

## Opinion » Op-Ed

Published: August 6, 2013 01:48 IST | Updated: August 6, 2013 01:48 IST

### The devil is in the detail

Reetika Khera



#### *Per capita entitlements under the food security bill will not cover beneficiaries as comprehensively as household entitlements*

The government hopes to secure in this session of Parliament, approval for the National Food Security Bill (NFSB) so that it can replace the food security ordinance.

The NFSB, on which the ordinance is based, guarantees supplementary nutrition services through *anganwadis* for all children under six, midday meals for schoolchildren, and, very importantly, maternity entitlements for all pregnant women. But before the draft legislation is approved, some aspects of it could benefit from further discussion. These include the proposed transition from per household to per capita entitlements under the Public Distribution System (PDS), the identification of “eligible households,” and the provision for cash transfers, among others.

#### **Per capita entitlements**

According to the current version of the NFSB, 75 per cent of the rural population (and 50 per cent in urban areas) will be entitled to a monthly quota of 5kg of grain from the PDS. Currently, each Below Poverty Line (BPL) household is entitled to 35kg per month as per Central norms (many States, however, have reduced this to 25 or even 20 kg per BPL household to enable wider coverage) irrespective of the number of household members. The main argument for per capita entitlements is equity — that larger families get their fair share. The per capita approach (5kg/capita/month), if implemented, will benefit families with more than seven members.

According to National Sample Survey (NSS) data for 2009-10, only 10 per cent of rural families have more than seven members!

Besides this, some argue that the per capita approach prevents “cheating” by families pretending to be separate households to enhance their entitlements. Finally, the argument goes, population totals are better defined and better known than household counts, and, therefore, better suited for determining State-wise grain allocations.

#### **Three disadvantages**

Three other disadvantages of the per capita approach emerge from Andhra Pradesh and Tamil Nadu which already use the model, albeit with a “cap” – irrespective of household size, a family cannot get more than 20kg per month. One, an important advantage of a “per household” approach is that it helps to ensure that people are clear about their entitlements. Clear and uniform entitlements, by themselves, have a major impact on creating awareness to ensure that people are not cheated. In the per capita approach, entitlements will vary across households. People may not understand why their neighbours get more than they do. Worse, this lack of clarity is likely to be exploited by PDS dealers to create confusion and give less to households.

Two, the per-capita approach opens the door to hassles and harassment. Adding a name to the ration card (e.g., when a child is born), tends to be difficult (including demands for bribes). Even in States with a reputation for effective administration and good systems, enrolling new members can be a struggle, as witnessed in these two southern States.

Three, the transition to a per capita system is likely to be disruptive. This would be particularly unfortunate in States where the per household approach works reasonably well now (e.g., in Chhattisgarh, Himachal Pradesh, Odisha, and, to some extent, even Rajasthan). Any transition will not only be painful, but also introduce further delays in the implementation. Some States are, in any case, opposed to the “per capita” approach.

Further, the per capita approach carries a risk that people will enrol “fake” household members to inflate their entitlements. To prevent such fraud, demands for integrating the PDS with biometrics are bound to arise. Pilots integrating cash transfer schemes with the Unique Identification/Aadhaar number (UID) have had dismal reviews so far. After months, coverage remains poor, the attempted integration has led to disruptions, and people face harassment. Linking the PDS with biometrics, if it happens, is unlikely to be different.

Equity can be ensured without forcing States to adopt the per capita approach, e.g., by considering every nuclear family as a separate household (the practice in the National Rural Employment Guarantee Act). Alternatively, the Central government could allocate grains to States on the basis of the entitled population and let States decide which approach to use.

### **Over-centralisation**

Greater flexibility to the States is, in general, a good principle, and the “per capita” issue illustrates the larger concern of over-centralisation of the PDS. Elsewhere too such flexibility is necessary, e.g. fixing eligibility criteria for identifying entitled households. For instance, living in a “*pacca*” house is often used as an exclusion criterion. In the plains it is often a sign of wealth, but not necessarily in the hills. This suggests that exclusion criteria should be State specific.

In fact, there is ample evidence that decentralised initiatives have contributed to the revival of the PDS in recent years. Many PDS reforms in the NFSB actually build on State experiences: reduction in PDS price (in Andhra Pradesh, Chhattisgarh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Odisha, Rajasthan, Tamil Nadu); expanded coverage (almost the same set of States), introduction of pulses (in Andhra Pradesh, Chhattisgarh, Himachal Pradesh and Tamil Nadu) and edible oils (same list, except Chhattisgarh), etc. Similarly, to ensure transparency, State-specific technologies are being used: from sophisticated Global Positioning System (GPS)-equipped trucks to easy-to-identify yellow trucks for delivery of PDS grain, painting the names of all beneficiaries on public and private walls to prevent “duplicates,” and so on. State-specific initiatives can be more effective than a centralised diktat.

*(Reetika Khera teaches economics at the Indian Institute of Technology, Delhi. E-mail:*

*reetika.khera@gmail.com)*

Keywords: [National Food Security Bill](#), [food security ordinance](#), [poverty line](#)

[View comments\(7\)](#)

Printable version | Aug 12, 2013 3:52:17 PM | <http://www.thehindu.com/opinion/op-ed/the-devil-is-in-the-detail/article4992845.ece>

© The Hindu