CHAPTER - III

State Response and Policy Initiative towards Food Security:
Politics of Hunger and Food Policy

Food insecurity has been the major concern of food policy in India. The hunger and food insecurity is the most atrocious form of deprivation in the way of fulfilment of most basic need of every human being. Every individual has a fundamental right to be free from hunger and have access to sufficient, safe and nutritious food and its effective utilisation for an active and healthy life. There should be no place for hunger and food insecurity in a democratic society. Several policies were initiated by the government from time to time to increase food security. Public Distribution System is one of the major state policies to eradicate food insecurity. The Public Distribution System (PDS) is a large-scale food rationing programme, meant to increase food security at both the national and the household levels.

The important dimension to understand hunger and food insecurity is from the standpoint of politics. The very base to solve any social problem is political will and action. Since 1991, as part of the structural adjustment policies, there has been an increasing tendency to reduce food subsidies. The word ‘subsidy’ is no longer a respectable word in the era of globalisation. Modern day protagonists of liberalisation often tend to regard the concept of ‘subsidy’ and ‘burden’ as being synonymous. A critical examination of the food policy is crucial in the era of liberalisation. In these circumstances, the question which comes up is why the
Andhra Pradesh government initiated a heavily subsidised rice scheme? Why food distribution policy has acquired an extra urgency and relevance today and what are the political compulsions behind it. To understand this paradox, one has to take into account the political processes which have shaped and continue to shape the Public Distribution system. With this stance, the present chapter intends to discuss the politics of hunger, the state’s response to hunger and food insecurity with special reference to the politics of Andhra Pradesh. The chapter also intends to analyse the politics of PDS with special reference to the ‘two rupees a kilo rice scheme’.

**State Response and Policy Initiative—Public Distribution System**

India faced serious problems on its food front right from the independence and food deficits persisted up to mid 1970s. The government of India has attempted to move towards the goal of food security. The state intervention in this direction has been two-pronged, adopting an economic growth approach and simultaneously a welfare approach. Government has made significant attempts at food security through the food based social security interventions. In this direction Public Distribution System is one of the major policy initiatives. Public distribution of food at affordable prices through the Fair Price Shops has been the key element of food security system in India. Public Distribution System in India is indeed the largest of its kind in the world. The Public Distribution System (PDS) has evolved over a long period in India. Policies are made and remade, not in a kind of evolutionary or natural process but in historical process and as a result of political and economic consequences. They bear the imprint of the social relations and political system in which they were shaped.
The conditions of drought and famines causing acute scarcity of food, and the measures taken by the government to lend a helping hand has been the characteristic way in which the policy to food security has taken shape. An effort of this sort was taken up for the first time during the World War II by the British government. The government thought of distributing the foodgrains to the drought hit in some selected cities. After the Bengal famine in 1943, the distribution system was extended to some more cities and drought affected areas. The prolonged periods of economic stress and disruptions like wars and famines gave rise to what is known as public distribution of foodgrains. Initially it was concerned primarily with the management of scarce foodgrains supplies. Subsequently what was felt necessary was a more organised and institutionalised approach to food security including measures like suspending normal activities of markets and trade. This form of providing food security in India took shape in the form of statutory rationing in selected urban areas and continues to be present even today.

Public Distribution System (PDS) is one of the largest welfare policies in India. It represents the direct intervention of the Indian state in the food market to ensure food security. PDS serves a dual purpose of providing subsidised food to the consumers as well as providing price-support to farmers. It supplements the policy of buffer stocking under which the effect of raising prices on account of supply constraints is modulated by market intervention. The objective of PDS and the grain procurement policy of the government is to achieve the twin goals of price stability of food grains, which is expected to contribute to macro-economic stability and to
create demand for food grains resulting from food subsidies leading to multiplier effects, raising the overall growth of the economy. Over the decades the functioning of the government PDS has suffered due to inefficient management and lack of proper targeting to improve the food security of the poor. Although, India has achieved self-sufficiency in food grain production and surplus food stocks are available in the FCI godowns across the country, the poor have little access to food primarily because they lack purchasing power. This paradox of surplus food availability in the market and chronic hunger of the poor has brought into sharp focus the lopsided policies of the government with regard to food distribution in the country.

India's present system of foodgrains management evolved slowly after the inflationary effects of the second five-year plan (1956-57 to 1961-62) that led to a public outcry against rising prices. At that time, the state's role consisted of little more than allocating imported stocks and making the arrangements for their dispatch to the larger cities. Stocks were not maintained against emergencies, no buffer stock operations were attempted to stabilize prices, and there was no serious attempt to use food stocks as a device for economic planning.

The growth of PDS in India can be grouped into three time phases. These are I) from 1939 to 1965, II) 1965 to 1975 and III) 1975 onwards. In the first period, i.e. up to mid sixties, the PDS was seen as a mere ‘rationing’ system to distribute the scarce commodities and later it was seen as a ‘fair price’ system in comparison with the private trade. Rice and wheat occupied a very high share in the foodgrains
distribution. The Need for extending the PDS to rural areas was realised but not implemented. The operation of PDS was irregular and dependent on imports of PL-480 food grains with little internal procurement. In effect, imports constituted minor proportion in the supplies for PDS during this period. (Bapna 1988:89)

In the early sixties India faced with rampant inflation and rapidly increasing demand for food, which threatened to disrupt the entire planning exercise. By the mid 60’s it was decided to look much beyond management of scarce supplies in critical situations. Stoppage of PL 480 imports forced the government to procure grains internally. In effect, India took a quantum leap in the direction of providing a more sustainable institutional framework for providing food security. The setting of Food Corporation of India (FCI) and Agricultural Prices Commission (APC) known as Bureau of Agricultural Costs and Prices Commission (BACPC) in 1965 marked the beginning of this phase (Tyagi 1990:26). On the basis of BACP’s recommended prices, the FCI procures the food grains to distribute through PDS and a part of the

17 It is USA food aid programme for Third World countries. Public Law 480 is the Agricultural Trade Development Assistance Act, signed into law on July, 10, 1954, by President Dwight D. Eisenhower. *Food for Peace*, formally known as Public Law-480 has been one of the most harmful programs of aid to Third World countries. While sometimes alleviating hunger in the short run, the program usually lowers the price at which Third World farmers can sell their crops. This depresses local food production, making it harder for poor countries to feed themselves in the long run. Food for Peace, in fact, is mainly an aid program for U.S farmers, allowing them to dump their surplus crops in Third World countries, while poor in less developed countries bear the ultimate high cost. Food for Peace, despite its grand title, hinders agricultural development in Third World by depending on American aid.
procured quantity is kept as buffer stocks to meet any unforeseen crisis situation. The key components of this system were institutionalised arrangements and procedures for procurement, stocking and distribution of food grains. What is more important to note is that the food security system during this period, evolved as an integral part of development strategy to bring about a striking technological change to raise the productivity selected food crops, especially rice and wheat. It provided effective price and market support for farmers and deployed a wide range of measures to generate employment and income for the rural poor with a view to improving their level of well-being including better physical and economic access to food grains (Rao 1995:18).

In the third period, there was an increase in the food grain production in the country. The buffer stock accumulation too increased substantially. With this, the initial emphasis on buffer stock maintenance and price stabilisation shifted to increase in PDS supplies. Provisions in the 4th Plan (1969-1974) state that “in so far as food grains are concerned the basic objective is to provide an effective PDS. The procured quantities were in excess compared to the PDS needs and minimum reserve was maintained. In the fifth five year plan, programmes such as Food for work, started with a view to alleviate poverty as well as to reduce the overstocking of FCI godowns. The imports gradually declined in this period and during the year 1975; there was a net export of food grains though it was a small quantity. Imports were continued with relatively less quantities to maintain level of buffer stocks. The government strengthened the PDS in this period, so that it remained a “stable and permanent feature of our strategy to control prices, reduce fluctuations in them and
achieve an equitable distribution of essential consumer goods” (Government of India 1973:42). Till the late 1970s, the PDS was largely confined to urban population and did not guarantee adequate food to the rural poor in times of crises. During the late 1970’s, and early 1980s some state governments extended the coverage of PDS to rural areas and also introduced the targeting approach. Thus, the PDS was started initially to meet the crisis situation. By the Sixth Five Year Plan, the PDS was viewed as an instrument for efficient management of essential consumer goods necessary for maintaining stable price considerations (Government of India:1981:28).

Features of the Public Distribution System

The Public Distribution System was started as a programme of food supplies to the famine and drought victims in 1939. It has increased its scope of work to include a larger gamut of operations for procurement and distribution of food grains and other civil supplies, as also pricing policies and so on. It is a system of distribution of selected essential goods through the fair price shops commonly known as ‘ration shops’ or co-operatives that are owned by the government and operated by private dealers under the government’s control and direction. Rice, wheat and sugar have continued to be the main items under the PDS supplies. The other important items are kerosene, edible oil etc.

The working of the PDS did not in any way hinder the functioning of the free market mechanism except in the limited statutory rationing areas but worked along with it. Hence, this could be viewed as a dual economy in essential commodities.
Consumers are left free either to purchase through Fair Prices Shops or in the open market. The required amounts of food grains and other items are obtained by the government through internal procurement and/or through imports and a buffer stock is maintained with a view to meet scarcity situations. The government feeds the PDS with supplies, bears the cost of subsidy and decides as to which goods to supply, at what rates, and what amount to be sold per head or per family.

The aim is to provide at least a basic minimum quantity of essential items at reasonable prices especially to the more vulnerable sections of population and also to stabilise their open market prices or at least to prevent an undue rise in such prices under conditions of shortage. The prices charged are usually lower than open market prices and also lower than the procurement and other costs incurred by the government. It was primarily an urban oriented system. Its genesis as well as growth has been in those sensitive urban areas where a shortage of food grains and other essential commodities could become political liabilities for governments.

The PDS has been designed and implemented by both the central and state governments. The central government mainly deals with the buffer stock operations (through FCI) and also controls the external and internal trade of food grains. The Central government through its procurement activity tries to even out the differences of surplus and deficit food grains producing states. Under the PDS the central government has assumed responsibility for procurement and supply of essential commodities, namely rice, wheat, sugar, edible oil and kerosene oil to the states for distribution. These commodities are made available at fixed Central Issue Prices
which are determined by the central government and generally involve subsidies borne by the central government. The implementation of the PDS is the joint responsibility of the central and state governments. The centre is responsible for the procurement, storage and transportation of the commodities up to the central godowns and making them available to the states. The responsibility for the distribution to the people through the fair price shops and administration of PDS rests with the state governments.

**Policy Formulation**

The basic approach to the PDS is decided by the Planning Commission after detailed discussions with expert groups. Various Plan documents contain the statement of objectives of the PDS as described earlier. The Planning Commission, the main policy formulating body of the government, decides the objectives. The PDS has been assigned multiple objectives such as,

1) Stabilising prices of essential foodgrains.

2) Aiming at an equitable distribution of essential commodities.

3) Providing access to essential commodities at reasonable prices to the vulnerable sections.

4) Keeping checks on private trade, and,

5) Rationing essential commodities during situations of scarcity, drought and famine.
It is clear that some of these objectives are less important today than in the past, like rationing in periods of famine and checks on private trade. Prior to the establishment of the Food Corporation of India (FCI) in 1965, procurement from internal sources was limited. It was the responsibility of the State Department of Revenue and the Department of Civil Supplies to procure food grains by imposing a levy on farmers, traders and millers. The major source of procurement prior to the mid-sixties was imports under PL-480 handled by the Government of India through the State Trading Corporation. As mentioned earlier, since 1965, internal procurement has been managed by the FCI and the state agencies such as the Civil Supplies departments or Civil Supplies Corporations. As part of the procurement strategy, cooperatives were also encouraged as agencies through which these organisations could procure foodgrains. “The Food Corporation of India generally purchases foodgrains in regulated markets and pays commission to the agents for their services. The price paid is fixed by the government on the recommendations of the Commission for Agricultural Costs and Prices. In order to facilitate procurement, the prices in surplus states are depressed by restricting movement of grains outside the zones so that the prices closely approximate the support prices” (Bapna 1990:114).

**Public Distribution Systems in Andhra Pradesh**

In Andhra Pradesh, the Public Distribution System occupied a predominant role in distribution of essential commodities, thorough fair price shops to the public in general and the vulnerable sections of society in particular. At the state level, the
Organisational Structure of PDS in India
Directorate of Civil Supplies is headed by the Commissioner in the Department of Civil Supplies. It makes all the policy decisions and monitors the functioning of Public Distribution System in the state. For the effective functioning of PDS, the following agencies of central and state governments are operating for procurement and distribution of essential commodities. They are, the Food Corporation of India (FCI), the State Civil Supplies Corporation, and Fair Price Shops. The important milestone in the public distribution system has changed both qualitatively and quantitatively in Andhra Pradesh in 1983 with the introduction of ‘Rupees Two a Kilo Rice’ scheme under PDS there has been extensive coverage of rural areas under the PDS since 1983. With this scheme PDS became rice centric since the rice is the predominant commodity under PDS in Andhra Pradesh. Though, other items like sugar and wheat distributed from the fair price shops, but the share of sugar and wheat distribution is very nominal and negligible.

Food Corporation of India

The principal public agencies involved in the procurement and distribution of foodgrains on behalf of the government is the Food Corporation of India. The purpose of setting up the Food Corporation of India was, to secure for itself commanding position in the foodgrains trade of the country as a countervailing force to the speculative activities of certain sections of private trade. Food Corporation of India purchases foodgrains from the farmers at Minimum Support Price (MSP) and allocates to the states. The allocation is made on the criteria of poverty and level of
domestic food production in a particular state. Thus there is an attempt at the national level to balance the availability of food between surplus and deficit regions. The other objective of Food Corporation of India is to act as the main agency for handling foodgrains on behalf of the central government and to function as a major instrument of state policy in achieving the following objectives.

A) To procure or acquire a sizeable portion of the market surplus at incentive prices from the farmers on behalf of central and state governments,

B) To ensure timely releases of stocks through the public distribution system so that prices do not rise unduly,

C) To minimise inter-seasonal and inter-regional prices variations; and

D) To build sizeable buffer stocks of foodgrains from out of internal procurement and imports.

Andhra Pradesh State Civil Supplies Corporation
In the states, distribution of essential commodities received from or through agencies like Food Corporation of India and State Trading Corporations is, by and large, handled by the State Civil Supplies Corporation. The main objective of the Corporation is procurement and distribution of few selected foodgrains in the state. It also functions as wholesale agent for supplying essential commodities to all fair price shops in the state through their branches. The objective is to ensure regular and prompt supply of essential commodities to the fair price shops. The rice allocated by the central government and the rice procured by the state Civil Supplies Corporation
are received from the respective godowns and transported to the mandal level stockist points (MLS points).

The Andhra Pradesh State Civil Supplies Corporation Limited was incorporated in the year 1974, as a limited company under the Companies Act 1956. The share capital of the Company was fully contributed by the Government of Andhra Pradesh. The Andhra Pradesh State Civil Supplies Corporation is a State Agency appointed by the State Government for lifting of rice and wheat from FCI and sugar from factories under PDS. It is the responsibility of the Corporation to undertake transportation, storage and delivery of the stocks under PDS at the doorstep of the fair price shop dealers.

The stockist points are setup at convenient places so that the stocks are moved at least possible transportation cost. The transportation of stocks from FCI / Factories to Mandal Level Stockist (MLS) Points is called as Stage-I transportation, which is being undertaken through the District-wise and Zone wise transport contractors appointed for foodgrains and sugar respectively. The transportation from MLS Point to the doorstep of the MLS Point is called as Stage-II transportation. In some districts, the direct lifting of food grains is also being undertaken from certain FCI godowns to FP shops within the radius of 25 kilo meteors by avoiding Stage-I transportation and handling charges.

Storage
The Corporation is having 431 Mandal Level Stockist (MLS) points in the State for storage of stocks, out of which 26 MLS Points are being handled by the GCC and the remaining 405 MLS Points by the Corporation. Physical verification of stocks at MLS points is being under taken by various officers every month.

**Fair Price Shops**

Since the beginning of the Second World War the fair prices shops are operating in India to supply essential commodities to the people at the time of scarcity. These fair prices shops are organised and controlled by the government to distribute the essential commodities at reasonable rates. Fair price shops are operated by the dealers in every village. The objective of fair price shops is to distribute the essential commodities at fair prices fixed by the state authorities from time to time. The main purpose of fair price shops is to make available of specified food items at government regulated and sometimes subsidised prices.

**Targeted Public Distribution System**

The debate on food subsidies has taken a new turn with introduction of economic liberalisation policy. The cut in subsidies, including a reduction in food subsidies is one of the key tenets of liberalisation policy. The subsidies are seen as wasteful by advocates of liberalisation and reducing subsidies including food subsidies. As part of liberalisation and programme of structural adjustment, specific changes were made in the 1990s to incorporate new principles of targeting. In 1992, the Revamped Public Distribution System (RPDS) introduced targeting specific areas, with special preference given to the population living in the most difficult areas, such as drought-prone areas, desert areas, tribal areas, certain designated hilly
areas and urban slum areas. The important objectives of RPDS are to increase the population in the target areas, improve access and range of commodities supplied by fair price shops, and to provide select commodities at prices lower than the general PDS. The main adversity in RPDS policy, the entitlements differ as between RPDS areas and non RPDS areas. Foodgrains entitlements are lower in RPDS areas than in areas under the general PDS. Thus, the curtailment of entitlement of foodgrains was initiated in the name of target focus policy.

In 1997, the Government of India introduced the Targeted PDS (TPDS) in an attempt to curtail the food subsidy in the context of economic liberalisation. The identification of poor households which will benefit under the target system is crucial under TPDS. Under the new system the states were required to formulate and implement foolproof arrangements for the identification of the poor households. The policy initiated targeting of households on the basis of an income criterion, that is, used the income poverty line to demarcate poor and non-poor households. The Targeted PDS differs from earlier variants of the PDS in certain key respects. The most distinctive feature of the TPDS in relation to previous policy in India is the introduction of targeting, specifically, the division of the entire population in to Below Poverty Line (BPL) and Above Poverty Line (APL) categories, based on the poverty line defined by the Planning Commission. The two groups are treated differently in terms of quantities and prices. With this, the Government of India initiated a policy of targeting households with incomes below the official poverty line. The second distinguishing feature is that the PDS now has dual central issue prices, prices for BPL consumers and prices for APL consumers. In March 2000, a
major policy change occurred when it was announced in the budget that central issue
prices that is, prices at which the Food Corporation of India (FCI) sells grain for the
PDS to State governments will be set at half the economic cost incurred by the FCI
for BPL households and at the full economic cost for APL households.

The other important feature of the Targeted PDS is that it has changed centre-
state responsibilities with respect to entitlements and allocations to the PDS. PDS
was and is designed and managed by state governments, and state governments
differ with respect to entitlements, commodities offered, retail price (state issue
price) and so on. In the past, state governments demanded a certain allocation from
central pool, and based on certain factors, most importantly, past utilization and the
requirements of statutory rationing, the central government allocated grain and other
commodities to states for their public distribution systems. With the TPDS, the size
of the BPL population and the entitlements for the BPL population are decided by
the central government.

There are many problems with the Targeted PDS. First, targeting has led to
large-scale exclusion of genuinely needy persons from the PDS. The major problem
of targeting is the targeting errors. Targeting errors leave out those who are
genuinely deserving of access to foodgrains. There are two types of errors in
targeted public distribution due to defective measurement of poverty levels; a
miscalculation leads to the exclusion of genuinely poor or deserving households
from PDS. Errors of wrong inclusion refer to the inclusion of non-eligible persons or
APL households in a programme. Madhura Swaminathan pointed out, “The problem
is that we need to assess the trade-off between the two types of errors. Universal
programmes are likely to have low errors of exclusion but high errors of inclusion. On the other hand, a programme targeted to a specific group is likely to have a low error of wrong inclusion but may lead to a high error of exclusion. When one type of error decreases, the other type of error increases and so we have to attach weights to the two types of errors. Proponents of orthodox reform have implicitly attached a zero weight to errors of inclusion and are thus concerned only with minimising errors of exclusion. This implicit valuation should be recognised openly and debated, for a strong case can be made for a weighting system that reverses the weights attached to the two types of errors, and places higher weights on errors of exclusion than on errors of inclusion” (Swaminathan 2003: 62).

The existing definition of eligibility for BPL status is based on the official poverty line as estimated by the Planning Commission in 1993-94 and adjusted for population levels in 2000. Is the expenditure poverty line the best criterion for identifying households that should be provided some food security through the PDS? The issue is relevant because if other criteria are considered, e.g., nutritional status, then a much larger population would be termed eligible. “The official poverty line in India, however, represents a very low level of absolute expenditure. Low and variable incomes imply that a much larger section of the population is vulnerable to income shortfalls than observed by means of a static poverty line. The National Nutrition Monitoring Bureau conducted in seven states in 1993-94, 48 per cent of adults, men and women together, were undernourished. In a similar vein, the National Family Health Survey (NFHS), which was conducted in 24 states in 1992-93, estimated that 53 per cent of boys and girls were undernourished and 21 per cent
of the children surveyed were severely undernourished by this criterion. More recently, the National Family Health Survey, conducted in 1998-99, showed that at the all India level, 45.5 per cent of children between the age of 6 and 36 months were stunted (chronically undernourished on the basis of a height-for-age criterion), and 47 per cent were undernourished in terms of a weight-for-age criterion” (Ibid:63).

The poverty estimates have been criticised by many scholars, and pointed out the anomalies and arbitrariness in the estimation method. It is common knowledge that those who access food from fair price shops are those who cannot buy it from open market. Professor Usta Patnaik relentlessly criticised Planning Commission criteria of measuring the poverty. “The Planning Commission, when it first estimated the poverty line expenditure for 1973-74, had said that it would base its estimate on quantities of foods people consumed thirty years earlier in 1943-44, obviously no-one would have taken its estimate seriously. Present day Planning Commission and academic estimates are based precisely on a three decade old consumption pattern relating to 1973-4, and they no longer deserve to be taken seriously. In fact they are no longer worth the paper on which they are written” (Patnaik 2004:21).

Even if the income poverty line is a conceptually suitable criterion, there are lot of problems in administratively identifying households on the basis of this criterion at the ground level since we do not have any estimate of the actual incomes of households. The majority of households are depending on agriculture and
unorganised sector; in this situation it is very difficult to identify the real income of the household. Thus, due to problems, both conceptual and operational, in identifying households below the poverty line, the chances of misidentification and of excluding the vulnerable population from the TPDS are very high. The important objective of the PDS has always been to ensure price stabilisation in the country by transferring grain from cereal-surplus to cereal-deficit regions. In a universal PDS, automatic stabilisation of prices is ensured, as the demand for grain from fair price shops increases at times when the gap between the PDS price and the market price rises. In the new system, however, with APL priced out of the PDS and BPL quotas low and fixed, the role of the PDS as an automatic stabiliser has been weakened.

“The scheme is ineffectual not merely because it is beset with problem at the implementation level such as incorrect categorisation of family’s income, but remains flawed at the conceptual level itself. Targeting in a predominantly poor country like India results in differentiation not between the rich and the poor, but between persons at marginally different levels of poverty. It is based on the creation not the elimination of mistaken identities, aimed at statistically reducing the number of poor, even though in real terms an increasing number of people are getting more and more poor. This arbitrary quota raj also ignores the issue of continuous impoverishment of large number of people” (Anand 2004:503).

Globalisation has fundamental impacts on food security. First, it has changed the regulation of agricultural trade. Regulatory changes are pushing the global economy away from the special arrangements, protected markets, subsidised production, and national regulation, which currently characterise food and
agricultural trade, to a more open, deregulated, rules-based, liberal trading regime, under the auspices of the WTO. Therefore, the scope for exclusive or national determination of the policy framework for food production will be severely curtailed. In addition to a reduction in explicit food subsidies, structural adjustment usually entails a reduction in implicit food subsidies and the most obvious outcome of this is food price inflation. As prices of commodities increased in PDS at faster rate than the market prices of similar commodities in many regions and price differentials between the PDS and open markets narrowed or even disappeared. The Rupees two a kilo rice scheme are exceptional cases because of political and other compulsions. Thus reforms under period of liberalisation have led towards further dismantling and weakening the public distribution food. “Forty years of effort have been lost in the last decade of neo-liberal economic reforms, with over four-fifths of the loss taking place in the last five years alone. The most remarkable and disastrous feature of the last five years in India, has been the slide-back to the low level of 151 kg per head food absorption in rural areas by 2001, a level not seen for fifty years. Reports of starvation, farmer suicides and deepening hunger, should cause little surprise when we consider the recent trends in the official data on foodgrains output and availability. If we exclude the abnormal drought year 2002-03 and consider the average output of the preceding two years, we find that net foodgrains output per capita has fallen by about 5.5 kg compared to the early nineties, owing to a slowing of output growth” (Patnaik 2004:15).

In the era of neo-liberal economic reforms, the maintenance and continuation of programmes of universal food subsidy are under threat. The logic of orthodox
structural adjustment and liberalisation calls for reductions in government expenditure, including expenditures on subsidies. According to Madhuara Swaminathan, “The first change has been the principles underlying in the policy and objectives of PDS. The second future of policy change has been the steady increase in food prices. Thirdly, there has been a decline in the supply of food to the distribution system. Fourthly, the policy has attempted to cut back coverage and consumption by means of targeting and denial of principle of universalism. Universal coverage, it is argued, is an extravagance that a poor country like India cannot afford” (Swaminathan 2000:78).

The history of food subsidies shows there is no evidence to suggest that food subsidies impede or foster growth, this depends on the other policy distortions leading from it and other accompanying policies. Food subsidy schemes differ widely depending on their objectives. They can be untargeted covering total population and ensuring fixed quantities to all consumers at a fixed price. They can be targeted covering the total population and ensuring fixed quantities to all consumers at a fixed price. They can be targeted covering certain percentage of the population as per a set of criteria. Targeting can be done certain locations or areas that are predominantly inhabited by the poor or drought and famine. In the words of Usta Patnaik, “Food security systems can collapse very fast with wrong policies, the system has been already severely undermined, and in a still poor country, mass starvation is a hair's breadth away. There is nothing wrong in principle with the PDS or with its distribution mechanism, and despite all its problems it worked reasonably well for three decades from 1967 to 1997. The reason it started packing up from
1998, and has reached a crisis point today, is because purchasing power especially in villages, has collapsed under a combination of government's contractionary fiscal policies and the effects of globally falling farm prices as protection was removed, and the poor have been excluded from the PDS by the misconceived targeting of the food subsidy” (Patnaik 2003:37-38).

**Land, Agriculture and Food**

Agriculture plays a pivotal role not only in ensuring the food, but also in providing opportunities for jobs and income and subserve the broad goal of poverty eradication. Agriculture being a way of life for more than two-thirds of the population, most of who mainly produced for their own consumption, concern for food security was linked with that for agricultural development. The agriculture provides productive employment opportunities and income for the bulk of the population. It plays a crucial role in eradicating poverty, and achieving the food security. The question of food insecurity and hunger got major attention in the democratic discourse in India from constitution making. The state initiated many policies and programmes in order to alleviate the food insecurity and hunger. Towards eliminating hunger and food insecurity land reforms are essential elements in a comprehensive scheme for food security. Land is one of the fundamental resources for food production, therefore equitable distribution and access to land is necessary, unequal distribution and access to land leads to jeopardy to food security. The capacity and potential of agriculture to provide employment and hence access to food are clearly identifiable. Land and water which are the vital resources that make food security possible should stay under the democratic control of peasants and
farmers. Since the constitution making there had been many efforts to address the problem of hunger and food security in India with the initiatives of various policies and programmes. A landmark attempt in this direction was Land Reforms legislation. The land reforms with its regulations regarding tenancy and ceiling on agricultural holdings are supposed to split up large estates in order to reduce social disparity among people at large and to provide answer to hunger problem in India.

Land and agriculture is central to the issues of poverty and food security. Agriculture is the main source of employment and income in most developing countries and its growth and development is essential for achieving food security both at the national and household levels. In India majority of the population depend on agriculture. This implies that any adverse developments within this sector would have larger ramifications in terms of its impact on the levels of poverty and employment as well as food security. Agriculture has moved too far from the centre of the debate on hunger and food security maybe of entitlement theory. Renewed attention to the potentials of agriculture in food-insecure environments is urgently needed, if only to temper the polarised discussions that threaten to stultify future progress in tackling under nutrition. Food supply data are an important part of the food security story, but an over reliance on such data could inadvertently contribute to the marginalisation of agriculture. Agriculture is about much more than food production; it is also the main source of income for many of the world's poorest people.
The land and agriculture was included in state list in the Constitution of India. Therefore it is the responsibility of states in India to implement land reforms under the Constitution of India. It was struggle for freedom that underpinned the progressive and radical core of the Constitution of India. It gave voice to the aspirations of a newly free people by enshrining universal adult suffrage, primacy of the legislature in lawmaking, and laying the foundations for a decentralised polity with strong local self-government, the Panchayati Raj. It recognised social and economic inequality, and therefore sought to operationalise equality of status and of opportunity through constitutionally guaranteed reservations for Dalits and Adivasis, and through land reforms. But if the Constitution reflected the radical aspirations of the people of India, it also reflected the fact that the struggle for independence had left influential formations and rural power structures relatively untouched. Therefore, the federal government was constitutionally denied powers to tax agricultural incomes, and agriculture was to remain a purely 'state subject' in terms of the legislative domain. The contested nature of the centre-state relationship is demonstrated by the continuing struggles between the federal and state governments for political space.

After independence, the government indicated its commitment to land reforms, as land is one of the important factors which determine poverty and hunger. Absence of land means no security to a household in a country like India where majority of people depend on agriculture. Landless families eat if they have work on other people’s farms. They just barely survive on the little they are able to borrow. Thus, landlessness means that people go hungry, it also means that those sections of
people are denied the opportunity to engage in meaningful economic activity. Land reforms consist of the abolition of intermediaries, tenancy reforms aimed at scaling down rents and fixing ceiling on land holdings. The land reforms hold the key to social change. Although land reforms in principle have been agreed upon by all political parties, their essence has been diluted in political sphere. It may be the reason why most of parties are not willing to implement land reforms in the proper spirit by citing some technical problems to avoid its implementation. Many loopholes in the law were used to prevent redistribution of surplus land. The lacunae in the legislation give space to landlords to enjoy their ownership over their land without any loss. All this could be done through bogus names and *benami* (fictitious) property rights.18

The subsequent record of successive governments was a stark betrayal of commitment. Thus while officially the states accepted the land ceiling programmes most of these states rejected them in practice. This provides a backdrop in understanding the politics of hunger. According to C. H Hunumantha Rao, “All around the country it is the rural elite group that constitute the social base and vote bank for all most all political parties. Interestingly, this class consists of mostly large and intermediate landlords, who don’t oppose the government’s policies directly but instead, they ensure that the intentions of the policies are defeated by manipulating the process of implementation” (Rao 1974:1285-1286). At the same time there is the

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18 The surplus land can be distributed among one’s family members or relatives in order to prevent loss due to implementation of land reforms act so that they can retain their lands. For instance recently Chief Minister of Andhra Pradesh surrendered 1300 odd acres of land (known as Edupulapaya Estate) to the Kadapa district collector, which was under the control of his and his family members.
radical grassroots mobilisation by middle and lower castes and other marginalised groups, in their quest for a prosperous but also more equitable society.

The rural dominant class’ passive resistance to implement land reform meant that agricultural productivity remained fettered by landlordism. Consecutive droughts during the early 1960s left the economy facing an acute shortage of food crops, and sharply underlined the question of agricultural productivity. Political unwillingness to effect institutional change made the Indian state respond to the issue of lagging productivity with a technological solution called Green Revolution. Mere the state underwrote agricultural productivity and profitability by subsidising costs, as well as risks, of new technology. Of course, institutional and technological change need not be an either-or phenomenon, and under certain circumstances one can reinforce the other in terms of impact on agricultural productivity. However, whereas land reform is aimed at removing pre-capitalist fetters to agricultural productivity, in its absence technological change can reinforce the longevity of those fetters, or at least may be insufficient to overcome them. Francine Frankel points out, “The national leadership’s inability to enlist the support to the state leaders for effective implementation of land reforms resulted in defective legislation that actually aggravated existing inequalities in the distribution of protected land rights enjoyed by land owners and those without land” (Frankel 2005:190).

Absence of political will in favour of land reforms is a sign of political will operating consciously against land reforms and for the matter against all institutional reforms aimed at changing the prevailing property relations. “The open linkages
between the vested interests and the various levels of politicians are too apparent to be stressed. The nexus between politicians and organised pressure groups reinforces the corruption and lack of motivation on the part of official machinery. In Kerala, Maharashtra and West Bengal where political will is relatively pronounced in favour of the poor, describes why land reforms have been comparatively more successful in those states than the rest…. In this whole trajectory the class character of the state must be taken seriously in examining the question of hunger in the context of socio-economic and political framework. Systematic political action to arouse the masses to assert rights seems to be the only possible solution. This is much true for a programme of action that seeks to alter property relations within the existing legal framework (Lal 1982:16-17).

In the absence of land reforms, the acute poverty and hunger that resulted from slow-growing agriculture in the early stages of the Green Revolution, and insufficient non-farm opportunities did not go away, manifesting itself in the armed rebellion of the Naxalbari movement of the late 1960s for an agrarian revolution. The might of the Indian state crushed the Naxalbari movement, and subsequently sidelined, until very recently, land reform from the political agenda, barring in a few states with leftwing pluralities. But the Indian state also responded by investing in agriculture in particular (irrigation) and rural areas in general. In 1969, private banks were nationalised and bank credit channelised to rural areas. On the backs of these measures, driven by both public and private investment and rural credit, Green Revolution technology spread, allowing for a revival of agricultural growth and profitability from around the mid-1970s. This, in turn, led to the growth of agrarian
capitalism and the rise of a nascent rural bourgeoisie that was willing to invest in agriculture in the expectation of profit. Alongside public and private investment was also expenditure by the central government on poverty-alleviation programmes. Rural growth generated both agricultural and non-agricultural employment opportunities; as a result, for the first time, the economy during the 1980s saw a decline in poverty.

There was the worst famine that occurred in 1943 in British-ruled India, known as Bengal famine, due to which an estimated four million people died of hunger, that year. When India got independence in 1947, India continued to be haunted by the bad memories of Bengal famine in addition to the larger hunger crisis. It is natural that food security was one of the main items in free India’s agenda. Thus India called for immediate and drastic action to increase food production by emphasizing upon agricultural yield. However the action got reinforced in the form of Green revolution in early 1970s. The basic elements in the method of Green Revolution were expansion of farming areas, double cropping, using genetically improved seeds. Notably double cropping was a primary feature of the Green Revolution. Agricultural technologies of the green revolution have brought substantial direct benefits to many developing countries. Prominent among these have been increased food output, some times even in excess of the increasing food demands of growing population. This has enabled the food prices to decline in some countries.
At the same time it was argued that, rural poor did not receive a fair share of the benefits generated. Only large farmers were the main adopters of the new technology, and smaller farmers were either unaffected or adversely affected because Green Revolution resulted in lower product prices and higher input prices. The efforts of large farmers to increase rents or force tenants of the land, and attempts by larger farmers to increase land holdings by purchasing smaller farms, forced those farmers into landlessness. According to Francine Frankel, “The dominant landed castes increasing both their economic and political leverage, gained access to additional sources of credit and scarce modern inputs introduced into the villages by the Community Development Programme, and enlarged their role as intermediaries in relationship between the village and outside authorities in the administration and ruling party” (Frankel 2005:190).

However, India was able to reach a self-sufficient status in foodgrains, only because of Green Revolution. National self-sufficiency in food production, does not guarantee all citizens the right to adequate food. Whatever its merits, in reality preventing hunger depends on the politics of the country rather than simple demand and supply of the foodgrains. The public policy should cause food to be available for purchase in the quantities required for adequate nutrition. The democratic political system that has a mechanism for equitable distribution is essential for achieving food security. In other words power and politics are critical factors. The analysis on Green Revolution would provide adequate clues in understanding the politics of hunger. Frankel points out “definitely Indian poor have not achieved social justice through limited implementation of land reforms. Also that, there was not much
impact of green revolution in the poor people’s lives as well as hopes on their future” (Frankel 1972:28).

This indicates that, the big landlords at rural level have appropriated gains of Green Revolution technology. So the fruits of Green Revolution were unfortunately not enjoyed by the very poor from whose side a greater upliftment is necessary. “In fact, from the very beginning, India’s development policy was influenced by the rapid economic growth and social justice. However, in view of increasing food shortages and mounting concern for immediate gain in production led to the shift in the developmental priorities” (Sharma 1989:10).

The Green Revolution proved a turning point with the modernisation attempts of Indian agriculture. The introduction of new technology, High Yielding Varieties (HYV) made the farmers increasingly dependent on the market for new seeds, chemical fertilizers and farm machines etc. consequently, agriculture has become increasingly capital intensive. The majority of farmers in rural India could not cope up with green revolution strategy, which is a very costly affair to their level of economic standard. The important point is that, the particular genetically modified seed may not be productive in a particular and a peculiar area and climate. Genetically modified seeds are very productive in specific conditions (laboratory conditions) in terms of water atmosphere and fertilizers. For example a high yielding variety of paddy may not be productive in a very arid district like Anantapur or any such districts where water and other peculiar conditions are entirely different. Many new seed varieties are such that farmers can not harvest them and plant them again.
Each time seeds have to be brought from company and they can increase prices. Moreover their seeds require more and more chemical inputs.

The new varieties proved very prone to disease, compared with traditional varieties, and the rice, in particular, was very sensitive to variations in climate and growing conditions. This, in turn, necessitated a heavy public investment in agricultural research to protect the revolution from genetic failures. Even at the time, some were cautious about the potential of this revolution. The success of the technology depended on large fertilizer usages to sustain the highly vulnerable technology. Agriculture has now become market oriented. It neither meets the household food requirement nor is it very profitable to the farmer. Ever since agricultural commercialisation took place, the indebtedness of farmer has increased. Market based agriculture is mostly being supported by commercial loans. Consequently farmers began to take loan from traditional moneylenders. As moneylenders, became exploitative, the state came in support of farmer by providing Agricultural Credit through banks and others public institutions. Today farming has become worse than business. As loans have not just turned farmers insolvent but have driven them to committing suicide. “Farmers suicides are a result of the new seed policy which has encouraged the privatisation of the seed sector and displacement of ecologically adapted local crops by monocultures of economically vulnerable hybrid seeds……….. The combination of concentration of the seed industry with the monopolies linked in Intellectual Property Rights (IPRs) can spell total disaster for the economic security of farmers and the food and ecological security of the country” (Shiva 2002:59). Village and small industries also could not
benefit due to liberalisation policies. On the other hand, whatever the artisan units were existing earlier, they also succumbed to the attack of trade practices. Employment generation programmes and food for work programmes were snatched away by contractors, politicians and officials denying employment to the village labourers. As a result, employment and incomes have declined. Most of the villagers from backward areas have been migrating to nearest towns and cities in search of livelihood.

The Green Revolution technology has been criticised that it produces potentially dangerous social side effects in the agriculture. This argument contends that, due to the intensification of production, landlords have been encouraged to resume cultivation of their own land and eject their previous tenants. The result, it would be rapidly growing rural insecurity. The situation is that the fruits of green revolution were only available to those which were already prosperous regions and groups. The drought prone areas like Anantapur, Mahaboobnagar, Srikakulam Nalgonda etc in Andhra Pradesh, Kalahandi, Kasipur, Koraput in Orissa and some similar districts in Rajastan and other parts of India, did not benefited from green revolution technology. “This further accentuated economic inequalities between rich and poor. At another level, green revolution indirectly caused hunger by giving impetus to displacement of labour and unemployment. In many areas, critics argued that the green revolution has been responsible for accelerating the pace of mechanisation……..which caused displacement of the labour and unemployment” (Ladejinsky 1969:36). The landlords prefer contract or casual labour. The payment is hence made in cash rather than in kind of foodgrains, earlier tenants used to share
certain amount of crop with the landlord for investing labour as well as some money for the cultivation, which directly serves the food needs. This shift in the source of livelihood to the rural poor is forced to spend much of their money for purchase of foodgrains alone. “The green revolution has failed to raise incomes of the rural poor and contribute substantially to enhance their effective purchasing power in growing market” (Sharma 1989:10).

“Green Revolution not only quickened the process of economic polarisation both in rural and urban settings, but it also contributed its major share to increase social antagonism between landlords and tenants, landlords and labourers. The levels of economic polarisation and social antagonism in the form of class conflicts have emerged very quickly than originally anticipated” (Frankel 1972:54). The food availability decline (FAD) argument itself emerged out of misconception about hunger in India before opting for the implementation of Green Revolution methods in Indian agriculture sector. The idea of food availability decline argument is too reductionist in nature and goes against the socio-political and economic factors contributing to hunger in society, as Amartya Sen explained in his ‘Entitlement and Deprivation’ thesis.

There are basically three reasons for the failure of land reforms and Green Revolution. First, in areas where the new technology is unsuited, agriculture is still stagnant. There has not been enough economic pressure to divert local institutions away from their traditional preoccupation with distributing patronage to undertaking effective developmental roles. Second, in areas with highly unequal land holding
sizes, politics are dominating by patron-client relations. The small farmer is dependent on the larger farmer and cannot bring effective pressure to bear for more widespread dispersion of needed inputs such as credit and water and fertilizer. The benefits, if any, tend to be highly concentrated among the few politically powerful castes. Third, even in technically dynamic areas with moderately equitable land holding patterns, the local institutions can be rendered ineffective if inadequately designed. This was certainly the case with local governments in both India, where elections favoured elite control in local bodies and confusion and overloading of functions repressed accountability. The combined effect of these technological, social, and institutional problems has tended to restricting even progressive national policy objectives.

The continuous neglect of farm sector, leads to the policies like subsidised rice to people. Most of these people are engaged in agriculture production and agricultural labour. This tragic reversal of the role, feeding the farmers who have been feeding the country all these years, is the culmination of national policies that have neglected agriculture and farming in the wake of globalisation and economic liberalisation. India has majority of the population depending on agriculture and the cost of faulty economic liberalisation has begun to prove. Withdrawing the state support to agriculture and farming, and increasingly leaving farmers at the mercy of the monsoon and the markets, the national policies were in reality being drawn to shift the national resources for the benefit of only the business and industrial houses. Liberalisation which made the blunder of strengthening industry at the cost of farming in 1991 has only intensified the crisis by moving the scarce resources to
reinforce the industry. While agriculture continued to be neglected, industry continued to receive tax-holidays, cheaper credit, highly subsidised lands, in name of Special Economic Zones (SEZ) and excise duty relief and other benefits. Where as the farmers lost their lands and became landless and forced to work as labourers in their own lands.

The recent social movements against Special Economic Zones (SEZs) in Singur and Nandigram areas of West Bengal and similar movements against SEZs in many other places are the result of the deprivation of land and livelihood. Agriculture credit became a low priority, credit for housing and buying a car is available at 9 to 11 per cent rate of interest while the crop loans to farmers fetch a heavy interest of 17-20 per cent. In reality, farmers were worse-off with almost 60 per cent of them depending upon the private moneylenders. Farmers defaulting the banks and private moneylenders with petty outstanding dues, were severally humiliated. The more the poverty levels, the more the rate of interest. Thousands of farmers in distress preferred to commit suicide rather than to be faced with humiliation that comes along with indebtedness. With the intervention of World Trade Organisation (WTO) policies, agriculture is commercialised, where as in traditional agricultural mode of production farmers used to sell only surplus foodgrains after keeping foodgrains for their dietary needs and for the purpose of seeds. Present farmers have to depend on multinational corporations for seeds. This led to the decline in food production for domestic usage due to the export cash-crop production. It leads to the destruction of the foundations of food self-sufficiency so industriously built over the past several decades. “The Green Revolution has been a
social disaster, the effects we can legitimately expect from direct western agribusiness intrusion into traditional rural societies may be nothing short of catastrophic. There is already plenty of evidence to suggest that agribusiness is capable of destroying everything it touches; local employment patterns, local food crop production, consumer tastes, even village and traditional structures” (The United Nations University 1984:42). The deteriorating economic situation of peasants and the rural poor caused rapid migration from rural to urban. The government goes on pursuing policies of WTO, and dismantling the planks of food security and in the process driving millions of farmers from their small land holdings to head for the urban centres looking for menial jobs. The economic circumstances of the rural peasants contributed to the migration to the towns and cities. But the pace of industrial advance in town and cities was not sufficient to absorb the rural migrant poor. The result is that, the growth of urban unemployment, hence the growth of slums, extreme hardship, uncertain employment, abysmal wage rates, rampant exploitation, prostitution and other types of social evils such as crime and violence.

Neo-liberal policies have attacked both production and access. The attack on the Indian peasantry is not only from the WTO but also from the genetic engineering industry, both of which work in close tandem. Governments at the national and the state levels is being lined up to pave a way for the smooth entry of the genetically modified crops. Now farmers need to select seeds from the market rather than their choice and food needs. Very conveniently diverting the national attention from the more pressing crisis afflicting the farming sector, agricultural scientists have joined
the campaign to bring in the genetically modified crops keeping the country’s growing food need. If only the effort that is being made to bring in the genetically modified crops was directed to distribute the mountains of surplus foodgrains that rot in the open, millions of hungry people in India could have been adequately fed. “The logic that these people have been following for 15 years is that food security does not matter, farmer should produce to supply supermarkets in advanced countries under the contract to transnationals, and we can always import food if required. This ignored the fact that if we are growing cash crops, there is no control over the foreign exchange earnings if the unit of the dollar price of export crop falls.”

Most of the governmental programmes, which are meant to abolish poverty levels, hunger and food insecurity are in fact, used for the political purposes rather than to tackle poverty. Pranab Bardhan points out, “The Indian style of politics is deceptively consensual, but over the years the process of intense bargaining and hard-fought apportionment of benefits among the different partners of the dominant coalition have come out more into open, and politics has acquired a more unseemly image in public mind…….Political democracy has also its way of building up pressures for state subsidies from a growing number of groups even beyond the confines of dominant coalition. Some sections of unionized workers, small traders and some other small propertied interests, taking advantage of their larger numbers are increasingly vocal in electoral politics for a large share of the pie” (Bardhan 1984:66-67).

19 Frontline, 25th April 2008. p.28
In any society economic growth helps to reduce poverty, as it is supported to create more jobs, and revenue to be invested in social sector. “In many parts of India poor have started questioning, with slowly growing assertiveness,........with the periodic exigencies of electoral politics, the vote mobilizing rhetoric of competing political notables escalates in radical populism” (Bardhan 1984:82). Especially the emergence of regional political parties as power centres has become a dominant factor to determine policies which are meant to eliminate poverty in general and hunger in particular in India. The emergence of powerful regional political parties like D.M.K, Telugu Desam, Akali Dal Samjvadi etc have created an atmosphere in which parties have used poverty elimination schemes more for their benefit rather than removal of poverty in India. “Indian nation state could not manage to provide an effective poverty elimination scheme that can potentially work out in all the states, whose nature is complex as well as dynamic time and again. No one can deny that India is deposited with both well off and bad; I must say states in terms of economic, social and political. Even the selection of region to be benefited for any welfare scheme itself is involving politics for the political party’s future” (Bardhan 2003: 282).

**PDS and Electoral Politics**

It is an irony of Indian democracy that whatever may be the economic or social issues dominating the agenda of political parties, a sudden rise in onion prices in north India or an offer of rice at rupees two a kilo in the south can still make or unmake a government. The potential of rice to tilt the electoral balance was first
discovered by the DMK founder late C. N Annadurai whose promise of one ‘Padi’\textsuperscript{20} rice at one rupee brought him to power in the 1967 elections. The present DMK leader and Tamil Nadu Chief Minister M Karunanidhi lived up to that tradition by offering rice at rupees two per kg to all ration card holders in the state in the last Assembly elections. Karunanidhi also offered free colour television for every family and free gas stove to all poor women. He came back to power with a thumping majority. In Karnataka it was Devraj Urs in the 1970s introduced several populist welfare measures. From 1980s onwards, food became an issue in populist politics in Andhra Pradesh. Subsidised rice under PDS is one among the promises with which political parties tried to win the favour of the electorate. The political-economic background that gave rise to this development is the intensified political competition. Opposition parties emerged and became influential in many states. Moreover, the increasing political awakening and emancipation of large parts of the population made it necessary for politicians and political parties to formulate policies that appeal to these voters.

\textbf{Emergence of Telugu Desam and Politics of Food in A.P}

The dominance of the Congress Party in the political history of Andhra Pradesh continued uninterrupted for three decades till it was upset by the Telugu Desam Party (TDP) in the 1983 elections. The Andhra Pradesh state was to go to the polls in January 1983 to the state Legislative Assembly. It was an important year in the political history of Andhra Pradesh. It saw the rise of a new political party, the

\textsuperscript{20} Padi is a colloquial word used in Tamil Nadu and southern Andhra Pradesh, which is about 1.5 Kg. Agricultural labour used to get foodgrains as wages in terms of ‘Padis’ for their work in agricultural fields in Tamil Nadu and southern Andhra Pradesh.
Telugu Desam Party (TDP), which succeeded in ending the Congress hegemony within a very short time. After a short campaign the party the TDP won the elections, thus marking the end of a long era of Congress in Andhra Pradesh. The leader of the Telugu Desam party was N.T. Rama Rao, a popular film star. In several films he had played the roles of Hindu mythological characters Lord Srirama, Krishna, Karna, etc and a moral figure who champions the cause of the weaker sections of society. He was very popular and had a great deal of charisma. Based on his earlier fame, extensive touring and clever campaigning, he was able to strike a chord with the people that would last for quite some time.

The Telugu Desam Party which came into existence just six months prior to the polls was trying to wrest power from the ruling Congress Party and had been repeatedly promising that it would make rice available to the people under PDS at rupees two per kilo, if voted to power. The election manifesto of Telugu Desam Party which was released before the January 1983 elections, stressed the need for streamlining PDS so that essential commodities could reach the villages and be sold at reasonable prices, making the sale of rice at rupees two per kilo, the central objective of the larger policy. The manifesto also stated that rice would be made available to the poorest of the poor. The TDP government, after coming to power in 1983, made rice available at rupees two per kilo in keeping with its poll promises. With the massive mandate from electorate N.T Rama Rao went ahead with a

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21 Rice is the major ration item under PDS in Andhra Pradesh apart from rice, sugar, kerosene, and occasionally wheat and edible oil also includes under PDS. Since the other commodities are very nominal under PDS, political parties focus only on rice. PDS means only rice distribution in Andhra Pradesh. Thus the entire PDS revolves around rice.
vengeance to introduce populist schemes, especially he became very popular with subsidised rice at rupees two per kilo. This populist scheme has remained important in Andhra Pradesh’s political history. The TDP was defeated in 1989, but it came back to power in 1993, partly again because of its promise to reintroduce the rupees two per kilo scheme.

In Andhra Pradesh, it was former Chief Minister N T Rama Rao who first launched the rupees two a kilo rice scheme which paid rich electoral dividends for him in the polls. When N.T. Rama Rao started advocating the idea of a Rs. 2 per kilo of rice scheme, the ruling Congress government did not take the idea very seriously, and was convinced that it was an impossible plan. The people of Andhra Pradesh, however, were taken in by the idea. Hence, it is no surprise that the idea for a Rs. 2 per kilo scheme was received very well by the poor.

In September 1995, Chandrababu Naidu took over as Chief Minister in Andhra Pradesh. He replaced his father-in-law, N.T. Rama Rao. After coming to power Chandrababu Naidu as strong protagonist of economic reforms, took several unpopular measures, such as raising electricity charges for a wide variety of consumers, enhancing the price of subsidised rice from Rs. 2 to Rs. 3.50 a kilo, and later on in year 2000 to 5.25 a kilo. At this time the government is offering, attractive price of rice at Rs.2 a kilo under PDS, when the open market prices rule between rupees twelve and twenty. The unresolved question is should the government focus on improving the living conditions of the poor or simply play with their minimal needs.
The story of the scheme’s origin reveals that the rice subsidies main purpose was never just to help the poor. Instead its main intention was to be a visible, if a small gesture of generosity on the part of the ruling parties in the state. That token gesture would, party leaders hoped ensure enough votes for continued power of the state over the voters. The state government’s legitimacy is then enhanced by its electoral popularity. Telugu Desam Party’s election manifesto 1983 stated that, Telugu Desam will strengthen the Public Distribution System and will see that the essential commodities are made available to people at very reasonable rates. It is the firm resolve of Telugu Desam to ensure sale of a kilogram of rice for rupees two. After winning power in 1983 TDP government implemented the rice subsidy scheme as it promised to the electorate.

The main reason for the scheme’s popularity is that ration cards as well as ration shops actually have reached the most remote areas of Andhra Pradesh, unlike many development schemes which, one way or another, have concentrated on central places. The ration shops have reliably supplied rice to card holders, with the leakages and corruption problems faced by civil supplies kept to a minimum by the high visibility and local nature of fair price shops.

In Andhra Pradesh, both the Congress (I) and TDP were prepared to promise some handouts to the poor in 1983. N T Rama Rao, the leader of TDP, boldly promised a higher subsidy than Congress (I) had ever provided, and they won the 1983 elections. When the TDP’s leading position in the state assembly was
questioned in 1985, their strategy of combining ‘Telugu Jaathi’, ‘Telugu Prajala Atma Gouravam’ with the extensive food subsidy paid off in a solid electoral victory. The Congress (I) has since been silenced from criticizing the Rs 2 KG rice scheme because if it does, TDP will use this advantage by accusing the state Congress (I) of wanting to impose central government anti-Andhra Pradesh policies on the Telugu people. The Left parties had been forced to go along with TDP policies by its ongoing electoral alliance with TDP involving seat allocations and mutual support. The scheme was used as propaganda for TDP; the scheme was called as ‘Anna-Varam’. Telugu Desam Party’s populism and regionalism are also a convenient way of legitimizing a regime which in many ways represents in the absence of a viable Left alternative. The CPI (ML) Maoists, which is also popular among radical youth, is running its chances by engaging in terrorist tactics and indulging in revenge murders. The voters of Andhra Pradesh prefer the one which at least offers some concrete, immediate benefits; most voters have no expectations of any more fundamental change in society.

In states where rice was introduced at attractive prices under PDS, there were reports of large scale black marketing and diversion of rice from PDS to the open market. The governments of the day failed to curb corruption and plug the leakages.

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22 Popular slogan of Telugu Desam Party, implying self respect, pride and dignity of Telugu people.
23 NT Rama Rao popularly known as ‘Anna’ in Andhra Pradesh, which means elder brother in Telugu, and also ‘Annamu’ means food, ‘Varam’ means gift or divine gift. Thus Anna-Varam connotes two meanings elder brother’s gift and food gift. He projected himself as the elder brother who gives rice and sarees to women, a benefactor doing good to Telugu people. This discourse can be characterised as donatives, since it stresses hand-outs, charity and welfare provided by a benevolent ruler.
Such populist measures were introduced without making adequate provision in the Budgets. Consequently, the freebies led to huge budgetary deficits and rise in inflation, which contributed to further rise in prices in the open market. So such electoral gimmicks, unless backed by sound economics, are bound to boomerang on the people.

The major issue of food security is increasingly challenging the state politics and governance. Food supply and demand projections are being made with arguments being offered about food surpluses and falling prices on the one side and food scarcity and hunger on the other. Such projections and contrasting arguments have tremendous implications on the future of political system. Since the Telugu Desam party was propelled into power largely on the basis of its electoral promise of cheap rice, at rupees two per kilo rice subsidies have been a major issue in Andhra Pradesh politics. “Telugu Desam Party’s populism and regionalism are also a convenient way of legitimising a regime which in many ways repress the very people-the poorest of the poor’- whom it claims to represent. Legislation exist which would enable these people to reach a higher standard of living through their own efforts-the minimum wage and land ceiling laws. But the minimum wage laws are openly flouted, especially in agriculture where the poorest workers receive the lowest possible wages. The land ceiling act, though an effective deterrent to land accumulation by rich individuals, is also bypassed as rich farmers allocate land to various relations (on paper) but actually till holdings far over the limit. TDP has done nothing towards implementing these basic progressive laws” (Olsen 1989:1598).
The government of Andhra Pradesh introduced the subsidised rice scheme in the early 1980s to improve the consumption levels of weaker sections of society as well as for electoral gains. Households with annual income of less than Rs 6000 were regarded as poor and were issued green cards; other households were issued yellow cards. A household with a green card was entitled to 5 kg of rice per person for a month subject to a ceiling of 25 kilos at rupees two per kilo. Besides rice, they were entitled to buy sugar and kerosene. A household with a yellow card, in the initial years was permitted to purchase rice from fair price shops but at the higher price of 3.50 per kg later on this facility was withdrawn. However the yellow card holders were entitled to higher quota of sugar and kerosene and occasionally edible oil was also supplied to the card holders through fair price shops.

The Congress government in 1991 moderated the scheme. The green cards were replaced with the white cards and yellow cards with pink cards. The ceiling on the rice for white cardholders was initially reduced to 16 kg but later on it was again increased to 20 kg. On account of increase in issue price by the Food Corporation of India (FCI) the state government increased the ration prices to 3.50 per kg. In 1994 Telugu Desam party came to power and restored the ceiling on rice to white cardholders to 25 kg.

Andhra Pradesh is a surplus state, encompassing large surplus as well as deficit tracts within its area. “Andhra Pradesh has several districts that are heavily surplus in rice such as West Godavari, East Godavari, Krishna, Guntur, Nalgonda
and Karimnagar; on the other hand there are also chronically drought-prone and heavily deficit districts such as Anantapur, Chittoor, Cuddapha, Kurnool, Adilabad, Visakapatnam and Vijayanagaram” (Venugopal 1992:168). Apart from the usual public distribution system through fair price shops several central and state level programmes are implemented by the government of Andhra Pradesh such as Antyodaya Anna Yojana, Annapurna Scheme, Food for Work, Mid Day Meal Scheme for school going children, Integrated Child Development Scheme (ICDS). In spite of many policies and programmes to secure food, reports of hunger and starvation deaths remind an important task of government. There is an urgent need to understand the rationale as to why people remain hungry when enough foodgrains are produced.

The irony of the situation is the fact that the majority of those who experience persistent hunger are people who are involved mainly in activities related to food production. The obvious affirmation to the query necessitates that a single starvation death in the midst of several millions of food grains in warehouses is a multiple blemish on the state and its instrument of food policy and public distribution system. The plight of starving masses due to food insecurity should be understood in the context of failed policies. A requirement of food security is to first understand the food needs, and then ensuring that, in answering these needs, integrity of natural ecosystems is not compromised so that the food can be made available in a safe and sustained manner. The policy of food production and consumption must recognise this issue, given the over exploitation of natural resources, the highly degraded state of environment today.
Electoral Politics and Two Rupees-A Kilo Rice Scheme in A.P

The popular rupees two a kilo rice scheme was introduced in Andhra Pradesh by Telugu Desam Party (TDP) government as an election promise after it wrested power from Congress-I in 1982-83. Prior to 1983, the PDS was mostly concentrated in urban areas like in many other parts of India except Tamil Nadu and Kerala. The government of Andhra Pradesh decided to extend the subsidised rice scheme to the poor living in rural areas. With the enumeration of all households in the entire state, households whose income was less than Rs.6000/- per annum was identified as poor. All the identified poor households were issued yellow ration cards (presently white cards). All those households whose income was more than Rs.6000/- were issued green ration cards (presently pink cards) for supply of ration items under PDS. All those households who possessed yellow ration cards were provided 10 kg of rice at Rs.2/- per kg through fair price shops. Later on it was raised to 5 kg per head with a ceiling of 25 kg per household per month. When the quantity allocated by the central pool was not sufficient to meet the commitment, the state government entered into the rice marketing and purchased additional required quantities by the State Civil Supplies Corporation at a negotiated price, which is higher than central procurement price. This involved additional subsidy burden on the states exchequer.

This new task of food distribution policy in the political process has a lot to do with the search for political legitimacy which is no longer given, but has to be established and defended. This has to do with the dynamics generated by the parliamentary democratic system. In the course of time voters become more
assertive and demanding, and start increasingly to make demands on politicians and governments. Governments which do not deliver what they promise are quite often voted out. The increasing search for political legitimacy has to do with the breakdown of the Congress dominance. The erosion of the Congress party and the increasing importance of competition among political parties led to the political populism. One of the ways in which politicians and political parties now try to establish political legitimacy is through populist programmes that appeal to large parts of the population, and food distribution has obviously become one of them because providing essential commodities attracts people.

In 1992, the rice quantity per poor household was reduced from 25kg to 16kg per month. From January 1993 the quantity increased to 20 kg per household and ration issue price was raised to Rs.3-50 per kg instead of the earlier promised rupees two a kilo. From January 1995 its price was again brought down to rupees two per kilo with an entitlement of 5 kg per head with a maximum of 25 kg per household. This continued for a short period as an election promise made by the TDP. But, the government revised its price to Rs.3-50 per kg to contain the mounting subsidy with effect from August 1996 and also restricted the quantum of rice to 4 kg per head with a maximum of 20 kg per month per household.

Since the scheme has paid rich electoral dividends to Rama Rao in the past, the Y.S Rajasekhara Reddy government decided to revive it ahead of 2009 elections. Apart from direct electoral political pressures, there was a tendency to assign minimum needs a high place on the political agenda anyway. The political think
tank of the Andhra Pradesh government under the leadership of Y.S Rajasekhar Reddy, had proposed several populist programmes, including rupees two a kilo Rice Scheme, Indiramma Ellu, (Indira Gandhi Housing) Rajeev Arogya Sree\textsuperscript{24} (health Scheme for poor) Pavala Vaddi\textsuperscript{25} for DWCRA (Development of Women and Children in Rural Areas) groups, rural roads and so on. These programmes were not only a brainchild of some benevolent planners but also the result of political pressure and demands. The ruling party hopes this scheme, coupled with free electricity to farmers, massive programmes of construction of houses for poor and irrigation projects, would help it retain the power. “The presentation of food programmes has been referred to as a donative discourse, because of the emphasis on charity and generosity of the government. The scheme is linked to the personality and care of the Chief Minister. In Andhra Pradesh, the rice scheme was not named after the Chief Minister himself, something which happened in Tamil Nadu for instance, but the Chief Minister was very much identified with it. This was done intentionally to improve the image of N.T. Rama Rao who was presented as a big brother, someone to be trusted and relied upon. He was presented as a benefactor who gives a helping hand to the poor” (Mooij 2002:28).

\textbf{Revival of Rupees Two a Kilo Rice Scheme}

The Andhra Pradesh government re-launched the Rs 2-a-kg rice scheme for below-poverty-line (BPL) families in the State on 9\textsuperscript{th} April 2008, twenty five years

\textsuperscript{24} In Andhra Pradesh, Y.S Rajasekhar Reddy Government is extensively using Mrs Indira, Rajeev names as suffix or prefix to all programmes and policies. The names of the schemes clearly illustrate the significance of the personality cult of political leaders.

\textsuperscript{25} Loan at interest rate of 25 paisa for self help groups.
Chief Minister Y.S. Rajasekhar Reddy formally inaugurated the scheme at Jadcharla in backward Mahbubnagar district, even as his ministerial colleagues, Congress legislators and MPs had started the sale of subsidised rice to BPL families through fair price shops across the State. Legislators of other parties, too, participated in the launch in their respective constituencies. In all, about 42,000 fair price shops are networked to sell the subsidized rice. Apart from rice, kerosene and sugar, the state government is also planning to provide pulses and edible oil on subsidised prices for the white ration cardholders.26

Since early 1990s the state of Andhra Pradesh has received a lot of attention, both nationally and internationally. Andhra Pradesh was among the pioneers of economic reform programmes in the 1990s. The question why the Andhra Pradesh government does what it does in this field of food distribution policy has acquired an extra urgency and relevance. Since 1991, as part of structural adjustment policies, there has been an increasing tendency to question the necessity and size of the programme, especially the huge costs which are now a thorn in the flesh of many political economists. Generally, the viewpoint of the Left parties in India has been in defence of the PDS. They have argued that one cannot and should not rely fully on the market. Food is too essential; the state should not withdraw but rather take

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26 The Government is forcing the ration shop dealers to display Andhra Pradesh Chief Minister Y.S. Rajasekhara Reddy’s portrait while supplying rice under the Rs. 2-a-kg rice scheme. Congress party is insisting on such display and asking the Congress workers to oversee such display. Government is giving wide publicity for the scheme in all news papers. See appendix-II for such advertisement in news papers.
responsibility for a more equal distribution. Particularly in situations as the present one, it becomes important to know why and under what conditions governments tend to take up certain responsibilities, and under which conditions they tend to turn these down.

Expansion of the PDS is not an agenda in the present political and economic ambience. To understand government policy it is crucial to know why the government would be interested at all. What is the history; who have been the advocates; which interests were at stake? “In this context it is needed to raise some pointed questions. The regime which lays claims to pursue neo-liberal reforms through the reduction of fiscal deficit, public sector disinvestment and reduction of public expenditure on employment and subsidies as part of the transition from state to market, in fact in practice ends up with wasteful expenditure of public money……….quite contrary to its stated policy objectives” (Reddy 2002:871). The search for accurate picture of how political issues shape development performance forces look beyond the neo-liberal reforms and structural adjustment context.

Policies are shaped by not only by national and international social context and process, but also by the set of electoral strategies, beliefs and values in plural democracies, because political culture of particular region or nation matters in shaping public policy and developmental outcomes. Political culture represents the link between the events of politics, electoral outcomes, and policy decisions of governments. “The first is that social policies do not just address welfare issues or social development; they also play a role in the creation of regime legitimacy.18
Social policies are high on political agendas and mentioned prominently in budget speeches and other public policy statements, and large claims and promises are repeatedly made. Food policy illustrates the point even more clearly. Proposed policy changes can rely on being subjected to intensive debates (in fact, often immediate protests). Individual politicians, especially in south India, have tried to get political mileage out of presenting themselves as patron-rulers looking after the welfare of their subjects. This fact that social policies are important for regime legitimacy and individual popularity of politicians can be easily understood against the background of high levels of poverty and deprivation. For tens of millions of poor households, the PDS supply may be their most secure food entitlement” (Mooij 2007: 332).

The scheme originally introduced by the then Telugu Desam government led by N T Rama Rao on Ugadi\(^{27}\) day in April 1983, the rupees two a kilo rice scheme was subsequently scrapped by the Congress regime that raised the price to Rs 3.50 per kg in 1992. Later, N.T.Rama Rao re-introduced the scheme in January 1995 on regaining power in 1994 elections. NTR's son-in-law, N Chandrababu Naidu, who took away power from him in 1995, scrapped Rs 2-a-kg scheme in July 1996 and raised the price to Rs 3.50 a kg. The price was raised further to Rs 5.25 per kg in the year 2000. The Rs 2-a-kg scheme has been revived after a gap of 12 years. Speaking on the occasion, the chief minister said that the scheme would provide 'food security' and blunt the effects of a price rise for poor sections in the State. In all, about 1.85 crore (18.5 million) BPL families holding white ration cards would benefit from the

\(^{27}\) Telugu New Year
scheme. The state government has earmarked Rs 1,980 crore for the scheme in the budget for 2008-09.28 The government also decided to distribute, red gram and palm oil for the card holders at fair price shops from the month of July 2008. “The Rs 2-a-kg rice scheme relaunched by the government marks the start of the electoral silly session and is likely to trigger competitive populism as the state gets ready for assembly polls…….has been clearly done with an eye on the assembly elections less than a year away.”29 Dr. Rajasekhar Reddy said, "The scheme will benefit 6.51 crore (65.1 million) persons out of the state's total population of 8.22 crore (82.2 million) now. We are trying to bring back Indiramma Rajyam (Indira Gandhi's rule) in the State in letter and spirit. Our main focus is welfare of the people, particularly the poor."30 “The chief minister is banking heavily on the rice scheme to fetch votes. He feels this scheme, coupled with free electricity to farmers, construction of houses for the poor and irrigation projects would help the Congress party retain power. He also hopes that it would stunt the campaign for separate Telangana region and the drive against corruption in the run-up to the polls.”31

The review of the emergence subsidised rice scheme and evolution of the PDS, is that food policy is not an automatic response to food insecurity. Food policies are shaped in and through concrete historical and political economic processes. The direction in which the PDS develops has been influenced by the specific political economic context in which it was shaped. The food policy is

28 The Hindu, 10th April 2008.
29 India Today, 28th April 2008, p.28.
30 The Hindu, 10th April 2008.
strategically employed by the governments in political and economic situations. The political gains to the government which promises a certain entitlement to needy consumers and ensures its discharge can be an attractive undoubtedly. Thus guaranteed supply of essential foodgrains to the poor households by way of assured food security is also a good political and electoral strategy. “Food in populist vote-catching practices, the development trajectory of food distribution policy has not become fully subordinate to political opportunism. In fact, food policy is still closely linked to wider issues of development and planned state intervention. The development of food policy in the 1990s cannot be understood through a reference to populist politics alone. There is also the connection with structural adjustment policies. I recall that PDS issue prices have been increased in compliance with these economic policies, and that there are efforts to reduce the subsidy and restructure the whole system. In short, it is not only opportunistic politics that forms the wider context in which food policy is shaped, but also economic policy” (Mooij 1998:94).

Since the 1980s Andhra Pradesh has populist leaders who have tried to secure votes by formulating and implementing various kinds of welfare schemes. The idea that government is there to serve the people has taken developing some extent. Despite of corruption and misappropriation beneficiaries continue to have some positive expectations because they are also voters these have to be benefited to some extent. This means that both political leaders as well as the beneficiaries have a common interest in formulating populist welfare policies and programmes. Populism has become one of the most important electoral strategies in present state of affairs. What is the amount of subsidy spent on PDS? Would it have an effect
which is different in the short and long term if those same finances could have been used in other ways by government? These issues are not well discussed and debate on populist schemes under PDS. The sustainability of these programmes on such a large scale is doubtful from the economic point of view. “Populism was a necessary political strategy for the regimes to attend the redistributive question and legitimize the ruling class coalition there of. More often than not, populism was a compensation for the increasing imbalances that accrue out of development itself. Thus populism is normally understood as inevitable and integral to the politics of state-led development….However, this apparent discomfort between populism takes shelter under certain presumptions that populism has to be understood as a historical product of state-centred economies and that market oriented neo-liberalism leads to the demise of populism. This narrow perception primarily emanates out of one-sided economic dimension of populism that finds unlinear linkages between the two. Populism being amorphous in its nature needs to be understood in its multidimensionality” (Reddy 2002:872). These populist government schemes are justified as welfare measure where as in practice they act as relentless downward pressure on all sections of people. “It has suggested that the foundations of security and well-being are established through a system of obligations and correlative climes held by political associates within the polity. These goals are closely bound up with the legitimate and socially regulated exercise and renewal of authority; with a mode of justified authority that implies that possibilities for discursive challenge exist and are some times exercised, but are not to bare on every authoritative decision. Instead, these political conditions allow a limited suspension of judgement on the part of the citizens because the institutionalised possibility of challenge exists
when they need it; and authority holders act in the knowledge that they can justify their policy choices, even if they are not required to do so on every occasion (Currie 2000:173)

The rupees two rice scheme under PDS is being implemented at a time when the open market price of rice has swelled to Rs 15 to 20 a kg. Such a huge difference between the subsidized price and the market rate gives scope for diversion into the black market. The profitability of this illegal trade is depends on the open market price and controlled price. The smaller this price difference, the more foodgrains reach the cardholder, but the smaller impact for the cardholder. Civil Supplies Minister Kasu Venkata Krishna Reddy said that, about 340,000 ton of rice per month would be required for the scheme. The government is working out the modalities for conducting regular social audit on the quality, timely delivery and other aspects of the scheme. Integrated flying squads would be constituted at the district level. To check diversion of subsidised rice stocks to open market by fair price shop dealers or others, the government has constituted committees at the state and district level to continuously monitor the implementation of the scheme. A special cell headed by a senior IPS officer is being set up to supervise the implementation of the scheme. District collectors are entrusted the task of monitoring the scheme.32

The Vigilance and Enforcement Cell of Civil Supplies Department is tasked to undertake regular physical inspection of stocks. Check-posts are being opened to thwart illegal movement of rice stocks. Strict surveillance is being mounted on

32 Enadu 10th April 2008.
supply and transportation of rice on a day-to-day basis. The department is opening toll-free telephone lines to be manned by special cell at the state level and wings headed by joint collectors at the district level to receive complaints and to ensure smoother operation of the scheme.33

The low price of rice has also given scope for misuse by politicians in many districts to distribute it free of cost along with their photographs.34 Some enthusiastic MLAs and MLCs from the ruling Congress as well as the opposition Telugu Desam had announced their decision to bear the cost of the rice supplied to few villages in their respective areas. Coupled with this were allegations by the opposition Telugu Desam and the Left that ministers mounted pressure on the fair price shop dealers to ensure supply of quota free of cost for political gains. Within days of the implementation of the rice scheme, there were reports of cabinet ministers in the Reddy government, Congress MLAs and some others leaders buying large quantities of PDS rice for rupees two and selling it even less or supplying it for free to the poor. The system was simple, the politicians struck deals with the fair price shop dealers to sell PDS rice to those with BPL cards for rupee one or free while they became identified as the benefactors. The dealers were given the marginal difference by politicians themselves or compensated by bogus BPL cards with which they were allowed to sell the rupees two rice in the open market.

33 Enadu 10th April 2008.
34 Telugu dailies like Enadu, Vaarta and Andhra Jyothi and English Dailies like The Hindu and Times of India, published series of reports of politicians belongs to Congress and Telugu Desam distributing PDS rice free of cost in their respective constituencies during the launch of scheme.
This led to the Civil Supplies Commissioner Poonam Malakondaiah to clarify that, “Sale of PDS rice meant for the scheme could not be distributed free of cost by anybody, sale of rice at price other than that specified by the government was an offence and amounts to violation of the Price Control Orders and the PDS.”

The Commissioner of Civil Supplies, Poonam Malakondaiah said that, “if some politicians want to do charity, let them purchase rice from the open market at Rs. 18 a kg and distribute it free to the people. We will not allow anyone to distribute free of cost PDS rice for which the Centre and the State are providing huge subsidy,”

“we will see that every single grain of rice goes to the cardholders with the right quality, in the right quantity and at the right time.”

She has also ordered suspension of licenses of fair price shop dealers for selling PDS rice at any rate other than what was prescribed by the government and even for abetting free distribution by politicians out to gain mileage from the subsidised rice scheme in this election year. In a circular to all Collectors, she asked them to seize vehicles illegally transporting PDS rice and book cases under the ‘Essential Commodities Act’ as well as the ‘Motor Vehicles Act.’ As for errant fair price shop dealers, she wanted criminal cases also to be booked against them.

The Congress government, with an eye on the next elections, presented a tax-free, welfare-oriented budget for 2008-09, with Rs 120 crore surplus and announced revival of the rupees two per kilo rice scheme. For the first time, the Budget size crossed the rupees one lakh crore mark, including Rs 48,551 crore plan expenditure.

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35 The Hindu 10th April 2008.
36 The Hindu 11th April 2008.
37 Enadu 11th April 2008.
which is highest for any state in the country. Presenting the annual Budget in the Assembly, state finance minister K Rosaiah said, “Irrigation, housing, agriculture, rural development and social welfare sectors would continue to be the thrust areas for the government. The total Budget size stood at Rs 1,00,436 crore, an increase of 24% over the current year. This includes non-plan expenditure of Rs 51,885 crore and Rs 48,551 crore under the plan. The revival of the rupees two per kilo rice scheme after a gap of 25 years, with an allocation of Rs 1,980 crore, was the highlight of the Budget. In tune with the Congress government's priorities, irrigation and housing got lion's share of the allocations, accounting for Rs 16,500 crore and Rs 5,850 crore respectively.

The Rs. 2 per kilo scheme under the PDS became a big hand-out to almost the entire population of Andhra Pradesh. It became a major populist scheme, costing the Andhra Pradesh government about Rs. 2, 000 crore. It is clear the programme was allowed to expand so dramatically within a short period of time, especially since 1983, for narrow political interests. The subsidised rice scheme alone will entail an additional burden of around Rs. 1,000 crore to the state government. Even if government spending Rs. 800 to 1,000 crore on this scheme, it need to be examined whether this food subsidy is at the expense of investment on agriculture or investment in infrastructure. PDS has often been attacked for inefficiencies in its functioning, reported diversion of commodities from FPS to open market and its

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38 On 16th February 2008, budget for 2008-2009 was presented in Andhra Pradesh Legislature. See Telugu dailies dated 17th February, Enadu, Vaarta, Andhra Jyothi and English dailies The Hindu, Deccan Chronical and Times of India for analysis on Andhra Pradesh budget and allocation for rupees two a kilo rice scheme.

failure to fully reach the target groups for whom it is intended. Added to this is the sharply raising food subsidy bill, with the manifold increase in grain output, current buffer stocks are far above the required norms entailing a heavy burden on exchequer. Who will bear the burden ultimately? How the government will fill its treasury?

However people have to bare the burden by paying extra taxes. To fill its treasury, government increased the excise duty on liquor. According to media estimations this increment will fetch the government about 800 crore revenue.\(^{40}\) Thus government was not doing any favour to the people as it was spending around 1,000 crore on subsidised rice scheme. The amount was recovered from people by encouraging wine shops, bars, belt shops,\(^{41}\) and sale of cheap liquor to the common man. With this hike the rates of beers, whiskey, brandi, rum, vodka and cheap liquor will go up. A little hike on quarter bottle of whisky or rum is enough to turn the poor consumer to illicit liquor. It will drive the poorer sections of society to illicit liquor and thereby endanger their lives. Thus the government collects from the poor, what it intends to spend on them. Generally the weaker sections of society especially daily wage labourers fall in to this vicious net. The unusually high appropriation of household income liquor will made serious inroads into food security of the poor households, by diverting resources which cold have been used to buy foodgrains and reducing money available for basic education and primary health care of the BPL families. The benefits of spending more on health education, water supply and power and less on populist schemes may great effect. Another contrast is between

\(^{40}\) Eenadu, 18\(^{th}\) February 2008.

\(^{41}\) Belt Shops are illegal retail outlets for liquor sale at every corner of streets.
health and education spending and rice subsidy. A widening of health and education opportunities for weaker sections of society could benefit them more permanent ways than the populist food subsidy has by making them better able to compete for better opportunities and improve their livelihood.

The major problem is preventing the diversion of PDS rice into the black market has now become a major problem. The launch itself was relatively undisturbed as a PDS scheme is already in place and Rs. 1,980 crore available for it in the budget. The major problem before government is now, the scope for corruption on account of the huge price difference of nearly rupees 12 to 14 a kg between PDS rice and the one sold in the open market. This makes black-marketing very attractive and worth risk-taking for hoarders. The system also becomes non-sustainable with increasing issue price and increasing subsidy. This has put enormous strain on the state resources and thereby reduces the availability of resources for infrastructure such as irrigation and electricity and the inability of the state to spend large investments in employment generating and foodgrains production could decline. “Competitive populism and allotting a higher proportion of expenditure to welfare programmes and subsidies comes invariably at the cost of education and health, and slows down the growth. But in election year the dividing line between rhetoric and reality becomes really thin.”\textsuperscript{42} The political parties in the era of liberalisation, privatisation and globalisation, are facing contradictions in handling the political and popular compulsions emerging out of structural adjustment and liberalisation of economic policy. The times that are keen on taking

\textsuperscript{42} India Today, 28\textsuperscript{th} April 2008.p29
forward the liberalisation agenda shape themselves evolving strategies to overcome these compulsions that range from electoral to mass movements.

Telugu Desam party is annoyed as the government decided to launch the rice scheme when the TDP was considering its inclusion along with the supply of free power to farmers in its election manifesto. The Congress, which got wind of the Telugu Desam Party’s plans to repack N.T. Rma Rao’s high success 1983 scheme for the 2009 election manifesto, simply went ahead and implemented. It was astonishment to Chandrababu Naidu who is trying to come to power again in the state. Who was projected himself as a champion of the reforms, and presented the economic reform policies as part of a larger development and governance during his tenure of rule. “Now Naidu, a darling of the World Bank who slashed food subsidies early in his tenure as chief minister, is thinking of giving rice to the poor free of cost if voted to power, completely glossing over his long-term vision for economic growth by 2020.” The political parties often try to discover electoral strategies afresh with new meanings and new attributes in the process of shaping their election manifests. Each election is a response to new rhetoric of populism. The discovery of electorates with a specific meaning seeks to lend fresh credibility to the functioning of the system.

The Telugu Desam party, CPI and CPI (M) have described the rupees two a kilo rice scheme launched by the government as a publicity stunt with an eye on the

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43 Ibid
next elections. The main opposition TDP, which dubbed the scheme as a poll stunt, has warned the government against forcing the ration shop dealers to display Reddy’s portrait. The party alleged that the government was insisting on such display and asking the Congress workers to oversee the scheme. Mr. Tammineni Seetharam, spokes-person of Telugu Desam party said, “People were not in a mood to believe the Congress government in implementing the scheme much like it happened in 1994 elections, when the congress dispensation started the Rs1.90 a kg rice scheme. But people preferred Telugu Desam in the following elections and it won with thumping majority. Same thing will happen now.” Further he said, “It is our baby and we hold a patent, but the Congress government has launched it now in the last year of its tenure as vote gathering exercise, people are not so naïve to believe in whatever the Congress says given its track record of deceiving them.”

**Bogus Cards**

The number of BPL cards and the per cent of below poverty line households is very confusing and contradictory each other. There is a considerable corruption for getting BPL ration cards to ineligible people. Possession of a ration card is widely required as a pre-condition for verifying identity and domicile without which access to many public and private services is impossible. It is a de facto identity card, and obtaining one is a major pre-occupation of many poor families. A great problem is in the making in the form of bogus ration cards for Below Poverty Line

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44 The Hindu 10th April 2008.
45 Vaartha 10th April 2008.
46 Enadu 10th April 2008.
47 The Hindu 10th April 2008.
(BPL) families ahead of the commencement of the rupees two a kilo rice scheme. This is because the number of such BPL families as being claimed by the state account for almost 85 per cent of the state population, and is in complete variance with the figure of around 25-30 per cent of the population as per estimates by the Central government. The scam is in the form of huge subsidy being borne by the exchequer and the sops of the schemes being misused as literally hundreds and thousands of such BPL families exist only on paper. A wide-spread practice among FPS dealers is to get bogus ration cards made in the name of people who do not even exist. The ration is regularly drawn by FPS dealers in the names of these card-holders and sold in the black market. Another frequent problem is that the ration cards do not reach the people who had applied for them. Instead, unscrupulous FPS dealers and Civil Supplies staff draw ration on them and sell it in the black market. There are a large number of households who do not take ration from FPS but still the records show off-take. The supplies are actually sold in the black market.

The white (BPL) ration card is needed to avail benefits of many programmes of Andhra Pradesh, to a house under the Indiramma scheme, pension, and scholarships for students, subsidised rice and social security. Put together, these schemes amount to spending thousands of crores of rupees of public money by the state. “According to the official figures by the state government, there are 1.87 crore white (BPL) cards, 15.57 lakh Antyodaya Annayojana cards and 93,200 Annapurna rice cards in the state.” Taking four as the average number of one BPL family, they account more than seven crore of the state population when the total population

49 Ibid
itself is around 8 crore. Thus as per state's claim, 85 per cent of the state's people are living below the poverty line, which is unreasonable. “What successive governments did was to indulge in a delicate balancing act. On the one hand, they decided to placate the cardholders by allowing their number to grow. On the other, they pleased rice millers, who contributed to party and personal coffers, by varying quantum of procurement and permitting them to export rice to other states at a premium. As a result of this ambivalent policy, the number of poor cardholders has grown over the years with no certainty that they would get in full what the government of the day declares they are eligible for.”

The variation of BPL population in the state and central figures is more than 50 per cent, which is unbelievable. Bihar, which is considered as among the poorest states in the country, has a population of 8.28 crore. As per Planning Commission figures, in such a poor state, the BPL families are around 50 lakh. Thus if the number of BPL families is an indicator of poverty, then AP should be the poorest state in the country if the state government numbers are true. The increase of ceiling on the annual income of a family for being eligible to get white card is another political ploy by government for electoral gains. The income limit for the white ration card was only Rs 20,000 per annum for rural and Rs 24,000 per annum for urban families. “The decision of Andhra Pradesh government to increase the upper income limit for the eligibility to the white ration card to Rs 60,000 and

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50 India Today, 28th April 2008. p.28
51 See Enadu Telugu daily 12th and 15th April 2008. Enadu published a news report in front page on 15th April 2008, how the MLAs pressurising the officials to issue white ration cards to their supporters with an eye on upcoming elections. Similar reports are published in other Telugu dailies like, Vaartha and Andhra Jyothi in the second week of April, when the Scheme was launched.
Rs 75,000 per annum respectively for the rural and urban families will benefit another 30 lakh families in the state. With this the total number of white ration cardholders will shoot up to 22 million adding considerable burden on the state exchequer.”

The White Card otherwise known as ‘Rice Card’ in rural areas is the most sought after piece of paper in Andhra Pradesh because it entitles the holding family not only to the cheap rice but also health care, pension, housing and many other benefits. The government has decided to increase the income limit for white ration card at a time when the questions were being raised on how 19 million families in the state had white ration cards while the number of below poverty line families was officially reported to be only 23 percent of the state population. “When NTR had first introduced the scheme, the market price of the rice was Rs 4-5 per kg. NTR’s implementation of the scheme after his come back in 1994 had dragged the state deeper into a financial morass. He sharply increased the rice subsidy and banned the sale of alcohol, depriving the state of a quarter of the revenues that it had earned through taxes on liquor. World Bank reports and other economic studies have shown that though Andhra Pradesh is one of the India’s larger and resource-rich regions, the state presents a good example of what rampant populism can do to destroy growth prospects.”

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53 India Today, 28th April 2008, p.29.
It was suspected that more than half of these white cards were held by the well to do families to take benefits of various government schemes.\textsuperscript{54} Political opportunism gives rise to a demand for more and more benefits for the ineligible, and the political will that is necessary to resist it becomes conspicuous by its absence. There is a great need to eliminate the ineligible households from the purview of PDS. The highest priority and attention is required of the state’s political leadership. If this is not done, there is the danger of most deserving being elbowed out of the scheme by the least deserving households. The elimination of every ineligible household means a savings to the state’s exchequer.\textsuperscript{55}

Political parties (except the Left parties like CPI, CPI (M) and the Maoist Parties) in the era of globalisation are characterised as catalysts of economic reforms. The neo-liberals are increasingly realising the indispensability of the state in smoothening the road to liberalisation. What the transformation of populism in the contemporary politics signifies is that economic liberalisation is taking the back seat when it comes to the electoral strategy and context. What are the politics of this compromise? What are the political compulsions of the system? Do the compulsions spring up from the economics of the regime or its electoral politics? “Despite the

\textsuperscript{54} Enadu 9\textsuperscript{th} May 2008.

\textsuperscript{55} To tackle the problem of bogus cards, the State government is using the latest software in ‘Iris’ technology, to weed out bogus ration cards. The software would be extensively used to check irregularities in the distribution of ration cards. The government had issued 1.8 crore cards based on ‘Iris’ recognition, a biometric security system, to authenticate the identities of people. A Designated Photo Location (DPL) centre would be set up in every revenue division headquarters to verify the cards. The state government had announced that an electronic database of card holders, facilities for online filing of application for family cards and introduction of smart cards were among the plans to automate and streamline PDS processes.
economic ideology of the 1990s that stresses the virtues of the market and the failure of planning, it is still through government programmes and distribution schemes that politicians try to woo the voters, who generally tend to prefer and vote for direct material benefits, instead of economic policies with potentially positive long-term effects, but with a possible detrimental short-term impact on employment and prices……. Apart from its role in political legitimacy at the national level, food policy is also part of a project to establish political legitimacy in the international arena, in which aid agencies and UN organisations and summits stress the need of social policies and a social safety net, while international banking institutions put more emphasis on a reduction of government spending” (Mooij 1998:93). From the preceding analysis one can understand to what degree has the critical questioning and public deliberations of welfare policy made any dynamic impact on efforts to reduce poverty and hunger in state? And what extent and what ways, has the persistence of poverty and hunger influence patterns of electoral politics in Andhra Pradesh. “What kind of interests politicians develop in the PDS (or, perhaps, rather what kind of politicians get an opportunity to become influential) depends on the overall political culture and its dynamics. Simplifying, it is possible to discern two different kinds of dynamics linking electoral politics on the one hand with policy implementation and service delivery on the other. One is a positive dynamic. As a result of political mobilisation and grassroots politics, or as part of a strategy to enhance popularity and secure legitimacy, politicians claim that they work for the poor and make promises to deliver cheap food and other welfare provisions. In turn, poor people start to expect some benefits. If these expectations are not met, politicians are not re-elected. As a result, politicians are forced to deliver to some extent. They
develop an interest in a reasonably functioning delivery system. Improved performance will, in turn, reinforce ideas about entitlements of the people and duties of the government” (Mooij 1999b: 633-634)

The analysis of PDS and subsidised rice scheme in Andhra Pradesh illustrate the changing function of food policy in economic development and politics. Food became an issue on the political agenda. Also, other electoral considerations have prompted politicians to promise expansions of the food distribution schemes. This connection between food and populist politics was not exceptional; this existed in other States as well, such as Karnataka, Kerala and Tamil Nadu. There are important pressures like separate Telangana, classification of Schedule Castes etc, to which Andhra Pradesh State political parties and politicians have to respond. But there is no pressure or movements for food subsidies. But politicians themselves took the initiatives for electoral reasons. “Nevertheless, despite this balancing of the two faces of the regime and despite the presentation of rice at Rs. 2 per kilo as a gift, there is little doubt that the scheme has produced a change in the overall expectations of the citizens. The belief that poor people have entitlements and that the government has a duty to fulfil these to a certain extent, has become stronger. This means that, although the subsidised rice is an enormous burden to the AP exchequer, no government can afford to make drastic cuts. Populism has remained an important component of the AP governments, and perhaps it is possible to argue that it helps governments to stay in power despite the fact that on other fronts policies are implemented that could be labelled as anti-poor or anti-worker” (Mooij 2002:28-29).
The logic of structural adjustment dictates a reduction of food subsidy and the logic of populist politics, on the other hand, implies further enlargement of the system, the inclusion of hitherto excluded categories of people and a continuing burden to the exchequer. What does all this explain the future of the Public Distribution System? The function food distribution fulfils in the political arena is too important for an abrupt change, despite the pleas of some economists and the rhetoric of the government to reduce or revamp the system. This function will not disappear in the near future, especially in the conditions of parliamentary democracy and massive food insecurity. “The great enthusiasm and high expectations regarding the PDS as a safety net to help overcome the negative repercussions of the new economic policies for the poorest people, is without foundations. If the PDS functions as a safety net, it does not so for the politicians and policy makers. It enables them to pretend that there is a solution available to overcome the adverse side effects of structural adjustment measures, meanwhile continuing these policies. In other words, the frequent reference to PDS hides the fact that in reality the position of the poorest people do not seem to deserve more than a reference to a public policy that, on closer inspection, does not matter much to them” (Mooij 1994:124).

The failure to build a credible food security system continues unabated. The quality of the public distribution system did not improve, and aggregate off-take declined. The transition to a targeted PDS in 1997 alleviated some of the earlier problems, but created new ones, especially the pernicious division of the rural population into two artificial classes: APL and BPL households (above and below
the “poverty line”, respectively). Financial allocations for rural employment programmes declined sharply. Nutrition programmes such as the Integrated Child Development Services (ICDS) continued to limp along with nominal budgets, inadequate monitoring and easily broken accountability mechanisms. Public health services were grossly neglected, to the extent that the steady decline of infant mortality virtually came to a standstill. No major initiative was taken to address the problem of endemic hunger.