

Abhijit Banerjee, Hindustan Times

New Delhi, June 24, 2013

First Published: 19:10 IST(24/6/2013) Last Updated: 22:22 IST(24/6/2013)

⇔ Print

Game of gastro-generosity

I must be missing something obvious. The considered opinion in India, or at least the bit of it that I read in the Press, seems to hold that the Right to Food Bill (RTF) may well be bad economics but it is surely good politics, at the least from the point of view of the ruling coalition.

But why would that be the case? After all the final jurisdiction for the implementation of the law lies with the states and it is they who will decide what shape it takes. It is true that there will be a nice announcement on television and the print media with photos of the UPA bigwigs in their full smiling munificence, but what after that?

After that the wait begins. For states to get their new programmes up and running. The states that are the best positioned to do that are Chhattisgarh, Tamil Nadu, Odisha and Andhra Pradesh, which have been heavily into the politics of food subsidies, and, as a result, have relatively effective delivery systems — this is why Jean Dreze talks about the Chhattisgarh model that other states will need to emulate.

The problem is that most of these states are opposition run and therefore unlikely to be very enthusiastic about sharing credit with the central government.

My guess is that they will happily take the money that the RTF entitles them to and use a part of it to relieve the budgetary pressures they are facing and the rest to make sure that they can claim that what they are doing is RTF plus, well beyond what the miserly central government would have provided. They are all experienced enough in the rhetoric of gastronomic generosity — Tamil Nadu gives R1 idlis, for example — to make sure that they rather than Delhi get the credit.

The rest of the states, in the meanwhile, which include the vast majority of states ruled by the UPA and its allies, will be scrambling to make sure that the excitement about the 'right' does not turn into vote losing disappointment.

Delivering on the promise will not be easy — it takes time to build the infrastructure for effective delivery and to convince the non-poor that this is for them as well so that there is political pressure from them to make the system work better on the ground.

Given that there will be something like six months before the 'code of conduct' restrictions kick in and all further innovation is stopped, this is an enormous challenge, and I wonder how many of these states will actually be anywhere near implementing the full provisions of the law by the time the election rolls around.

For the Opposition states this will pose less of a challenge since my guess is that it will be easy to find reasons to blame the Centre. As Sharad Pawar keeps reminding us, the expanded levels of public purchase of foodgrains that the new law demands will put enormous strain on the creaky infrastructure of food procurement, transport and storage that the country currently has.

There will inevitably be many instances where the Centre will not meet its obligations under the law, and Bihar or Gujarat will be happy to point them out.

The UPA-ruled states are the ones that will be in a bind — they cannot blame the Centre, but what other excuse do they have?

Some of them might have the Aadhar infrastructure (including the bank accounts) up and running to the point where they can start using it to make cash transfers in lieu of food (assuming that the Bill that gets finally passed has a provision for them), but in most states the coverage is as yet partial and while I am inclined to believe that cash transfers will eventually prove both popular and effective, it is not clear that it makes political sense to put the reputation of Aadhar prematurely to test (not to speak of the invidious comparisons that will surely arise if some get cash and others nothing).

Add to that list the fact that even if the RTF does little for the actual food intake across the country, as I suspect will be the case, the announcement of increased procurement is likely to exacerbate the existing supply bottlenecks and encourage hoarding, leading to some extra inflation, and you will see why I am sceptical that the passage of the Bill right now is in the interest of the ruling coalition. And perhaps that is exactly why the opposition seems rather willing to cooperate in passing the Bill...

Abhijit Banerjee is Ford Foundation International Professor of Economics and Director, Abdul Latif Jameel Poverty Action Lab, MIT. The views expressed by the author are personal.

http://www.hindustantimes.com/StoryPage/Print/1081626.aspx © Copyright © 2013 HT Media Limited. All Rights Reserved.