

# Redefining the poor

The Targeted PDS as implemented in Maharashtra denies the entitlements of vast sections of the poor to subsidised food.

KIRAN MOGHE

THE ostensible objective of the Targeted Public Distribution System (TPDS), announced with fanfare by the United Front Government in January 1997, is to give the poorest of the poor some relief from the spiralling inflation in food prices. Targeting as envisaged in the new system is inherently exclusionary; the manner in which it is being implemented by the Shiv-Sena-Bharatiya Janata Party Government in Maharashtra confirms that large sections of the poor and economically vulnerable will be left out of it.

PAUL

NORONHA

**Lining up for kerosene in Mumbai.**

According to TDPS guidelines and the estimates of the Lakdawala expert group, the proportion of households below the poverty line in Maharashtra is estimated to be 36.86 per cent of the population or 60.45 lakh households as per the 1995 population estimates. A survey conducted in the State in 1992-93 for the Integrated Rural Development Programme (IRDP) estimated that there were around 77 lakh rural households below the poverty line in the State (72 per cent of total rural households). There is no reliable estimate of the number of urban poor in the State. In order to limit the total number of households below the poverty line to the Planning Commission's figure of 60.45 lakh households, the Government has devised a novel method to exclude the rest of the households. The IRDP survey classified the total number of rural families below the poverty line according to their annual incomes (Table 1). What the Government has done is to simply redefine the poverty line to Rs.4,000 per annum (around Rs.13 per day) in rural areas, thereby restricting the number of rural households below the poverty line to 43 lakhs. Perhaps as a concession to its urban voters, the poverty line in the Mumbai-Thane Metropolitan Region has been fixed at Rs.15,000 per

Table 1: Rural households below the poverty line in Maharashtra, IRDP survey, 1992-93

Income group per year	Number of households in lakhs	Households in the income category as a per cent of all households below the poverty line	Households in the income category as a per cent of all rural households
≤ 4,000	42.63	55	43
> 4,000 - 8,000	21.49	27	20
> 8,000 - 11,000	9.61	13	9
> 11,000	3.34	5	3
	77.08	100	72

Source: Data supplied by Department of Government of Maharashtra

annum (or Rs.1,250 a month) and the total number of urban families below that line has been fixed at around 21 lakh households.

There are many complaints about the authenticity of the lists of families below the poverty line; they are known to include the relatively affluent and exclude the genuine poor. Besides, only those households that bought foodgrain on their ration cards at least thrice between January and June 1996 qualify inclusion in the new system. It is noteworthy that the offtake of foodgrain was generally low during this particular period since open market prices were generally on par with PDS prices. In fact, the offtake improved later as wheat prices started rising after July 1996, but this period has been deliberately ignored by the Government.

Households with cooking gas (LPG) connections have been excluded from the scheme, and orders have been issued to select households only from notified slums. In the absence of a proper survey in urban areas, PDS inspectors and Fair Price Shop (FPS) owners have arbitrarily selected some households on the basis of oral enquiries, leaving many families without access to their entitlement of 10 kg a month at reduced prices. This also means that families without a ration card and the large number of the urban poor who live in unauthorised slums have been excluded. These are probably the sections that require the TPDS the most. This arbitrary method of 'targeting' households has led to some ridiculous results. For example, it was reported that only seven families were identified as being below the poverty line in Ihalkaranji town of Kolhapur district. In the tribal village of Talasari in Thane district, only two families qualified as households below the poverty line. The fact that deaths of tribal children due to malnourishment have become a regular feature in Maharashtra probably prompted the State Government to revise the Poverty Line in designated Integrated Tribal Development Plan areas to Rs.11,000. In Pune city, out of 6.5 lakh ration cardholders, only 69,999 households (barely 10 per cent) qualified. According to the 1992-93 IRDP survey, the total number of families below the poverty line in Pune district was around 3.10 lakhs, of which the number of families earning up

to Rs.4,000 per annum is 1.52 lakhs. But the number eligible for the TPDS is only 1.37 lakhs. This means that even those identified as poor by the "redefined" poverty line have been excluded.

The annual allocation of foodgrain for Maharashtra has been fixed at 14.89 lakh metric tonnes on the basis of the average lifting by the State in the last 10 years. As per the TPDS guidelines, 36 per cent, or 7.25 lakh tonnes, is earmarked for the families below the poverty line, while the remaining (7.64 lakh tonnes) is intended for households above the poverty line. In Maharashtra, even as the TPDS took effect on June 1, the Government announced a reduction in the per capita allocation of foodgrain from 10 kg per adult to 8 kg with an upper limit being 30 kg per card. A simple calculation shows that the distribution of 7.64 lakh tonnes to 103.55 lakh families that are above the poverty line means that each household will receive barely 6 kg a month. In effect, the launch of the TPDS is being used as an opportunity to exclude those who are officially above the poverty line in a rather devious manner - by simply not making adequate quantities available in the Fair Price Shops!

When a delegation of the Maharashtra unit of the Janwadi Mahila Sanghatana recently met J.M. Pathak, Secretary, Food and Civil Supplies, Government of Maharashtra, he categorically stated that henceforth the Government would guarantee quotas only to households below the poverty line, and that families above the poverty line would get grain only on a first come, first served basis. He said those who do not get their quota could go to the open market.

This, in effect, means that the State Government has actually reneged on its electoral promise to provide rice, wheat, sugar, dal and edible oil through the PDS at prices prevailing on May 1, 1995. It was expected that the promise would pertain not only to the price but also to the prevailing quotas. However, while maintaining prices, the actual availability is being slashed heavily, making the entire exercise a farce. For example, as per the Food and Civil Supplies Department's orders for the month of July 1997, only 350 tonnes of rice and wheat were allocated for families above the poverty line in Parbhani, one of the

Table 2

Comparison of Central and State Issue Prices			
P/SIP	With effect from	Wheat	Superline rice
		(Rs. per kg)	
IP	1-2-94	4.02	6.50
IP	1-6-97	4.50	7.52
P	1-6-95	5.00	7.90
P	1-6-95 (DPAP areas)	4.00	6.00
P	1-8-95 (ITDP areas)	3.00	5.50
PL CIP	1-8-97	2.50	3.50
PL SIP	1-8-97	3.00	4.00

CIP: Central Issue Price; SIP: State Issue Price; PL: Below the poverty line; DPAP: Drought-Prone Areas Programme; ITDP: Integrated Development Plan

See: 1. Economic survey, Government of India, 1994-95; 2. Performance of Food and Civil Supplies Department, Government of Maharashtra; 3. Press note: Food and Civil Supplies Department, Government of Maharashtra, dated June 3, 1997; 4. G.O. No. 3157/1553/PK, 1142 dated June 29, 1997. Following Controller, Mumbai.

most backward districts in the Marathwada area of Maharashtra. According to the IRDP survey, there are 2.01 lakh rural households above the cut-off limit of Rs.4,000 in the district. These families were entitled to only 1.74 kg of foodgrain in July. And even the families below the poverty line are not being guaranteed their 10 kg. In July, their average entitlement was only 8.7 kg. In the tribal district of Dhule, there

are 3.82 lakh families below the cut-off line of Rs.11,000 and their allocation for July was only 7.64 kg per family.

The State Government has claimed that it has protected the people of Maharashtra from the recent increases in the Central Issue Prices (CIP) of wheat, rice and sugar. The fact is that foodgrain prices were frozen at such high levels on June 1, 1995 that in spite of the latest increase in the CIP, Maharashtra prices remain higher (Table 2). In fact, the State Government earns about Rs.4 crores annually on its sale of wheat (50 paise higher than the CIP) and another Rs.1.85 crores per year on rice, and it does not have to spend anything from its own annual budget allocation of Rs.200 crores for the PDS. If at all, it will need to spend around Rs.94 crores annually to maintain the price of sugar at Rs.9.05 per kg (assuming an annual lifting of about 4 lakh tonnes).

While tribal families will benefit somewhat from reduced prices, they will lose out in terms of reduced quantities, because the TPDS entitles them to only 10 kg per card, while the revamped PDS, as well as a Specially Subsidised PDS (SSPDS) of the Maharashtra Government meant exclusively for 68 tribal blocks) had an entitlement of 20 kg per card per month.

The BJP-Shiv Sena Government has announced that a three-tier PDS will soon come into existence in the State. Under the proposed three-tier system, families below the poverty line will get yellow cards that will guarantee them 10 kg of foodgrain a month at TPDS prices. Households above the poverty line will get saffron cards; allocations to them will depend on the availability of foodgrain. A third category of white card holders will not be entitled to any foodgrain, but will

only get sugar (and kerosene if they do not have cooking gas connection). Those with an annual income above Rs.50,000, those who are income tax and sales tax payees and those with telephone connections will be included in the white category. The Food and Civil Supplies Department has already embarked upon a survey of all rural and urban households on this basis. If these criteria are applied, an entire section of organised industrial workers and most lower-middle class families are likely to be excluded from the PDS.

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The Maharashtra government's new population control project, which seeks to deprive the violators of the two-child family norm of the benefits of welfare measures, causes concern among people working for the rights of women and the poor.

PRAVEEN

SWAMI

*in Mumbai*

LAXMI KAMBLE lives in a one-room shack near the Goregaon bus terminus in Mumbai, along with her unemployed husband and their four children, the first three of them girls.

In August, the Maharashtra government, it would seem, decided that people like the Kambles are enemies of progress because they have too many children. Starting next year it plans to cut off access to over 60 state-run welfare programmes to people who violate the two-child norm. After May 2001, government employees who have large families will lose out on loans and benefits like medical subsidies, and could even end up with unfavourable remarks in their confidential reports. Newly appointed government employees will have to commit in writing to a two-child family. The state will only provide free school education to the first two children of a family and will even cut off access to subsidised foodgrains, sugar and kerosene through the Public Distribution System (PDS) for any children born after the second one. People who have more than two children will not even be entitled to stand for election to local bodies.

PUNIT PARANJPE

In a Mumbai slum. The coercive regime that Maharashtra is putting in place specifically targets the worst off sections, seeking to restrict their numbers by any means necessary.

Chief Minister Vilasrao Deshmukh's campaign to stop families like the Kambles from using state subsidies and infrastructure to support themselves has been cheered on by middle class and elite opinion in Maharashtra. Funnily, the Kamble family itself is not much bothered over the prospect that families in their situation will face sanctions just a year down the road. Laxmi Kamble's husband does not think his



authorities charged with such functions and that have failed to work for decades will now be made to function effectively.

No one seems entirely certain exactly how the new measures will be administered. The below poverty line (BPL) families are issued yellow colour ration cards, which entitle them to a flat 12 kilograms of wheat and 8 kg of rice a month. Sugar and kerosene are, however, made available on a per head basis. Officials seem unsure of whether, and how, BPL families may be subjected to the two-child norm in this matter.

Foodgrain for families that are deemed to be above poverty line (APL) is distributed on a per head basis, making this category of PDS consumers more easily subject to the two-child regulation. Whether the cuts would apply to existing consumers, or only to children born after May 2001, however, is not known. Educational regulations are similarly vague. Maharashtra's laws entitle all girl children to free school education, but it is still unclear whether this facility will now be subjected to the two-child rule.

Unsurprisingly, most people working for the rights of women and the poor are deeply disturbed by the new policy. For one, the punitive measures that form the core of the population policy are certain to hit women most. Where food is scarce in families, for example, girls and women are certain to bear the brunt of the shortage. If education is to be denied to some among a family's children, money is more likely to be spent on sending boys to school. The fate that befell the Brihanmumbai Municipal Corporation's two-year old decision to charge women for their third delivery at the BMC's hospital is instructive. There has been no evidence that the scheme has worked as a deterrent against having a large family, or that it has reduced the birth rate in a society where male children are assigned special value. "The whole policy," says the All India Democratic Women's Association's Sonya Gill, "will simply inflict more hardship on the poor."

AN examination of the Maharashtra government's record on the PDS illustrates just how absurd its proposals to use food as a weapon with which to combat population growth are. Since the early 1990s, efforts have been made to cut food subsidies, both by raising costs and seeking to target only the poorest of people. The impact of high PDS issue prices has been dramatic. BPL families get wheat at Rs.4. a kg and rice at Rs.5.40 a kg. APL families get 8 kg of foodgrain per adult at Rs.9.80 a kg

for wheat and Rs.13.40 a kg for rice. These price levels, reached after repeated hikes, in many cases mirror or even exceed the market rates. By some estimates, the offtake from ration shops in Mumbai has declined by some 25 per cent since the latest series of hikes that started in January. The Maharashtra government, on an average, makes available 10 kg of grain for each ration card each month, a third of its stated target.

If the poor can no longer afford to buy the grain meant for them, the numbers of poor that the PDS serves in Maharashtra are also alarmingly low. Slightly over a third of those who hold ration cards in Maharashtra have been deemed to be poor, on the basis of rules which mandate that their monthly family income must be below Rs.15,000 in urban areas, and Rs.4,000 in the countryside. In Mumbai, a city of one crore people where half the population lives in slums or is homeless, under the income criteria just over 450,000 families, accounting for around a tenth of the population, have been deemed poor for PDS purposes. The Rationing Control Officer in Dharavi, known as Asia's largest slum with a population of half a million, discovered in 1997 that it had only 365 poor families. In a remarkable illustration of how governments actually "eliminate" poverty, that figure was reassessed, and fell to just 151 last year.

Data gathered by AIDWA general secretary Kiran Moghe, a longtime watchdog and campaigner on the PDS scene in Maharashtra, illustrates the point that the picture is not very different elsewhere in the State. In the major industrial towns of Nashik, Malegaon and Ahmednagar, the numbers of families granted a BPL category card are abysmally low. In November last year, just 39,750 yellow cards were held in Nashik, 37,500 in Malegaon and 1,130 in Ahmednagar. "The government does not believe workers are poor," notes Moghe. As important, it evidently believes that the numbers of poor are falling dramatically. Between November 1999 and September 2000, Moghe has found, the number of BPL category cards in Kothrud, home to some of the largest slums in Pune, fell from 3,718 to 2,587, or by some 30.4 per cent. In Yerawada, home to many of the city's poor Dalit families, the fall was even more dramatic. Only 261 families had BPL cards in September 2000, a fall of an incredible 97.6 per cent.

Clearly, the post-liberalisation project of restricting access to the PDS has denied vast numbers of people in Maharashtra, as elsewhere, affordable food. National



Family Health Survey data for 1992-1993 show that in Maharashtra, 18.5 per cent of boys and 22 per cent of girls from the age of 1 month to 47 months were severely malnourished. That placed India's richest State in the same league as Uttar Pradesh and Orissa, and worse off than poor Rajasthan and Madhya Pradesh. With the level of access to PDS food having declined since the early 1990s in Maharashtra, the figures may well have deteriorated further. Denying PDS grain to children under the two-child family norm will lead to even more appalling conditions among the poor and will do little to contain population growth. "It's going to be one more nail in the coffin," says Moghe, "one more move towards doing away with the PDS altogether." It is important to remember that the PDS is not the only government poverty-alleviation project that will be hit by the two-child policy. Schemes run by those ranging from the Animal Husbandry Department to business start-up funds for Dalits will now be subjected to the new regime. Contrary to popular perception, there is no evidence to show that poor people have larger families than the well-off. But the relatively well-off need less state support than the poor, and they are unlikely to be particularly perturbed by the shrinking of welfare that the two-child policy envisages. As important, the rich are certain to be more able than the poor to purchase their way around employment and loan restrictions. As such, the coercive regime that Maharashtra is putting in place specifically targets the worst off sections, seeking to restrict their numbers by any means necessary.

How then does one account for the widespread support that Vilasrao Deshmukh's plans have received from liberal opinion in the State? It has passed little notice that the two-child only policy is the outcome of a distinct Mumbai-centred ideological project, hinged on the belief that the poor are the problem. Massive migration from poor Bihar and Uttar Pradesh, the argument goes, has encouraged the rise of fascist and xenophobic forces like the Shiv Sena. Reducing welfare is seen as an instrument to discourage migration, and thus restore both urban order and Mumbai's secular and cosmopolitan culture. Chhagan Bhujbal, who is now the Deputy Chief Minister, had given vent to one of the more express assertions of this claim in Pinki Virani's book *Once Was Bombay* (1999). "Bombay has really been up for grabs this last decade," he said, adding, "too much kindness can also kill a city." Little empirical data has been made available in support of this reactionary posture. In fact, there are more than a few facts to show that Mumbai's real problems of

unemployment and mass poverty are the outcome not simply of migration but of poor planning and what several observers have described as "casino capitalism". Maharashtra's fertility rate, and population growth, is nowhere near levels prevailing in some other States, and simply does not justify the repressive two-child policy. The Congress(I) -Nationalist Congress Party regime has, sadly, shown little inclination to address the real economic problems of Maharashtra. If Chief Minister Deshmukh is indeed serious about reducing population growth, he might do well to spend more on education, nutrition and health, something that the State government has shown no signs of being willing to do.

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