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IBSA

'Cash Grants Must Back Food Access'

By **Keya Acharya***



BANGALORE, Sep 3, 2011 (IPS) - Studies by the India-Brazil-South Africa (IBSA) Academic Forum on food security issues in the three countries suggest that providing food access works best when backed by cash transfers.

A paper on food security brought out by the UNDP's Brasilia-based International Policy Centre for Inclusive Growth (IPC-IG), under the Forum, shows that despite the great strides in food production made by India people in this country are just not eating enough.

Citing indices of the World Bank, Food and Agriculture Organisation (FAO) and International Food Policy Research Institution, the paper shows that India needs to improve on poverty, hunger, nutrient intake and per capita consumption.

Ramesh Chand, director of New Delhi-based National Centre for Agricultural Economics, who was involved in preparing the paper, said the Indian situation calls for a mix of food distribution and cash transfers.

Chand told IPS that India's decline in cereal production since 1995 is a cause for concern.

"Either we ensure access to nutrition through livestock foods, production of which has increased, or we address the decline in cereal intake by the poor," says Chand. "Since the markets can't support this huge intake, I feel a mix of cash and grains is necessary," explains Chand.

India's main tool for access to food, besides a mid-day school meal scheme, is its vast targeted public distribution system (TPDS), the world's largest food distribution mechanism benefiting 160 million families.

Food subsidies in the 2010 – 2011 annual budget saw 14 billion dollars allocated to meet the difference between the actual cost of foodgrains and sale prices fixed under welfare schemes including the TPDS and also to maintain buffers stocks of wheat and rice.

The TPDS, however, is acknowledged, even by the government, to have huge infrastructural and systemic flaws, with significant numbers of the poor being excluded from its subsidy ambit.

P.V. Satheesh, founder of the Deccan Development Society, a voluntary agency which has successfully shown that indigenous grains are an infallible method of addressing overall food security, suggests introducing locally grown millets into India's PDS.

Currently, the transportation of rice and wheat to all parts of the country in the PDS is expensive, and deterring the production of nutritious millets. Production of white, polished rice is also environmentally destructive, being water and chemical-intensive agriculture.

"Millets address food, health, fodder and livelihoods by being cultivable almost everywhere," Satheesh explained to IPS.

Brazil-style cash transfers, suggested by the IBSA Academic Forum, are currently controversial in India, with the new Food Security Bill, tabled to be passed in parliament in the coming weeks, recommending it as one of several measures.

A group of research scholars, including prominent development economist Jean Dreze, wrote to Prime Minister Manmohan Singh, In July, opposing cash transfers as an alternative to the PDS.

"We urge you to ensure that the National Food Security Act includes the strongest possible safeguards against a hasty transition from food entitlements to cash transfers", the letter requested the prime minister.

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"Cash transfers will be a disaster; Brazil's position is not the same as that of India," Satheesh told IPS.

As per FAO's Hunger Map 2010, undernourishment actually increased in India, from 20 percent in 1990 to 21 percent in 2007, whereas it dropped from 11 percent to six percent in Brazil during the same period. It has remained consistently very low (under five percent) in South Africa.

Brazil's food security measures are an integrated mix of its zero hunger strategy of over 20 programmes in strengthening access to food, family agriculture and income generation.

One significant strategy has been Brazil's Food Acquisition Programme (PAA), a system of public procurement and distribution under which food was bought from 138,000 farmers in 2009, and donated to 13 million people. Its budget in 2009 was 300 million dollars.

But Brazil's proven strongpoint has been its Bolsa Familia (PBF) programme of conditional cash transfers launched in 2003, using over eight billion dollars to reach 12 million households in 2010.

PBF gives monthly cash payments to pre-defined poor families provided they fulfill education and health stipulations, basically related to pre- and postnatal care, school attendance and immunization.

The IBSA paper suggests India's National Rural Employment Guarantee, ensuring work for pay for rural households, as a feature worth emulating.

In South Africa, as per its General Household Survey 2009, 20 percent of households have inadequate or severely inadequate access to food.

"The largest expenditure is on social welfare programmes, grants and cash transfers which assist in providing people money with which to buy food," said Josee Koch, contributor to a 2011 policy document by the Wahenga Institute on public support for food security in India, Brazil and South Africa.

"The social grants are critical," Koch says. "If you look at an analysis of what poor households spend on food, it's between 50 to 70 percent of income that goes towards food. With rising food prices, there is little chance that this proportion will drop."

There is debate in South Africa over the sustainability of grants, with concerns raised over the large number of recipients against the size of the workforce whose taxes must support them.

In contrast, Brazil's Interministerial Chamber on Food and National Security and the National Council of Food and Nutritional Security, both at high political levels, have been significantly effective in a co-ordinated effort at all the related indices to food security.

India, says the IBSA paper, can in turn offer its experience in consolidating a rights-based approach to food security.

Indian civil society's Right to Food Campaign has used the courts to guarantee basic entitlements.

*With reporting by Terna Gyuse in Cape Town

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