

**REVITALIZING POLICIES FOR FOOD SECURITY AND POVERTY
ALLEVIATION IN SOUTH ASIA
(India Component)**

QUARTERLY REPORT

Submitted to the:

U.S. Agency for International Development (USAID)
New Delhi, India

by the:

International Food Policy Research Institute (IFPRI)
2033 K St., N.W.
Washington, D.C. 20006-1002
USA

Contact Persons at IFPRI

Ashok Gulati, Director, Markets & Structural Studies Division
Email: a.gulati@cgiar.org, Tel: 1-202-862-8196
Suresh Babu, Sr. Research Fellow, Communications Division
Email: s.babu@cgiar.org, Tel: 1-202-862-5618

July 2002

Table of Contents

I. Introduction.....	1
II. Activities	1
III. Policy Dialogue with Senior Officials of the State of Punjab	2
IV. Research Methodology Workshop	3
V. Policy Discussion with Manmohan Singh, Leader of the Opposition Party in Rajya Sabha (upper house) Indian Parliament	4

Revitalizing Policies for Food Security and Poverty Alleviation in South Asia (India Component)

I. Introduction

The International Food Policy Research Institute, as part of its South Asia Initiative has been implementing several policy research and outreach activities in India in order to identify policy options that will further the food security objectives at the national level and at household levels. In the past year several activities related to the India component of the South Asia Initiative have been undertaken. In January 2002, the Indian Network members of the Policy Analysis and Advisory Network of South Asia (PAANSA) met in New Delhi to discuss the priorities for food and agricultural policy research in India. This resulted in a major conference on Economic Reforms and Food Security in South Asia: The Role of Trade and Technology” which was attended by about 100 participants from South Asian countries including India. This conference enabled sharing of the experience of South Asian countries in addressing the problem of food security through technological development and trade liberalization policies. As a follow up of the conference several studies have been initiated in South Asian countries in order to address the issues, constraints, and challenges facing policy reforms in achieving food security. In the reporting period (May-July 2002) several activities have been undertaken that directly address the overall objective of developing program and policy interventions that will ensure national and household food security while addressing the existing procurement, storage, and distribution policies that are currently in practice in South Asian countries.

II. Activities

During the reporting period four major activities were undertaken in order to achieve the goals of the project:

- 1) A policy dialogue with senior cabinet members of the state of Punjab on “Challenges to Punjab Agriculture in a Globalizing World”;

- 2) A research methodology workshop on market reforms “Analysis of Market Reforms and Food Security”;
- 3) A one-on-one discussion with the former Finance Minister Dr. Manmohan Singh in New Delhi; and
- 4) Collaborative dialogue on initiating capacity strengthening activities on natural resource policy analysis, in selected institutions in South Asia.

III. Policy Dialogue with Senior Officials of the State of Punjab

The South Asia Initiative of IFPRI in collaboration with ICRIER, New Delhi, organized policy dialogue on “Challenges to Punjab Agriculture in a Globalizing World” with the chief minister and senior cabinet members of Punjab State in India. The objective of this policy dialogue is primarily to take an inventory of the state of Punjab agriculture and identify the trends that are responsible for the current state of agriculture and develop policy agenda that will put Punjab back on the growth path. The major questions that were addressed during the five-hour session with the chief minister of Punjab included what has happened to the Punjab agriculture in the 1990s, what are the problems that face Punjab agriculture and how do we put appropriate policies in place that will put Punjab back on track towards high economic growth?

Dr. Ashok Gulati gave a presentation that summarized the state of Punjab agriculture, the new challenges that the state faces, and future directions for increased growth. The presentation was followed by an open discussion on policy issues that are facing the state of Punjab. The paper, based on which the presentation was made, is attached. The policy dialogue with the senior officials from the state of Punjab resulted in a set of activities that should be followed up in order to enable Punjab farmers to take the lead in agricultural based economic development. The policy dialogue emphasized that it is important to look for global trends in agricultural trade. Nontraditional exports such as fruits and vegetables, animal products, and fisheries should be given importance. Due consideration should be given to the changes in the composition of trade and emerging

new markets for agricultural commodities. Improving vertical coordination of markets is important. Assuring food safety and increasing the quality of food and agricultural produces combined with information on international markets will help Punjab farmers to elevate themselves to a new round of economic growth from the agricultural sector.

IV. Research Methodology Workshop

IFPRI in collaboration with the Indira Gandhi Institute for Development Research (IGIDR), Mumbai, India organized a two-day methodological workshop for the researchers collaborating with IFPRI under the SAI to gain a precise understanding of the issues, challenges, and methods that are needed for analyzing the food sector in South Asia. The methodology workshop brought together selected researchers from South Asia who have initiated policy research studies in various aspects of analyzing food security issues. The objective of the workshop on “Analysis of Market Reforms and Food Security in South Asia” was to create a forum for discussion of relevant methodologies for addressing the issues through policy research. The workshop consisted of four methodological presentations made by collaborators from South Asia. Dr. P. V. Srinivasan of IGIDR presented a methodological paper on determining the implications of trade liberalization of food self-sufficiency, food security, and price volatility. After Dr. Srinivasan’s review of issues and methods, Dr. Shikha Jha of IGIDR focused on methods used for determining sector level policies on food security. Issues related to price stabilization, food stocks, and private food trade were discussed. Dr. S. Mahendra Dev of the Center for Economic and Social Studies in India looked at methods for procurement, distribution and public works schemes that assist in securing household food security. Dr. Brinda Viswanathan of the Madras School of Economics and Dr. Suresh Babu of IFPRI presented a methodological note on evaluating food and nutrition interventions with the focus on intrahousehold food security issues.

The proceedings of this methodology workshop have been prepared and are attached. It contains the papers that have been presented and summary of the discussions that followed. It is hoped that the issues, both thematic and methodological, raised at the

workshop will be useful for researchers who are conducting studies under the South Asia Initiative as well as for those who are conducting policy research on problems facing the food economy of South Asia.

V. Policy Discussion with Manmohan Singh, Leader of the Opposition Party in Rajya Sabha (upper house) Indian Parliament

On July 11th Dr. Ashok Gulati had a breakfast meeting with Dr. Manmohan Singh, former finance minister and current leader of the opposition in the upper house of the Parliament to discuss the state of Indian agriculture in general and Punjab agriculture in particular. The discussion mainly dwelled on role of the private sector in storage, processing, and distribution of food commodities in India. Investment in research by both the private and public sector and the complementarity of these two sources of funds in enabling new technological innovations for agriculture was also discussed. Government investment in infrastructure, legislation, and building capacity for the parliamentarians was also discussed. The possibility of IFPRI's technical assistance in developing interactive programs for selected parliamentarians at both the federal and state levels were discussed. It was agreed that key issues related to WTO, biotechnology, development of rural infrastructure, health and education policies need to be sensitized among the parliamentarians in India for making progress from the legislative side. The South Asia Initiative will follow up on this initial idea into an organized program of working with parliamentarians in India and other countries in South Asia.

V. Developing Capacity for Natural Resource Policy Analysis and Education

As part of developing the local capacity for undertaking research and policy analysis in the natural resource sectors, such as water, soils, and common property resources, discussions were held with two leading institutions in India. Suresh Babu met with the director of the Madras School of Economics in Chennai and discussed the possibility of developing a new set of courses for the postgraduate students that involve policy analytical techniques related to natural resource and environmental management. The Madras School of Economics has been chosen by the Indian Ministry of Environment as

the nodal institution for developing capacity in environmental and natural resource economics for India. Suresh Babu also met with the director of Natural Resource Economics at the University of Agricultural Sciences, Bangalore which has been designated as the National Center for Excellence in Natural Resource Economics by the Indian Council for Agricultural Research. The University of Agricultural Sciences primarily trains agricultural graduates who specialize in natural resource economics and will have a mandate for strengthening capacity of the state agricultural universities and the faculty members in these universities are natural resource economics. Several activities have been planned to follow up with these institutions in initiating training and capacity strengthening activities in natural resource economics and policy analysis.

The activities proposed under the South Asia Initiative funded by USAID are progressing as planned. Several other activities described in the project proposal are currently underway including undertaking of the research studies that have been proposed through project funding from USAID.