

Public Provisioning for Social Protection and Its Implications for Food Security

An Analysis

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Persistent hunger and pervasive malnutrition are serious problems in the developing world. Recent literature suggests that well-designed public policies towards provisioning of social protection/security and strengthening of support measures to smallholder agriculture appear to be effective in reducing hunger and malnutrition. An investigation of the role of public provisioning on social protection in combating hunger using the recent evidence for 64 countries in the global South makes a strong case for a substantial push in public provisioning in favour of social protection, which, along with other policy measures, could play a vital role in strengthening national food security. Further, low levels of per capita income must not become an excuse for addressing the most basic human needs, as adequate fiscal space can be created even at low levels of income.

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Widespread hunger and pervasive malnutrition are persistent problems in a large number of countries in the developing world, and have attracted much attention in academic as well as policy discourses. It is also quite clear from recent literature that well-designed public policies towards provisioning of social protection/security in general and policy measures for smallholder agriculture can be critical in reducing hunger and malnutrition, both at the individual and household levels (HLPE 2012; International Labour Organization 2010, 2014; Jha 2014). Further, in the absence of social protection, people, especially from vulnerable categories, are subjected to high risks of sinking below the poverty line or remaining caught in conditions of poverty. In addition, there is strong evidence that social security fosters long-term economic growth by raising labour productivity and enhancing social stability (Kannan 2004).

The present article seeks to investigate some of these issues, particularly the role of public provisioning on social protection in combating hunger using recent evidence for 64 countries in the global South.¹ Section 1 of the article sets the context in putting relevant data on mapping hunger and malnutrition across selected regions and countries. Section 2 maps the trends and patterns of public provisioning on social protection and their empirical association with hunger and malnutrition. Section 3 argues that countries with modest or even low levels of per capita income can afford reasonable shares (as a proportion of gross domestic product (GDP)) of public expenditure towards social protection with significant impact on levels of food insecurity (as measured by prevalence of food inadequacy (PoFI)).² Such expenditures could be of either a general universal nature or targeted programmes and schemes in diverse areas. This section also examines, very briefly, some of these particular initiatives in a few countries. Section 4 concludes the article with a strong case for the argument that a substantial push in public provisioning towards social protection, along with other policy measures in place, could play a vital role in combating national food insecurity.

1 Mapping Hunger and Malnutrition

Relative poverty, absolute hunger and malnourishment continue to be a major scourge for the global society. During 2012–14, almost 805 million citizens were reported to be chronically undernourished (von Grebmer et al 2014: 11). Although, as per the Global Hunger Index (GHI)³ report of 2014

(von Grebmer et al 2014), the incidence of hunger in developing countries has reduced since 1990, it, however, continues to be a matter of concern. Further, the same report suggests that the GHI score for 2014 remains “serious”⁴ for a large number of countries (39), which would suggest a need for urgent public action and policies.

We may also note that the reported decline in the global average of the incidence of hunger obviously does not reveal differences across regions and countries, which are stark, and, of course, the underlying causal stories. In terms of broad regions, progress in East and South-east Asia as well as in Latin America and the Caribbean was impressive, whereas South Asia and Africa South of Sahara (Ass) tend to do relatively poorly. In fact, for 2014, the Ass (18.2) has the highest GHI score, closely followed by South Asia (18.1) (Table 1).

Table 1: Region-wise Value of GHI since 1990

Regions	1990	1995	2000	2005	2014
Developing world	20.6	18.9	17.5	15.9	12.5
Africa South of Sahara	25.4	25.5	24.4	21.8	18.2
South Asia	30.6	27.3	25.0	23.4	18.1
East and South-east Asia	16.4	13.9	11.9	10.0	7.6
Near East and North Africa	8.1	7.8	6.8	5.9	4.9
Latin America and the Caribbean	9.3	8.3	6.8	5.7	4.4
Eastern Europe and Commonwealth of Independent States	NA	5.3	5.1	3.2	2.6

NA—not available.

Source: Compiled from the base data given in the GHI report of von Grebmer et al (2014: 11).

On the whole, inter-temporal trends in hunger and malnutrition by national governments and various institutions and agencies seem to suggest, by and large, some progress in recent years. However, the point to underscore here is that with reference to the most basic human need, the progress remains patchy and the problem continues to be serious.

The World Food Summit’s (1996) definition of food security—“when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life”—has become a standard benchmark in the discussion on the subject. This definition obviously takes into account both physical and economic access to food in order to meet people’s dietary needs as well as their preferences. It is clear from this definition that apart from the availability and affordability of the adequate quantities of nutritious food, supplementary infrastructure for absorption (for example, sanitation, water, medical care, relevant knowledge, etc) should be in place to ensure food security.

However, this beguiling and seemingly simple definition is both conceptually and operationally extremely complex. The relevant literature clearly demonstrates that in spite of the rate of increase in global food production being consistently higher than the rate of growth of the global population, there is a crisis of food security in a large number of developing countries. This obviously requires a careful analysis of the contemporary global food system, in particular the role of trade, finance capital and multinational corporations, the responsibilities and functioning of national governments, agencies of communities, and the class/caste/race/gender questions, vis-à-vis farming,

control of agriculture, and access to social protection. However, in much of the empirical and policy literature, typically, average dietary energy supply adequacy is taken as the core indicator as regards the availability, or otherwise, of food and, by implication, that of food (in)security. Going beyond this indicator, recent literature has also tried to examine a number of other relevant and measurable correlates.

For instance, in the report of the State of Food Insecurity (soFI) of the Food and Agriculture Organization (FAO) of the United Nations (UN) (FAO, IFAD and WFP 2014), the relevant indicators and correlates include: physical access (road and rail density), economic access as well as indicators of vulnerability and shock (purchasing power of the masses at the lower end of the ladder and domestic food price indices, among others); import dependency ratio; percentage of irrigated arable land; volatility of domestic food prices; per capita food production variability; and the share of food expenditure of the poor. Sanitation facilities and access to safe drinking water are obvious indicators relating to utilisation, and indicators such as depth of food deficit and PoFI are relevant in measuring the outcomes.

As mentioned earlier, the primary objective of the paper is to map and analyse the relevant evidence for public expenditure on social protection and incidence of hunger (inadequacy of dietary energy). While doing so, it also engages with some of the important issues relating to effectiveness of different types of social protection strategies. Before proceeding further, it would be pertinent to dwell briefly on the data and methodology used in this article.

1.1 Data Sources and Methodology

The data used in this article are compiled from FAO, IFAD and WFP (2014); International Labour Organization (2010, 2014); World Bank (2011); and von Grebmer et al (2014). Estimates of social protection expenditure, PoFI, prevalence of undernourishment (PoU),⁵ values of GHI, and per capita GDP have been either taken from the above noted sources or compiled using the data given there.

Average social protection expenditure (as a percentage of GDP) has been computed taking into account shares of social protection expenditure for the period since 1990 to the latest available year. The average of such shares for countries have been computed based on the share for 1990, 1995, 2000, 2005, 2007, 2009, 2010–11 and 2012–13, depending on the availability of data. Similarly, the average (since 1990 to the latest available year) GDP per capita has been computed for our sample. Most of the countries in our sample belong to low- and middle-income brackets from three continents in the global South, namely, Asia, Africa and South America.

Using the soFI 2014 report (FAO, IFAD and WFP 2014), it is possible to track changes in most of these indicators and dimensions. Most of the developing countries tend to perform poorly with respect to those select indicators. Before we come to some of the important findings based on the soFI report, a couple of words with respect to “hunger scores” emerging from the GHI report may be of some interest (von Grebmer et al 2014: 41–42).

In a number of countries, namely, Benin, Cambodia, China, Colombia, Dominican Republic, Ghana, Guyana, Honduras, Indonesia, Mauritania, Mongolia, Rwanda, and Vietnam, there were reductions in GHI scores close to 50 percentage points during 1990 to 2014, whereas, for Bangladesh, Burkina Faso, Republic of Congo, India, Madagascar, and Namibia, the decline is in the lower range. Then, there are countries such as Guatemala, Lesotho, Swaziland, Zambia, and Zimbabwe, where the progress is negligible (or there is a worsening) over the same period. In the BRICS (Brazil, Russia, India, China and South Africa) cohort, the progress by Brazil, China and South Africa on this count is commendable, whereas India performs poorly.

As regards the findings from the soFI report with respect to hunger and malnutrition, one can use either the PoU or the PoFI as useful markers to get a sense of inter-temporal and cross-country performance. As indicated at the outset, in this paper, we have used the latter (as it seems to be more appropriate compared to the former).⁶ With respect to this indicator, the available data show that during 2012–14, countries like, Central African Republic, Congo, Ethiopia, Madagascar, Namibia, Rwanda, Tanzania, Zambia, and Zimbabwe have been scoring more than and/or close to 40%. In other words, almost close to or more than 40% of the population of these countries is termed as food inadequate. Further, a close look at the country-specific performance on this indicator shows that countries like Botswana, Costa Rica, Côte d'Ivoire, Lebanon, Liberia, Madagascar, Namibia, Swaziland, Tanzania, Uganda, and Zambia have been the worst performers in 2012–14 compared to their respective scores for the PoFI in 1990–92 (FAO, IFAD and WFP 2014).

As is well known, hunger and malnutrition has its own gender dimension, as 60% of the world's hungry happen to be women. It is indeed a shocking statistic that 50% of pregnant women in developing countries lack accesses to adequate dietary care, which possibly is a major contributor to thousands (2,40,000) of maternal deaths from childbirth annually (United Nations 2013). The most vulnerable “global citizens,” namely, the children in a large number of developing countries, bear the worst of the scourge. Due to inadequate food and nutrition for mothers, one in six children are born with a low birth weight in developing countries, and annual incidence of under-five mortality in these countries is around 45%. To put it starkly, hunger and its related diseases lead to the loss of one child every 10 seconds (United Nations 2013). Further, hunger and malnourishment has its own social–physical–economic geography. For instance, among India's Scheduled Castes (scs) and Scheduled Tribes (sts), who are relatively worse off,⁷ incidence of hunger and malnutrition is particularly high compared to the bottom of the heap in sub-Saharan Africa.

2 Public Provisioning on Social Protection

The notions of “social protection” and “social security” are often used interchangeably in contemporary discourses. However, in this paper, we would generally adhere to the former. In a very basic sense, social protection refers to

government measures/public actions to address socially unacceptable deprivations and vulnerabilities. Its obvious components would include: (social) insurance, assistance and inclusion. In academic discourses, the notion of social protection has conceptually been a complex and open-ended one as is clearly evident from the history of its evolution. At the most basic level, social protection is organically connected with the competing visions of development, its associated deprivations, and the policy wherewithal to address the same.

The conception put forth by the International Labour Organization (ILO) is a good operational benchmark for assessing policies towards social security. The ILO's Social Security (Minimum Standards) Convention, 1952 (No 102) establishes worldwide-agreed minimum standards for all nine branches of social security. These branches are: medical care, sickness benefit, unemployment benefit, old-age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit, and survivor's benefit. Further, the ILO has extended its social security definition by adding “general protection against poverty and social exclusion” into the existing nine branches of social security (International Labour Organization 2010).

Apart from that of the ILO, there are other international classifications of the scope of social protection, such as those by the European Commission (EC), Organisation for Economic Co-operation and Development (OECD) and other UN institutions, among others. However, all the branches of social protection defined by these international organisations have been covered by the ILO's extended social security definition. For the ILO, social protection is a term that denotes “protection” against economic and social distress, caused by a fall in income resulting from death, old age, sickness, employment injury, maternity, and temporary unemployment. However, there is also substantial literature that makes a strong case for adding the provisions of “promotional” support to the provisions of “protective” coverage in a vision of social protection (Jha et al 2012).

Based on such conceptions, there have been several policy dialogues, globally and regionally, to chart a broad road map and to highlight elements that need to be prioritised towards the goal of broad-based social security provisioning. The well-known Copenhagen Declaration and Programme of Action (at the World Summit for Social Development in Copenhagen in 1995), which was reaffirmed through the 2000 UN Millennium Declaration for the reduction of poverty, was one such exercise. At the 2010 UN Summit on the Millennium Development Goals, the idea of a universal “social floor” was introduced, based on recognition of the fact that it is possible to eradicate poverty and provide social security for all (Jha et al 2012: 141).

In many countries, in both the developing and developed worlds, social protection has come to mean a wide variety of schemes and programmes, usually taken up by the state for the benefit of the public at large, or for the poorer sections whose basic entitlements are yet to be fulfilled. As hinted earlier, in contemporary discourses, social security takes into

account both “protective” and “promotional” aspects, and thus the constitutive elements entering the canvas of social security is very large. Hence, for policy priorities with respect to social protection one needs to state clearly the norms, needs and requirements in a particular context and at a specific socio-economic conjuncture. In other words, depending on the specificities, one can think of an appropriate menu from a wide spectrum of policy options (for example, infrastructure, education, health and sanitation, insurance and safety nets, public works programmes, etc) which may be better suited and effective in the given context.

With respect to total public social protection expenditure (including health expenditure) as a percentage of GDP, it is quite clear that developing regions tend to do relatively poorly on this count. As per the latest available data (2010–11), Africa's total public social expenditure stands at 5.1%, which is less than one-fifth of the share of Western Europe, which stood at 26.7% of GDP. The world average of the public social protection expenditure stood at 8.6% in 2010–11, which was higher than 5.8% in 1990. However, it is quite clear that within both developed and developing regions there are significant variations (Table 2).

Table 2: Share of Social Protection Expenditure (including Health Expenditure) in GDP

Regions/Subregions	1990	1995	2000	2005	2007	2009	2010–11
Africa	2.7	2.8	4.3	4.3	4.8	5.4	5.1
North Africa	4.2	4.3	5.9	6.4	8.4	9.5	9.0
Sub-Saharan Africa	2.4	2.5	3.2	3.8	3.9	4.4	4.2
Asia and the Pacific	3.4	2.8	3.5	3.0	4.1	5.3	5.3
West Asia	4.9	5.2	6.6	7.6	6.5	8.8	8.7
Western Europe	20.9	23.6	23.3	24.8	24.1	27.2	26.7
Central and Eastern Europe	12.8	15.5	14.6	16.6	16.2	19.7	17.6
Latin America and the Caribbean	8.0	9.6	10.2	11.4	12.0	13.6	13.2
North America	14.0	15.8	14.7	16.1	16.4	19.2	19.4
World	5.8	6.0	6.5	6.7	7.3	8.8	8.6

Source: ILO (2014).

Furthermore, even when a particular social protection scheme exists, its coverage in many countries of the developing world tends to be inadequate and superficial. To take just one indicator, namely, the old age pension beneficiaries, just about half of the global population is covered by it, and in the African continent, the relevant figure is only 21.5% (Jha 2014). Further, even if there is coverage, in several instances the amount given is often inadequate. For instance, in India, where social security benefits are provided by both the union and state governments, there is a wide variation across states, and at the lower end it is as little as Rs 250 per month (Centre for Budget and Governance Accountability 2013).

Table 3 provides information on share (percentage) of public spending on a few important dimensions of public social protection across various regions. The share of public social protection expenditure for the older

person, as a percentage of GDP, shows a wide range, the two ends being Africa (1.3%) and Western Europe (11.1%), and the world average happens to be 3.3%. Similarly, the share of social benefits for persons of active age (excluding general social assistance) ranges from 0.3% to 5%, with the world average share at 1.5% (Table 3). In fact, the story for all components of social protection is roughly the same.

3 Prioritising Social Protection in Budgets

This section examines the relationship between social protection expenditure and the *POFI*. The available evidence lends strong support that countries prioritising social protection provisioning are able to address the problem of hunger and malnutrition to a large extent. The relationships have been plotted as scatter diagrams for better visualisation (Figures 1, 2 and 3, p 102). As mentioned earlier, our focus is on the developing world and the sample consists of 64 countries for which data were readily available, from the sources mentioned earlier, for the following three indicators: (i) share of social protection expenditure,⁸ (ii) per capita GDP,⁹ and (iii) *POFI*.

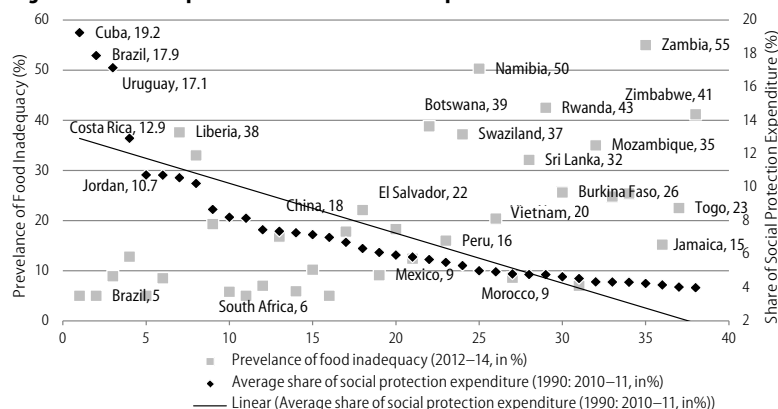
Of course, as “one-size-cannot-fit-all,” much more careful country-specific examination of the above and other relevant variables in tackling hunger and malnutrition are needed. As already stated, food security has several dimensions and indicators, its correlates are manifold, and the cause–effect relationship is quite complex and ought not to be reduced to a simplistic frame. However, our preliminary exercise suggests that social protection seems to play a pre-eminent role in countries that have addressed one of the most basic human needs.

Data presented in the “World Social Protection Report 2014/15” (International Labour Organization 2014) clearly show that countries spending 5% (average between 1990 and 2010–11) or more on social protection have a *POFI* score of less than 15, and the list of countries from our sample are as follows: Armenia (5.8), Mexico (6.1), Azerbaijan (7), Mauritius (7.2), Kazakhstan (7.3), Algeria (7.5), Tunisia (8.1), South Africa (8.2), Chile (10.7), Jordan (10.7), Costa Rica (10.7), Uruguay (17.1), Brazil (17.9), and Cuba (19.2). On the other hand, countries with less than 5% of social protection expenditure show

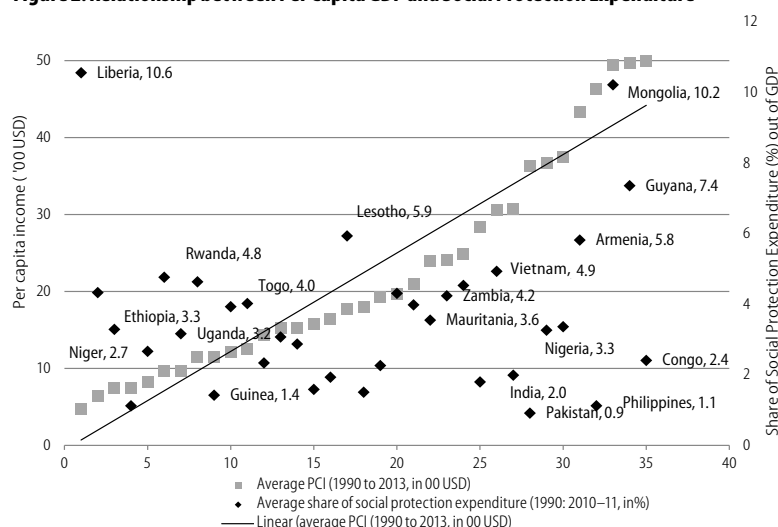
Table 3: Public Social Protection Expenditure by Guarantee, Latest Available Year (as % of GDP), Regional Average (Weighted by Total Population)

Major Area/Region	Social Protection Expenditure	Healthcare Expenditure	Social Protection Expenditure for Older Persons	Social Benefits for Persons of Active Age (Excluding General Social Assistance)	General Social Assistance	Social Protection Expenditure for Children
Africa	4.3	2.6	1.3	0.4	0.2	0.2
North Africa	10.0	3.2	5.0	1.1	0.3	0.4
Sub-Saharan Africa	4.3	2.6	1.1	0.3	0.2	0.1
Asia and the Pacific	4.6	1.5	2.0	0.4	0.4	0.2
Western Europe	27.1	7.9	11.1	5.0	0.9	2.2
Central and Eastern Europe	17.8	4.4	8.3	3.0	1.3	0.8
Latin America and the Caribbean	13.9	4.0	4.6	2.0	2.6	0.7
North America	17.0	8.5	6.6	2.8	1.1	0.7
West Asia	11.0	2.0	3.3	1.5	3.4	0.8
World	8.8	2.8	3.3	1.5	0.7	0.4

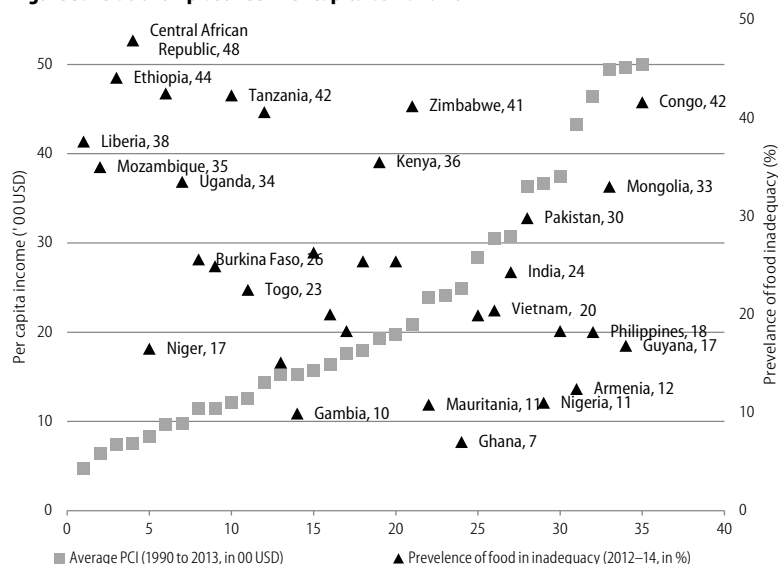
Source: Jha (2014) based on the data available at the ILO Social Security Inquiry database.

Figure 1: Relationship between Social Protection Expenditure and PoFI

Source: Computed by authors.

Figure 2: Relationship between Per Capita GDP and Social Protection Expenditure

Source: Computed by authors.

Figure 3: Relationship between Per Capita GDP and PoFI

Source: Computed by authors.

high scores for the PoFI, and the list includes: Botswana (39), Namibia (50), Rwanda (43), Mozambique (35), Zimbabwe (41), and Zambia (55).

However, there are a few countries that seem to do well with respect to hunger and malnutrition, even with modest levels (less than 5%) of social protection expenditure. The list of such examples from our sample is as follows: Mexico (9), Morocco (9), China (18), Peru (16) and Vietnam (20) (Figure 1).

It is important to note that low levels of per capita income need not be a major constraint in provisioning for social protection. For instance, in our sample, there are 35 countries that have annual per capita income of \$5,000 or less (World Bank 2011). Of these, a few are able to spend 5% or more (out of GDP) on social protection, whereas there are others who hover around 3% or less (Figure 2).

This clearly indicates that even countries with low levels of per capita income could prioritise their respective budgets towards social protection, which could in the long run have an impact on reducing hunger and malnutrition.

With regard to the relationship between per capita income and PoFI, it is true that higher levels of per capita income help facilitate lower levels of hunger, as is evident from Figure 3. Although, there also are countries with relatively high levels of per capita income, but high scores for PoFI (for example, Mongolia and Congo). It could be on account of higher levels of inequality of income/opportunity, among other factors. An important point to stress here is that countries can address hunger effectively through higher levels of social protection expenditure, even at lower levels of per capita income. From our sample, the examples include: Ghana (7), Nigeria (11), Armenia (12), Guyana (17), and Vietnam (20).

In the following paragraphs, we look at a couple of case studies (from the BRICS cohort) that show how well-designed social security provisioning (along with other measures in place) could go a long way in reducing hunger and food inadequacy. In this context, we begin with some brief remarks on India's public distribution system (PDS), its supplementary feeding programme for children, as well as the well-known rural employment guarantee programme.

India's PDS has the world's largest government-supported distribution network, with 4,98,000 fair price shops nationwide, serving approximately 160 million households. From these fair prices shops, the entitlement of cereals alone ranges between 25 kg and 35 kg per household per month. It is also clear that soon after the launch of the economic reforms in the early 1990s, there was considerable weakening of the PDS. However, there have been signs of recovery in the recent years, and in some states the system as a whole seems to be working very well, and there is

overwhelming evidence to suggest that it has been instrumental in poverty alleviation.

For instance, as a recent paper by Jean Drèze and Reetika Khera (2013) finds, the PDS reduced the poverty-gap index of rural poverty by 18% to 22% at the all-India level, between 2004–05 and 2009–10. It is also worth highlighting that over the same period, performance of states with a better functioning PDS in place has been even more impressive (for example, Tamil Nadu and Chhattisgarh have reduced the said gap from 61% to 83% and 39% to 57%, respectively). We may also note that, prior to economic reforms, India's PDS in principle was universal, and targeting has created serious problems (Chandrasekhar and Ghosh 2002; Swaminathan 2000).

Another issue that has become quite contentious recently relates to “cash versus kind” provisioning. As per a recent survey, a large majority of the respondents, particularly women respondents, expressed a strong preference towards in-kind transfers, except in states and pockets where the PDS was in very poor shape (Khera 2011). The cash versus kind debate is a contentious one: different countries and different situations can show substantial evidence to support either. Instead of simply focusing on the binary cash versus kind opposition, a satisfactory answer can perhaps be found in variables of context, services, overall programme design, and infrastructure for implementation.

In other words, infrastructure, coverage, transparency, extent of entitlement, and simplicity of delivery mechanisms are, among other things, critical causal inputs in opting for a particular mode of provisioning of social protection. Incidentally, a recent cross-country and cross-income level World Bank study reports little choice between kind and cash in terms of provisioning for food security (Gentilini 2014). Thus, other political economy features, structural framework and institutional prerequisites may play a far more crucial role than simply cash or kind provisioning in determining the final outcome.

A frequent critique of India's PDS is that of leakages. However, with the use of technical fixes, improved delivery mechanisms, and expansion of the system, there can be significant reduction in the extent of leakages. For instance, as per a recent study the extent of leakages came down to 35% from 55% between 2004–05 and 2011–12 due to a better delivery system for rice and wheat taken together, and the percentage of households accessing the PDS almost doubled from 23% to 44.5% over the same period (Himanshu 2013).

Similarly, supplementary meal and nutrition programmes can be very effective in tackling children's malnutrition. As is well known, adequate spending on infant and early childhood care is extremely critical in providing a sound foundation for physical and mental health. Medical evidence shows that negligence in early childhood care leads to irreversible damage. There are examples of outstanding successes in this regard, even in developing countries.

As has been noted, supplementary food and nutrition programmes can “reduce hunger and improve food security, particularly for children; and [increase] human capital accumulation by providing incentives for girl children to attend

school and by providing food which helps children to concentrate and improve learner performance. Studies show that school feeding does increase the food consumption of learners, and many programmes have also improved learners' micronutrient status” (HLPE 2012: 13). In this context, India's Integrated Child Development Services (ICDS) and Mid-day Meal schemes have drawn considerable attention for both appreciable and problematic reasons. In some parts of the country, both programmes have been greatly successful, whereas in several states their implementation remains quite shoddy and inadequate.

With regard to the income support measure through creating employment opportunity, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005 provides enhancement of livelihood security, giving at least 100 days of guaranteed wage employment in every financial year to every household, whose adult members volunteer to do manual work, on demand. The MGNREGA programme is indeed the largest public employment programme in the world, providing work to 50 million rural households, and nearly one in every three rural households has benefited from it (Ministry of Rural Development 2015: 34–35). Through this provisioning, in the financial year 2013–14 (till 31 December 2014) alone, 1.21 billion person-days of employment was generated, out of which 40% participation was from marginalised groups (SCs and STs) and 56% of the beneficiaries were women. It is often argued that gender sensitive “social assistance programmes that target women with social transfers or public works employment are likely to achieve greater impact on household food security than when men are targeted, because of women's dominant roles as food producers and carers within families” (HLPE 2012: 11).

From the South African experience, it may be of interest to highlight public provisioning on social protection through old age pension and child support grants, which possibly have been critical in facilitating low levels of hunger and food insecurity. In fact, the child support grant, which has coverage of more than 10 million children as per the recent estimate, has been much lauded in improving child outcomes, for example, school attendance, nutritional status, and reduction in child labour. As a recent ILO report notes, “child support grant has the potential to alleviate credit constraints, which in turn supports investment by families in schooling and nutrition of dependent children” (ILO and OECD 2011: 2).

In South Africa, within the broad head of social protection expenditure, old age, disability grant, and foster care and child support grants have been receiving high priority. The annual provisioning per beneficiary for these components, for the financial year 2015–16, is reported to be \$1,620, \$996 and \$386, respectively (Jha 2014). Clearly, these important programmes have been critical in ensuring low levels of the *poor* for South Africa.

We may close this section by recalling Brazil's creditable performance in tackling hunger and malnutrition, particularly through its “zero hunger” and other programmes, such as increased minimum wage and the Bolsa Familia (cash support from government to poor families). As per a recent report: “in just nine years (2003–12), it [Brazil] has slashed child

malnutrition by 61% and rural poverty by 15%.” The said report also notes that over the same period, 28 million people have been lifted out of poverty and child malnutrition has been reduced substantially (Oxfam 2012: 1). It is worth noting that Brazil’s expenditure on social protection, at 17.9% of the GDP is among the highest in the developing world.

4 Combating National Food Insecurity

The analysis in this article shows a strong positive correlation between public provisioning towards social protection (through a variety of schemes and programmes) on the one hand, and lower levels of hunger and food insecurity on the other. A country with better and wider public provisioning to various branches of social protection/promotion/security could go a long way in addressing the concerns of food (in)security, hunger and malnutrition. A major policy challenge that governments in most developing countries confront is that of devising appropriate strategies for protecting vulnerable sections of the population.

Further, even countries with low levels of per capita income can address the problem of food security by provisioning higher levels of social protection expenditure through an array of programmes and schemes, particularly for vulnerable sections of the population, as the couple of case studies cited in the foregoing demonstrate. In terms of explaining outcomes relating to food security, it seems reasonably robust to argue that a broad package of policies, prioritising social protection and directly targeted programmes to support food availability (such as through public distribution systems, supplementary feeding programmes, wage entitlements through public works programme, etc) can go a long way.

However, it is important to take into account issues of adequacy of resources, appropriate policy design, as well as institutions and governance structures created to deliver the relevant services. Lessons can be learnt from the success stories in this regard, particularly based on programmes like “Challenging the Frontiers of Poverty Reduction” in Bangladesh, the “Vision 2020 Umurenge” in Rwanda, “Zero Hunger” in Brazil, the MGNREGA in India, “Child Support Grant” in South Africa, etc.

We would like to stress that in most developing countries one of the biggest issues, with respect to public provisioning towards social protection, to address hunger and food insecurity is organically connected with that of adequate “fiscal” or “expenditure” space. Contrary to the view that countries with low GDP cannot create such a space, we would argue that even at low levels of income it is possible to mobilise adequate resources for the provisioning of social protection. Neither conceptually nor historically, there is no reason to believe that a country needs to wait to reach relatively high levels of per capita income before it can make adequate progress in this regard, even though, higher income of course helps in doing so.

We have already referred to instances of countries with relatively low per capita income being able to make decent provisioning for this purpose, based on the information from the World Bank (2011). At the end of the day, it is the political economy of a country, in particular rooted in progressive

politics, which can facilitate a transition to greater fiscal space and higher allocation for social protection.

Inadequate fiscal space (which is measured either as tax-GDP or expenditure-GDP ratio), is primarily due to a narrow tax base. Thus, the challenge is to expand the scope for taxation. Further, from the point of view of enhancing the well-being of the masses in general, it ought to be done in a manner that is progressive. It is generally an acceptable tenet in public finance that for a progressive taxation structure, the share of indirect tax in total revenue should be on the lower side, and the higher share should come from direct taxes. Progressivity in the tax structure emerges out of the principles of equity and overall economic justice. The share of direct taxes, linked to the ability to pay, in the total government revenue is often considered to be one of its important indicators.

In many developing countries, the count of those who can pay direct taxes tends to be underestimated, and potentially important sources of direct taxation, such as wealth and inheritance tax, are often left out of the net by policymakers. This often happens in the context of high levels of inequality in wealth and assets. Unfortunately, robust estimates of both income and wealth in the country are inadequate (if not missing), yet preliminary figures tend to project high levels of both wealth and income inequality. For instance, in India, with the top 5% of the households possessing 38% of the total assets, the bottom 60% of households own a mere 13% (Institute of Applied Manpower Research 2011). As per Credit Suisse’s Global Wealth Report (Credit Suisse Ag Research Institute 2014), the top first wealth percentile of India accounts for almost 49% of its wealth.

We may also note that the problem of coverage is not limited only to the domain of direct taxes. There are potentially significant segments with respect to indirect taxes that can help in resource mobilisation. For instance, the service sectors in many developing countries contribute a sizeable share to their respective GDPs; however, its share in total tax revenue of the general government is minuscule.

Furthermore, tax compliance by powerful socio-economic groups tends to be poor, generating huge amounts of “unaccounted income” or “black economy.” It is generally accepted that the official income projections for the top couple of deciles in India are massive underestimates, and almost all of the so-called black economy¹⁰ inside the country is located possibly within the top 10% of the population. It is hardly surprising that with poor coverage in terms of incidence of taxes and low compliance levels, the revenues from these sources tend to be grossly inadequate. The problem gets further compounded by long-drawn disputes regarding payment of taxes by the rich and powerful, partly on account of loopholes in, and often poorly designed, taxation laws.

The problem is further compounded on account of a whole range of concessions given by the government, mostly to the powerful economic actors. In many countries, the quantum of revenue forgone due to exemptions is substantial. For instance, in the case of India, for 2013–14, the aggregate revenue loss due to tax incentives was ₹5,49,984 crore, and this is

projected to go up to ₹5,89,285 crore for 2014–15.¹¹ This figure, one may emphasise, is estimated to be 43.2% of the total tax revenue for 2014–15, which is substantially higher than the total share of direct taxes in the total tax receipts of the country. It should be clear that even if half of the revenue forgone is retained it would contribute to a significant expansion of the fiscal space.

There are a whole range of other instruments and possibilities that can lead to significant enhancement of fiscal space. For instance, securities transaction tax (that is, taxation on trading of shares), the so-called Tobin tax (on account of cross-border mobility of finance), environment/climate tax, etc, are some of the much talked about examples in this regard. There are several sectors, which benefit a great deal from the use of casual and floating labour, but do not contribute even a pittance towards their well-being. To strengthen the allocations for social protection, well-designed provisions of cess on such sectors, for example, mining, construction,

real estate, gems and jewellery, etc, can be helpful. The idea behind such a proposed levy on these industries/sectors is to get some support for informal sector workers, who have made huge contributions to the profits of these industries/sectors through their lifetime of labour without getting any formal recognition and protection.

As it happens, during the period of the so-called economic reforms, most developing countries have experienced serious stress in expanding the scope of their fiscal space, as is evident from their tax–GDP or expenditure–GDP ratios (Jha 2014). Thus, an obvious challenge is that of increasing the said fiscal space. As suggested above, there is no dearth of instruments to do so, but the real issue is that of lack of political mobilisation. Brazil managed to increase its fiscal space by almost 10 percentage points over a decade (during the regime of Luiz Inácio Lula da Silva). In our sample of countries, we can find several examples where allocations on social protection are creditable, and there may be much to learn from them.

NOTES

- 1 Algeria, Armenia, Azerbaijan, Bangladesh, Benin, Botswana, Brazil, Burkina Faso, Cambodia, Central African Republic, Chile, China, Colombia, Congo, Costa Rica, Cote d'Ivoire, Cuba, Dominican Republic, Ecuador, El Salvador, Ethiopia, Gambia, Ghana, Guatemala, Guinea, Guyana, Honduras, India, Indonesia, Jamaica, Jordan, Kazakhstan, Kenya, Lebanon, Lesotho, Liberia, Madagascar, Malaysia, Mauritania, Mauritius, Mexico, Mongolia, Morocco, Mozambique, Namibia, Nepal, Niger, Nigeria, Pakistan, Peru, Philippines, Rwanda, Senegal, South Africa, Sri Lanka, Swaziland, Tanzania, Togo, Tunisia, Uganda, Uruguay, Vietnam, Zambia, and Zimbabwe.
- 2 This indicator is conceptually analogous to the PoU indicator, but calculated setting the caloric threshold to a higher level by using a Physical Activity Level (PAL) coefficient of 1.75, as opposed to 1.55.
- 3 The GHI score consists of three index components expressed in percentage and weighted equally (undernourishment: the proportion of undernourished people as a percentage of the population; child underweight: the proportion of children under the age of five who are underweight; and child mortality: the mortality rate of children under the age of five). A higher score for the GHI indicates more hunger. The index varies between a minimum of "0" and a maximum of "100," but these extremes do not occur in practice. It is often used as a short-hand to capture the state of hunger, although methodologically it is contentious, as discussed later.
- 4 The GHI report, 2014 computed GHI scores for 120 countries and mapped countries into various categories based on their respective scores. Countries with GHI scores less than 5.0 have been termed as "low," scores between 5.0 and 9.9 termed as "moderate," scores ranging between 10.0 and 19.9 have been considered "serious," scores with 20.0 to 29.9 have been considered as "alarming," and scores more than 30 have been considered as "extremely alarming" (von Grebmer et al 2014).
- 5 The PoU expresses the probability that a randomly selected individual from the population consumes an amount of calories that is insufficient to cover her/his energy requirement for an active and healthy life. More details on the methodology for computing the PoU are in the Annex 2 of the *State of Food Insecurity in*

the World 2013 report (FAO, IFAD and WFP 2013). This indicator is calculated on three year averages.

- 6 Since the PoFI measures the percentage of population that is at risk of not covering the food requirements associated with normal physical activity, therefore including those who, even though they cannot be considered chronically undernourished, are likely being conditioned in their economic activity by insufficient food. While the PoU is an estimator of chronic food deprivation ("hunger"), this new estimator is a less conservative measure of food inadequacy in the population.
- 7 Just to quote one such instance, the prevalence of wasting among the children from the ST community is 28%, compared to 20% for the overall relevant population (UNICEF India nd).
- 8 Average total social protection expenditure (as % of GDP) has been computed taking into account shares of social protection expenditure since 1990 to the latest available year. The average of such shares for countries have been computed based on the share for 1990, 1995, 2000, 2005, 2007, 2009 and 2010–11, depending on the availability of data. Share of social protection expenditure for the countries Armenia (8.61), Cambodia (2.23), Georgia (8.22), India (2.39) and Malaysia (2.99) for the year 2012–13 have been added while computing the average share of such expenditure for these countries.

- 9 GDP per capita is based on purchasing power parity (PPP) where GDP is converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GDP as the US dollar has in the United States. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy, plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. GDP per capita data are in constant 2011 international dollars.
- 10 Estimation of "black economy" has been a huge challenge, and the whole range of projections, by official agencies as well as by independent academics has been placed in the public domain. Even if we go by conservative estimates, the size of the black economy at more than 40% of the white economy seems grotesque and abnormally higher compared to the figure of around 3% for the mid-1950s.
- 11 Some of the major exemptions are on account of custom duty, excise duty, corporate income tax and personal income tax. As per a recent estimate for 2015–16, custom duty exemption given only to gold and diamond traders amounted to Rs 75,592 crore (Centre for Budget and Governance Accountability 2015). The same report also notes that "effective tax rates for cement manufacturing companies are as

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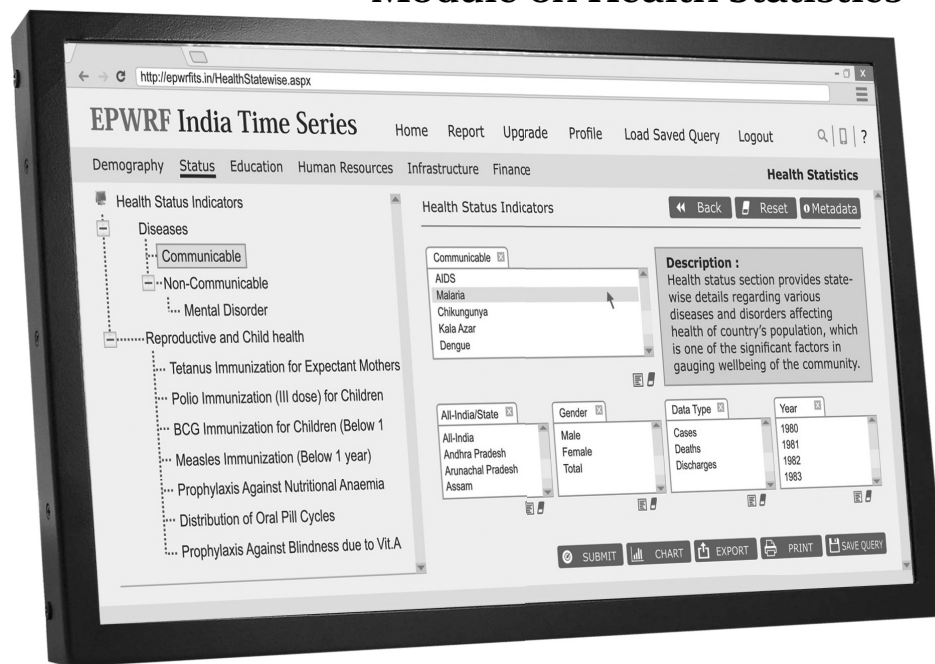
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low as 5.84%; some mining contractors are charged with an effective tax rate of 7.23%; in the financial services sector, leasing companies are charged with a very low effective tax rate of 1.84%; effective tax rates for some of the film distribution firms are 9.23% against the statutory rate of 33.27%."

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