Universal PDS Can Fix Malnutrition

Let it distribute healthy, but coarser, food

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The storm around Planning Commission's submission to the Supreme Court suggesting that the benchmark for poor families entitled to below-poverty-line (BPL) cards for public distribution system (PDS) be set at an expenditure levels of ₹32 per person per day for urban areas and ₹26 per person per day for rural areas has drawn flak as an unrealistic cutoff for who should be considered poor. Unfortunately, it clouds the issue of what to do about undernutrition in the country and what interventions are needed.

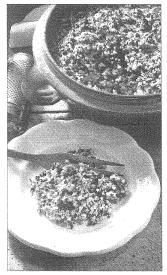
There is no doubt that the poverty threshold suggested by the Planning Commission, based on Tendulkar Committee report, is just that: poverty threshold. People living just above it are by no means rich. If one were to raise this poverty threshold by 50%, bringing in another 25-30% of the population in its ambit, we would still be talking about people living at the margins, only 30% would have access to piped water and toilet. Thus, there is justification for including those living above the poverty line into our definition of poor. If expenditure involved in this expansion does not detract from other national priorities such as education and health, it is an easy case to make that this group should also be included in the BPL category.

However, if this expansion is being undertaken to address the persistent malnutrition, we have less reason to be sanguine about this ultimate success. Two observations underlie this pessimism:

First, raising the proportion of the population that is entitled to subsidised grain via PDS does not mean that the poor will get access to it. Our ability to identify and target poor households is low. A survey by the National Council of Applied Economic Research (NCAER) and the University of Maryland in 2004-05 found that among the poor, only 48% had access to BPL cards while 31% of the non-poor households had access to BPL cards. So, half the BPL households remain without food subsidy, while a third of the households above the proposed poverty line seem to receive food subsidies. Leakages in the system remain, reducing the efficacy of food subsidies. Second, it is not clear that poverty

second, it is not clear that poverty is the main cause of malnutrition. The National Family Health Survey-III documents that two out of five children in the bottom 80% of households are too short for their age, it is only in the top 20% of the households that we see substantial decrease in undernutrition. About 60% of the children are anaemic even in the richest 20% of the households while nearly 80% are anaemic in the poorest 20%. This does not mean that income plays no role in generating malnutrition, but its role seems more limited. So, regardless of the poverty threshold used for eligibility of subsidised grain distribution, the problem of malnutrition may not be easily solved.

The paradox of high economic growth with persistent malnutrition requires a better understanding of what causes malnutrition in the country and targeted interventions. We don't fully understand this paradox yet, but the available research has highlighted two issues that are eminently amenable to policy inter-



vention. First, malnutrition is not only caused by lack of food. Persistent gastrointestinal diseases exacerbate malnutrition, particularly in young children, by reducing their appetite and lowering food absorption. While our public health system has emphasised oral rehydration to reduce deaths from diarrhoea, its prevention requires improved water and sanitation systems. Prevention of open defection in dense villages and urban areas may be the first step towards addressing the problem of persistent malnutrition.

Second, over time, food intake has shifted away from high nutritional value, coarse cereals to lower nutritional value, expensive foods. Focusing on consumption of high nutritional value foods such as millet and soybean along with micronutrient supplementation may help reduce persistent malnutrition.

Our experience with the NREGA provides an interesting example.

Focusing on high nutritional value foods such as millet and soybean may help reduce persistent malnutrition

Given the hard manual labour required by NREGA, very few middle-class families want to participate in it. In areas where incomes are high or other work is plentiful, there is very low uptake of NREGA. In areas where

no other work is available, NREGA has generated subsistence income for the poor and there is high demand. A similar possibility exists for reforming the PDS. Instead of targeting the poor, we could return to the old, untargeted universal PDS system. However, in this new model, PDS would only supply less appealing but nutritious items such as millet and pulses, and not distribute sugar or wheat. Older readers may remember the era where we used PDS for what was known as the 'red rice' and to the local kirana shop for fully processed rice. This may help address the issue of leakage and undernutrition in one stroke. What to do with the wheat, rice and sugarcane procured under the agricultural price sup-port system will remain an issue, possibly making this solution less politically appealling, but it certainly deserves consideration.

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