

pecuniary awards to SPCB staff for detecting violations, installation of modern techniques etc. can go a long way in making the road of MBIs in India smoother.

Remarks & conclusion

Climate change has seen intense debate over the past few decades. The alignment of interests has rarely been observed. In the meantime, it is better to rely on the markets than the fickle minded human psychology. It is not to undermine the role of state or overemphasize the power of markets. Both play a promising role. Yet, cooperation is difficult to achieve in short run because of the inherent 'tendency to cheat'. Market based instruments offer an easier, simpler solution provided adequate infrastructure exists for their successful implementation. They are cost effective as was shown in case of the study by Gupta (2002) as compared to traditional command and control approach which makes regulation a tedious job. Introduction of carbon taxes and removal of energy subsidies can help along the way. Finally, I would like to stress the role of 'cooperation' between the state and the private sector. It was observed when the German standards put a ban on leather exports from India. The government banned the use of chemicals while the government's key research institutes and export association engaged in developing more environmental friendly ones. The degree of porosity and state support helped in making the reentry of Indian leather industry in the export market possible in short time.

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BUZZWORDS OF THE YEAR

The National Food Security Bill: Food For Thought

Priyamvada Jha

The National Food Security Bill or the 'Right to Food Act' for poor Indians is the most ambitious project of the United Progressive Alliance which is about to enter the law making arena. Under this Act, all the below poverty line (BPL) households will be entitled to 25 kg rice or

wheat at the rate of Rs. 3 per kg. If this proves to be successful, it will alter the destinies of millions of India's poor and disadvantaged people by assuring them sufficient food to live with dignity as a legal right. This Bill has been approved by the Cabinet after 2 years of intense debate. It has been commented across the nation that the Bill has been adopted in a deft move, with an eye on the vote bank in the coming elections. However, this Bill, like any other, has many pros and cons, but is facing widespread criticism from the mainstream media because of its financial implications.

According to the Global Hunger Index, India ranks 66 out of 88 developing nations. Even countries which register lower growth rates are ahead of India in this regard. Every year, around 2.5 million people in India die of hunger. Even with these disturbing indicators, we have not been able to bring about a successful initiative for the fight against hunger and build a more humane and equal India. With the introduction of the Right to Food Act, the government plans to eradicate the extreme hunger prevalent in the country. However, there are several food security plans already in operation such as Antodaya Anna Yojna Program, Mid-Day Meal Scheme, Ration Cards etc, which have failed to tackle the problem, as hunger and malnourishment continue unabated. Right to Food is yet another food security measure which relies heavily on the weak Public Distribution System and therefore, its success in the future is doubtful because all food security measures depend upon an effective distribution system for their success. The food bill is expected to cost India Rs. 27000 crore annually (though this will not materialize right away, in the coming financial year), in addition to the existing national food subsidy of Rs. 70,000

crore. Along with the recurring cost, the food ministry evaluates that the country would need to invest another Rs. 350,000 crore over time in improving grain yield, bumping up government procurement and publicizing the merits of the scheme.

But these discussions on the costs and financial implications are mostly exaggerated and alarmist which are going to lead us to nowhere. Is this additional budgetary demand of Rs. 27000 crore for expanding the public distribution system so unacceptable for the world's second fastest growing economy? According to Professor Jean Dreze, after the Bill is passed in the budget session of Parliament and comes into force around mid-2012, the additional subsidy in 2012-13 is likely to be well below the estimated figure. This is not only because of the time lag but also because the Act is unlikely to come into force in the country in one go. Also, there are some efficient ways of meeting the costs-for instance, by abolishing exemptions on custom duties for diamond and gold alone would generate nearly Rs. 50,000 crore an year, according to the finance ministry's "Revenue foregone statement".

However, the real problem with the cabinet draft bill is not that it does not guarantee food to children who are not in schools or pensions for the aged. Malnutrition and starvation require much more than a meal, but all these state duties have been erased from the government draft. In situations of natural calamity, duties under the Act cease. The Bill also excludes any guarantees for farmers, who are ironically among our most food-insecure populations. It would be fitting to include a legal guarantee for minimum support price to all farmers as part of the Food Bill, to protect farmers' livelihoods and spur agricultural

production.

The other big problem which is jeopardizing this bill's implementation is the identification of the poor. The Government has not yet decided how it will select beneficiaries. Thus there are high possibilities of committing both inclusion and exclusion errors. The National Advisory Council suggests three types of vulnerabilities: residential (homeless people-obviously poor; slum dwellers-high chances of being poor), occupational (rickshaw pullers, construction labor, domestic help, beggars etc) and social (households with no able-bodied male aged 18 to 60). In rural areas, where it is harder to decide who is poor, it may make sense to follow socio-economic categories-single women, disabled women, old people, and scheduled castes/tribes. This approach may include some undeserving people (such as rich widows), but it is less likely to exclude the poor.

Although the Bill has many loopholes and flaws, it has some impact-creating strength too. Apart from guaranteeing meals to children upto age of 14, pregnant women and destitute, it also ensures a monthly allowance of Rs 1000 for 6 months to pregnant women and nursing mothers, to enable them to eat better, and breastfeed their children. It accords migrants and their families the right to access food entitlements anywhere in the country. Ration cards are in the name of adult women, who are heads of families under this law.

India has the largest number of hungry people in the world which means that food security measures are urgently needed. The Government will have to rise above politics of fulfilling electoral promises and focus on carrying out its responsibilities for the people. In order to deal with the hunger problem for a

longer term, the poor must be taught how to earn food, which implies strengthening job-oriented programs such as MGNREGA. The National Food Security Bill must be comprehensive and should incorporate supply of essential food items (pulses, oil and sugar) of good quality, means to improve the distribution system, investment in agriculture and rural development and healthcare. The Bill must be brought into action after considering the implementation problems and how to reach the poor most effectively and we, the people must rise above the fiscal prudence stand of the Bill, and try to focus more on its strengths.

Euro: Some facts

Ishita Trivedi

Greece, Portugal and Ireland struggled to finance their huge deficits; thus, weakening the Euro and shaking confidence of investors in the Euro zone. Chances of a spillover of the crisis to other countries like Belgium, Italy and the UK has led to some concerted albeit ineffective action and extensive bailout plans.

Paradoxically, while stable economies which are doing well, like France and Germany, the ones known to be holding the Euro stable(which was trading higher at the end of 2011 than at the beginning of the crisis) are also known to be behind the poor performance of other countries in the Euro Zone.

Germany, with a trade surplus of more than the deficits of Spain, Italy, Greece and Portugal taken together, at \$188 billion, is supposed to