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Policy Change and Food Assurance: About Rice on Credit and NGO-Government Partnerships in Andhra Pradesh

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Abstract

In early 2001, the Centre for Environmental Concerns (an Andhra Pradesh based NGO) took up the idea of a rice credit line: the distribution of rice on credit to be delivered at the habitation. Initially the scheme was introduced in one district, but within a short time it became successful and expanded to other districts in the State. This success and expansion is encouraging from the perspective of food security of poor people. But apart from that, the scheme also provides us with an interesting example of how NGOs can successfully intervene in policy processes. This paper focuses particularly on the organization of the scheme, the kind of partnerships that developed between the government, NGOs and civil society organizations, and the wider conditions that made the scheme possible. Such reflection is particularly relevant at the moment, as the scheme is about to be expanded to three new States.



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It is a well-documented fact that the Indian food distribution system is in a mess, although the most embarrassing situation is over. Between 2001 and 2003, the government warehouses were flooding with foodgrains. In July 2002, the Food Corporation of India had more than sixty million tonnes of rice and wheat – a quantity that could provide a full year ration to about 400 million people! Simultaneously, people were starving in drought-struck regions of Rajasthan and Jharkhand. Newspapers and Star television (now NBTC) reported of villages in which people had started to eat rats and cats, where chapati's had become a luxury, where mothers had to choose between feeding their children or eating themselves, and from where people were migrating in search of work and food. It was in this context that an Andhra Pradesh based non governmental organization CEC (Centre for Environment Concerns) took up the idea of a rice credit line: the distribution of rice on credit to be delivered at the habitation. Initially the scheme was introduced in one district, but within a short time the programme became successful and expanded to other districts in the State. The scheme is now implemented by the government (through the machinery of DPIIP, the World Bank funded District Poverty Initiative Programme) but NGOs are still important in its implementation, monitoring and further expansion. At present (early 2004) it seems the scheme will soon be extended beyond the boundaries of AP. The Government of India has become interested, and the decision has been taken to pilot the scheme in three other States.

This success and expansion is encouraging from the perspective of food security for poor people. But apart from that, the success is also interesting from a broader social change perspective. It provides us with an interesting case study of how NGOs can successfully intervene in policy-making processes. Food policy is a domain almost completely dominated by government agencies (the secretaries and departments; the FCI and State F&CS Corporations) with no role for civil society organizations. Most NGOs working on food security concentrate on sustainable production of coarse grains in dry regions, community grain banks and the like, and few have tried to influence the bulwark of PDS procurement and distribution. CEC, however, decided to form an exception to this rule and developed a programme that made use of the PDS stocks. By effective lobbying and strategic partnering – and because the DPIP machinery welcomed the initiative for its own reasons – the organization was able to convince the Government of Andhra Pradesh, and more recently also the Government of India that this scheme could be a valuable addition to the already existing food distribution schemes.

The Food Assurance Scheme is seen by many as a successful intervention in the area of food security in Andhra Pradesh. The focus of this paper is, however, not on the extent to which it has helped households to cross the poverty line or increase their calorie intake. The focus is rather on the organization of the scheme and the policy process that brought it about. This is particularly relevant at the moment, as the scheme is about to be expanded to three new States. The paper starts with a short description of food and food policy in Andhra Pradesh. It then describes the Food Assurance Scheme, the way in which support was gathered within the Government of Andhra Pradesh, the kind of partnering that took place subsequently, and what this tells us about the possibility of NGO-government partnerships. The paper ends with a discussion about the conditions that made the scheme possible and the extent to which the process is replicable in other States.

Food Insecurity and Food Distribution in Andhra Pradesh

Andhra Pradesh as a whole, according to the *Food Insecurity Atlas of Rural India*, is moderately deficit in foodgrains as its consumption is 16 per cent higher than its

production. Within the State, however, there are huge regional variations. Some of the coastal districts are the State's granary, while other districts, especially in the Telangana and Rayalaseema regions, are extremely dry, drought-prone and food deficient. The monsoon in 2003 was relatively good in most places in the State, but the preceding years had been disastrous and 900 of the 1150 mandals were classified as drought-prone. According to the Food Atlas, consumption is on the low side, with 14 per cent of the population consuming less than 1890 kcal a day and 48 per cent less than 2400 kcal.

Since 1983, the Andhra Pradesh government has intervened on a large scale in food distribution. The then just founded and ruling Telugu Desam Party (TDP) introduced the so-called Rs. 2 per kilo rice scheme, which guaranteed 25 kilos of rice at the rate of Rs. 2.00 per kilo to all households with an income below Rs. 6000 per year. Over the years, the scheme has been modified, and at present subsidized rice is sold at Rs. 5.25 per kilo, with a maximum of 20 kilos per household. Most rural households have access to the scheme. The announcement to introduce this cheap food scheme was one of the election promises made by the filmstar-politician N.T. Rama Rao in 1982, and food has remained important in several subsequent elections. The Congress government (1989-1994) increased the price of subsidized rice, but N.T. Rama Rao reduced it again to 2 rupees after he came back to power in 1994. When Chandrababu Naidu took over in 1995 he increased the price again in an effort to bring down the State's fiscal deficit, but by the late 1990s, AP's food subsidy was still around 5 per cent of aggregate government expenditure. Politically, it would be very difficult, if not suicidal, to abolish this scheme altogether.

When the monsoon failed in 2001 in many parts of India, the Government of India decided to make foodgrains available free of cost to drought-prone districts. This was partly induced by a Supreme Court Order that ruled that the FCI stocks had to be used to alleviate hunger, and, of course, by the embarrassingly large food stocks held at the time of drought and starvation. As compared to other States, Andhra Pradesh got a disproportionately large quantity: more than 3 million tons within a year, meant for food-for-work programmes. There is no doubt that this privileged treatment of AP had a lot to do with the fact that the TDP was (and still is at the time of writing this paper)

a crucial partner in the NDA coalition. The fact that Chandrababu Naidu did not criticize the central coalition and the BJP at crucial moments (especially after the organized pogroms in Gujarat) seemed to have helped the State a lot to secure this large quantity of food grains.

Within no time, however, the food-for-work programme developed in a huge scam. Almost immediately after the programme started, the first newspaper articles began to appear reporting illegal transports and sales of foodgrains. Among other things, rice was repolished and sold back (as levy) to the FCI. Deshingkar and Johnson (2003) have listed the following six deficits of the programme: 1) top-down identification of works without involvement of the Gram Sabhas, 2) large-scale involvement of contractors, 3) contractors selecting beneficiaries, instead of self-selection, 4) inappropriate wage-setting and the displacement of the very poor by the poor, 5) payment in cash rather than grain, and 6) use of labour-displacing technology – something that is officially illegal. Altogether, poor people have benefited much less than what they should – even though 3 million tonnes means 800 kilos per poor household!¹

Food Assurance – Rice on Credit

It is against this background of drought and food insecurity on the one hand, and failing government interventions on the other that the Centre for Environment Concerns in Hyderabad tried to think of alternatives and more useful ways to make use of the food stock. It started modestly in one village in Chittoor district in south Andhra Pradesh, following a request by the villagers for some relief in the extraordinary drought and distress situation. Basically, the idea is the following. Food-deficient households get 50 kilos of rice on credit. These households do not act individually, but the scheme is organized through women's self-help groups. Groups of women, hence, ask for, say 500 kilos of rice. The groups distribute this amount amongst their members and make sure that the rice is repaid. The rice is made available by the AP State Civil Supplies Corporation at Rs. 6.40 per kilo, the drought relief price for rice announced by the

¹ This is based on a family size of 5 people and a poverty rate of 25 per cent.

Government of Andhra Pradesh. The women are asked to pay Rs. 7.00 per kilo for the rice, which is much less than the prevailing market rate. The balance of 60 paise is kept as savings by the group to facilitate repayments in more difficult seasons. Each group is also requested to set aside a small part of the rice, say half to one kilo per 50 kilo bag, for sharing with destitute people identified by the group. The groups are assured of monthly or bi-monthly supply of rice at their doorstep, provided they have repaid the money. Three different repayment models have been developed that fit the specific needs of the various population groups involved.

The advantages of the scheme for poor households are obvious. The scheme provides a level of food security that no other scheme has given so far. The amount of food grains supplied by the Public Distribution System is inadequate. Studies by CEC showed that the cost to consumer for accessing PDS food grains is so high that it almost equals the Above Poverty Level (APL) prices of the government. Many areas of Andhra Pradesh are food deficient, and households depend on the open market for their needs. Open market prices are high; frequently poor households have to take loans at high interest rates from moneylenders. The food provided through the Food Assurance Scheme is cheaper, the interest is lower, and, perhaps most importantly, it guarantees the availability of food in the household. Women participating in the scheme have reacted by saying that a major household tension that always kept them tenterhooks and frequently led to domestic violence is now over.

While the programme started on a small scale in one village, it expanded rapidly, initially to other villages in Chittoor and later to other drought-affected districts in Andhra Pradesh. The first 40 tonnes (4 lorry loads) were bought from the AP State Civil Supplies Corporation by CEC itself. In September 2001, the Government of Andhra Pradesh came forward and provided 10,000 tonnes of rice. This amount was utilized and repaid within eight months. A further 50,000 tonnes was provided in May 2002 and again 50,000 in November 2003. By the end of 2003, 100,000 households in five districts participated in the scheme. A further expansion to all food deficit areas has been announced by the Chief Minister, but is still awaiting implementation. Late 2003, the GoI secretary Rural Development has also shown interest. In February 2004, a

meeting was held in Hyderabad, attended by representatives from the Central government and State governments of AP, UP, Jharkhand and Rajasthan and various NGOs working in these States, in which it was decided to pilot the scheme in any case in these States, and possibly also in Orissa, Maharashtra and Madhya Pradesh. The Central Ministry of Rural Development decided to provide 500,000 tonnes of food grains free of cost for this purpose.

Gathering Support and Institutionalization

Early 2001, when the idea of 'rice on credit' was still very premature, K.S. Gopal, the founder/leader of the Centre for Environment Concerns, was invited by the Andhra Pradesh Poverty Eradication Mission to give a presentation of ways in which poverty could be alleviated in the context of the ongoing drought. This Mission was established some time earlier with the mandate to 'nurture social mobilization and empowerment of the poor for poverty eradication'.² It was headed by the Chief Minister (who did not attend the meeting), and consisted of several government officials and some experts in the area of poverty and rural development. B.N. Yugandhar was the vice chairman. He is a retired IAS official, and has served as secretary of the Department of Rural Development, Government of India. He has published about land reforms and decentralization, and rural development is clearly close to his heart. One of the other members of the Poverty Mission and present at the meeting was S. Ray, also a member of the IAS and Special Chief Secretary Panchayati Raj and Rural Development at that time (now retired).

Gopal made three main suggestions related to 1) necessary changes in the structure of land lease, 2) institutional change with regard to resource management, and 3) the possibility to establish a rice-on-credit programme. Of these three suggestions, the third was by far the least fundamental, but this one struck a chord, both with Yugandhar and Ray. Yugandhar, who was also vice chairman and president of the Society for the Elimination of Rural Poverty (SERP) suggested that SERP could be involved in the

² From G.O. Ms. No. 304, dated 7th August 2002. Available from [www.ap.nic.in/dwera/304\[1\].2002GOMS.html](http://www.ap.nic.in/dwera/304[1].2002GOMS.html)

realization of the idea. SERP is the institution in Andhra Pradesh that implements the District Poverty Initiative Programme (DPIP) in Andhra Pradesh, which is also called *Velugu* (Velugu means 'light' in Telugu). SERP is a registered NGO of which the Chief Minister is the chairman. It is staffed partly by government officials on deputation, and partly by directly recruited people, some of whom have a background in the NGO world. It is a relatively new organization established in 1999 and there are several people working in the organization who have a genuine commitment to work towards the elimination of rural poverty. As compared to a government department, SERP is much more flexible and less bureaucratic. At the same time, however, it has the might of the government and is firmly under control of the Chief Minister.

The Chief Executive Officer of SERP at that time was K. Raju, an IAS officer on deputation. (He was transferred away from SERP in October 2002.) He had been district collector in Nellore at the time of the anti-arrack movement, and had been involved with an earlier UNDP programme against rural poverty, the predecessor of DPIP. A Dalit himself, he is known for his commitment to development, especially of the poorest of the poor and the SC/ST community. When Yugandhar, Ray and Gopal explained the idea to Raju, he became excited and agreed immediately that SERP could be involved in its implementation.

The next step would be to talk to the Chief Minister and convince him of the programme. Yugandhar could set up a meeting with Dr. M. Sambasiva Rao, at that time special secretary to the Chief Minister (now with the Government of India). Sambasiva Rao proved to be very helpful. He was immediately taken in by the idea. When Yugandhar met the Chief Minister later, Sambasiva Rao stated that he thought the plan was very good, and that convinced Chandrababu Naidu. He cleared the first proposal to allocate 10,000 tonnes as a pilot for rice for the rice credit line, as the scheme was called at that time. After this first decision, subsequent further allocations have taken place, which allowed the scheme to expand to more districts and include more people. The secretary Finance never objected to the scheme, because it did not cost any money. In fact, the scheme allowed the GoAP to sell (and get an income out of) food grains it received free of cost, and still do something that was widely perceived as pro-poor.³

³ What the GoAP did with the income/money is not known to us.

What is striking and worth emphasizing in this history is that, while the idea originated from an NGO, key support came from within the bureaucracy. Politicians were nowhere involved, except the Chief Minister. The Food Minister has not been involved in any of the allocation decisions, and has not been consulted in relation to the design of the scheme. Another striking point is that, although the scheme was successful, it has not attracted a lot of public attention. The scheme has not been used in political campaigning and has never found a place in the long list of schemes that Chandrababu Naidu announces or focuses the attention on in the run-up to elections.

There were a number of design characteristics of the scheme that made this scheme attractive to bureaucrats and that helped in the generation of their support. The first is that the scheme did not cost any money. Rice was available from the Government of India free of cost. The AP State Civil Supplies Corporation would sell at Rs. 6.40. No additional government funds were required to organize the programme, nor was additional personnel required. In fact, the scheme only created an additional income to the GoAP. Second, this was not the first programme to be implemented through women's self help groups. There had been several earlier programmes implemented through DWCRA groups. In that respect, the programme followed a known, tested and popular format. Third, for SERP this programme meant an entry point in the villages. SERP's objective was to alleviate poverty through the establishment of women's self help groups among the poorest of the poor, and promote saving activities and provide credit for developmental activities to be undertaken by the groups. Many villages, however, had self help (DWCRA) groups already, but these often consisted of the slightly better-off women. The prospect of being able to buy rice on credit proved to be very attractive and many new groups consisting of the poorest and so-far not included women were formed. In other words, the programme was of considerable help to SERP to establish itself. Moreover, SERP was a flexible organization. It functioned like an NGO, but had the might of the government. SERP was also new, staffed by motivated and ambitious people, committed to SERP's mission to eradicate rural poverty, but still uncertain about the best way to work towards this mission. It would have been much more difficult, if not impossible, to implement the same new scheme through the long established District Rural Development Authorities (DRDAs).

Lastly, not so much a design characteristic but a happy coincidence, was that there were a number of very committed IAS officials who happened to be posted in relevant positions: B.N. Yugandhar (as vice chairman and president SERP), S. Ray (as special chief secretary Panchayati Raj and Rural Development), K. Raju (as Chief Executive Officer SERP) and M. Sambasiva Rao (as special secretary in the Chief Minister's Office). These officials all had a long-standing interest in rural development and poverty alleviation. Moreover, the proposal came at the right moment. There was a need for new ideas within the Poverty Mission. Several of the bureaucrats felt that there was no anti-poverty scheme that worked well; they were disappointed and therefore eager to be involved in a new and potentially more successful scheme before they would retire.

These government officials, together with K.S. Gopal, formed what could be called a small 'advocacy coalition'. This term, developed by Sabatier and Jenkins-Smith (1993) refers to a group of actors from different institutions who share a set of basic beliefs and who seek to influence rules, budgets and the personnel of institutions in order to achieve these goals. The concept was developed to emphasize the interactive character of policy making, rather than the linear model of a rational decision on the basis of a comparison of all policy alternatives. Several of the members of the coalition in this case knew each other, and had learned to trust each other in previous collaborations. There was a strong commitment and confidence in the feasibility of the scheme among these coalition members. Raju, for instance, agreed to be personally liable for the first loan from the Government of Andhra Pradesh (worth Rs. 64 million, or almost 1.5 million US dollars).⁴

This collaboration and joint commitment does not mean that there were no internal differences. CEC had always been very critical of the World Bank. In 1999 it had organized the first public hearing about the World Bank's agenda for economic reforms in Andhra Pradesh. Gopal had earlier criticized DPIP and SERP's approach to poverty alleviation. It is very well possible that CEC and SERP see the programme with different eyes: for CEC it is primarily a way to address hunger, while for SERP it is also a way to build institutions. For CEC, the collaboration with SERP has advantages, but CEC

⁴ Information from K. Raju (interview 25 January, 2003).

could also work with other institutions. SERP, however, did not want any competition. It seems to have actively discouraged the District Rural Development Authorities to take up the programme in the districts in which SERP itself was not active. Moreover, CEC also has some apprehensions that the hidden agenda of the World Bank could be that, in the long term, this scheme could become replacement of the (almost universal) Public Distribution System – something that is not at all the intention of CEC. The World Bank has, by the way, never been really involved. It supported the scheme, realizing that this was why DPIP could sail smoothly in Andhra Pradesh, but it has not tried to influence it.

The Role of Various Agencies in Food Assurance

There is little doubt at the moment in Andhra Pradesh that the Food Assurance Scheme is regarded as a good thing by many households that participate in the scheme. What we focus on here is how it is organized. There are a number of institutions, at various levels and of different nature, that are involved and that cooperate well with each other. These include:

- The Food Corporation of India (FCI) and the AP State Civil Supplies Corporation (APSCSC). The FCI supplies the food grains free of cost (as per a Government of India decision) to the APSCSC. The APSCSC has a good network of warehouses all over the State. In the districts, the APSCSC warehouse managers have worked out special modalities with SERP, the village organisations and the Mandal Mahila Samakyas (see below) and the local banks regarding release and payment of the food grains.
- The Government of Andhra Pradesh, which gives the credit on the basis of which the programme can be run. In the end, the government earns money from the programme, as the APSCSC receives Rs. 6.40 per kilo of rice that did not cost anything (except transportation and handling costs).
- The Society for the Elimination of Rural Poverty (SERP). The SERP head office has supported the programme from the start onwards for reasons that were discussed above. SERP has Project Directors in each district (who usually

belong to the IAS). These Project Directors have been authorised to issue the release orders of the food grains, so that the Food Assurance Scheme can be implemented without the monthly approval of the District Collector. The local SERP staff, the Community Coordinators working in the villages, are in close touch with the groups. They are helpful in the process of creating an aggregated demand (of several self help groups, as organised in a village organisation of Mandal Mahila Samakhya). They also follow up in case groups fail to repay their loans.

- Self Help Groups. The members of the group are the main beneficiaries of the scheme. They are also involved in implementation. As a group, they take the responsibility for distributing the food internally and group repayment. Self help groups exist in almost every village in Andhra Pradesh. In fact, AP is the State with the largest number of self-help groups. Most of these groups used to be DWCRA groups (set up under the GoI Development of Women and Children in Rural Areas programme) or NGO supported self help groups. More recently, the DPIP programme has stimulated group formation of the 'poorest of the poor' women. These groups are called *Velugu* groups. Initially, the Food Assurance Scheme was meant only for *Velugu* groups, but in the course of time, the distinction has been blurred, and all women self help groups can participate in the scheme.
- Village Organisations and Mandal Mahila Samakhyas (mandal-level federations of self help groups). These organisations prepare the aggregated demand, get the release order from the SERP Project Director, collect the food grain and transport it to the villages and collect and repay the instalments from the groups.
- The Centre for Environment Concerns. Apart from providing the initial idea, CEC has played an important role in the implementation of the scheme. CEC developed the pricing system and the credit modalities. People from CEC visited the areas in which the scheme was implemented frequently, and tried to solve all kind of practical problems (related, for instance, to under weighing or banking/repayment modalities). They organised trainings for the Project Directors and the Community Coordinators. CEC developed a Management Information

System, to be used at district level, which kept track of food grain allocations and repayments. A part of this work was done without additional payment, but in December 2002, CEC got a consultancy assignment from SERP to help in the implementation of the scheme. During this six-months assignment CEC had one person in each of the five districts who monitored the implementation of the Food Assurance Scheme. In this period, booklets were published in each district explaining the characteristics of the scheme and with guidelines regarding its implementation. These guidelines were not fully standardised, but depended on the arrangements that had evolved in the district at issue. The booklets were meant for Community Coordinators as well as for villagers, managers of the APSCSC and others. In some districts CEC involved other local NGOs in the work of contacting and monitoring groups.

NGOs-Government Partnerships

The Food Assurance Scheme, hence, seems to be an interesting example of how partnerships between government organizations on the one hand, and civil society organizations (CSOs, such as the self help groups, village organizations and Mandal Mahila Samakhyas) and non governmental organizations on the other, can work. Nowadays, this issues of partnerships is a popular theme in the more general development literature. While the dominant ideology of the 1980s was that the state should withdraw from many developmental activities and leave the initiative to private parties dealing with each other through market relationships, by the late 1980s and early 1990s, it had become abundantly clear that the effects of ‘too much markets’ and ‘too little state’ could be disastrous. As a result, the issue of governance came back on the development agenda. At the same time, however, it was realized that many states fail in several respects and lack the capacity to govern well. Civil society was, thus, seen as essential to ensure ‘good governance’. This argument was made in relation to regulation and accountability – civil society should play a role in holding the state accountable – but also in relation to concrete state activities, in particular the provision of social services: civil society organizations should play a role in the provision of welfare. With regard to the latter, the argument was that states and civil society organizations could complement

each other. Both types of organizations have their strengths and weaknesses. States usually have resources in terms of funds (taxing capacity), personnel, institutions and power, but they are often rigid and bureaucratic. NGOs/CSOs are more flexible, less bureaucratic, more participatory in their mode of operation and therefore better able to reach poor people, but they are sometimes small, lack professionalism and, due to a more uncertain funding structure, have difficulties to secure long-term involvement. A partnership of government organizations and non-governmental organizations would be a means to combine the strengths of both types of organizations and overcome the weaknesses (Robinson and White, 2001). The development of partnerships is now part of many administrative reforms in less developed countries.⁵

In actual practice, however, such partnerships are often problematic. NGOs and State bureaucracies are usually characterized by different organizational cultures, and there may be a great deal of suspicion on both sides. Moreover, successful partnerships require strong NGOs or CSOs that are able to cooperate with the government on the basis of equality. Partnerships can easily result in cleavages within the NGO/CSO world, as some organizations are selected while others are excluded. By reinforcing certain activities of NGOs/CSOs (particularly in the area of welfare provisioning), partnerships are also likely to undermine other activities (such as holding the state accountable) that may be equally important but that are not funded, supported or appreciated by the partner, i.e. the government (Manor, 2002).

None of these problems has been very prominent in the case of the Food Assurance Scheme. What helped, no doubt, was that SERP was not a bureaucratic organization like any other. In fact, SERP used to be rather activist in nature, and flexible in its mode of operation. On the SERP side, the partnership with CEC was wholeheartedly appreciated. The role of the other government institutions was much more limited than that of SERP, but the presence of very supportive individuals within the GoAP and APSCSC was, no

⁵ The World Development Report of 1997 states, for instance, that “the state is central to economic and social development, [but] not as a direct provider of growth but as a partner, catalyst, and facilitator” (World Bank, 1997: 1). The World Development Report 2002 Building Institutions for Markets, and 2004 Making Services Work for Poor People are also about various forms of partnerships.

doubt, helpful. Moreover, CEC is a fairly prominent NGO. It is a small organization, but well connected. For instance, although Gopal is very critical of the role of the World Bank in Andhra Pradesh, he has access to the Bank and has met Wolfensohn several times. CEC was therefore not a small entity to be bullied around. The Food Assurance Scheme has not led to cleavages within the NGO/CSO world. There are also no signs so far that the partnership has led to a less critical stand of the NGOs/CSOs on wider issues related to governance and accountability.

What may easily lead to tensions in the partnership, however, is that SERP is very vulnerable to political machinations. The Chief Minister is the chairperson of the organization, and the World Bank DPIP funds are widely seen in AP as a nice way in which the Bank supports the election campaign of Chandrababu Naidu. Fortunately, so far, there has been no attempt to get political mileage out of the Food Assurance Scheme. If that would happen, it would almost certainly lead to a relaxation of the repayment rules, which would mean the end of the scheme. If such pressure would come from the Chief Minister, there is no doubt that SERP would have to give in. It has been observed already in several small instances that, when the Chief Minister visited one of the DPIP districts, the SERP Project Director ordered for an additional release of food grains.

The Food Assurance Scheme also tells us something about how NGOs can influence the process of policy making. In a paper on the role of social movements in policy making, Rochon and Mazmanian (1993) distinguish three different strategies that can be employed by social movements. The first is to try to change existing policy, for example through formulating alternative legislation, and to try to get this passed through Parliament. The second strategy is to seek participation in the policy process: to make sure that the movement is represented in the important decision-making bodies. The third strategy is to influence public policy by influencing social values and norms. In fact, the Food Assurance Scheme does not fit into either of these categories. It is an example of a) piloting an innovative scheme, and b) a small 'advocacy coalition' that has lobbied effectively for more food grains and expansion of the scheme to other districts and States.

By Way of Conclusion: Supportive Circumstances, Replicability and the Future

The conditions that helped in the design, implementation and expansion of the Food Assurance Scheme in Andhra Pradesh can be summarized under five broad headings.

The Wider Environment. In 2001, there happened to be an enormous bufferstock of foodgrains that had become an embarrassment, if not outright shame, for the Government of India. Policy makers were exploring different ways in which they could dispose of the food grains, including even exports. This meant that constructive initiatives to use the bufferstock fell on fertile soil. Moreover, there had been a Supreme Court ruling that the bufferstock had to be used to alleviate hunger. The Supreme Court had appointed two Commissioners for the purpose of monitoring the implementation of all orders relating to the right to food. This has led to an increased level of media attention for food, hunger and starvation.

Institutional Capacity. The presence, capacity and willingness to participate of various institutions has been an important condition that made the Food Assurance Scheme possible and expand in Andhra Pradesh. First of all, SERP as a new organization with an ambitious mission and in need of an entry point in the villages, was eager to play a role in the initiative. SERP had the might of the government, but was more flexible in its operations and could take a risk. It did not face the same kind of accounting procedures that exist within government departments, and that often effectively block innovations. Second, the AP State Civil Supplies Corporation has a dense network of warehouses all over the State. Third, AP has a well functioning network of self help groups and federations of self help groups. Many of these groups and federations existed already before the Food Assurance Scheme was formulated (but new groups were also formed) and could be mobilized in the scheme.

Lack of Opposition. Surprisingly, there has been not much opposition to the scheme. Opposition could have been expected from two sides. First, from the local traders and/or moneylenders who lose some of their business as a result of the scheme. This opposition has not happened, partly perhaps because the traders and moneylenders in

the remote, dry and poor areas in which the scheme was introduced are fairly marginal themselves and/or continue to have other businesses on which they can rely. Second, from the government bureaucracy, which could see new schemes as costly or an additional work burden without any benefits. This, too, has not happened. The scheme did not cost any money, so the Finance Secretary could clear it immediately. The additional work for the AP State CS Department or the Corporation was not much. Moreover, it may also be remembered that, simultaneous to the development of the Food Assurance Scheme, a massive food for work programme was implemented – and misused. The estimates as to which percentage of the FFW foodgrains were misappropriated vary, but there is no doubt that it was significant. This means that those within the food bureaucracy who are primarily interested in earning illegal incomes were served well already – and did not need to grumble about the lack of such opportunities in the Food Assurance Scheme.

Of equal importance has also been the lack of political attention to the programme. The Chief Minister had to be informed about the scheme, of course, and his support was necessary to clear new allotments. On the other hand, it has been a blessing that he has never taken a real interest, which would have meant that he would have started to influence the implementation process.

Synergy among Policy Makers. A few people who were crucial in the AP bureaucracy had a real and longer-term interest in rural development and poverty alleviation. They agreed with each other that this scheme was really worth trying. They also knew Gopal from CEC through earlier work, and there was mutual trust and respect, to such an extent that plans were designed collectively and lobbying was done not only by CEC but also by ‘activists’ within the government.

Scheme Characteristics. Apparently, the scheme is designed in such a way that it strikes a chord with the local people. The scheme represents a dignity-centered way of addressing hunger.⁶ It is not a hand-out or a dole, but it requires community participation and

⁶ From the start onwards, CEC considered this dignity element as very important, as it had become distressed by the observation of how poor people can fall at the feet of relief workers.

repayment. The participants play a larger role in the implementation of the scheme than in, say, the PDS. This community involvement also means that the scheme is implemented in slightly different ways in different districts: different repayment modalities have been worked out, and different types of arrangements between banks, groups, APSCSC and project directors have evolved. This flexibility was possible because the scheme was seen as a pilot project that could evolve over time. Moreover, it was locally monitored, and problems were solved locally rather than through head office directives.

To conclude, we will address the same five points, and discuss their implications for the future of the scheme. This is especially relevant because the decision has been taken that the scheme will be piloted in three other States.⁷

First, we expect that procurement of rice and wheat will continue in the foreseeable future. There will, hence, be a steady supply of foodgrains to the FCI warehouses. Whether this will lead again to an excessively large foodstock depends on the off take through the PDS and other ways of disposing of the foodgrains. But even when the food system will be better managed than in the past few years, there will be no scarcity of publicly owned foodgrains that could be used in a Food Assurance Scheme. The media attention for hunger and starvation is most likely to go down, however, now the warehouses are no longer overflowing.

Second, in order to implement the scheme successfully in other States, it is essential that there is a certain degree of institutional capacity. It is unlikely that the scheme can be implemented in States in which the State Civil Supply Corporation does not have the necessary infrastructure (lack of warehouses) or is a financial mess. In the undivided Bihar/Jharkhand, for instance, Mooij (2001) found that several warehouse managers had

⁷ On 5-6 February 2004, a meeting was held in Hyderabad to discuss the expansion of food assurance to other States. It was agreed to pilot the scheme in Uttar Pradesh, Jharkhand and Rajasthan, and possible also in Orissa, Madhya Pradesh and Maharashtra. The GoI agreed to give the food grains. CEC agreed to act as facilitator: build a business model, conduct trainings, and organize State-level preparatory workshops. Local NGOs agreed to be involved in the implementation. The areas provisionally selected are Mirzapur, Allahabad and Sonebadh in UP; three blocks in Ranchi and Hazaribagh in Jharkhand; and Baran and other DPIP areas in Rajasthan.

not received their salaries for 18 months or longer. Under such circumstances, it is unlikely that the State Civil Supplies Corporations can do the work well. Similarly, it is essential to have community institutions that can manage the scheme. In AP, these were self help groups and federations of self help groups, but it is possible that in other States the scheme would be implemented with the help of other institutions, such as, for instance, Panchayats. The presence of an organization like SERP is also not absolutely necessary. It is unlikely that a government department can perform the task SERP performs in AP, but a well-functioning non governmental organization could be entrusted with it.

In fact, it could well be that also in Andhra Pradesh, the central role of SERP could be phased out over time. SERP, as pointed out above, had many advantages, but it had one major disadvantage: it is rather defenseless to political interference. This is one of the weaknesses of the set-up of the Food Assurance Scheme in AP. At the moment, SERP is still indispensable, but if it would be possible to move towards a situation in which the federations of self help groups conglomerate into larger institutions that are able to deal with the AP State Civil Supplies Corporation and the banks independently, the centrality of SERP could be reduced.

Third, it is to be hoped that in other States there will be as little opposition to the scheme as in AP, but it is not easy to manipulate this. What might help, however, is to keep the introduction of the new scheme a low key affair. If the participants are satisfied, there will be sufficient pressure from households that are not included to expand the scheme. In Andhra Pradesh, additional publicity was not necessary, and it could well be that the effects would only be negative.

Fourth, the presence of rather well-willing IAS officers at the relevant positions in the AP government bureaucracy who knew Gopal already was important, but also a bit of a coincidence. It might well be that a bottleneck in the introduction of the scheme elsewhere will be exactly this: the absence of a sufficient number of like-minded committed people in the State bureaucracies, a lack of ownership of the scheme, and insufficient trust between the officials and the NGOs that have to be involved in the

implementation. It is likely that this risk exists especially in the first phase of the programme. Once the scheme takes off and participants benefit from assured food supply, it is likely that enough enthusiasm and public pressure is generated to convince the officialdom that the scheme is worthwhile. In any case, that is what one can expect on the basis of the experience in Andhra Pradesh, where some officials now concede that the Food Assurance Scheme has been the most tangible gain of the Rs. 3000 crore (600 million US\$) DPIIP programme. Sufficient attention to support and coalition building, especially in the first phase of the programme in other States, is, hence, essential.

Last, but certainly not least, for a community managed scheme like this, it is crucial that the operational procedures fit the local needs and circumstances. This means it remains important that the set-up is flexible, and that there is a willingness to let rules and procedures develop and evolve over time. Uniform blueprints laying down the details of the implementation process are to be avoided. The involvement of NGOs with local experience and knowledge may help in securing this flexibility. It is also important that implementation in other States starts with a long pilot period, in which different modalities and arrangements can be tried and worked out.

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