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I. Introduction

The National Food Security Act, 2013 (also Right to Food Act) is an Act of Parliament of India which targets to cater subsidized food grains to approximately two thirds of India’s 1.2 billion people. It was signed on September 12, 2013, retroactive to July 5, 2013. Under the provisions of the bill, beneficiaries are to be able to purchase 5 kilograms per eligible person per month of cereals.

Pregnant women, lactating mothers, and certain categories of children are entitled for daily free meals. The bill has been greatly contentious. It was laid to into India’s parliament in December 2012, promulgated as a presidential ordinance on July 5, 2013, and enacted into law in August 2013. India’s high economic growth rate in the past decade has not been fully highlighted in the health status of its people, with 22 per cent of its population undernourished. According to the National Family Health Survey 2005-06, 40.4 per cent of children under the age of three are underweight, 33 per cent of women in the age group of 15-49 have a body mass index below normal and 78.9 per cent of children in the age group of 6-35 months are anemic. These are alarming statistics which point to nutritional deficiencies. The NAC proposal for a National Food Security Bill is possibly the most significant national effort yet to deal with these deficiencies in India. It is at times implicit that the relationship between economic growth and health is unidirectional with improving economic conditions leading to better health. In reality, and as long-established by recent research, the reverse is evenly true and health is an ‘economic engine.’ That is, better health which is an important end in itself leads to and may, in certain cases, be a necessary precondition for economic development. Hence moreover being an end in itself, the economic role of health and nutrition thus serves an additional and compelling rationale for public policy to sustain well embattled nutrition improving interventions in ways directly equivalent to the support given for increasing other forms of capital investments. The NFSB proposed by the NAC is a potentially radical bill that can have a huge effect on the economy. Well-crafted and successfully executed, it can transform the lives of people.

Objectives of the Act

The objective of the National Food Security Bill has been given light on in the Lok Sabha committee report, The National Food Security Bill, 2011, Twenty Seventh Report, which states, “Food security means availability of sufficient food grains to meet the domestic demand as well as access, at the entity level, to adequate quantities of food at affordable prices.”

The proposed legislation marks an exemplary shift in addressing the issue of food security – from the current welfare approach to a right based approach. Masses of the country belonging to below poverty line (BPL) category, shall have the right to subsidized food grain under Targeted Public Distribution System.

The primary purpose of the bill is to create a situation when all people, at their needful time, have physical, social and economic access to ample, safe and nutritious food that is sufficient for their nutritional needs and food preferences for a well and healthy life. Food-insecure people are defined as those consuming below the nutritional target of roughly 2,100 cal/day/person. India is the leading line with 246 million food-‘in’-secure people and accounts for nearly 29-30% of the total food insecure people in developing countries.

This bill aims to extend the coverage of the targeted public distribution system and give subsidized food to over two-thirds of the country population, that is, 1.2 billion and grant legal rights to the rightful beneficiaries to receive the food grains at subsidized prices. It also covers the people who are victims of natural disaster, destitute, and the homeless people so that they can get the food grains at affordable prices. However, checking food availability is just one aspect of the bill, though the primary one. The other aspects being, conferring legal rights and making the people exercise their rights for better living and maintaining a healthy

1 The State of Food Insecurity in the World 2001, FAO
2 International Food Security Assessment, 2011-21, USDA

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life. This is the biggest experiment ever made in regard of food security in a country which is the second most populated in the world.

Salient Features of the Food and Security Act 2013
1. 75% rural and 50% of the urban population are entitled for three years from enactment to five kg food grains per month.
2. Eligibility of the beneficiaries is determined by the state.
3. Pregnant women and lactating mothers have the right of “take home ration” of 600 Calories and a benefit of at least Rs 6,000 for six months for reasons of maternity.
4. Children 6 months to 14 years of age are entitled to get "take home rations" of free hot meals.
5. In case of food grain shortage funds will be provided by central government to the states.
6. Central government shall protect the current food grain allocation of the states.
7. Food security allowance would be provided by the state governments to the beneficiaries in case of non-supply of food grains;
8. Reformation of public distribution system.
9. The issuance of the ration card is headed by the eldest women in the household who should of the age not less than 18 years.
10. Redressal mechanisms would be established at state level as well as district level, The destitute who are covered under the AntodayaYojna will remain entitled to the 35 kg of grains fixed to them under the mentioned scheme.

Entitlements
Public Distribution System (PDS)
Priority households are allowed to 5 kg of foodgrains per person per month, and Antyodaya households to 35 kg per household per month. The combined coverage of Priority and Antyodaya households (called “eligible households”) shall extend “up to 75% of the rural population and up to 50% of the urban population”.

The PDS issue prices are given in Schedule I: Rs 3/2/1 per kg for rice/wheat/millets. These may be revised after three years.3

Entitlements of Children
For children in the age group of 6 months to 6 years: an age-appropriate meal, free of charge, through the local anganwadi. For children aged 6-14 years, one free mid-day meal every day (except on school holidays) in all government and government-aided schools, up to Class VIII. For children below six months, “exclusive breastfeeding shall be promoted”. For children who suffer from malnutrition, meals will be provided to them free of charge “through the local anganwadi”.

Entitlements of pregnant and Lactating Women
Every pregnant and lactating mother is allowed to free meal at the local anganwadi (during pregnancy and six months after child birth) and maternity benefits of Rs 6,000, in installments. The Bill does not sort out a criterion for the identification of households suitable for PDS entitlements. The Central Government is to resolve the state-wise coverage of the PDS (proportion of the rural/urban population). Then numbers of eligible persons will be designed from Census population figures. The identification of eligible households is left to state governments, subject to the scheme’s guidelines for Antyodaya, and focus to guidelines to be “specified” by the state government for Priority households. The identification of eligible households is to be completed within 365 days. The lists of suitable households are to be positioned in the public domain and “displayed prominently”.

Food Commissions
The Bill provides for the conception of State Food Commissions. The main role of the State Commission is to scrutinize the implementation of the Act, give advice to the states governments and their agencies, and inquire into violations of entitlements. State Commissions also have to hear appeals against orders of the District Grievance Redressal Officer and prepare annual reports.

3 The newspaper reports suggest that in a revised version of the Bill, it is proposed that the categorization of priority households and general households be removed with 67 percent coverage of the entire population. The income criterion is also proposed to be amended and 5 kg food grain per person per month shall be allocated across the board excluding the upper middle class and the rich paying income tax.

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Transparency and Grievance Redressal
The Bill is designed for a two-tier grievance redressal structure, involving the District Grievance Redressal Officer (DGRO) and State Food Commission. State governments ought to also put in place an internal grievance redressal mechanism which may include call centres, help lines, etc.

Transparency Provisions
Mandatory transparency provisions consist of: (1) introducing all PDS-related records in the public domain; (2) conducting periodic social audits of the PDS and other welfare schemes; (3) using information and communication technology “to ensure transparent recording of transactions at all levels”; (4) setting up quick and committees at all levels to supervise all schemes under the Act.

District Grievance Redressal Officers
DGROs shall be allotted by state governments for each district to hear complaints and take obligatory action according to rules and norms to be prescribed by state governments. If a complainant is not satisfied, he or she may file an appeal before the State Food Commission.

Penalties and Compensation
The Food Commissions have powers to impose penalties. If an order of the DGRO is not complied with, the concerned authority or officer can be fined up to Rs. 5,000. The Commission can authorize “any of its members” to act as an adjudicating officer for this purpose. In case of “non-supply of the entitled quantities of food grains or meals to entitled persons”, such persons will be entitled to a food security allowance from the state government, as prescribed by the central government.

PDS Reforms
In Chapter V, the Bill mentions that central and state governments “shall endeavour to progressively undertake” various PDS reforms, including: doorstep delivery of foodgrains; end-to-end computerization; leveraging “aadhaar” (UID) for unique identification of entitled beneficiaries; full transparency of records; preference to public institutions or bodies in licensing of fair price shops; management of fair price shops by women or their collectives; diversification of commodities distributed under the PDS; full transparency of records; and “introducing schemes such as cash transfer, food coupons or other schemes to the beleaguered beneficiaries in order to make sure their foodgrain entitlements” as prescribed by the central government.

Obligations of Government and Local Authorities
The foremost obligation of the Central Government is to cater foodgrains (or, failing that, funds) to state governments, at prices mentioned in Schedule I, to implement the core entitlements. The Central Government has wide-ranging powers to make Rules “in consultation with the state government”. The chief obligation of state governments is to implement the pertinent and important schemes, in accordance with the Central Government guidelines. State governments also have wide and vast powers to make Rules. They are free to expand benefits and entitlements beyond what is prescribed in the Bill, from their own resources.

Local Authorities and Panchayati Raj Institutions are accountable for apt and proper implementation of the Bill in their respective areas, and may be given additional tasks and responsibilities by notification.

Impacts of Food and Security Bill, 2013
Increase in Subsidies
NFBS would necessitate huge funds and thereby huge subsidies by the Central Government. The source for these subsidies could be increasing fiscal deficit (fuelling inflation), additional revenue generation or shift of funds from investment to subsidies. Green Revolution was not an outcome of subsidies but rather of enhanced investments in Technology, Institutions (R&D), communication and physical infrastructure. Public investment in agriculture as a percentage of agri-GDP has increased from 1.8 percent in 2000-01 to 3.4 percent in 2010-11. But input subsidies, as a percentage of agri-GDP, have increased at a faster pace than public investment, from 8.9 percent in 2000-01 to 17.2 percent in 2009-10. Together, only food and fertilizer subsidies, as a ratio of GDP (agri), accounted for 12.4 percent in 2010-11 up from 6.0 percent in 2000-01. In comparison, public investment in agriculture is only around one-fourth of this which is philosophical of the imbalance between use of subsidies & investments as policy instruments for agricultural growth. It may be worth noting here that during the last three Five Year Plans, agricultural sector has abortive to attain the modest targeted growth of 4 percent.
Forcible Low-Level Equilibrium Trap for Indian Agriculture

The structural composition of agriculture has been budding over the years. Within the 35 value of total output of agriculture & allied sector, the share of cereals has reduced from 27.3% in TE 1990-91 to 21.0% in TE 2010-11 while the share of livestock has increased from 23.7% to 29% in the same period. Currently, cereals comprise of only about one fifths of the total value of output from agriculture and allied sector which is below the contribution from the livestock sector and almost identical to the fruits & vegetables. The share of fruits & vegetables and livestock have shown an increasing drift in recent years implying that they have been mounting at a much faster rate than the traditional crops sector. Given the rising share of high value commodities in the total value of agricultural output and their growth potential, this segment is likely to impel agricultural growth in the years to come. Being highly perishable in nature, this segment requires faster and better linkages between farms and firms in the logistics, processing and organized retailing. More rapidly growth in per capita incomes and urbanization are targeting shift towards high value commodities like fruits, vegetables, fats and oils, and animal products such as dairy, poultry and eggs. Share of expenditure on cereals in total food expenditure has reduced from 41% in 1987-88 to 29.1% in 2009-10 in rural areas and from 26.5% in 1987-88 to 22.4% in 2009-10 in urban areas. The Bill's spotlight on rice and wheat goes against the trend for many Indians who are gradually diversifying their diet to protein-rich foods such as dairy, eggs and poultry, as well as fruit and vegetables. There is a call for, for a more nuanced food security approach which is not infatuated with macro-level food grain availability. But at the policy level, the Government is, still alert on food grains and with NFSB is clearly reversing the movement of Indian agriculture from high value items to food grains. This will ambush the Indian agricultural sector in a low level equilibrium trap as returns are generally higher in high value agriculture. But a faster movement towards high value agriculture desires large investments in infrastructure and risk mitigating strategies. The NFSB is likely to decelerate this natural process, and at places even annul this trend.

Restricted Private Initiative in Agriculture

In chase of the food adequacy regime a regulatory framework has been created with huge government involvement in terms of policing powers underneath the APMC Act and Essential Commodities Act, interstate movement restrictions, regular but unpredictable export bans on foodgrains, banning of forwards trading on commodity exchanges etc. This will be even further strengthening to facilitate government to carry out its procurement functions now. A combination of the quantum of public procurement and a strict and severe regulatory framework would coerce the private sector out of the food grains sector.

Let us illustrate this with an example of Punjab. Punjab practiced an escalating rate of growth for about 25 years, but from 1997-98, Punjab has experienced a deceleration in its growth rate. Fostering of high-yielding varieties of paddy, particularly under guaranteed tube well irrigation has shown an alarming depletion of the underground water table, reduction in soil fertility, an amplified incidence of insect pests, weeds, and enlarged confrontation towards use of chemical inputs, and decreasing rates of growth in yields. Further, almost complete takeover by state of the food grain markets compelled much of the private sector to withdraw and there was not much modernization and scaling up of its agro processing (mills etc) and storage infrastructure. Punjab rice and wheat may not be even internationally competitive without large subsidies through free power and water. It is surviving basically on government support and without much value addition. As a result, Punjab’s agri-GDP growth during the decade of 2000 remained pitifully low at less than 2 percent. Gujarat, on the other hand, has lead attention on commercial crops and divided into non-farm activities like milk, along with a strong focus on investments in value adding infrastructure. This contributes to the astonishing growth in agriculture of more than 9% per annum witnessed during the decade of 2000. Gujarat almost remained free from any large scale government interference and regulation, and supported its private entrepreneurs to oblige growth. Through incentives to draw private sector by providing a favorable investment, climate, several non-farm income generating employment opportunities have been created in rural areas supplementing rural income.

State Takeover of Food Economy would Cripple Competition

Since 2006-07, the procurement levels for rice and wheat have amplified diverse with more than one-third of the total production being procured for Central Pool. This would be especially obvious if procurement is taken as a share of marketed surplus -more than 40 percent for rice and more than 50 percent for wheat. Presently, piling stocks of wheat with FCI has led to an artificial scarcity of wheat in the market in the face of abundant crop. Wheat prices have been rising in domestic markets by almost 20 percent in the last three months alone, due to these huge stocks with the government that has left very little surplus in markets. Despite imposing a huge additional cost to procure, store, transport and distribute grain, mounting public procurement strangulates the domestic grain market.
Inflationary Pressures on Food Prices

India has freshly been experiencing high food inflation in the face of record production of food grains, robust buffer stocks and growing resilience of agriculture to monsoon uncertainties. A distinct characteristic of recent food price inflation has been the sustained price pressure in protein rich items (pulses, milk, fish, meat and eggs). According to RBI, the inflationary impact of NFSB will depend on the degree to which it will raise demand for foodgrains relative to the normal increase in supply. This will produce demand pressures, which will predictably spread out to market prices of food grains. Furthermore, the higher food subsidy burden on the budget will lift up the fiscal deficit, exacerbating macro level inflationary pressures. Additionally, the necessity to procure large amounts would need a regular rise in MSP of the foodgrains to incentivize their production further fuelling the inflationary pressures. This would lead to further macroeconomic imbalances. NFSB concentrates on cereals is likely to bring on severe imbalance in the production of oilseed and pulses, resulting in substantial imports in the coming years. India imported a whopping US$9.7 billion (Rs 46,242 crore) worth of edible oils in 2011-12 – a 47.5 percent jump from last year and pulses worth US$ 1.8 billion (Rs 8767 crore) during 2011-12- an increase of 16.4 percent as compared to last year. Assured procurement gives an incentive for farmers to generate cereals rather than diversify the production-basket. Import intensity will intensify at high prices creating inflationary pressures. Vegetable production may also be affected - pushing food inflation further.

Effect on “Absorption” Pillar of Food Security

NFSB also targets at improving the nutritional status of the population especially of women and children. But studies have revealed that the challenge of improving absorption lies in linking nutrition with health, education and agriculture interventions. Access to sanitation facilities and women’s literacy in particular are found to be strong factors affecting 38 malnutrition. The Indian government has documented malnutrition as a serious problem in every plan document. However, a pressing issue is the nonexistence of a comprehensive and functioning National Nutrition Strategy. Direct nutrition intervention through the Special Nutrition Program under the Integrated Child Development Scheme (ICDS; now called the Supplementary Nutrition Program) and the Mid-Day Meals Scheme (MDMS) are at present in force to address the nutritional needs of children and women and would continue to be the channels through NFSB. Though no deeper analysis of these schemes has been done for the rationale of this paper, yet it needs to be documented that malnutrition is a multidimensional dilemma and needs a multi-faceted strategy. Women’s education, access to clean drinking water, availability of hygienic sanitation facilities are the major fundamentals for improved nutrition. If we incorporate the costs to create such rural and urban infrastructure, massive financial expenditures and helpful and effective strategies are required.

Impacts of Food and Security Bill on International Trade

The AoA is the Agreement on Agriculture which was framed two decades agriculture. This agreement did allow market distorted subsidies up to a level of 10% of the total production. But, since the last two decades the subsidies have also increased and due to the implementation of the Food and Security Act, 2013 India apprehends that it would breach the 10 percent mark. Therefore, India is asking for amendments to the AoA in order to give more subsidies to the poor.

Not only that, since the stock of food grains would increase manifold, other countries are of the view that India will make the global market a dumping ground for the same.

India is also expected to cause a breach of aggregate measurement of support and therefore it is trying to find an action in Geneva that would allow its program functions unaffected. Rupee slid further just after the bill was passed.

Pros and Cons of the Food & Security Bill, 2013

While the aim is commendable since, according to a 2010 World Bank Report, 32.7% or 400 million people in India survive on less than $1.25 per day. Also, the report states that 47% of children in India experience malnutrition and India is home to the World’s highest population of underweight children in the World, even more than Sub-Saharan Africa. In these circumstances it makes sense than to introduce a law that grants firm amount of food grain at greatly discounted prices that the deprived can afford.

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But the concern that arises relates to flawed implementation by the government machinery that is tasked with implementing this Ordinance. The PDS system has enormous leakages where recycling of foodgrains from state agency depots is unbridled. Instead of reaching the poor, foodgrains either do not reach the fair price shops at all or are sold by the shop owners to private traders for sturdy profits.

Another issue is of foodgrain production. At the present rate of population growth, to meet the demand would be very complicated. This could also consequence in fiscal imbalance where MSP of Rice and Wheat is increased every year but selling price is very low resulting in amplified food subsidy encumber for the government. Also since the target population has increased it will in turn impose increased administrative machinery in terms of manpower, warehouses, logistics etc which will append to the economic cost of foodgrains.

But the real value of this momentous bill will be judged by its results. How many and how quickly can it help to bump up the poor from a state of continuous food insecurity to food security is what will determine its helpfulness Also, due to lack of any better alternative at the moment the Food Security Law seems the best tool we have to reduce the gigantic levels of poverty in India.

**Comparison between Livelihood Act of 2014 and Securities Act of 2013**

The pivotal aim of the livelihood act is to provide basic facilities like accommodation, certifying the vendors and providing them with livelihood facilities. Livelihood is something that you earn to live upon. The livelihood act focuses on the earning whereas the food and security focuses on the thing that is earned.

The food and securities act aims at conferring legal rights with Below Poverty line people which covers not only these people but also the victims of natural disaster, destitute, those who are homeless or exploited whereas the horizon of livelihood act extends only to the street vendors in particular to provide livelihood rights to them and also social security.

There is no such “right approach” in regard of livelihood act and all the responsibility of the scheme making is vested with the local municipalities of the state which defeats the primary objective of the legislation.

The vendors are provided with separate accommodation facilities in the vendor zone separating them from the common public. On the other hand the purpose of the food security bill is to provide equal opportunity to have the equal standard of living and not segregate the destitute from the masses which are above poverty line. The provisions of the security bill says, that people can sort to the redressal mechanisms in case their right is breached for any reason. On the other hand, it is just the other way round for the public covered under livelihood securities act; the vendors’ certificate can be cancelled if they do not abide by the regulations laid down in the “conditions of the certificate”.

If an order of the District Grievance Redressal Officers (DGRO) is not complied with, a fine of Rs. 5,000 can be imposed by the concerned authority or officer whereas if any vendor vends in contravention of the conditions laid down in the certificate he can be imposed with a fine not more than Rs. 2000.

Public authority is made liable in regard of food and security act, 2013 while the common public, that is, the vendor is made liable in case of livelihood securities act, 2014.

Town vending committee is responsible for conducting surveys every five years according to the provisions of the livelihood securities act, 2014 and according to the provisions of food and securities act, 2013 the state government is vested with all the responsibility of determining the eligible beneficiaries of the legislation. The loophole shall be covered by the central government for the latter and vesting all the responsibilities in the hands of town vending committee defeats the very purpose of the enactment.\(^6\)

**II. Conclusion**

The purpose of the bill is to make an inclusive effort to make food available to the eligible beneficiaries, however, the determination of beneficiaries is completely left with the government which defeats the purpose of law. The aim of the bill is not to extend but to restructure the Public Distribution System in which, poor would be benefited, no doubt but distortion would be less in an Endeavour to make food available only to B.P.L. category and not A.P.L. category.

A very effective step has been taken by Chhattisgarh which was, once upon a time, one of the poorest and most corrupt states. But the scenario has highly changed- today, a large section of the population is receiving 35 kg rice per month. This makes it clear that the vision of the food security bill is not impractical and impossible. If things can be implemented in one corner of the country then efforts should be made in order to extend the coverage of the same.

Critics have exaggerated the estimated cost of the bill and tried to create an obstruction on the very same ground, however, leaving the poor on their own means in a country where the primary purpose of the government is the welfare of the people would not be a socially sound effort and also an economically smart

\(^6\) "Street Vendors: Tabled in Parliament’s last session, this Bill could bring security to our urban poor". Mint, Lounge. Nov 2, 2012
approach. No doubt, the bill was initially a political paraphernalia introduced as an ordinance in the year 2013 but the end purpose of it is welfare.

Tamil Nadu is effectively following the mid-day meal program or “take home ration” for the children not above 6 years of age and this has helped greatly in curbing the malnutrition prevailing there.

However, the bill has loopholes too. The bill completely exempts the government from any liability arising for shortage of food during the any natural disaster, that is, force majeure. Where is the food grain during shortage? The modus operandi is completely vested with the central government leaving less scope for the state government to make any change in the Targeted Public Distribution System, schemes of distribution. Rest all the functions under the food security act is left with the state government, that is, collection of food grains from the central pool and distribution of the same to the rightful beneficiaries. If the Central Government is unable to provide foodgrains from its Central Pool, it has to provide funds to compensate the short supply of food grains from its central pool to the State Government- that also as determined by the center. But if the State Government is not able to provide the grains, then it has to pay a “Food Security allowance” to the excluded beneficiaries. How will the state government pay the cash? Is there any proper financial system for the same? The answer remains unclear.

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