

Food Security Bill: Simpler the Better

The draft Food Bill is in a mess; a simple solution is available to make it an effective legislation.

The union cabinet's inability to clear the National Food Security Bill (NFSB) on 13 December is both a concern and an opportunity. It is a concern because every passing day is a chance lost to bring hunger to an end. It is an opportunity because the Bill is in dire need of a quick fix.

The main problem is the Bill's framework for the public distribution system (PDS), which rests on a complicated division of the population into three groups: Priority, General and Excluded households. Each group is to have different PDS entitlements: major benefits, token entitlements, and nothing, respectively. There is no clarity, however, as to how these groups are to be identified. The National Advisory Council (NAC) was unable to resolve this problem. It merely recommended that the coverage of Priority groups should be no less than 46% in rural areas and that of Excluded households no more than 10% (the corresponding ratios in urban areas are 28% and 50%). Identification criteria – indeed the entire identification process – were left to the government. The Rangarajan Committee, in its evaluation of the NAC proposal, took the view that the foodgrain requirements were too high. Therefore, the committee recommended legal entitlements for Priority households only, and ad hoc provisions for General households. It did not, however, take issue with the proposed division of the population into three groups, or with the proposed coverage of different groups.

The draft NFSB prepared by the Ministry of Food still leaves it to the central government to specify the identification criteria. The only clarification, compared with the NAC draft, is that the state-wise coverage of Priority groups should be specified "by the Central Government based on State-wise rural and urban poverty ratios determined and specified by it, from time to time in consultation with the Planning Commission". In other words, state-wise poverty estimates will act as a "cap" on the coverage of Priority groups. The identification process, for its part, was implicitly left to the BPL Census 2011, renamed as the "Socio-Economic and Caste Census" (SECC) (the two terms seem to be treated as interchangeable on the website of the Ministry of Rural Development). All this defeated the NAC's initial attempt to delink the NFSB from poverty lines and put an end to BPL targeting, with all its exclusion errors and other well-known problems.

Soon after the food ministry's draft legislation was placed in the public domain, in September 2011, the Planning Commission submitted its blunder affidavit to the Supreme Court, stating that the poverty line of Rs 25 per person per day in rural areas "ensures

the adequacy of actual private expenditure...on food, education and health". This statement, defended by the Planning Commission to this day as "factually correct" (perhaps meaning that it is a factually correct account of the incorrect conclusions of the Tendulkar Committee report), led to an understandable public uproar. In response to this, the Planning Commission and Ministry of Rural Development issued a joint statement on 3 October 2011, reassuring the public that "the present state-wise poverty estimates using the Planning Commission methodology will not be used to impose any ceilings on the number of households to be included in different government programmes and schemes".

Fair enough. But then, how is the state-wise coverage of Priority groups to be determined? Perhaps based on the SECC, alias BPL Census 2011? But the BPL Census is only supposed to produce a local ranking of households, using a scoring system adapted from the Saxena Committee report. In the initial scheme of things, described in the SECC guidelines, BPL (or Priority) households were supposed to be identified by applying to this ranking a "cut-off score" that ensures congruence of the BPL numbers with official poverty estimates. This is, no doubt, a dubious procedure, and its rejection in the 3 October statement is perhaps a step forward. But if this procedure is not to be used, then what is the game plan? This question is yet to be answered.

There is one simple solution to this morass of confusion: abolish the distinction between Priority and General households and give them all a common minimum entitlement. Indeed, the rationale of this distinction is far from clear. Neither the NAC nor the Rangarajan Committee nor any other expert group recommended that the proportion of Excluded households should be as high as 25% in rural areas and 50% in urban areas. Insisting, after this exclusion exercise, on a further division among the non-excluded households into Priority and General households is unnecessary, impractical, and counterproductive.

There is, of course, a case for giving special treatment to the poorest households. But this purpose would be better served by retaining and consolidating the Antyodaya programme.

This simplified framework would be relatively practical, transparent, equitable and politically appealing. If the Bill is tabled in its present form, it will be very difficult to implement. It will also undermine, instead of supporting, the recent trend towards a more inclusive PDS in many states.