

Growth and Hunger*

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India, we are constantly reminded, is one of the more rapidly growing economies of the world at present; and even though the growth rate has come down somewhat of late, official figures show that it still remains quite high. What is less talked about however is the fact that the magnitude of hunger in India today exceeds that of even sub-Saharan Africa, which is generally considered to be among the poorest regions of the world; and it also exceeds that of what are officially categorised as “the least developed countries”. The [FAO](#) provides data on foodgrain absorption in various countries, and, according to these data, the per capita foodgrain absorption in India today is lower than in the other two sets of countries mentioned above.

This was not always the case; it has happened in the more recent years, because the per capita foodgrain absorption in the country has declined after the introduction of “economic liberalisation”. The level of net per capita foodgrain absorption, where “net absorption” is defined as output net of seeds minus net exports minus net additions to government stocks (figures on private stocks are generally unavailable), was around 200 kilogrammes per year in “British India” at the beginning of the twentieth century. It fell to around 150 kilogrammes by the time of independence. With great effort it was increased to around 180 kilogrammes for the Indian Union as a whole, by the end of the 1980s, i.e. just on the eve of the introduction of neo-liberal policies. But after the introduction of neo-liberal policies it remained unchanged for a while and then started declining, so that it now stands at around 161 kilogrammes per person per year, roughly at the same level as in the first quinquennium of the 1930s.

Faced with these facts, official spokesmen have advanced a number of arguments on why this decline in foodgrain intake is nothing to worry about. The most common argument is that with an improvement in real incomes people tend to move away from the consumption of foodgrains to that of “luxury foods” like animal products and processed foods, so that the observed decline in foodgrain absorption, instead of being a symptom of growing hunger, and hence by inference of worsening living standards, was actually an indication of the people’s growing prosperity.

This argument however is totally fallacious. Even animal products and processed foods require foodgrains as inputs (the former in the form of “feedgrains” and the latter as the basic material that is processed). Hence while it is true that with an increase in real incomes people tend to move away from consuming foodgrains directly, they actually consume more foodgrains per capita when we take direct and indirect consumption together (the latter via animal products and processed foods). In fact the total (i.e. direct plus indirect) consumption of foodgrains per capita across countries clearly increases with the per capita real incomes of the countries. The United States for instance consumes per capita around 900 kilogrammes of foodgrains, taking direct and indirect consumption together, compared to India’s 161 kilogrammes. And what is more, when we take not just cross-section data for countries but also pool such data with time-series data for these same countries, we still find a strong positive association between per capita real income and per capita net foodgrain absorption.

Therefore, since the declining figures of net per capita absorption of foodgrains in India refer to total absorption which takes both direct and indirect absorption into account, this decline clearly cannot be explained by a shift to “quality foods” and must necessarily be symptomatic of deprivation.

In fact in the richer countries, where even though the direct consumption of foodgrains per capita may be lower than in the poorer countries, the direct plus indirect consumption per capita is markedly higher; and the daily calorie intake is also much higher than in the poorer countries. In India by contrast, paralleling the decline in net absorption of total foodgrains per capita, there was also a decline in per capita daily calorie intake, which only reinforces the point that the decline in foodgrain absorption, far from being a result of people becoming better off, actually shows the growing hunger of the bulk of the population.

At this point a second argument gets advanced by the official spokesmen to refute any suggestion of growing hunger. And this argument states that people need, and therefore consume, more foodgrains when they are engaged in physically arduous activities, like heavy manual labour. But as the work-load lightens, through mechanisation, automation, and such like processes, their need for energy, and hence for calories that largely come from foodgrains in countries like India, goes down; and this also gets reflected in actual consumption patterns. The declining foodgrain intake per capita, and the declining calorie intake, therefore, are indicative of the people’s lesser need for such energy-giving consumer items, which also allows them the luxury of diversifying their consumption-pattern.

Here again the fact that people in richer countries consume more foodgrains, directly and indirectly, and have a higher daily calorie intake, despite the fact that the extent of manual labour they put in is much less, militates against this argument. It clearly shows that the consumption pattern of people is quite unrelated to the magnitude of manual labour they put in, but is rather determined by the level of their real income. It follows that if mechanisation makes people unemployed, and their reduced incomes therefore allow them less consumption of foodgrains, then this should be a cause for concern rather than being brushed aside as reflecting reduced need for energy on their part.

A third argument is also put forward against the charge of growing deprivation. This says that people’s tastes are changing, where they now put greater emphasis on children’s education and on accessing health facilities than on consuming more foodgrains. This claim no doubt is true: there is no gainsaying that there is a far greater demand for education and health services now than before. But when one finds that the daily calorie intake has fallen even over short spans of time, such as between 2004-05 and 2009-10, one surely cannot believe that tastes have changed so dramatically over such a short period; something else must have happened, given these emerging new tastes and preferences, to make people consume less of foodgrains. And this something else cannot but be the increase in the prices they have to pay for these services, which in turn has to be attributed to the running down of public provisioning of these services and their being pushed increasingly to private providers who charge much more for these services. And this, as we know, has been happening rapidly in the era of neo-liberalism.

Thus whichever way we look at the matter the conclusion is inescapable that the declining foodgrain absorption is indicative of growing hunger, and that this growing hunger is a symptom of deprivation, caused inter alia by the privatisation of services like education and health. The former proposition, that reduced foodgrain intake indicates growing hunger, is beyond dispute, since such reduction is accompanied by a fall in the daily calorie intake. The latter proposition however could conceivably attract debate; but the results of a recent NSSO survey prove the point emphatically.

When the 2009-10 quinquennial [National Sample Survey](#) results had come out, there was, notwithstanding all the bravado put up by the government, a sense of consternation in official circles at the abysmal nutritional situation they revealed. Consequently, the government ordered a fresh round of National Sample Survey, on the grounds that since 2009-10 had been a poor agricultural year, not much reliance could be placed on the survey results for that year. The results of the fresh round, which relate to 2011-12, are now out, and they show that while there is some improvement compared to 2009-10, the nutritional situation is much worse than when “liberalisation” began, for which 1993-94 is the closest Survey year. Table 1 gives daily calorie intake from all sources for rural and urban areas separately for the entire population for four successive rounds of the National sample Survey.

Table 1: Per capita daily Calorie Intake (in Kcals)

Rural				Urban			
1993-4	2004-5	2009-10	2011-12	1993-4	2004-5	2009-10	2011-12
2156	2038	2018	2090	2072	2007	1981	2049

The figures for 2011-12 both for rural and urban areas are clearly below those for 1993-04, suggesting that the period of neo-liberal policies has witnessed growing hunger despite the supposedly high GDP growth. But they do mark an increase over the figures for 2009-10, which proves ironically that all the explanations given by official spokesmen till now for the observed decline in food absorption are completely wrong.

If for instance the decline in foodgrain absorption had been because of less arduous work being done on average by people in rural areas, then there would be no reason to expect foodgrain absorption to go up suddenly between 2009-10 and 2011-12: it is not as if suddenly the arduousness of work has increased in rural areas between these two years! Likewise if the reduced foodgrain absorption had been because of a change in tastes and preferences, then again we could not explain the increase between 2009-10 and 2011-12, since no reverse change in tastes and preferences could have occurred between these two years!

So the rise in foodgrain absorption between 2009-10 and 2011-12 can only be explained by an increase in real purchasing power in the hands of the people between these two dates which allowed them to buy more foodgrains. Supply side factors cannot explain such a rise, since the government held more than the “normal” level of stocks in both these years, so that there was no question of any “shortages” relative to demand at the going prices in either of these years. And demand side factors, other than purchasing power changes, also cannot provide such an explanation, because, as

just discussed, no change in tastes and preferences or in needs arising from the arduousness of work, could possibly have occurred over so short a span of time. So, the only possible factor underlying the increased absorption in 2011-12 must be an increase in purchasing power in people's hands, for which there are several reasons, apart from the [MGNREGS](#), e.g. the fact that the latter year was a good agricultural year; but that in turn implies that purchasing power must have been the binding constraint earlier and that the observed decline in absorption prior to 2009-10 must have been because of reduced purchasing power in people's hands. This, in the context of high GDP growth rates, should be the focus of our attention.

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