

FEEDING THE MULTITUDES

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India is a strange country. We celebrate the fact that we have Asia's largest slum, Dharavi, located in Bombay. We publicly label ourselves as dalit or oppressed and we tout the fact that there are many amongst us who belong to backward classes. We also seem to take secret pride in the fact that crores of our people are below the poverty line and that more than forty percent of our children suffer from malnutrition. Newspapers report starvation deaths, which government denies, though it does accept the incidence of malnutrition. At the same time we have been witnessing a massive upsurge of prices, not so much of consumer goods as of the very essentials for living. With milk at more than Rs. 35 per litre and prices of pulses ranging from about Rs. 60 to about Rs. 90 per kg, is it surprising that huge numbers of our children suffer from malnutrition? They simply are not getting enough to eat, their diet contains very little protein, they eat no vegetables which can give them vitamins and other supplements and their diet is low in calcium, all because their parents simply cannot afford to buy food.

What do the poor eat? The diet in India is largely cereal based, has carbohydrates but because of low level of affordability, large sections of people cannot add meat, pulses, vegetables, milk and other items of nutrition to their diet. Even in the matter of cereals the prices are often too high for the poor to be able to purchase an adequate quantity to fill their and their families' stomachs. For many children milk, in itself a complete food, is not even a distant dream. A child surviving on a handful of grain is bound to have rickets, a potbelly, a constant look of hunger on its face and, consequently, an underdeveloped brain. The child is highly susceptible to disease because malnutrition reduces body resistance and immunity. As an adult a person who is inadequately fed is incapable of hard work, which partially accounts for low labour productivity. This is the grim picture which stalks India. It is thinly disguised by a veneer of modern shopping malls in urban areas where the rich and relatively well-to-do middle class try and ape the consumerism of the West in an attempt to show that India is prosperous and forward looking. These are the people who give us economists and members of the Planning Commission who rail against subsidies for the poor and pontificate on the need for reforms which further capitalise the economy. To them the market is God. Their statements, however, are scant comfort to a child slowing dying of hunger.

Britain has the National Health Service whose stated objective at the time of creation was to provide free, quality medical coverage to each and every citizen of the United Kingdom. Despite all the changes that have occurred and the financial problems that Britain faces, the National Health Service does continue to provide quality health care to the British. One makes this statement in the teeth of criticism about the National Health Service and with a prayer that in whatever avatar it prefers, NHS will continue to serve the people of Britain. Let us move to the United States of America, that icon of free trade, the free market and capitalism enshrined as a religion. America has poor people also but it has no destitutes because that is the stage at which their social security system becomes activated and the State provides for the poor who are unemployed. Social security in America is effective, efficient, people oriented and ensures the welfare of the poorest of the poor. No one condemns this as a subsidy regime. India has no equivalent of the United States' social security coverage. The Constitution of India mandates equality of opportunity and social and economic justice. It also enjoins the State to establish a social order which will promote the welfare of all the citizens. Are citizens who are below the poverty line and cannot afford even food not citizens of India? Are they not entitled to social and economic justice? Are they not be covered by the just social order which would promote their welfare? Are they not entitled to at least that minimum quantity of food which will keep them alive? In the

Socialist, Democratic Republic of India the question is not of whether we follow doctrinaire socialism but whether we believe in social justice which ensures the health and well being of our citizens. In other words, does it not become the responsibility of the State to ensure that no Indian goes to bed hungry and that every Indian has an inalienable right to at least a minimum standard of nutrition?

Let us take a family of five in which there are three young children. The three items of nutrition that would be an absolute minimum for this family would be adequate grain to fill their stomach, enough pulses to make available at least one katori of dal per person per meal for two meals a day and at least one litre of milk per day so that at least the children can each get a cup of milk every day. They actually need about two glasses per day each, but let us start with a cup of milk. Anything else, vegetables, eggs, meat and fruit would be in addition and most welcome, but that is another story. One was very critical of N.T. Rama Rao and M. Karunanidhi for their schemes for distributing rice at Rs. 2 per kg. These schemes were considered populist. However, when we view these schemes in the light of the nutrition picture in India one can only conclude that these schemes were actually conceived by some genius who had the interest of the people at heart. Therefore, grain at prices which people can afford should be the first priority. The second priority should be making available milk at Rs. 10 per litre instead of the present Rs. 35 plus per litre. The third should be to ensure that pulses are available at a price not exceeding Rs. 20 per kg. When this is combined with an employment guarantee programme which brings some money into the pockets of people, then nutrition standards would achieve a dramatic jump.

The above proposition gives rise to a huge number of questions. All of them are rational and yet all of them are irrelevant to the theme of this paper. The first question, of course, would be whether the pricing should be on a dual level with the poor being given milk, pulses and grain at a lower price than the rich. Dual pricing automatically leads to evils such as low quality products being supplied at the lower price, thus defeating the purpose of the whole exercise. At the same time if the same price applies to rich and poor alike the criticism would be that the rich are being subsidised. It is necessary to answer this shibboleth. The relatively well to do buy all the milk and pulses that they need even at existing prices and their consumption is unlikely to increase dramatically merely because the price is reduced. It is only the poor who will begin consuming something which they never consumed before. Therefore, if for limited items there is a single price, then quality across the board will remain uniform.

The next question is whether this controlled prices will not result in an uneconomical price to the producer and thus trigger off a reduction in production as the producers shift to some other commodities. Once again it is not proposed that the producer will get less than a price which would not only cover his costs but also bring him some moderate profit. This means a heavy subsidy which goes directly to the producer, whose product would be purchased at the price which would represent a fair market return as if there was no subsidy either for the producer or for the consumer. The purchasing agencies could be in the public or private sector, they would be required to pay the producer a reasonable price and they would be reimbursed without delay by the State. We have to create a network of institutions like Amul which honestly and efficiently procure the commodities concerned, pay the producer on the spot and then supply the goods to the retail chain which distributes the product to the consumer.

Considering the corruption that we have is the above proposition at all feasible? In Gujarat Verghese Kurien created a milk revolution which has propelled India to the height of being the highest milk producer in the world by a simple maxim of assuring the producer that the entire produce will be procured in the village and that payment would be made at the time of procurement itself. He made the system work and it has now spread through the cooperative dairying network into the farthest corner of India. By and large the State Dairy Federations are working with a reasonable degree of efficiency and

honesty. The system is capable of expansion and it must grow to a level where it can serve the last Indian to whom the State wants to deliver nutrition at an affordable price.

Presuming that the State is able to procure a sufficiency of milk, pulses and grain, how does it ensure that the commodities actually reach the ultimate beneficiary? We follow certain models of retailing PDS commodities based on a public distribution system which might be privately manned, be in the cooperative sector or be managed by panchayats and institutions of local government. From the public distribution system we exclude anyone not licensed under the system. We have forgotten that there is such a thing known as cooption. No single model need be followed and we should co-opt anyone, potential beneficiaries, existing trade arrangements, existing retail arrangements, the cooperative sector, government distribution outlets, in fact anyone who is prepared to participate in the great adventure of bringing nutrition to people. Without being an optimist one should be confident that if the government is totally open to ideas which emanate locally, is prepared to co-opt people into the system, then we can ensure that every family does get milk, pulses and grain at fixed and affordable prices, without there being any leakage. If details need to be hammered out that should be done district by district.

Two major questions remain. If consumption increases there will be shortfalls because demand for milk, pulses and cereals will substantially increase. That is not the weakness of this proposal but its strength because the objective is to increase the consumption of these items. Provided that at the procurement end the producer receives a fair price and without delay, he will have an incentive to increase production and, therefore, growth in consumption should lead to a growth in production, especially because the producer gets the difference between the true market price and fixed subsidised price as his remuneration and is thus encouraged to increase production. His produce is procured at his doorstep so that he does not need to go to a mandi, he is paid immediately and there is no waiting period between sale and payment. What is more, there would be no aadatis, brokers or middlemen and the producer would get the whole price. This is a powerful incentive to produce more.

The second question is one of how money is to be raised for paying the subsidy to the producers. There are many ways of doing this but the most obvious is to tax a sector which is growing very rapidly and in which profit goes to the developer, with very little being available for schemes of public welfare. There has to be a very substantial incremental value tax on real estate because of the booming land prices. The developer, therefore, would have to pay a substantial amount of money from his profits, the said amount being transferred to a fund which would enable the procurement agencies to pay a fair price to the producer. The black market in property in which about half the price is paid through unaccounted for money should be ruthlessly investigated and the entire underground money market be made to pay hefty taxes to the nutrition programme. In any case cross subsidising the programme by levies on corporate houses and on the relatively affluent is justified in a State wedded to a just social order.

One last point. In order to put more money in rural pockets we must completely overhaul and redo the employment guarantee scheme. The scheme should become a rural assets creation programme in which the infrastructure requirements of every village must be ascertained and assets created which would build permanent infrastructure. As far as possible infrastructure development should concentrate on watershed management so that whatever structures are built or land shaping takes place would not only conserve water but thereby raise ground water levels, provide adequate fodder for the village cattle and adequate fuel wood and timber for local requirement because the plantation and conservation programme which would be integral to a watershed management programme. This will create local jobs both at the time of construction and after the project becomes operational because with greater

availability of water, better roads, etc., the rural economy would be energised. Once we have achieved universal coverage of all villages and the income levels of the rural people have reached a stage where people can buy adequate nutrition for themselves and their families, then the nutrition programme can be wound up.

There is a school of thought in India, vastly influenced by the World Bank, which favours cash subsidies to the poor so that they can buy whatever they want. This argument is fraught with many dangers, the most obvious of which would be straight embezzlement of funds meant for cash subsidies to the poor. If somehow money is made available and there is no control over prices, then the normal law of demand and supply would push up commodity prices without necessarily promoting greater production, thus leaving the poor exactly where they were before the subsidy, that is, not being able to afford the commodities necessary for daily living. This idea of direct cash payment to the poor needs to be rejected out of hand.
