6	68	19	300
		%	52.7%	1.7%	14.7%	2.0%	22.7%	6.3%	100.0%

Table-8 shows the commodities mainly purchased by households in rural and urban areas. It denotes that the rice is the major item purchased by the people in FPS. Out of 300 hundred households 158 households (52.7%) are purchasing rice mainly form FPS. The nineteen households (6.3%) purchasing sugar also along with rice. This clearly shows that people depend more on PDS rice than other item like wheat, kerosene oil and sugar. In urban areas to a considerable extent, households depend upon PDS sugar and kerosene.

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very big business in Anantapur, and corporate hospitals are giving big advertisements in All India Radio addressing the white card holders.

**Table: 9****Social Group \* Whether the commodities are available on time Crosstabulation**

			Whether the commodities are available on time		Total
			Yes	No	
Social Group	OC	Count	11	49	60
		% within Social Group	18.3%	81.7%	100.0%
	BC/OBC	Count	12	164	176
		% within Social Group	6.8%	93.2%	100.0%
	SC/ST	Count	3	61	64
		% within Social Group	4.7%	95.3%	100.0%
Total	Count	26	274	300	
	% within Social Group	8.7%	91.3%	100.0%	

The essential foodgrains unlike other economic commodities must be available on a regular basis in right quantities to all, so that they can survive grow and prosper food security to the people even more important than mere self sufficiency in foodgrains for the nation. Table-9 clearly indicates that, foodgrains are not available to the households on time. The respondents have been asked, whether the commodities supplied under PDS are available in proper time. In response to the question, 91.3% of households said no, and only 8.7% said that commodities are available on time. The majority of the households are not satisfied with supply arrangements of FPS. It shows the irregularity of foodgrains supply under the PDS. Public action from outside the state i.e civil society organisations is required. The active participation of various types of interest groups can hold the government accountable to deliver what it promises.

**Table: 10**

Whether the commodities are available on time \* Reasons for non-availability Crosstabulation

			Reasons for non-availability					Total
			Irregular Supply from government	Black marketing by dealers	Lack of Govt supervision and control	Backmark eting and irregular supply	lack of supervision and control and black marketing	
Whether the commodities are available on time	No	Count	127	8	57	74	8	274
		% within Whether the commodities are available on time	46.4%	2.9%	20.8%	27.0%	2.9%	100.0%
Total		Count	127	8	57	74	8	274
		% within Whether the commodities are available on time	46.4%	2.9%	20.8%	27.0%	2.9%	100.0%

The non-availability of foodgrains is due to various reasons as given in Table-10. There are many factors like irregular supply from government, black marketing, lack of government supervision and control, some times all this factors combined together. This trend is common at the national level also. Various studies like Economic Survey,<sup>64</sup> Public Accounts Committee, and Comptroller and Auditor General (CAG) studies confirm this. The Public Accounts Committee (PAC) has slammed the scheme for leakage of 42% of grain and siphoning off of 36% budgetary subsidies from the supply chain.<sup>65</sup> In a comprehensive report, the PAC said that, apart from budgetary leaks, fair price shops were generally found to be not viable and remained in business through leaks and diversions of foodgrains. Target errors and bogus cards further reduced efficacy of PDS and in all, only 57% of BPL households were covered by it. The report said that audit scrutiny of records revealed that there was a diversion of a staggering 44.04 lakh metric tonnes of foodgrains meant for distribution under targeted PDS in Assam, Chhattisgarh, Gujarat, Jammu & Kashmir, Karnataka, Kerala, Maharashtra, Meghalaya, Nagaland and West Bengal. It noted that more than 75% of total offtake of

<sup>64</sup> See Appendix-VI for the Economic Survey graph on procurement and distribution of foodgrains.

<sup>65</sup> See The Times of India, 30<sup>th</sup> April 2008



BPL quota in Bihar and Punjab was diverted, 50-70% in Haryana, Madhya Pradesh and Uttar Pradesh, 25-40% in Assam, Gujarat, Himachal Pradesh, Karnataka, Maharashtra and Rajasthan and up to 25% in Andhra Pradesh, Kerala, Orissa, Tamil Nadu and West Bengal. In 2003-04, of 14.07 million tonnes of foodgrains dispatched for delivery to the poor, only around 5.93 million tonnes actually reached poor families. The report said, “5.12 million tonnes leaked out from the supply chain (FCI godowns to retail outlets) because of corruption in the delivery system.”<sup>66</sup>

The other similar auditory survey conducted by the Comptroller and Auditor General (CAG) on PDS has revealed that while 40% of beneficiaries were kept away from the scheme by denying them ration cards, 99% of those who availed the benefits reported they had not received foodgrains regularly. The findings of the 2007 survey paint a very disturbing picture on the extent of diversion of the heavily subsidised foodgrains. The report stated, “beneficiaries in the state had received rice once in 10 months on an average during the period 2002 to 2005. About 43% of the respondents complained of being overcharged by the Fixed Price Shops — rates varied between Rs 4 and Rs 8 per kg for the rice as against the prescribed end retail price of Rs 3 per kg as per the Antyodaya Anna Yojana scheme of PDS. About 28% of the ration cardholders stated that they had not received any rice (a majority in Manipur consumes only rice) at all during the entire period of the last four years (2002 to 2005) while those who reported to have received some, the quantity was below 8 kg on an average a month against the sanction of 35 kg.”<sup>67</sup>

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<sup>66</sup> See The Times of India, 30<sup>th</sup> April 2008

<sup>67</sup> See analysis on Comptroller and Auditor General’s report in ‘The Times of India’ on 8<sup>th</sup> April 2008.

Dealers have to submit the food coupons before 4<sup>th</sup> of every month, to the concerned Tahsildars, after deducting the balance of stock next month allotment will be given to the dealers. To lift the stock dealers have to submit Demand Draft of specified amount. This process led to the delay in reaching the stocks to the FPS. Dealers also unnecessarily delaying in submitting the food coupons and Demand Drafts to the Tahsildars, when there is a delay they will be pressurising Tahsildars through their Association.<sup>68</sup> Mr. Balanagi Reddy, President of FPS Dealers Association, Anantapur district says,<sup>69</sup> “One of the main functions of their association is lobbying and pressurising the Tahsildars and District Supply Officer, District Manager and other officials of Civil Supplies.” In a system of specific and guaranteed entitlement, the consumer must know what their entitlement is on regular, rather than the bureaucratic or the dishonest dealer. Once the entitlement is guaranteed, it becomes the responsibility of the government to ensure that it places in every fair price shop a specific quantity of foodgrains for use within a month.

### **Weighing Procedure-Underweight**

As to the weighing process in FPS, majority of cardholders dissatisfied with the weighing process. The graph below indicates the response of consumers’ satisfaction with weighing procedure in FPS. Only 6.33% are satisfied with weighing procedure and 93.66% are dissatisfied. It shows the grater need of Civil Supplies Department and Legal

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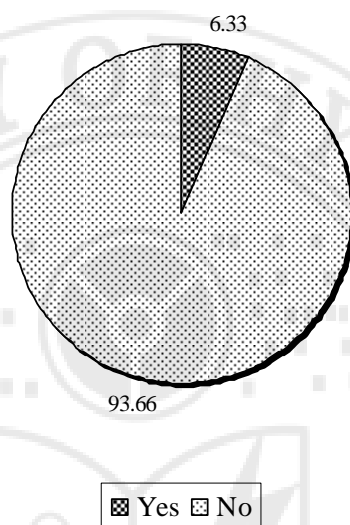
<sup>68</sup> A visit to the fair price shop in one of the study villages and discussion with the fair price shop dealer showed that though two weeks had gone by in the month, he had not yet remitted the Demand Draft of required amount to lift the quota to the village. Conversation with the cardholders revealed that this was a regular practice with him. Further they said that, he is a big landlord and busy in his own cultivation works. Same views were expressed within the study region.

<sup>69</sup> In a personal interview, on 18<sup>th</sup>, October 2007

Metrology officials visit FPS frequently and ensure the correct weights/measurements in distribution of foodgrains to the households.

**Graph-2**

**Are You Satisfied with Weighing Procedure in FPS**



The reasons for dissatisfaction are underweighting of grain and not as per the government specification. The defective weight measures and also weighing methods are differing not only from village to village but also from person to person. In all the FPS in rural areas, weighing scales are not used for weighing. Only the traditional unit called *Seru* is used.<sup>70</sup> The implication is underweighting in ration items. In all the sample villages, cardholders reported in their local colloquial language, “*Chekkera Talakotti Vestaru*”.<sup>71</sup> Thus the PDS operations resulted in leakages of meagre supplies and

<sup>70</sup> *Seru* is a Telugu word is a traditional unit of measurement for the foodgrains. Generally farmers use this *Seru* as unit of measurement

<sup>71</sup> It means removing head. To measure the Sugar also the *Seru* unit used in fair price shops. It is interesting to note that after filling sugar in the *Seru* dealers remove the upper layer (Cone shaped) and

unintended channels. The various schemes and programmes by both the centre and state government to improve the food security to poorer sections have not reached them properly. The legal Metrology Wing is entrusted with the work of enforcing proper weights and measures, their stamping and calibration of Petrol dispensing pumps etc., and ensuring that the stocks are supplied to the consumers on proper weight and measure. They are also in charge of enforcing packaged commodities rules and regulations and also correct charge as per maximum retail price.

### **Quantity of Ration Commodities**

Dealers are complaining that they are getting shortages in weight from the godown itself. They say that they are getting two to three KGs are less as specified government standards. In a personal interview shortages in weights was approved by Deputy Tahsildars of Anantapur Mr. Madhava Reddy.<sup>72</sup> But, the official of Civil Supplies Corporation, Anantapur district are denying the dealers' allegation. Mr. Murthy,<sup>73</sup> District Manager, Civil Supplies, who is responsible for lifting stocks, denied the dealers claim. Porters who upload the foodgrains to lorry at godown travel in lorry up to FPS and download foodgrains from lorry at FPS. While travelling, porters intentionally damage the packets to get some foodgrains.<sup>74</sup> This is another cause for shortages in weight. This is happening only in case of rural and remote areas, where the

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give to the consumers. Because of this practice this word was added to PDS terminology in Anantapur district.

<sup>72</sup> In a personal interviews with Mr. Madhava Reddy Deputy Tahsildars of Anantapur Mandal on 12<sup>th</sup> and 13<sup>th</sup> November 2007

<sup>73</sup> In a personal interview with Mr. Murthy, District Manager, Civil Supplies on 5<sup>th</sup> November 2007

<sup>74</sup> This was reported by Narasinga Rao Katika, FPS dealer in a personal interview with on 10<sup>th</sup> November 2007

stock has go through long distances. The implication is that, this drives to the dealers to use foul measures and methods in weighing process. Table-11 presents the responses of consumers' reasons for dissatisfaction in weighing process in FPS.

**Table: 11**

**Are you satisfied with weighing procedure in FPS \* If no, reasons for dissatisfaction?**  
**Crosstabulation**

			If no, reasons for dissatisfaction?		Total
			underwei ghting	not as per Govt specification	
Are you satisfied with weighing procedure in FPS	No	Count	278	3	281
		% within If no, reasons for dissatisfaction?	100.0%	100.0%	100.0%
Total		Count	278	3	281
		% within If no, reasons for dissatisfaction?	100.0%	100.0%	100.0%

It is evident that from the table-12, 13 and 14 that the quantity received from the FPS is extremely inadequate. Inadequacy is quite prominent in case of rice, wheat and sugar. In case of rice, unanimous opinion held that quantity of rice received is extremely inadequate for their families. Out of 300 sample households, 244 are BPL households who have a white card.<sup>75</sup> All 244 households (100%) expressed that the quantity of rice is inadequate. The government of Andhra Pradesh fixed the quota as four kilograms of rice per head subject to a maximum of 20 kilograms per BPL card at the rate of rupees two per kilogram. This quantity is extremely inadequate, the situation in this respect calls for enhancement of rice quota. Even if the consumption is half kilogram per head

<sup>75</sup> Only white cardholders are entitled to draw rice from FPS.

per day, 15 kilograms of rice is required for head per month.<sup>76</sup> Thus the four kilograms quantity is highly inadequate. It falls far short of the daily requirement. The implication is that they have to depend upon the open market for their dietary needs and they spend a large portion of their income on foodgrains. With regard to the additional quantity of rice required, they stated that the additional rice is purchased from open market at the rate Rs 12 to 15 based on the quality of rice. Table-12 presents the responses regarding the quantity of foodgrains under the PDS.

**Table: 12**

**Is the quantity issued in the FPS under PDS sufficient for your family? \* Rice Crosstabulation**

			Rice		Total
			No	NA	
Is the quantity issued in the FPS under PDS sufficient for your family?	No	Count	244	56	300
		% within Is the quantity issued in the FPS under PDS sufficient for your family?	81.3%	18.7%	100.0%
Total		Count	244	56	300
		% within Is the quantity issued in the FPS under PDS sufficient for your family?	81.3%	18.7%	100.0%

Since the household is the basic unit of residence and adequate household-level access to food has to be ensured, and most importantly, food security has to be ensured for each individual in society, an attempt has been made to find out how many respondents actually need additional quantities of rice. All the white-card households said that quantity of rice allotted to them is inadequate. Their requirement of additional rice ranged from 30 kilograms to 50 kilograms. This is something that needs to be

<sup>76</sup> In general, in rural areas more than half kilogram of rice is required per day for adults who work in the agricultural fields and do heavy work. This is so because rice is taken for all the three meals.

examined by government and need to allot a supplemental quantum of rice to households. Since the entitlement is much less than the requirement of households, the PDS plays only a marginal role in meeting the full nutritional requirement of a household.

In case of wheat quantity, government of Andhra Pradesh fixed a maximum of 10 KGs of wheat per card including the APL card at the rate of Rs.7.00 per KG. Interesting to note the supply of wheat under PDS in Anantapur district is very irregular. The occasions like major Telugu festivals wheat will be supplied. Even occasionally no FPS shop dealer is distributing 10 KGs of wheat per card in rural areas. Only two to four KGs are given occasionally.

**Table: 13**

**Is the quantity issued in the FPS under PDS sufficient for your family? \* Wheat Crosstabulation**

			Wheat		Total
			Yes	No	
Is the quantity issued in the FPS under PDS sufficient for your family?	No	Count	37	263	300
		% within Is the quantity issued in the FPS under PDS sufficient for your family?	12.3%	87.7%	100.0%
Total		Count	37	263	300
		% within Is the quantity issued in the FPS under PDS sufficient for your family?	12.3%	87.7%	100.0%

The distribution of ration item differs from person to person based on caste and influence in the village and relation with the FPS dealer.<sup>77</sup> “However, entitlements are

<sup>77</sup> During the field study in Korrakodu village of Kuderu mandal cardholders reported that dealers care only for those who have connections with the Maoists.

influenced not only by production and market transactions, but also by the political power of households. Indeed, the state itself is a source of much entitlement creation, e.g. through aid, loans, subsidies, and more generally, the public distribution of commodities and incomes. The ability of a household or a social group to benefit from these entitlements depends on the political power of the household in question and also of the group of households to which it belongs” (Sobhan 1990:79). Only 12.3% of households said quantity of wheat supplied under PDS is sufficient and 87.7% of households expressed quantity of wheat received is inadequate, See table-13. It was noticeable that people also not much bothered about wheat as they don't take much wheat in rural areas especially among lower income groups.

In case of the sugar quota, the government of Andhra Pradesh fixed one kilo of sugar per BPL card on first come first serve basis at the rate of Rs13.50 per kilo. This first come first serve basis has broken down the very idea of distribution. This makes dealers to divert stocks to the black market for higher gains. Another implication is that, it gives scope to dealers distribute the sugar to whom they like. They can simply evade quota by saying stock was already distributed people who came first. Thus whole system was dismantled. However Table-14 indicates that, 15.7% of sample households expressed satisfaction over the quantity of sugar received under PDS. Rest of the 84.3% expressed that the quantity of sugar is inadequate for their families. See table-14



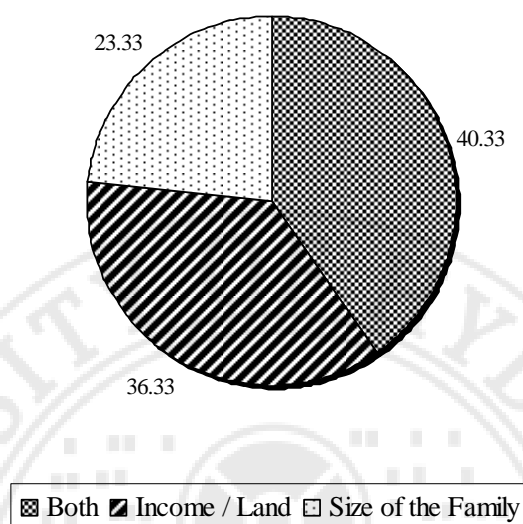
**Table: 14****Is the quantity issued in the FPS under PDS sufficient for your family? \* Sugar Crosstabulation**

			Sugar		Total
			Yes	No	
Is the quantity issued in the FPS under PDS sufficient for your family?	No	Count % within Is the quantity issued in the FPS under PDS sufficient for your family?	47 15.7%	253 84.3%	300 100.0%
Total		Count % within Is the quantity issued in the FPS under PDS sufficient for your family?	47 15.7%	253 84.3%	300 100.0%

The ration quota fixed under PDS is very less and it is not sufficient to a household. Graph-3 depicts clearly that there are divergent views in the matter of forming the basis for issuing the ration quota. On the whole 40.33% of the respondents were in favour of issuing ration quota on basis of both the size of the family its income and land held by it. The other opinion expressed by 36.33% household in favour of taking income and land of the household. Another expressed by 23.33% respondents in favour of taking the size of the family as the basis for issuing the ration quota.

**Graph: 3**

**In Your View, What Should be the Basis for Issuing the Ration Quota**



### **Quality of Foodgrains**

The quality of the commodities supplied under PDS is very important aspect in understanding the PDS efficiency. Regarding the quality of the commodities supplied under the PDS in both rural and urban areas, a majority of the respondents hold the view that the quality of foodgrains especially rice is very low. However only a handful respondents termed the quality as average. This indicates the quality of PDS foodgrains is not good. The Food Corporation of India is responsible for procurement of foodgrains. Due to floods and cyclones foodgrains are damaged and discoloured at the time of the crop season. Whenever this kind of problem arises, there is a general demand from farmers, political parties from every quarter of country that, discoloured foodgrains should be procured through FCI in order to help the flood or cyclone hit farmers.

Generally this demand is accepted by government. The implication is that, the damaged and discoloured foodgrains are distributed under the PDS. The FPS dealers do not have any control over the quality of foodgrains supplied. The dealers throw the responsibility of the bad quality on the government, when the consumers question about the quality of foodgrains. Thus the cardholders have no scope to question when the distributor is not responsible for quality. The Table-15 indicates that, 88.7% of the respondents feel that the quality of commodities is low and 11.3% felt that it was average. The quality differs from commodity to commodity. None of them described the quality as good or very good. Some times rotten grains have been distributed.<sup>78</sup>

**Table: 15**

**How do you rate the quality of the commodities supplied by the FPS under PDS?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Average	34	11.3	11.3	11.3
	Low	266	88.7	88.7	100.0
	Total	300	100.0	100.0	

In case of rice quality, total 247 respondents (100%) expressed quality of rice under the PDS is Low. See table-16. None of them termed the quality as even average.<sup>79</sup> The consumers say that the grain emanates foul smell especially rice. A respondents

<sup>78</sup> In personal interviews respondents reported that especially rotten rice have been distributed frequently.

<sup>79</sup> This count within the BPL cards, that are eligible to draw rice from FPS, APL cards are not entitled to get rice.

from Anantapur, Kuderu and Atmakur mandals are said that, “store lo muggipoena biyyam vestaru”.<sup>80</sup>

**Table: 16**

Rice					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Low	247	82.3	82.3	82.3
	NA	53	17.7	17.7	100.0
	Total	300	100.0	100.0	

**How do you rate the quality of rice supplied under PDS?**

The wheat quality was also termed as low by 64.3% respondents and average by 35.7% respondents. This is slightly better than the rice quality. Contrast to this the quality of sugar was termed as average by majority of (82.7%) respondents. Only 1.7% respondents termed as high quality and 15.7% termed as low. This clearly indicates that, the quality of sugar under PDS is satisfactory level. See table17 and18. As important as quantity, the problem of poor quality of grain received by households in the ration shops. This is serious concern call for vigilance both in the system of quality checks undertaken by the FCI, as well as checks on fair price shops and dealers. This has implications also for diluting existing regulation such as Essential Commodities Act which gives power to control the production, supply and distribution essential commodities and also trade and commerce for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices.

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<sup>80</sup> It means, in ration shops deliver rotten rice.

**Table: 17****Wheat**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Average	107	35.7	35.7	35.7
	Low	193	64.3	64.3	100.0
	Total	300	100.0	100.0	

**How do you rate the quality of Wheat supplied under PDS?**

**Table: 18****Sugar**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High	5	1.7	1.7	1.7
	Average	248	82.7	82.7	84.3
	Low	47	15.7	15.7	100.0
	Total	300	100.0	100.0	

**How do you rate the quality of Sugar supplied under PDS?**

The Public Distribution System was seen as a mere rationing system to distribute the scarce commodities and later it was seen as a 'fair price' system in comparison with the private trade. One of the basic objectives of PDS in India is to provide essential commodities at cheap and subsidised prices to the consumers, so as to insulate them from the impact of rising prices and maintain the minimum nutritional status of the people. To run the system, the government of India procure commodities through the Food Corporation of India. Price fluctuations are harmful to the weaker sections of society, and stabilising the prices has been another objective of the PDS. One of the important aspects that affect the household is food prices. The respondents were also asked about foodgrains prices under the PDS. An attempt is made to elicit the opinion of the users on the prices of foodgrains under the PDS. It is evident from the table-19 that

42.7% are dissatisfied with foodgrains prices. They were of the view that low quality commodities are supplied under PDS. Contrary to this, 57.3% expressed approval, because of the low price and low quality. The impact of PDS as a check on open market foodgrains prices and as a safety net for the downtrodden is minimal.

**Table: 19**

**Are you satisfied pricing system of the FPS? \* If no why? Cross tabulation**

			If no why?			Total
			Low quality	High price and low quality	Low price and low quality	
Are you satisfied pricing system of the FPS?	No	Count	127	1		128
		% within If no why?	100.0%	100.0%		42.7%
	satisfied	Count			172	172
		% within If no why?			100.0%	57.3%
Total		Count	127	1	172	300
		% within If no why?	100.0%	100.0%	100.0%	100.0%

To understand the accessibility of foodgrains to consumers under the PDS it is the necessary to evaluate the working days of FPS. The opening of ration shop one of the important sign of form of regulated market, and the availability of a set of commodities at fixed prices is very important in expanding and strengthening food accessibility to the people.

**Table: 20**

**Is FPS open all the days of the month? \* If no how many days it opens? Crosstabulation**

			If no how many days it opens?				Total
			Less than one week	One Week	Two Weeks	Three Weeks	
Is FPS open all the days of the month?	No	Count	182	15	36	46	279
		% within Is FPS open all the days of the month?	65.2%	5.4%	12.9%	16.5%	100%
Total		Count	182	15	36	46	279
		% within Is FPS open all the days of the month?	65.2%	5.4%	12.9%	16.5%	100%

The Table-20 indicates that the FPS are not opened not even 15 day in a month. 65.5% of respondents said FPS is opened only less than one week. It was found that, in the rural areas foodgrains will be distributed only three to four days in a month. There is no specific time even for this three to four days, it may be in first week of month or last week of month and even any day the dealers like to distribute. But those who have good relations with dealer and depend on his social position in the village may get foodgrains with mutual understanding. Contrasts to this, in urban areas FPS are opening up to three weeks in a month. The frequency of purchase under rationing is very much restricted due to non-opening of FPS. The households belonging to lower income classes find it very difficult to mobilise sufficient cash to purchase the quota at a single time and restricted span of time in a month. Interviews noted that wage labourers who are paid on a daily basis it is particularly difficult to accumulate lump-sum necessary to pay for PDS commodities in one single transaction. Losses and inefficiencies in PDS operations were also incurred through corruption and malpractices within fair price shop networks established to distribute ration commodities.

**Table: 21**

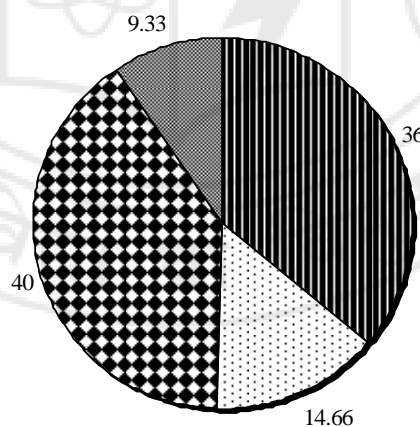
**Are you satisfied with the location of FPS? \* What is the distance between your residence and the FPS?**  
Crosstabulation

			What is the distance between your residence and the FPS?			Total
			Less than half KM	1-2 KM	Above 2 KM	
Are you satisfied with the location of FPS?	Yes	Count	175	45	1	221
		% within Are you satisfied with the location of FPS?	79.2%	20.4%	.5%	100.0%
	No	Count	33	46		79
		% within Are you satisfied with the location of FPS?	41.8%	58.2%		100.0%
Total		Count	208	91	1	300
		% within Are you satisfied with the location of FPS?	69.3%	30.3%	.3%	100.0%

The distance of the FPS from the residence of the respondents and their satisfaction of location is analysed in the table-21, the study reveals that, 69.3% of the respondents have FPS at a distance of less than one kilometre, and 30.3% respondents at a distance of one to two kilometres. Above two kilometres is very rare and only one respondent have FPS at a distance of above two kilometres. Regarding the location of the FPS, 73.66% of households expressed their satisfaction and 26.33% expressed their dissatisfaction. It was noticed that, especially in rural areas the dissatisfaction was expressed due to their spoiled relations with dealer or when the dealer belongs to the other faction, group or political party. Otherwise majority of the respondents are satisfied with the location of FPS.

**Graph: 4**

**How Do You Rate the Behaviour of the Dealer of the FPS**



■ Indifferent ■ Rude ■ Satisfied ■ Courteous



Regarding the behaviour of dealer, responses were taken from the respondents. The views expressed in the sample survey shown in Graph-4 out of three hundred respondents only 9.33% saw them as courteous, 36% saw them as indifferent, 14.66% termed them as rude and 40% were satisfied with the behaviour of FPS dealer towards the consumers. This clearly indicates that there is a lack of professional culture and the FPS is not service-oriented as expected by public policy. In interpersonal relations between the dealers and consumers which are found at tension at times does affect the working of PDS especially in rural areas. These arise on account of host of factors leading to mutual distrust and dissatisfaction among consumers.

An attempt has been made through the survey to assess the consumers' general complaints on FPS. The responses have been generated regarding their experiences while dealing with grievances. The majority of 89% cardholders have complaints on functioning of FPS, only 11% of cardholders don't have complaints. See the table-22.

**Table: 22**

**Do you have any complaint about the functioning of FPS in your area?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	267	89.0	89.0	89.0
No	33	11.0	11.0	100.0
Total	300	100.0	100.0	

The nature of complaints and general problems regarding, they expressed diverse opinions. Interestingly most of them find fault with the government rather than the dealers. The general perception of the people is that the government is responsible for

every problem. If consumers question the delay in distribution or non-distribution of certain grain, FPS dealers escape blame by accusing the government. The dealers convince the consumers that if the government supply is on time, they can distribute the grains on time, so it is not they who are at fault but the government.<sup>81</sup> The consumers are not aware of the responsibility of the dealers for lifting the stock by fulfilling the procedure for it. The general observation from field investigation is that the dealers are not submitting stock registers and Bank Draft (D.D) of required amount on time to lift the quota of grain. Inadequate and irregular supply of ration items is the major problem, it was felt by 42% of the respondents. The low quality of foodgrains is another complaint, expressed by 25.7% of respondents. The 19.7% of the expressed irregular supply and black marketing is the major complaint. Interestingly, only 1.7% of the respondents complained about the working days of FPS. See table-23.

**Table: 23**

**If yes which are the complaints?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	FPS not open daily	5	1.7	1.9	1.9
	Inadequate and irregular supply from govt	126	42.0	47.2	49.1
	irregular supply and blackmarketing	59	19.7	22.1	71.2
	low quality	77	25.7	28.8	100.0
	Total	267	89.0	100.0	
Missing	System	33	11.0		
Total		300	100.0		

## Grievances and Redressal Mechanism

<sup>81</sup> It was reported by consumers, in personal interviews with consumers during the survey in the month of November 2007.

The redressal mechanism for peoples' grievances is very important. For the redressal of their grievances, consumers lodge complaints with different authorities like Tahsildars, Deputy Tahsildars, District Supply Officer and Joint Collector. The Vigilance Cell Wing of Civil Supplies Department and the Revenue and Civil Supplies machinery is in charge of enforcing various control orders issued under the Essential Commodities Act and bringing to book the dealers, millers etc., who violate the provisions of orders and indulge in malpractices like hoarding, black-marketing, profiteering etc. The State Commission and the District Consumer Forum receive complaints against the unfair and restricted trade practices adopted by the trade and also the malpractice's indulged in by the trade. The consumers aggrieved by malpractices, can file complaints before this Consumers' Forum for redressal of their grievances.

It was found that most of the beneficiaries generally do not complaint though they have strong reason to do so. During interaction with cardholders in the course of this study, many of them did not seem interested in complaining. When questioned why, their response was "*Amouthundi? Aemi Kadu*"<sup>82</sup> (what will happen? Nothing can be achieved) Further they said that if they are in a position to fight and get things done they will not be in this pathetic state and need foodgrains from the ration shop. They mean that, only rich powerful people can do so. They are not rich and powerless to do so. There are few respondents in rural areas, who know how to lodge complaints. To the question, why don't you take the help of the village Surpanch (President) MPTC member (Mandal Parishad Territorial Constituency) ZPTC member (Zilla Parishad

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<sup>82</sup> These kinds of responses are quite common during field investigation. People feel very pessimistically about government, political parties and bureaucrats.

Territorial Constituency) MLA or MP? They respond sharply and intensely voice in colloquial Telugu, “Votlu apinchukuneki matramay vastaru. Appudu matramay meme guruthuntamu. Ma badalu evadiki pattidi?” (it is only at the time of elections that political leaders come, after elections they forget all about us. Who cares for our problems?).<sup>83</sup> This kind of comments indicates a significant decline in the public legitimacy of elected representatives. Further this appears to illustrate falling public confidence in the integrity and moral authority of the legislative bodies. People have increasingly tended to assume that all political parties and politicians are as bad as each other, and they are all same.

This indicates the powerlessness of the people and scarcity of participation in decision making, in terms of distribution and share rather than scarcity of food. Those who are going hungry or nearly hungry are voiceless and they do not have any share in the democratic process. They become mere objects of political mobilisation in the democratic process. Democratic control of the food delivery system is the ultimate test of democracy. Institutions created to represent the will and the interests of the people have abdicated their social and political responsibilities. The prevailing power structure, democratic rights, free press and mass media are mainly related to the structure and functioning of institutions in a society, and have a critical role in perpetuating or eliminating social problems like food insecurity. “Democratic theory, as interpreted by political thinkers including J.S. Mill, C.B McPherson, Len Doyal, Ian Gough and David Held, rests on the assumption that every one is at least potentially a ‘doer’, an actor and a

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<sup>83</sup> During field study people in Kuderu and Atmakur mandals expressed that, there should be elections every six months so that politicians will remember them and come to them frequently, otherwise they come only once in five years.

developer of her/his human capacities. For a person to exercise her human capacities to the full these must be under her own conscious control rather than dictate of another. This 'ability to act' or 'exercise one's capacities to the full' represent power on the part of the holder-providing the capacity to get the things done, or the capacity to 'produce effects' as power was understood...." (Currie 2000:64).

It emerges from the foregoing analysis that quite a large number of respondents are disappointed with the performance of the PDS. It suggests that development of peoples' participation can be strengthened. Periodic elections have produced a rotation of political power, but limited public confidence that doing so would produce marked improvements in the reach and spread of welfare programmes functioning in Anantapur district despite the commitment to such delivery system made by the competing political parties in their electoral manifestos. This not only erodes the credibility of PDS but also the credibility of democracy and democratic institutions. Thus hunger and food insecurity is not because of scarcity of food or it is not just distribution problem or leakages in distribution. "Insofar as public policy to combat hunger and starvation-including rapid intervention against threatening famines-may depend on the existence and efficiency of political pressure groups to induce government to act, political freedom too may have a close connection with the distribution of relief and food to vulnerable groups.... The crux of these debates is that public security and well-being and protection against starvation more specifically, is closely bound up with the existence of electoral democracy and the civil and political freedoms necessary to make this operational" (Currie 2000:20). National Commission to Review the working of the Constitution suggested that, "elimination of the monopoly of fair price shops owners, elimination of

corruption in delivery system and passing the full value of the subsidy to the beneficiary and providing him choices in purchasing food articles from any of the authorised private shops (competition amongst shopkeepers is likely to ensure better services and availability of better quality of food articles at competitive rates) are amongst likely advantages of the suggested schemes over the existing system, this would also save the government from responsibility of making subsidised food articles available to fair price shops and monitoring such shops (NCRWC 2001: 103).

Food insecurity and hunger are often caused and perpetuated by issues of politics, powerlessness of weaker sections of society and the social structure in the villages. There is a need to vigorously strengthen democracy and democratic values as from village to national level to guarantee a right to food. This is not only necessary for creating political incentives for political executive in power to prevent hunger but also a means to empower people to take decisions regarding their lives and bring people at the centre stage of public action to see that none go hungry. "In contemporary policy debates on the role of 'good governance' or 'democratic governance' in promoting economic and social development,.....at the heart of its concerns lies the need for transparent and predictable rules and institutions to regulate the behaviour of private and public business; this, it suggests, is necessary to ensure the sustainability of programmes that it helps to finance. Progress in this area is encouraged by administrative accountability, improvements in public sector management, an effective legal framework for development, and a dynamic and informed citizenry which can provide feedback, through 'voice channels', on policy performance"(Currie 1998:875). Whichever party is in power lack of political influence of those in the grip of food insecurity contributes to

persistence of food insecurity, this explains the why imparting democratic rights can not ensure right to food. People are not starving because there is not enough food to meet everybody needs, but, because they are unable to access food. Food insecurity and hunger caused by the absence of institutional sanctions and democratic rights to access the available food. “Hunger and politics are also related in another fashion. Not only does lack of political will cause and perpetuate hunger, hunger can contribute to lack political social and economic clouts to seek elimination of hunger. People who are in perpetual struggle to some how eke out a living, find it difficult to be effective participants in decision making at the socio-political levels and influence policy making, affecting their lives” (Mukherjee 2002:32).

Public action, including what is done by the public at large, and state have a bearing on right to food. In the realm of public action the emergence of civil society actors have assumed great important. Similarly there is a need to strengthen mass media as a regulator, supervisor and as a source of vital information. Information to the public and to those, who are entrusted with the task of creating an environment that, will enable people to eliminate hunger and food insecurity. Plural democracy, multi party electoral process provides political incentives to governments otherwise would stand exposed by the opposition and mass media which could spell disaster in returning to power the next time around. “This recognition demands that an adequate role be given not only to the protection of basic means of living and social security, but also.....to promoting the use of democratic rights of free elections, uncensored news reporting and unfettered public criticisms. The use of political and civil rights can make a radical difference to the problem of hunger” (Sen 1997:23).

Finally, an attempt is made to estimate consumers' satisfaction on over all functioning of FPS. Table-24 indicates about 25% expressed their satisfaction over the functioning of FPS, and about 75% expressed their dissatisfaction. This clearly indicates that majority of households are not happy with the services rendered by the Public Distribution System.

**Table: 24**

**Social Group \* Do you think that the services rendered by FPS are adequate? Crosstabulation**

			Do you think that the services rendered by FPS are adequate?			Total
			Yes	No	satisfied	
Social Group	OC	Count	3	35	18	56
		% within Social Group	5.4%	62.5%	32.1%	100.0%
	BC/OBC	Count	2	131	43	176
		% within Social Group	1.1%	74.4%	24.4%	100.0%
	SC/ST	Count		58	10	68
		% within Social Group		85.3%	14.7%	100.0%
Total	Count	5	224	71	300	
	% within Social Group	1.7%	74.7%	23.7%	100.0%	

After analysing the major aspects in functioning of PDS from consumers' responses, it is necessary to analyse functioning of the PDS from the dealers' responses regarding the general problems and difficulties in running FPS. A representative sample of twenty FPS dealers are selected for the purpose of study, Ten FPS dealers from Anantapur Urban Mandal and Five FPS Dealers from rural Mandals of Kuderu and Atmakur. A structured questionnaire was canvassed among them to elicit their responses on major operational aspects of running FPS. Apart from that, qualitative information was elicited through wide interaction with the dealers and the Dealers Association of Anantapur District.



The important administrative arrangement required for PDS is that, licensing of FPS for acting as a retail outlet for PDS foodgrains. The Civil Supplies Corporation acts as a whole sale distribution agency to FPS. The dealers who supply the commodities at the fixed prices to the card holders according to the fixed entitlements are authorised by State Civil Supplies Department. Such authorisations are given on the basis of inviting the applications. The state government has specifically laid down criteria on the basis of which district authorities choose the PDS licences. Rule of reservation also followed in allocation of licences to the individuals. The table-25 shows the per cent of reservation in allotment of FPS.

**Table: 25**

SC	15%
ST	6%
BC	25%
Physically Handicapped	3%
War widows	1%

**Reservation in allotment of FP shops**

Lower security deposits are collected from the dealers. Among the terms and conditions of dealers there is a set of such instructions which every dealer has to respect and any guilty thereof punished by the state government. However, the majority of dealers are found to be affiliated to political parties, though they give donations to all parties. “It was estimated that between 75% and 90% of the PDS dealers were affiliated to a political party. Often, but not necessarily, this is the TDP. The president of the AP Fair Price Shop Dealers Federation has stood several times in the State Parliament elections on a TDP ticket” (Mooij 2002:30). Significantly, it was found that most of

these individuals got the help of the local M.L.A or M.P or the Z.P Chairperson or the Ministers to get licences. “Dealership is an opportunity to have better contact with the villagers and improve their public image. From the viewpoint of the political parties, it is also important to have PDS shops run by party activists. The shops are in contact with almost all people at the local level, much more than any other department or government body. However, the political affiliations of the PDS dealers give them sufficient protection to get away with a variety of malpractices. It is possible that the political affiliations also help to improve the quality of the service, giving the dealers an additional interest in serving the public well” (Indrakant 1996:68). This led to the political interference in functioning of FPS in Anantapur. Ms.Wendy Olsen, who made survey on rice scheme when it was started by N.T Rama Rao in early 1980s pointed out, “In practice the minorities are poorly represented among fair price shop dealers. Instead most rural dealers are either landlords or merchants to begin with” (Olsen 1989:1602 ).

### **Influence of Political Factionalism**

What is distinctive about the Anantapur district is that the policies pursued by the Congress and Telugu Desam parties as well as their success in political mobilisation involving factionalist leaders, and brutal elimination of political rivals. The implication is that, political factionalism has effectively precluded the development of strong factional politics in rural areas of Anantapur district. Anantapur district is widely known for its political factionalism and elimination of political rivals. The factions led by political leaders like Paritala Ravindra, S.V Ramana Reddy, S.V Obula Reddy, J C Divakar Reddy, J.C Prabhakar Reddy, Maddulachervue Suryanaraya Reddy, Thimampalli Surya Pratap Reddy etc have very deep influence on village politics. Apart

from this mainstream factionalism the Marxist Leninist and Maoist groups are also have deep influence in rural areas of Anantapur district. In the political context of Anantapur the effective delivery of foodgrains depends on influence and power. What matters more is politicians are strong and powerful. Political factionalism, muscle power is especially important in Anantapur politics. Knowing and understanding the structure of district and society, one can understand criminalisation of politics has a lot to do with the any programme and policy of the government.

In the villages, it was found that foodgrains are denied to cardholders based on their support to political faction which a particular dealer belongs to. It reflects of Anantapur district peculiar factionalism and political group conflicts in rural areas. Where political faction cleavages also correspond with caste and other differences, the redistribution of the gains is more difficult. The distribution involves the character of rural politics. In most villages in Anantapur district, rural politics has become the politics of faction and patronage. Rural politics depends on the distribution of favours to clients. Political struggles are for a piece of land and a very small position like village president and the negative power of rural dominant communities are frequently degenerated in factional struggles. The prevalence of factionalism combined with patronage politics is an obstacle, within the village traditional loyalties based on political factions are typically induced political stresses and strains. As the scale of political parties and the degree of political participation both increase, some basis must be found for alliances among village groups with little experience of working in common. The result is loose alliances among diverse segments which trade their support for direct and immediate favours.

Further it is remarkable to note that, PDS foodgrains are given to the political leaders when they required for arranging public meetings and rallies. It is very common in Anantapur district when there is a public meeting or rally, people will be mobilised from villages by Lorries, Tractors and Busses. For attend meeting people will be paid Rs 50 to 200 depending on political party and the leaders addressing meetings. (If it is Left Parties like C.P.M or C.P.I only food packet will be given) Here interesting thing is people are served a packet of cooked rice (Colour Rice/Curd Rice/ Pulihoora packet) and drinking water. To meet this kind of needs all political parties (including the left) will be depending upon the FPS dealers for rice and other food items. This drives to the dealers to cut the ration items to consumers. When there are complaints on dealers the same political leaders will be pressurising the officials and the cases will be suppressed. Subash C. Kashyap points out, “corruption and other forms of unethical conduct are rampant from the apex to the grassroots..... the representatives of the people- the MPs and MLAs-one learns that overwhelming majority of constituents and other members of the public who visit them from morning till late night come with illegitimate requests for favours which cannot be met without compromising on probity and integrity.... In a culture of poverty and shortages, an honest politician is seen as good for nothing. He cannot and does not help his supporters at times of their need” (Kashyap 2003: 68). It is noticed during the field survey, rice was not distributed in one ward in Anantapur mandal because of the fair price shop dealer was suspended on account of disciplinary action, and delay in set up alternative arrangement. Mr.Madhava Reddy, (Deputy Tahsildars of Anantapur mandal) says,<sup>84</sup> it is a ticklish problem for the administrators,

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<sup>84</sup> In a personal interview with Mr. Madhava Reddy, on 12<sup>th</sup> and 13<sup>th</sup> November 2007.

considering the simultaneous need for swift action against malpractices and making substitute arrangements for the uninterrupted supply of rice to the beneficiaries.

The administrative decision regarding the number of cards to be served by each FPS has a vital bearing on major objectives of public distribution. Each shop has a number of cards attached to the shop. This number varies from about 500 in rural areas to about 1000 in urban areas. On the basis of the number of cards, the PDS dealer can lift a particular quantity of rice, sugar and kerosene every month from the Civil Supplies Stock point. There is a fixed margin for the fair price shop dealer, which is set by the government of Andhra Pradesh. A large number of cards attached to a FPS may improve the potential viability of the FPS but at the cost of consumer access, unless adequately efficient distribution within the stipulated issue period. It has been observed during the course of field survey that as far as the number of cards to be served is concerned. For serving a large population, spread over thousands of villages and towns, a large number of FPS are required.

In Anantapur district there are now 2,421 FPS in total. When it compared to the total households/ card-holds the number of FPS is very less. There are total 1058310 cards in Anantapur district. It shows that, approximately 437 households are depending on one FPS. The study area comprises of three Mandals in Anantapur urban Mandal there are only 142 FPS for 64981 households. The ratio is 1:457. But it differs from shop to shop. In Kuderu Mandal there are 24 FPS for 9898 households. The ratio is 1: 412. In Atmakur Mandal there are 23 FPS for 10490 households. The ratio is 1: 456. It differs from village to village and rural to urban. There are cases in urban areas more than one

thousand families are depending on single FPS. It means that more shops are required particularly in urban areas and those areas where transport facilities are poor and several other constraints do exist.

### **Dealers Responses on Administration of Ration Shop**

The general postulation is that it would have been better to allow unemployed to earn their livelihood by running the FPS. However the profit margins or commission allowed to dealers on PDS items are very less. In fact the prevailing impression is that the FPS dealers have to depend on some other sources of income to sustain them or they have to fallow corrupt practices. The major problem they have expressed is inadequate commission on PDS food grains. Obviously, all the respondents have expressed their dissatisfaction over the commission presently they are getting. See the table-26

**Table: 26**

**Are you satisfied with your present commission?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No	20	100.0	100.0	100.0

The major demand from the FPS Dealers is that, commission must be increased, as it was not increased since long time. The government of Andhra Pradesh recently increased commission on only Kerosene Oil. When the dealers were questioned about the expansion of commodity coverage by government all of them feel happy to serve with large range of commodities. The issue price of essential commodities to the FPS

Dealers per Quintal is shown in Table-27. It clearly indicates the profit margins are less to the dealers on PDS foodgrains.<sup>85</sup>

**Table: 27**

Commodity		Issue price to Dealer Per Quintal	Issue price to Consumers Per KG	Commission to Dealers Per Quintal
<b>Rice</b>	BPL Cards	Rs:512.08	Rs:5.25	Rs:12.92
	AAY Cards	Rs:287.08	Rs:3.00	Rs: 12.92
	Annapurana	Free of Cost	Free of Cost	-----
<b>Sugar</b>	BPL &AAY	Rs;1334.47	Rs:13.50	Rs:15.53
<b>Wheat</b>	BPL &APL	Rs:687.00	Rs:7:00	Rs;13.00

*Source: Civil Supplies-Anantapur District Proceeding No:Rc.No.K2/04/2007 dated 5<sup>th</sup> October 2007.*

The dealers' monthly approximate income is assessed on the basis of their monthly turnover of the business. It was roughly estimated to be Rs 1,500 per month, but it differs from shop to shop based on number of cards attached to the FPS. This income accumulated to them in the shape of commission or profit after selling up of the rationed commodities. Compared to this small earnings, fair price shop dealers have to make large investments. Each month they have to purchase the allotted foodgrains and sugar. Fair price shop dealers require an investment approximately around Rs 30,000 to 40,000 per month, but it differ from shop to shop based on the number of cards attached to FPS. they have to lift their whole monthly allotment at once, which means they should be able to dispose over this relatively large amount of money. The profit is comparatively very less for the investment. It drives to the dealers to divert PDS foodgrains to the black

<sup>85</sup> Rice issue price has slashed by government in the month of April 2008 by launching rupees two a kilo rice scheme under PDS. But there is no change in commission to the dealers.

market for higher gains. Corruption in its many forms is often prevalent where the dealers are underpaid and legitimate means for securing income are not otherwise adequate. The unrelenting expectations by public officials of extra payment for licenses and stock verifications raise food costs and redistribute food away from those least able to pay for it. “One of the major problems in the implementation of the PDS is the low commission for the Fair Price Shop dealers. Almost all these dealers are private individuals. They receive the rice, sugar and kerosene from the mandal level warehouse of the Andhra Pradesh Civil Supplies Corporation after they pay for it. They sell the commodities at a fixed rate. Their margin is fixed. If one calculates the income and expenses (based on 400 white cards), the net earnings are around Rs. 1300 per month. Considering the fact that in some areas shops are run by a shopkeeper and a helper, and the fact that there may be losses because bags may contain less than 50 kgs, the income is very little” (Mooij 2002 : 29).

The main purpose of FPS dealers in obtaining a licence is the desire to earn the profit margins confirmed by the government on regular and assured scales. In addition to the profit margin or commission FPS Dealers are allowed to retain the gunny bags free of cost. It was revealed by Dealers during the personal interviews that, they are getting more money than commission by selling gunny bags. Generally fifty kilos rice bags will be supplied to the dealers, each gunny bag cost around eight to ten rupees in open market depending upon the quality of bags. By selling two gunny bags they get fifteen to twenty rupees. This amount is more than what they get Rs 12.92 per quintal distribution of rice. They say that inadequate commission is the major problem to provide better services to the customers. So far the question of quality services is concerned; all dealers claimed



that they provide adequate services to their customers as for the PDS provisions. Responses have also been generated with respect to the hurdles in providing better services to the consumers. Table-28 presents the data on this aspect dealing the cause which create hurdle in providing better services to the consumers.

**Table: 28**

**What prevent you from offering a better service to your customers?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Inadequate commission	20	100.0	100.0	100.0

Anantapur District Dealers' Association president Mr. Balanagi Reddy revealed that,<sup>86</sup> corruption at the level of supervisory staff, low commission, shortage in weights from the godown itself compel them to indulge in black marketing and other malpractices. The personal interviews conducted with dealers revealed that the dealers are aware and conscious of consumer dissatisfaction and their own ineffectiveness and irregularities which they strive to deal with it in a proper manner. Illegal sales of the foodgrains cannot take place without the involvement of officials of civil supplies, general administration and fair price shops dealers. All the stock registers have to be in order, so the co-operation of all the links in the chain is required. So what happens is that at the time of stock arrival in the stockist point, dealers make some financial arrangements on the condition that dealers leave a part of their allotment at the stockist point. Dealers submit full amount of demand draft for their total quota of allotment. But they do not take total allotted quota, the officers give them bills as they had taken the full

<sup>86</sup> In a personal interview, on 18<sup>th</sup> October, 2007

quantity of allotted quota. Then the transport contractors drive the lorries directly to the private rice mills, for this transport contractor also gets his share. Thus the part of quota of foodgrains diverted to black market. From each fair price shop few bags means that in total month at each stockist point remained few lorry loads are diverted to the black market. For this co-operation of the Civil Supplies Corporation managers is required.

The PDS rice is being diverted illegally on a large scale to neighbouring states including Maharashtra, Tamil Nadu and Karnataka. The PDS foodgrains are being diverted to other states through integrated check posts, especially from Tada check post on the border of Andhra Pradesh and Tamil Nadu. According to the press reports,<sup>87</sup> the staff of the Tada integrated check post were issuing transit passes to lorries passing through the check post by taking just Rs 500 and without carrying any physical verification. Rice millers get transit passes from check posts without even taking their Lorries to the check post, several transit slips were issued in advance.<sup>88</sup> Subsidised rice is being filled in new bags at rice mills in bordering villages of the state. For instance, some rice millers in Bangarupet near Palamaneru in Chittoor district and many some other places were found in possession of PDS rice bags. Huge quantity of subsidy rice is being diverted from Chittoor, Nellore and Anantapur district. In Anantapur district alone there are 22 exit points. If any officials of Vigilance and Enforcement book cases, then

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<sup>87</sup> See Times of India, 3<sup>rd</sup> June, 2008.

<sup>88</sup> Lorries transporting goods have to take a transit pass from the check post authorities whenever a lorry or vehicle enters into the state from other states and moves to other parts of country transporting goods,. They have to submit the same pass when they exit at other check posts, within 48 hours. The check post authorities have to carry out a physical check of the vehicle at the entry and exit points. But the check post staff, issue transit passes without any check.

the political leaders pressurise the officials.<sup>89</sup> “Politicians profit from the way the PDS functions is through extortion of money from the PDS dealers. PDS dealers have to pay regular amounts to the rationing inspectors and the market inspectors.....the PDS dealers have to pay for special purposes. Because the sector is very well organised it is an easy target for occasional demands for money..... In short, there are various ways in which the present set-up of the PDS is profitable for politicians of the ruling party. This, together with the fact that politicians pursue other strategies to secure votes than promising cheap food, means that they have no interest in a properly implemented distribution system. As long as the would-be beneficiaries do not protest and start claiming their entitlements, there is no incentive for the politicians to improve the functioning of the PDS” (Mooij 1999b: 634). Thus the beneficiaries get a marginal benefit of PDS. Dealers, civil supplies stockist point managers, other officials and transport contractors benefit much more than from the public distribution system. It is very difficult to estimate the value of the losses incurred by the government and ultimately the people who pay taxes due to this illegal diversion. According to Ahluwalia calculations based on NSS data, leakages include both physical losses incurred in transport and shortage and diversion to the open market are 38% of wheat, 36 % of rice, 39 % of sugar and 55 % of edible oil (Ahluwalia 1993: 49). The subsidy given by the centre and state government on PDS foodgrains is in fact an income transfer to private millers, traders and middle people involved in these illegal sales. NCRWC states that, “one-third of the supplies in the Public Distribution System are diverted.” (NCRWC 2001: 127)

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<sup>89</sup> See Eenadu 9<sup>th</sup> May 2008 and Times of India, 3<sup>rd</sup> June, 2008.

**Table: 29**

**What are your suggestions for improving the overall functioning of FPS?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Increase of commission	6	30.0	30.0	30.0
	Fixed salary for month like TN govt	9	45.0	45.0	75.0
	Increase Commission OR Fixed Salary	5	25.0	25.0	100.0
	Total	20	100.0	100.0	

To overcome black marketing problem dealers want an increase in commission or fixed salary per month like the Tamil Nadu FPS dealers.<sup>90</sup> Interestingly they pointed out that fixed salary scheme like Tamil Nadu will help the dealers in providing better services to the consumers. When they asked about the suggestions for improving the overall functioning of PDS, they are only concerned with their commission improvement. See the Table-29, 45 % of them wanted a fixed salary like Tamil Nadu government scheme, another 25% of them expressed either increase in commission or fixed salary for month, rest of the 30% wanted increase in commission. The majority of the Dealers are managing with the assistance of a single person, few FPS in urban areas are running with the help of two assistances. They say that this will be another burden to them, as most of them don't get any maintenance grant or aid to for assistants. Further they revealed that, they have to pay for porters/workers for downloading the foodgrains from lorry, though they were paid by Civil Supplies Corporation.

The commodities arrive late and irregularly. The villagers are poorly informed, and certainly not in advance. This means that the poorest among them may not have

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<sup>90</sup> Fair price shop dealers in Tamil Nadu paid fixed salary for their services.

sufficient cash readily available when the foodgrains arrive in fair price shop. It has been said during the course of survey on consumers that, in the rural areas FPS opens only three to five days. When the foodgrains arrived to the FPS, the dealers in rural areas convey the message by the traditional way of Dandora.<sup>91</sup> After five days of conveying message by Dandora, no dealer in rural areas distributing foodgrains in FPS. It was found that, in urban areas convey the message of arrival of foodgrains by way of displaying the notice boards and convey the information orally to consumers in the locality. No dealer in the urban areas conveys the message by way of Dandora. The number of opening days of FPS in urban areas is much better than rural areas. It has been said during the course of survey in urban areas FPS are opened up to three weeks in a month. Contrast to this ninety per cent of the dealers said, they are opening FPS entire month, only 10% said, they will be opening three weeks. According to the provisions ration shops should be open for 26 days each month. However in sample villages the actual opening times were only three to five days in rural areas. Many people said that they have no idea when the rice will be distributed, so they often missed the opportunity buy their ration items. See the Table-30

**Table: 30**

**Do you open FPS all the days of the month?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	18	90.0	90.0	90.0
	No	2	10.0	10.0	100.0
	Total	20	100.0	100.0	

<sup>91</sup> Tom-Tom, a drum which usually beaten with the hands and announce the stock arrival.

Responses have also been gathered from dealers regarding the general complaints receive from consumers. Interestingly out of twenty dealers nineteen of them said that they don't entertain any complaints. Only one dealer said that, there will be a general complaint from consumers on quality of foodgrains. See the table-31

**Table: 31**

**Do you receive costumer complaints?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	1	5.0	5.0	5.0
No	19	95.0	95.0	100.0
Total	20	100.0	100.0	

**PDS in Rural and Urban Areas**

In the study an attempt was made to assess difference in the functioning of PDS in rural and urban areas. Accordingly two rural Mandals (Kuderu and Atmakur) and one urban Mandal (Anantapur Urban) are selected for study. The results amply show that despite the differences in level of literacy levels, income and occupation the functioning of PDS is almost same in the rural and urban areas. At the same time some variations are found in the course of study.

The study made an attempt to know difference between the rural and frequencies of purchasing PDS foodgrains from FPS. Table-32(Urban Data) and Table-33(Rural Data) indicates that, the rural households are more dependent on PDS foodgrains than urban households. In rural areas 66% of the households purchasing foodgrains from FPS, contrast to this there are only 58% of households purchasing foodgrains from FPS in urban areas.

**Table: 32 (Urban)****Social Group \* how frequently do you purchase food items from FPS Crosstabulation**

			how frequently do you purchase food items from FPS		Total
			Every Month	Occasionally	
Social Group	OC	Count	10	19	29
		% within Social Group	34.5%	65.5%	100.0%
	BC/OBC	Count	39	18	57
		% within Social Group	68.4%	31.6%	100.0%
	SC/ST	Count	9	5	14
		% within Social Group	64.3%	35.7%	100.0%
Total	Count	58	42	100	
	% within Social Group	58.0%	42.0%	100.0%	

**Table: 33 (Rural)****Social Group \* how frequently do you purchase food items from FPS Crosstabulation**

			how frequently do you purchase food items from FPS		Total
			Every Month	Occasionally	
Social Group	OC	Count	13	14	27
		% within Social Group	48.1%	51.9%	100.0%
	BC/OBC	Count	73	46	119
		% within Social Group	61.3%	38.7%	100.0%
	SC/ST	Count	46	8	54
		% within Social Group	85.2%	14.8%	100.0%
Total	Count	132	68	200	
	% within Social Group	66.0%	34.0%	100.0%	

The accessibility and availability of PDS foodgrains in urban areas are better than rural areas. Regarding the availability of foodgrains, see the Table-34(Rural), it shows that, 96% of the rural households said, commodities are not available on time. Only 4% of households are satisfied with the availability of foodgrains under PDS in rural areas.

**Table: 34 (Rural)**

**Whether the commodities are available on time**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	8	4.0	4.0	4.0
No	192	96.0	96.0	100.0
Total	200	100.0	100.0	

There is a variation in case of urban areas. Table-35 (Urban) indicates that, 82% of households expressed their dissatisfaction over availability of foodgrains under PDS in Urban areas, and 18% of households expressed satisfaction on availability of foodgrains. This little variation may be because of more opening days of FPS in urban areas. In terms of accessibility number of opening days is very important.

**Table: 35 (Urban)**

**Whether the commodities are available on time**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	18	18.0	18.0	18.0
No	82	82.0	82.0	100.0
Total	100	100.0	100.0	

One of the major differences in functioning of FPS in rural and urban areas in Anantapur district is number of opening days. It was found that, in rural areas foodgrains distribution takes place only three to five days. See the tables 36&37. This can explain deprivation entitlements of rural compared to urban areas. This can explain in terms of consciousness of urban consumers about their entitlements. The education levels also better in urban areas, this also helps in terms of questioning the public authorities about their entitlements. The accessibility of different officials in urban areas to file complaints of irregularities also one of the reason for better functioning of fair price shops in urban areas compared to the rural areas in Anantapur district.



**Table: 36 (Rural)****How many days it opens?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than one week	182	91.0	92.4	92.4
	One Week	15	7.5	7.6	100.0
	Total	197	98.5	100.0	
	Yes	3	1.5		
Total		200	100.0		

**Table: 37 (Urban)****How many days it opens?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Two Weeks	36	36.0	43.9	43.9
	Three Weeks	46	46.0	56.1	100.0
	Total	82	82.0	100.0	
	Yes	18	18.0		
Total		100	100.0		

The ration is available at the FPS only for a few days every month. The card-holders have to keep on checking the shop for when the ration is available. Table-36 indicates it clearly Ninety one per cent of the households in rural areas said FPS opens only less than one week, another 7.5% of households said FPS opens one week and only 1.5% said it opens entire month. Contrast to this in urban areas 46% of the households said that FPS opens three weeks and another 36% of households said that, FPS opens two weeks, and 18% of them said it opens entire month. See table-37 this clearly indicates that, FPS are opened 15 to 20 days in a month on average in urban areas, where as only 5 days in a month in rural areas. In rural areas, the basic problem faced by the poor, who subsist on daily wages and earnings, it is inability to essential commodities at a once immediately after stock arrival. In the context of lack of purchasing power on part of rural poor it is necessary to make rice available in as

many instalments as financially possible for poor to buy. The evidence from the field shows that, dealers are denying their quota after three to five days of specified time by them. There is uniformity in every month even for those few days of distribution. It is a big puzzle to the consumers and loosing their entitlements. NCRWC sates that, “the performance of the fair price shops in some of the states as revealed by some studies, is dismal. In some states the percentage of fair price shops not opening even once a week is estimated to be 87%.” (NCRWC 2001: 127)

**Table: 38 (Rural)**

**Are you satisfied with weighing procedure in FPS**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	7	3.5	3.5	3.5
	No	193	96.5	96.5	100.0
	Total	200	100.0	100.0	

**Table: 39(Urban)**

**Are you satisfied with weighing procedure in FPS**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	12	12.0	12.0	12.0
	No	88	88.0	88.0	100.0
	Total	100	100.0	100.0	

Tables- 38&39 show that, 96.5% of rural and 88% of urban cardholders dissatisfied with the weighing procedure. Only 3.5% in rural and 12% in urban cardholders satisfied with the weighing procedure. This indicates that, there is no big difference in rural and urban areas regarding the shortages in PDS foodgrains to the consumers.

In the rural areas rice is the major item under PDS, 61% of households are purchasing mainly rice from the FPS. Where as in case of urban areas only 36% households purchasing rice mainly from FPS. Sugar and kerosene oil are the second major item under the PDS, 21% of rural households and 26% of urban households are purchasing sugar and kerosene oil mainly from FPS. In case of urban areas sugar is most demanding item after rice. Table-40&41 clearly indicates that, households are depending on PDS rice in both rural and urban areas, then sugar and kerosene oil. Wheat hardly purchased by the cardholders. This is because it is not available in fair price shops, and because of people are not to used to eating wheat, occasionally wheat is distributed under PDS in Anantapur district so, hardly a 3.5 % households are purchasing wheat from FPS in both rural and urban.

**Table: 40 (Rural)**  
**Commodities mainly purchaged from FPS**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Rice	122	61.0	61.0	61.0
	Wheat	3	1.5	1.5	62.5
	Sugar	13	6.5	6.5	69.0
	kerosene oil	3	1.5	1.5	70.5
	Sugar and Kerosene oil	42	21.0	21.0	91.5
	Rice&Sugar	17	8.5	8.5	100.0
	Total	200	100.0	100.0	

**Table: 41(Urban)**

**Commodities mainly purchased from FPS**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Rice	36	36.0	36.0	36.0
	Wheat	2	2.0	2.0	38.0
	Sugar	31	31.0	31.0	69.0
	kerosene oil	3	3.0	3.0	72.0
	Sugar and Kerosene oil	26	26.0	26.0	98.0
	Rice&Sugar	2	2.0	2.0	100.0
	Total	100	100.0	100.0	

The respondents were also questioned whether they would like to suggest any changes in procedure or the other things in functioning of PDS. Many of the respondents have come forward with some suggestions, a majority of the respondents both in the rural and urban areas would like to improve the quality and quantity of the PDS foodgrains. In rural areas few respondents suggested households with high income should be excluded from PDS and should be all the foodgrains diverted only towards poor, and foodgrains in FPS should be distribute at least two weeks in a month. Finally responses were generated from cardholders on overall services of PDS. Only 2.5% of households in rural areas expressed that services rendered by PDS are adequate, 23.5% are termed as satisfactory and majority of 74% not happy with the services of PDS. In urban areas 24% of households expressed their satisfaction over the services of PDS and majority of 76% expressed their dissatisfaction. See the table 42 and 43.

**Table: 42 (Rural)**

**Do you think that the services rendered by PDS are adequate?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	5	2.5	2.5	2.5
No	148	74.0	74.0	76.5
satisfied	47	23.5	23.5	100.0
Total	200	100.0	100.0	

**Table: 43 (Rural)**

**Do you think that the services rendered by PDS are adequate?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No	76	76.0	76.0	76.0
satisfied	24	24.0	24.0	100.0
Total	100	100.0	100.0	

In view of the data analysis made so far, need to assess some of the important basic questions associated with the objectives and working of the PDS in Anantapur district. Though there are many weaknesses notwithstanding, protects the consumers against the high and some times exploitative open market prices. The PDS makes available at predetermined, relatively stable prices and specified commodities to its intended consumers. Thus the primary objective of the PDS to ensure consumption levels of the relatively poor households with sticky low incomes, irregular and unstable employment is met to some extent in Anantapur district.

The study reveals that, only 63.3% of households are purchasing PDS foodgrains in every month, other 36.7% households purchasing PDS foodgrains occasionally. Thus the remaining foodgrains are diverted to the black market and other corrupt causes. In Anantapur district, it is apparent in the field investigation, rice and sugar is brought every month to the ration shops. Kerosene oil is brought to ration shop very frequently

but not every month. Other commodities especially wheat not distributed even thrice in a year. The introduction of the coupons has reduced black marketing some extent. The food coupon system has made it difficult to sell the quantities that are not lifted by the cardholders on the open market. The SC/ST households are more dependent on PDS foodgrains than the OC and OBC/BC households. At the same time OBC/BC households are more dependent on PDS foodgrains than the OC households.

The survey revealed that, all the consumers want a rise in the allotted quota of goods especially rice under the PDS. The study found that, cent per cent of the households are not satisfied with quantity of rice supplied. These card holders get their additional requirement of rice from the open market. The additional rice requirement is in the range of 30 to 50 KGs for each household. Most of the consumers also expressed that, the quantity of the sugar, wheat and other items supplied under the PDS is sufficient.

The quality of foodgrains supplied under PDS is low, in case of rice quality is very low and there is a consensus opinion among the households, even there is no single household expressed satisfaction over the rice quality. Contrast to this the quality of sugar was termed as average by majority of (82.7%) respondents. Only 1.7% respondents termed as high quality and 15.7% termed as low. This clearly indicates that, the quality of sugar under PDS is satisfactory level.

The supply of foodgrains are irregular and not available to the households on time, 91.3% of households expressed dissatisfaction, and only 8.7% expressed

satisfaction. The majority of the households are not satisfied with supply arrangements of FPS. The essential commodities as it have known in the villages, are do not available to the beneficiaries on the first week of every month or on ant specified date within a month. Invariably, the position is that quota reaches the villages whenever the dealer is pleased to bring it to the village. The dealers distribute short periods, the result was that a very substantial percentage of the beneficiaries who were daily wage earners were unable to buy their monthly entitlement since they could not mobilise required money within a short span of three to five days, especially in the lean season.

The study reveals that, 69.3% of the respondents have FPS at a distance of less than one kilometre, and 30.3% respondents at a distance of one to two kilometres. Regarding the location of the FPS, 73.66% of households expressed their satisfaction and 26.33% expressed their dissatisfaction. It was noticed that, especially in rural areas the dissatisfaction was expressed duo their relations in opposition to dealer or when the dealer belongs to the other faction, group or political party. Otherwise majority of the respondents are satisfied with the location of FPS. Only 6.33% are satisfied with weighing procedure and 93.66% are dissatisfied. Regarding the behaviour of dealer only, 9.33% termed as courteous, 36% termed as indifferent, 14.66% termed as rude and 40% are satisfied with the behaviour of FPS dealer towards the consumers. This clearly indicates that the lack of professional culture and is not service-oriented as expected by public policy.

Fair price dealers are working with less return on investment because of low rate of commission. The commission allowed to them should be reasonable so that they may

not resort to malpractices. Dealers are not satisfied with the present commission; they wanted increment in commission or fixed salary like Tamil Nadu dealers. One of the weak points in the organisation of the PDS is the income of the fair price shop dealers. If a ration dealer behaves according to the rules, ration shop is not a very profitable business. As long as the problem of viability of ration shop is not solved, one can not expect PDS to function without ration dealers contracting debts and illegal sales of the commodities.

The majority of dealers are affiliated to some political party, though they give donations to all parties. It is found that most of these individuals got the help of local M.L.A or M.P or Z.P Chairperson or Ministers to get licences. Further, PDS foodgrains are given to the political leaders as donation when they arrange public meetings and rallies. In the villages, it was found that foodgrains are denied to cardholders based on their support to the other political faction. It reflects of Anantapur district peculiar factionalism and political group conflicts in villages. Deplorably, bureaucratic apathy, factional rules and short-sighted political considerations have plagued functioning of PDS in Anantapur. In addition to the legacy of these, region has suffered from the trauma of droughts and famine. “This centralization goes together with high levels of involvement on the part of local politicians in policy implementation.....they are middlemen in a whole range of policy implementation practices. It is with their help that contractors are selected to build new schools, or that poor people get access to ration cards. The selection of the dealers and members of so-called vigilance committees was done by politicians” (Mooij 2007: 334).



There is no much difference in functioning of PDS between rural and urban areas in Anantapur district, except in the number of opening days of FPS. In the urban areas FPS are opening approximately three weeks where as in rural areas only three to five day. Thus in terms of foodgrains accessibility urban areas are better than rural areas. Another important difference is the impact of political factionalism and groupism is not found in urban areas. The denial foodgrains on the basis of group politics is not found in urban areas.

The consumers' complaints to different authorities for redressal of their grievances were suppressed; generally do not complaint though they were denied foodgrains as they know nothing can be achieved. This indicates the powerlessness of the people and scarcity of democracy rather than scarcity of food. Those who are going hunger or at least half hunger are voiceless and powerless. Thus hunger and food insecurity is not because of scarcity of food or it is not just a distribution problem or leakages in distribution.

Public Distribution System operations resulted in leakages of the meagre supplies and unintended channels, non-availability of entitlements with the FPS dealers in collusion with local political leaders and bureaucrats, irregular supplies, inferior quantity of foodgrains and restrictions on drawing number of times according to the consumers' capacity and convenience. Thus whatever little benefits are available, even these are influenced by many social and political factors. Although PDS was conceived to help the deprived and marginalised communities in coping up with their livelihoods, the actual functioning of PDS seem hardly to head towards the direction. The institutional

structures acting as power alliance, which are supposed to facilitate the distribution of basic food needs to the people. The corollary that follows from the above analysis is that losses and leakages of foodgrains must be minimised. It is not only supplying of essential commodities under PDS to poor which matters but it is also equally important that more items are brought under the umbrella of PDS network. Items should be of good quality so that nutritional standard of the people is maintained. To improve quality of the PDS supplies it is necessary to initiate measures for proper grading, cleaning and standardisation. Notwithstanding many leakages and problems the benefits of the rural poor from the PDS are significant. Though a large percentage of non-poor are included, only nominal percentage of households are outside the purview of white card. This accounts for the appeal of the system.

The strategies consist of several policies, Economic growth, anti-poverty programmes which include wage employed and self employed targeted programmes, public distribution system, nutrition based programmes, provision of health facilities etc. the need for more efficient implementation of the poverty alleviation programmes is important. Majority of the workforce dependent on farm livelihoods, the government has responded with a range of measures intended to boost the rural economy. The National Rural Employment Guarantee Act (NREGA) guarantees 100 days of paid employment to one person from every household to work on public infrastructure projects. Initially confined to selected states, NREGA is now being extended to the entire country. Critics have suggested that the vast expenditure involved in these schemes should be more explicitly targeted to rural development needs such as soil regeneration, irrigation and diversifying livelihoods. Food programmes will not solve the problem of poverty,

without social justice for the poor in the society. Social justice in broad terms means all measures that help individuals, households, and communities to better manage income and other risks that create and maintain vulnerability. This includes preventive and promote initiatives that act as facilitators out of poverty and into productive livelihoods, that is, a guarantee of an adequate and dignified level of resources to allow every citizen, for stability and security to participate fully in society.



## **CHAPTER - V**

### **Summary and Conclusion**

World has ample food, yet millions of poor people are suffering from hunger and food insecurity. Persistence of hunger and starvation indeed reflects a serious denial of human right, indeed it is a social and economic problem. Persistence of poverty, hunger and starvation along with the growing availability of food has rendered the rationale of both poverty alleviation and food self-sufficiency policies suspect and created a paradoxical situation. There is a consensus among policymakers, planners and economists that the problems of poverty, hunger and malnutrition have not been solved satisfactorily. It is also acknowledged that the persistence of these problems has the potential of undermining the very process of democratic governance.

The issue of food security to the people is an issue of great significance and it has a long history. In its evolution the of food security was characterised by a focus on the scarcity of foodgrains at the global and national levels. In other words, first stage of debate on food security was revolving around the scarcity of food. Malthus started the debate on scarcity of food in his 'Essay on the Principle of Population'. He saw the food problem in terms of the growth of food production falling behind the expansion of population. Malthusian understanding of problem of food insecurity led to the 'Food Availability Decline' (FAD) argument. According to the Food Availability Decline

understanding, people are food insecure because there is not adequate food to eat. This led to arguments calling for a rise in food production. In India, this led to the Green Revolution approach to tackle the food problem.

The advocates of Green Revolution argued that all that matters is increased food production for elimination of hunger and food insecurity. The Green Revolution approach based on the developments in the field of science and technology, especially in biotechnology, advocates the transformation of agriculture as a massive productive exercise. To achieve this end, genetically modified high yielding seed varieties, double cropping, chemical fertiliser are extensively used. Thus the protagonists of Green Revolution argued for a massive increase in the production of foodgrains. They believed that more food production means less hunger. In the high time of Green Revolution, Amartya Sen argued that, making more food available is essential but not a sufficient condition for food security. The central character of Green Revolution with a focus on increased food production could not alleviate hunger and food insecurity. This was despite increased food production and in fact surplus of foodgrains. This was a result of the failure to alter the power structure at the local levels in terms of land and other resources which play a crucial role in terms of purchasing power.

People who do not have any land or any other source of an alternative income go hungry, no matter how much foodgrains are produced. Thus, starvation may be caused not by food shortage but by the absence of an income and purchasing power. In other words, food insecurity is a result of lack of entitlements, seasonal unemployment coupled with low mean incomes and high seasonal variance in incomes. These are the causes of distress in rural livelihoods. Majority of those who are food-insecure suffer

from transitory food insecurity attributable to the seasonality factor. The central problem for the government has become how to manage its stocks. Food Corporation of India godowns run out of storage space much of it is stored in the open under tarpaulins. The food grain surplus is due to the inability of the poor to buy food.

In the present stage, it is recognised that even the ability to buy will not guarantee food security unless there is an effective delivery system. It has been argued that Food security for all must in every case be at the core of national poverty reduction strategy. Adopting the goal of food security would force poverty alleviation programmes to focus more on micro level aspects like region, vulnerability, seasonality and distribution of resources. This would lead to more realistic strategies based on ground realities. The present strategy sought to situate both food and nutritional security within an array of objectives that poor households pursue for their survival.

Land and agriculture are essential to ensure food security. Agriculture is the major source of employment and income in the country and its growth and development is essential for achieving food security both at the national and household levels. However, agriculture has moved too far from the centre of the debate on hunger and food security. In India majority of the population depend on agriculture. This implies that any adverse developments within this sector would have larger ramifications in terms of its impact on the levels of poverty and employment as well as food security.

Traditionally a majority of the population did not buy food, agriculture production was for home consumption as well as for market. Food insecurity and

hunger is largely a result of the shift in production for market, the shift to commercial crops and reduction of area under food crops. In traditional agricultural production low risk moderate yielding crops which provided enough food for consumption. Now shifting to high risk high yield crops means more frequent failure. In traditional farming, low dependence on chemical options also were affordable but current high chemical options need timely credit which is often not available to farmers. The tapering of yields-soil, water and pest factors have pushed yields down and the entire small and marginal farmers section becomes a food buyer. This is also the problem for landless agricultural labour and artisans, they used to be paid in terms of grain, traditional means of food access is lost and they are too poor to access the open market prices. Small farmers are forced into distress sale of their foodgrains at low rates to meet basic needs of other food items like oil, salt, and cloths, health, education and other basic needs. The unorganised working population the urban workers who are buyers of foodgrains face problems as food prices go up. They are pushed into the trap of hunger and food insecurity. The irony of the situation is the fact that the majority of those who experience persistent hunger are people who are involved mainly in activities related to agriculture and food production

The continuous neglect of agricultural sector, led to policies like subsidised rice to people. The state response to poverty related hunger and food insecurity and its policy to tackle the problem are centred on the PDS. The PDS aimed at ensuring fair prices, foodgrains availability at all times in all areas. The PDS has been functioning for almost six decades; it has no doubt played a useful role by making available essential commodities at fixed prices to consumers. After India's independence there was a strong

ideology of state-led development and central planning. From the early 1990s, this development model has been replaced by a new, market oriented development strategy. In the 1990s, under the new economic policy the objective of expenditure reduction has taken priority over welfare objectives such as the objective of providing food security. The new economic policies and ideology of liberalisation, privatisation and globalisation in the nineties have an effect on the PDS also. Specifically new economic policy has entailed a reduction in food subsidies and a shift from universal coverage to targeted groups. The supporters of liberalisation often tend to regard the idea of 'subsidy' and 'burden' as being synonymous. However, food subsidies have acquired greater importance and relevance today and the government is spending enormous amounts on subsidised food schemes under PDS. To understand this contradiction, one has to take into account the political processes which have shaped and continue to shape the PDS.

The issue of food security is increasingly challenging state politics and governance. From 1980s onwards, food became an issue in populist politics in Andhra Pradesh. Subsidised rice under PDS is one among the several promises with which political parties tried to win the favour of the electorate. The political-economic environment that gave rise to this development is the intensified political competition. Moreover, the increasing political awakening among large parts of the population made it necessary for politicians and political parties to formulate policies that appeal to large section of voters. The potential of "rice" to tilt the electoral balance was first discovered by the DMK founder late C. N Annadurai whose promise of one 'Padi' (about 1.5 KG) rice at one rupee brought him to power in the 1967 elections. In Andhra Pradesh, it was former Chief Minister N T Rama Rao who first promised the rupees two a kilo rice



scheme which paid towering electoral dividends to him in the polls. The election manifesto of Telugu Desam Party in 1983 elections stressed the need for streamlining PDS. The central objective of the larger policy of Telugu Desam party is that, essential commodities should reach the villages and be sold at reasonable prices, making the sale of rice at rupees two per kilo. These kind of populist schemes are justified as welfare measures. The political parties often try to discover and rediscover electoral strategies afresh with new denotations and new attributes in the process of shaping their election manifestos. Each election is a response to new rhetoric of populism. The discovery of electorates with a specific meaning seeks to lend fresh credibility to the functioning of the system.

The critical appraisal of the PDS discloses that the rice subsidies main purpose was never just to help the poor. Instead its main intention was to be politically noticeable, if a small gesture of charity on the part of the ruling parties in the state. The main reason for the scheme's popularity is that ration cards as well as ration shops actually have reached the most remote areas of Andhra Pradesh, unlike many development schemes which, one way or another, have concentrated on only some places. The ration shops have reliably supplied rice to card holders, with the leakages and corruption problems. Since the scheme has paid rich electoral dividends to Rama Rao in the past, the present government decided to revive it ahead of future elections. Apart from direct electoral political pressures, there is a tendency to assign minimum needs a high place on the political agenda. The food policy is deliberately used by the governments in political and economic situations. Political gains to the government through promises of entitlements to needy people can be politically attractive. Thus

guaranteed supply of essential foodgrains to the poor households by way of assured food security is also a good political and electoral strategy. Subsidised food has become one of the most important electoral strategies in present state of political affairs. Political parties in the era of liberalisation are facing contradictions in handling the political and popular compulsions emerging out of structural adjustment and new economic policies. The times that are keen on taking forward the liberalisation agenda shape themselves evolving strategies to overcome these compulsions that range from electoral to mass movements.

An electoral programme to resolve the underlying problem must combine support for a sustainable policy with a set of demands for more fundamental changes. This would enable people to have their democratic share in the national income. There is no evidence that the successive governments have the capacity to provide the effective policy implementation to fulfil the electoral promises to address hunger, food insecurity and poverty. Instead of building a credible sustainable food policy, political parties are using PDS for their temporary electoral gains. Political parties are not interested in formulating policies to address the basic issues of food insecurity, such as land and sustainable agricultural development

Food insecurity and hunger are often caused and perpetuated by issues of politics, powerlessness of weaker sections of society and the social structure in the villages. There is a need to vigorously strengthen democracy and democratic values as from village to national level to guarantee a right to food. This is not only necessary for creating political incentives for political executive in power to prevent hunger but also a

means to empower people to take decisions regarding their lives and bring people at the centre stage of public action to see that none go hungry.

The field survey in Anantapur reveals that, though there are many weaknesses in functioning of PDS, distribution system protects the consumers against the high and some times exploitative open market prices. The PDS makes available at predetermined and relatively stable prices specified commodities to its intended consumers. Thus the primary objective of the PDS to ensure consumption levels of the relatively poor households is met to some extent in Anantapur district. Despite many problems, the weaker sections of rural and urban areas have benefited from the PDS. But it is a temporary gain. The huge subsidy becomes a constraint on the state. This can be reduced at any time. In case of rice subsidy this has happened many times in the past.

The subsidised rice scheme under the PDS helps the weaker sections, but there is no evidence to say that it can eradicate food insecurity. Poverty is major cause for food insecurity. Poverty can not be eradicated with a few subsidised schemes like PDS. The PDS does not tackle the root cause of lack of purchasing power and therefore it cannot lead to a sustainable development of weaker sections. The PDS on its own, and in any case in the form and size it is at the moment, can never serve as a buffer to absorb the big shocks caused by the market economy. Also other initiatives on a much wider front in the field of social security are necessary.

In Anantapur district, it is apparent that, rice and sugar is brought every month to the ration shops. Kerosene oil is brought to ration shop frequently but not every month.

Other commodities especially wheat is not distributed even twice in a year. The introduction of the coupons has reduced black marketing to some extent. The food coupon system has made it difficult to sell the quantities that are not lifted by the cardholders in the open market. The SC/ST households are more dependent on PDS foodgrains than the OC and OBC/BC households. At the same time OBC/BC households are more dependent on PDS foodgrains than the OC households. Unavailability of rations is the most frequent problem faced by the people visiting ration shops. The reason for unavailability, more often than not, according to the respondents, is the diversion of supplies to open market. Even when the ration is available, it is of poor quality. The quality of foodgrains supplied under PDS is low. In case of rice quality it is very low and there is a consensus among the households regarding this. There is not even a single household that expressed satisfaction over the quality of rice.

The major problem facing the system and people is the diversion of PDS rice into black market. The rupees two rice scheme under PDS is being implemented at a time when the open market price of rice has swelled to Rs 15 to 20 a kg. Such a huge difference between the subsidized price and the market rate gives scope for diversion into the black market. The profitability of this illegal trade depends on the open market price and controlled price. The most important in the functioning of delivery system, proliferation of bogus cards and infective functioning of vigilance. The number of BPL cards and the per cent of below poverty line households is very confusing and contradictory each other. There is a considerable corruption or manipulation of BPL ration cards being distributed to ineligible people. This is because the number of such BPL families as being claimed by the state number almost 85 per cent of the state

population, and is in complete variance with the figure given by the central government. As per the estimation of central government, around 25-30 per cent of the population is below poverty line. The variation of BPL population in the state and central figures is unbelievable. This is because of political interference in issuing BPL cards for political gains. Though a large percentage of non-poor are included, only nominal percentage of households are outside the purview of white card. This accounts for the appeal of the system. Another aspect that has a direct bearing on improving the delivery system and also the efficacy and efficiency of public spending relates to the issue of monitoring. In absence of adequate monitoring and evaluation of the PDS, there is a considerable amount of wastage, leakage and spill-over of policy. There is a vested interest in the administration all down the line in bogus reporting and stock verification.

The main weakness found out in the PDS has been its inability to reach the poor effectively. There are other problems, like faulty weights used by the shop owners to give less quantity. Cardholders face problems of irregular and inadequate supplies and lack of information about when the ration would be available. The commodities arrive late and irregularly. The villagers are poorly informed, and certainly not in advance. This means that the poorest among them may not have sufficient cash readily available when the foodgrains arrive in fair price shop. It has been said during the course of survey on consumers that, in the rural areas FPS opens only three to five days. The ration supplies are normally available only for a few days in a month. Very often, the problem is due to illegal diversion of supplies to the open market. Even when people get the ration, more often than not, it is of poor quality and much less than the quantity due. The survey revealed that all the consumers want a rise in the allotted quota of goods especially rice

under the PDS. The study found that cent per cent of the households are not satisfied with quantity of rice supplied. These card holders get their additional requirement of rice from the open market. There are other problems, like faulty weights were being used. The problems are aggravated by the nexus between officials at various levels and the Fair Price Shop (FPS) dealers, which makes even complaining about these irregularities very difficult.

In the Andhra Pradesh, even though the FPS dealers are the most tarnished symbol of what is wrong with the PDS, they too have some problems. According to the FPS dealers, they work under severe constraints like, the commissions are too low to run and maintain the fair price shop. Moreover, after the launch of Targeted Public Distribution System (TPDS) the quantities have also decreased below sustainable levels. Many a times it is just not possible for them to lift the stock from government godowns. They have no control on the quality of grains for which they normally bear all the blame from public and have to deliver to the public what they get. The supplies from FCI are very erratic and most of the times come late. The blame for ration not being available has to be borne by the FPS dealers. Fair price dealers are working with less return on investment because of low rate of commission. The commission allowed to them is very less. Dealers are not satisfied with the present commission; they want increment in commission or fixed salary like Tamil Nadu dealers. One of the weak points in the organisation of the PDS is the income of the fair price shop dealers. If a ration dealer behaves according to the rules, ration shop is not a very profitable business. As long as the problem of viability of ration shop is not solved, one can not expect PDS to function

without ration dealers contracting debts and illegal sales of the commodities. However majority of dealers have agricultural land in Anantapur district.

What is distinctive about the Anantapur district is that the policies pursued by the Congress and Telugu Desam parties as well as their success in political mobilisation involving factionalist leaders, and brutal elimination of political rivals. The implication is that, political factionalism has effectively precluded the development of strong factional politics in rural areas of Anantapur district. Anantapur district is widely known for its political factionalism and elimination of political rivals. Rural politics of Anantapur district depends on the distribution of favours to clients. Political struggles are for a piece of land and a very small position like village president and the negative power of rural dominant communities frequently degenerate into factional struggles.

The prevalence of factionalism combined with patronage politics is an obstacle. Within the village, traditional loyalties based on political factions induce political stresses and strains. As the scale of political parties and the degree of political participation both increase, some basis must be found for alliances among village groups with little experience of working in common. The result is loose alliances among diverse segments which trade their support for direct and immediate favours. The majority of dealers are affiliated to some political party, though they give donations to all parties and maintain good relations with all the local leaders. It is found that most of these individuals got the help of local M.L.A or M.P or Ministers to get FPS licences. Further, PDS foodgrains are given to the political leaders as contribution when political parties arrange public meetings and rallies. In the villages, it was found that foodgrains are

denied to cardholders based on their support to the other political faction. This is happening in the faction affected villages, however it was not found in all villages. It reflects Anantapur's peculiar factionalism and political group conflicts in villages. The distribution involves the character of rural politics. In most villages in Anantapur district, rural politics has become the politics of faction and patronage. Rural politics depends on the distribution of favours to clients. Political struggles are for a piece of land and a very small position like village president and the negative power of rural dominant communities are frequently degenerated in factional struggles. Deplorably, bureaucratic apathy, factional rules and short-sighted political considerations have plagued functioning of PDS in Anantapur. In addition to these, the region has suffered the trauma of droughts and famine.

Grater emphasis on consumer awareness rather than official vigilance committees may be more effective in streamlining the PDS. Shortcomings at the implementation level can overcome by ensuring grater people's participation. People can exercise an effective check and control on the functioning of the PDS. The existence of large number of grass-root-level organisations provide adequate forum for consumer complaints and there timely redressal. Public awareness of entitlements and involvement of civil society organisations will improve the delivery system. Consumers are satisfied with the prices of ration commodities, but availability of foodgrains and quality of foodgrains are very important to the consumers rather than price. The public participation collaborative and adversarial in eradicating deprivation is important. The public should be seen not merely as patient whose well being commands attention, but



also as the agent whose action can transform society is the central to understanding public action against deprivation.

It emerges from the foregoing analysis, that the PDS alone will not solve the problem of food insecurity. Higher economic growth, equitable distribution, a mix of policies such as effective implementation of anti-poverty programmes, improving health education and employment are necessary in combating hunger and food insecurity. Hunger and food insecurity eradication requires the means for enthusiastic political association and deliberation. The mere existence of electoral democracy does not necessarily eliminate food insecurity. Failure to build a credible food security system continues unabated. The quality of the public distribution system did not improve. Political parties have seen the advantages of large-scale food distribution and have tried to get political mileage out of it. Most of the governmental programmes, which are meant to abolish poverty levels, hunger and food insecurity is in fact, used for the political purposes rather than to tackle poverty. What is needed most is political commitment, especially at the national level to give the problem the priority it deserves, supported by a vibrant and strong, involvement of civil society organisations and non governmental organisations.

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