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ENDING DESTITUTION

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Samri Devi is a 70-year old widow who lives in Kusumatand, an impoverished hamlet of Palamau district, Jharkhand. Her son, Bhageswhar Bhuiya, suffers from TB and is unable to work. Her daughter-in-law has taken leave of this world. So the burden of looking after Bhageshwar and his seven children rests on Samri Devi's own frail shoulders. She feeds the family, somehow, by gleaning leftover rice from a local rice mill, collecting wild foods, and begging from time to time. The children are severely undernourished and none of them go to school. Except for one cooking pot and a few rags, Samri Devi's family owns absolutely nothing – not even a blanket or a single pair of *chappals*.

Samri Devi's is one among millions of households in rural India that might be described as "destitute". These households typically have no able-bodied adult member and no regular source of income. They survive from a variety of informal activities such as gathering food from the village commons, making baskets, selling minor forest produce, and keeping the odd goat.

We met Samri Devi during a recent survey of destitution in five states (Andhra Pradesh, Chattisgarh, Jharkhand, Rajasthan and Uttar Pradesh), conducted by researchers from the Centre for Development Economics and the Centre for Equity Studies. We were shocked to find that even in prosperous villages some households lived in conditions of extreme poverty and hunger. A casual visitor is unlikely to notice them, as destitute households keep a low profile and are often socially invisible. But if you look for them, you will find them, quietly struggling to earn their next meal or patiently starving in a dark mud hut.

From this, one point is clear: destitute households cannot rely on spontaneous community support. Social security arrangements are needed.

As things stand, however, destitute households are beyond the pale of most development programmes and welfare schemes. They are unable to participate in rural

employment programmes, if available. Getting a bank loan is for most of them beyond the realm of possibility. Even “self-help groups” tend to shun them. Some destitute households are able to take advantage of pension schemes such as those meant for widows and the aged, but the coverage of these schemes is very limited and the formalities involved often end up excluding the poorest of poor.

In this sea of neglect, an island of hope has recently emerged – the Antyodaya Anna Yojana. This programme, introduced in early 2001 (despite predictable objections from the Finance Ministry), is addressed to the poorest of the poor, as identified by gram panchayats and gram sabhas. Antyodaya households have special ration cards and are entitled to 35 kilograms of grain per month at highly subsidised prices (Rs 2/kg for wheat and Rs 3/kg for rice).

The survey mentioned earlier indicates that the programme is doing well, in sharp contrast with other components of the public distribution system. First and foremost, the selection of Antyodaya households appears to be quite fair: among the 450 Antyodaya households living in the sample villages, a large majority turned out to be very poor. Nearly two thirds of these households are constrained to skip meals from time to time. More than half do not own a single blanket or quilt. Only 2 per cent of the sample households lived in economic conditions described by the field investigators as “better than average”, compared with other households in the village. In other words, the community-based selection procedure is working.

The Antyodaya programme also seems to be reasonably successful in terms of the timely and effective distribution of food rations. This is particularly so in Andhra Pradesh, where most of the sample households had received their full quota every month since the programme was initiated. Taking the five sample states together, we estimate that the average Antyodaya household obtained close to 75 per cent of its full entitlement since the programme began. Regarding the quality of grain received under the Antyodaya programme, 85 per cent of the respondents described it as “average” or “good”. And while the prices charged to Antyodaya households were occasionally higher than the official issue prices, the extent of overcharging is not very large – about 13 per cent on average.

This is not to say that the Antyodaya programme is flawless. In some areas (particularly in Jharkhand), we found that many Antyodaya households had been deprived of their entitlements, as ration-shop dealers took advantage of their powerlessness. Yet, the experience so far strongly suggests that these failures can be addressed and that the basic approach underlying the Antyodaya programme is quite sound.

The main limitation of Antyodaya Anna Yojana, seen as a social security programme, is its restricted coverage (less than 5 per cent of the rural population). But there is absolutely no difficulty in expanding and consolidating the programme. Today, it absorbs less than 3 million tonnes of food per year – a trivial proportion of the country's aggregate food stocks of 65 million tonnes. An expanded programme of Antyodaya-style social security for the destitute, covering (say) 10 per cent of the rural population with enhanced entitlements of 10 kilograms of grain per person per month, would require about 8 million tonnes of grain per year. This is a small price to pay for protecting the rural population from extreme poverty.

It is useful to see the case for a major expansion of the Antyodaya programme in the context of the “problem” of ballooning food stocks in the country. The needs and rights of destitute households should of course be the primary consideration, but as it happens, there are also independent reasons why food transfers to the destitute are a good way of using the surplus food stocks. First, the overhead costs of these food transfers are low. This is a crucial consideration, because overhead costs have been the main stumbling block in the way of other constructive uses of food stocks, such as mid-day meals and food-for-work programmes. Second, food transfers to the destitute also have the advantage of boosting the aggregate consumption of foodgrains. Indeed, since there is widespread hunger among destitute households, most of the food given to them translates into additional consumption. In contrast, food transfers made under programmes such as school meals or food-for-work create little additional demand for foodgrains, as they substitute to a large extent for food that would otherwise be bought in the market. This, too, is a crucial point, because in the absence of additional demand the only long-term solution to the problem of ballooning food stocks (short of exporting them) is to reduce procurement prices, something that is unlikely to happen in the near future.

In short, there is an overwhelming case for introducing a large programme of food-based social security for the destitute. The Antyodaya experience shows that this approach is

feasible. A permanent programme along the same lines is likely to work even better, as eligible households learn to claim their entitlements. It would go a long way towards ending the extreme insecurity and deprivation that ruin the lives of destitute households in rural India. In addition, this is an economically attractive way of reducing the country's bloated food stocks. There is little reason for hesitation.