

Landmark law to slash food costs for India's poor



India's Lower House has passed a bill to dramatically lower the price of staple foods for around 800 million poor people across the country.

The Food Security Bill, which was passed on Monday but still needs Upper House approval, will provide beneficiaries with 5kg of subsidized grain every month.

Rice will cost three rupees per kg, with wheat at two rupees and millet at one rupee. Currently, the cheapest rice sells at 30 rupees on the open market, rising to 100 rupees for the best quality grains. Wheat sells at around 20 rupees.

The nationwide scheme is expected to cost 1.3 trillion rupees (US\$ 23.9 billion) a year, which some critics say is unaffordable. Others have labeled the scheme a 'vote catcher' for the ruling Congress Party-led coalition, with a general election due before May 2014.

But the Congress Party has called the legislation a landmark measure in the fight against poverty. In a rare speech to parliament on Monday, party president Sonia Gandhi projected it as a pro-poor project worthy of unanimous support from all parties as it aims to cater to two-thirds of the population.

"We have the opportunity to provide food to everyone, especially weaker sections that have not benefited from India's economic prosperity," she said.

Senior parliamentarian and BJP leader Murali Manohar Joshi, who spoke out against the bill in parliament, told ucanews.com that its provisions are inadequate.

“A government survey has said the minimum requirement of grains for a person per month is about 10kg but the government provision in the bill is only for five. They are making a mockery,” he said.

Financial analysts have expressed concern over the added burden on a government already struggling to contain its budget deficit, exacerbated by the recent drastic depreciation of the Indian currency in global markets.

Criticism has also come from activists campaigning on behalf of farmers. One of them, Ajay Jhakar, says the government should be more active in finding ways to increase production and improve distribution of grains.

“The bill is only a short term measure and lacks vision,” he said to ucanews.com. “The real challenges to food security are low crop productivity, lack of irrigation facilities and the slow adoption of mechanized farming.”

Food Minister K V Thomas admitted there are challenges ahead. “We will need to improve the public distribution system,” he said. “We have made a new beginning and as we go on implementing the new law, we will plug these loopholes.”

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