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Book Review

Protecting the Vulnerable Poor in India: The Role of Social Safety Nets, Edited by Nisha Srivastava and Pravesh Sharma, World Food Programme, New Delhi, 2006. Pp.260.

Sixty years after Independence, the provision of social security including basic food security to the majority of people of India, especially those in rural areas, remains one of the most critical areas for policy. Data from the recent NSS survey on employment and unemployment for 2004-05, for example, indicate that the proportion of workers with “regular” employment has declined among men in both rural and urban areas, and among women in rural areas. Even though the definition of “regular” employment in the NSSO takes no account of social security benefits, it is clear that the pool of workers with no social security has risen. Little dent has been made on the scale of food insecurity. According to the first results of the National Family Health Survey of 2004-05, at the all-India level, 45.9 per cent of children below the age of 3 were underweight or malnourished in terms of the standard weight-for-age criterion. The corresponding proportion in 1998-99 was 46.7 per cent. The change over the last seven years in this key indicator of child malnutrition has thus been negligible.

There is a large body of research on the issues taken up in this book, and so we need to ask what is new or different about the material in this book. The book is divided into three sections: the conceptual framework, food-based safety nets and non-food-based safety nets. While some chapters of the book are summaries of existing scholarship, there is some new material, particularly in the chapters based on empirical research.

The chapter by Pravesh Sharma is a careful examination of the operational issues in the working of the public distribution system (PDS) in three backward regions of India, Koraput district of Orissa, Banswara district of Rajasthan and Jhabua district of Madhya Pradesh. The study makes very detailed recommendations for improving the functioning of the PDS, and this should be compulsory reading for officials involved at all levels in the delivery system. To improve the flow of grain in the system and reduce delays in distribution, for example, the author suggests the preparation of a “demand calendar”, that is a pattern of monthly demand for food grain, for each district, sub-division, block and fair price shop. Many fair-price shop owners in Rajasthan and Orissa borrowed at high rates of interest (4-8 per cent per month) and

became unviable once their levels of debt rose. A suggestion of the author is to expand credit from the commercial banking system to fair-price shop owners and ration dealers for an essentially no-risk activity.

Another interesting chapter, written by Nisha Srivastava, deals with an innovative food for work scheme undertaken in partnership with the World Food Programme as part of the Chhattisgarh Trial Development Programme. The key finding of the author's survey is that the implementation of the scheme has been participatory, with the community taking decisions on who would benefit, what works would be taken up, etc. As the author rightly notes, participation requires capacity building and there was adequate time and the resources for capacity building in this project.

Based on an incomplete review of existing scholarship of food security, Amitabh Kundu argues that "a wide consensus is emerging in favour of ... food stamps and food credit cards". He also argues in favour of narrow targeting "based on age, gender and other vulnerabilities" on the grounds that it is "more effective in reaching the targeted groups and in bringing down the administrative costs." We know that food insecurity, whether measured in terms of calorie intake or in terms of anthropometric indicators of malnutrition, haunts a majority of our population. We also know that the Targeted PDS has failed miserably in enhancing food security among the vulnerable. A recent multi-State study by the Planning and Evaluation Office of the Planning Commission concluded that the Targeted PDS had led to the large-scale exclusion of poor and vulnerable households from the PDS and argued that "it would be appropriate to do away with the methodology of identifying poor families on the basis of income/expenditure criterion." The Report then suggested that all "those families who do not have a secure source of regular income should be netted into BPL category" (Planning Commission, 2005). Today, the consensus, if any, is that the Targeted PDS is a failure and that the need of the hour is to expand the population eligible for BPL status (this is the view taken by the Planning Commission's Working Group on Food Security). To argue for targeting and food stamps on the unproven grounds of reduced administrative costs is likely to worsen food insecurity.

Pradeep Srivastava uses data from an NCAER-World Bank survey of 2003, conducted in Andhra Pradesh and Uttar Pradesh, to show the limited access of rural households to formal credit. In Uttar Pradesh, only 19 per cent of the households had any outstanding debt from the formal sector. The distribution of credit from the banking sector was, as expected, unequal across households with larger landowners receiving a disproportionately high share of formal credit. This chapter adds to the growing body of research on the collapse of the rural credit system as a consequence of the initiation of policies of financial liberalisation in 1991 (Ramachandran and Swaminathan, 2005). While lamenting the "inability of the formal financial system

to reach the poor” the author does not mention liberalisation or any of the policy changes of the 1990s. Policy options for the future cannot be discussed seriously without a proper understanding of the impact of liberalisation on rural credit.

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