The Evolution of Food as Social Assistance

AN OVERVIEW

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INTRODUCTION

India’s state of Chhattisgarh faced a daunting challenge in the mid-2000s. About half of its public food distribution was leaked, meaning that it never reached the intended beneficiaries. Such a situation was not unique to that state and fed into a broader skepticism toward in-kind assistance: many observers predicted that the days of food transfer programs were numbered. By 2012, however, Chhattisgarh had nearly eliminated leakages, doubled the coverage of the scheme, and reduced exclusion errors to low single digits. The country as a whole continued to consider public food distribution as a pillar of its rights-based social protection system.

Such challenges and improvements are not unique to India, and any discussion of food transfers invariably leads to the question, “Why not provide people with cash instead?” When policy makers consider a new social assistance program, it is likely to be a cash transfer. To be clear, there are solid arguments to support such an inclination. Above all, cash can, under
the right circumstances, provide choice, empower recipients, and generate local economic multipliers. Modern policy making benefits not only from sweeping technological advances in cash delivery but also from evidence sparked by a revolution in empirical inquiry. In particular, the recent extension of experimental techniques to social protection evaluations shows that cash transfers are, on average, more cost-effective at delivering resources to households than are in-kind alternatives (Gentilini 2016a; Margolies and Hoddinott 2015). Yet those arguments alone have not always offered a convincing basis for fully replacing food and voucher schemes with cash.

This book addresses the thorny and fascinating question of how food and voucher programs, despite theory and evidence generally favoring cash, remain relevant, have evolved, and, in most circumstances, have improved over time. In doing so, we take an evolutionary and pragmatic view; we are interested in understanding why food-based programs exist and how countries can benefit from transformations such as that of Chhattisgarh, not in determining whether those programs should exist.

In *The Panda’s Thumb*, Stephen Gould (2010) observes that pandas have an extension of their wrist that serves a function similar to that of an extra and opposable digit. Gould points out that the physical modification is hardly a planner’s best solution to the problem of stripping bamboo leaves; the evolutionary process has jury-rigged a solution, but this does not necessarily mean that it is an ineffective one. Quite the opposite in Gould’s example. The analogy is apt for several in-kind instruments that have evolved from government efforts to stabilize prices or to address real or perceived market failures.

By studying the antecedents of current policies and the lessons that emerge from their implementation, we show that decision making is rooted in a wide array of factors. Investigating the political economy and path dependency of programs as well as the interplay of different objectives and conflicting incentives reveals an intricate world. A fuller appreciation of those complexities may help to explain why governments often opt for what is feasible rather than what is desirable and why they may embark on gradual improvements rather than radical overhauls—although substantial reforms do happen. The broader point is that failure to account for those forces may hinder the process of reform, even if proposals are technically sound.

Why focus on food? Some of the issues explored in this book may find broader relevance and applicability than in the food realm alone, such as in energy subsidy reforms (see, for example, Verme and Araar 2017). Yet the motivation for the topic is grounded in the simple fact that food, which claims about 61 percent of the poor’s expenditures, is a pressing, daily concern for persons at the bottom of the income ladder. An effective food-based social assistance program can make a tangible difference; it can help to release household resources and unleash individuals’ biological capabilities, talents, and mental bandwidth to compete on a more level playing field and pursue
upward mobility. If individuals’ minds are on food, however, and most of their limited money goes for it, there is little room for anything else.

While global knowledge on food-based social assistance is significant in scale and compelling in purpose, there are gaps in evidence and interpretation. This book highlights trends from a 30-year interlude, representing one of the first cross-country reviews since the late 1980s (Pinstrup-Andersen 1988). It does so by presenting case studies of six countries with long histories of food-based transfers, namely, the Arab Republic of Egypt, India, Indonesia, Mexico, Sri Lanka, and the United States. These experiences were chosen because of the diversity in their contexts, program origins, pathways of reform, and design parameters; however, they all offer lessons of global relevance. Although each of the countries has a range of other food-based programs, we focus on a core, salient one—in most cases, the largest-scale intervention—and study its evolution and implementation.

Although the case studies include middle- and high-income countries, the lessons are relevant to lower-income settings for four reasons. First, most of the countries examined were relatively low income at the time they introduced the food interventions; hence, their situation resembled the current conditions of countries at lower levels of development.

Second, while lower-income countries are increasingly investing in social protection systems—a relatively new development in many countries in Sub-Saharan Africa (World Bank 2015)—some have revived food price subsidies that were popular after independence, such as Ghana and Tanzania in the 1970s and 1980s (Devereux 2001). For example, although the government of Ethiopia has significantly injected cash into its social protection system, the 2008 global food crisis led to the introduction of an urban wheat subsidy program costing about US$271 million per year (Kiringai and others 2016).

Third, this book might be useful for countries with large-scale international humanitarian assistance. While up to 94 percent of humanitarian aid is still provided in kind, the humanitarian landscape is transitioning decisively to cash assistance (Gentilini 2016b). Also, about 73 percent of donor-financed, multilateral food aid is now procured in low- and middle-income countries (WFP 2016), creating a local constituency for those measures to be institutionalized in government budgets. These then may lay the basis for future domestic food programs in a range of low-income settings.

Finally, this book is not a toolkit with checklists and handy prescriptions; these can be useful in fields where automation and procedure are defining requisites. The notion of ready-made menus drives counter to the concept of complex systems that permeate the change process. As this initial section suggests, the reform of food-based programs is indeed a systemic matter. In this vein, the growing literature of complex systems underscores the key role of iteration, adaptation, and feedback loops (Andrews, Pritchett, and Woolcock 2016; Green 2016; Ramalingam 2013).
Hence, instead of prescriptions, this book offers data, traces reform pathways, and identifies lessons that, we hope, may energize and inspire policymakers engaged in social protection reforms.

The remainder of the chapter is structured as follows. After setting out basic concepts and providing a brief overview of global programs as well as empirical evidence, we track countries’ underlying evolution or directions of change, identify the channels through which such direction occurred, and lay out the results emerging from those trends. In discussing those issues, we enrich and extend the case study findings with historical examples from countries not covered in this book that nevertheless offer insights into the issue at hand. A final section reflects on future issues related to preparing for and acting on reforms.

UNBUNDLING FOOD-BASED SOCIAL ASSISTANCE

Basic Concepts and Stocktaking
Governments have several options to pursue food-related objectives, including two broad classes of measures. First, public authorities may opt to enhance the supply of food. These measures could take both direct and indirect forms. Direct measures would include interventions to support farmers (inputs, credit, and insurance) and agricultural infrastructure. Indirect measures would include those managing prices, including price subsidies for producers or intermediaries involved in milling, transport, and storage. They would also include macro levers like the calibration of exchange rates and open-market sale of food from either imports or storage.

Second, public authorities may opt to influence demand. Demand-side interventions, which we call “food-oriented social assistance” (FOSA), are the focus of the book. These interventions also include direct and indirect measures. Direct ones encompass noncontributory transfers as part of wider social protection systems (World Bank 2015). In particular, transfers can take the form of commodities provided to beneficiaries as part of unconditional public distribution programs or conditional interventions such as school meal programs. A particular in-kind modality is known as rationing, whereby governments limit the quantity of food commodities purchasable on markets. Such quotas reemerge in times of crisis, including during world wars and during the post-1990 war period of sanctions in Iraq and in the planned economies of the former Soviet Union and the Democratic People’s Republic of Korea (World Bank 2005).

Direct FOSA programs can include vouchers, also known as “near-cash” or stamps, which provide access to food for a given value or quantity in predefined private or public outlets. These interventions lie midway on the continuum of transfer modalities where cash and in-kind constitute the extremes. Furthermore, FOSA encompasses parts of the cash transfer family, including cash programs where targeting, transfer size, and performance
metrics are devised based on food security objectives and data. For example, under the Ethiopia Productive Safety Net Program, the cash transfer is calibrated to provide enough money to purchase 15 kilograms of cereals and 4 kilograms of pulses per participant per month. In contrast, most cash transfer programs—for example, social pensions or many conditional cash transfers (CCTs)—are not generally calibrated in terms of a basket of goods. Finally, indirect FOSA measures include price subsidies for consumers, which provide commodities at a lower price than their market value. With the exception of cash, all direct FOSA programs are nudges away from pure consumer sovereignty—that is, all of these programs attempt to influence consumer behavior and shape incentives. The full suite of options is laid out in a taxonomy presented in table 1.1.

The performance of social assistance programs has been studied in numerous contexts and reveals a significant impact on well-being. For example, it is estimated that social assistance has lifted between 136 million and 165 million people out of extreme poverty (Fiszbein, Kanbur, and Yemtsov 2014). Similarly, there is ample evidence documenting the effectiveness of these

<table>
<thead>
<tr>
<th>TYPE OF INTERVENTION</th>
<th>SUPPLY SIDE</th>
<th>DEMAND SIDE (FOOD-ORIENTED SOCIAL ASSISTANCE)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>• Support to farmers (inputs, fertilizers, credit, insurance) • Infrastructure (irrigation)</td>
<td>• Food commodities: • Unconditional food transfers (public food distribution) • Conditional food transfers (nutritional supplements, school meals) • Food-for-work activities • Generalized rationing • Food vouchers or stamps: • In most cases, unconditional • Value-based or quantity-based • Cash transfers (when strictly intended and designed to access food)</td>
</tr>
<tr>
<td>Indirect</td>
<td>• Price subsidies to producers • Price subsidies to intermediaries (millers, transport, storage) • Open-market sales of commodities (Egypt, Arab Rep., in World War I) • Exchange rates, tax, and trade policy</td>
<td>• Price subsidies to consumers</td>
</tr>
</tbody>
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* Most interventions covered in this book are demand side.
programs on dimensions such as food security and nutrition, human capital accumulation, climate resilience, social cohesion, and physical assets, as well as their success in sparking economic spillovers (Alderman 2016; FAO 2015; IEG 2011; World Bank 2015).

While some FOSA interventions like school feeding have received significant recent empirical and operational scrutiny (Alderman and Bundy 2011; Beegle, Galasso, and Goldberg 2015; Drake and others 2016), measures like public food distribution programs and food subsidies have elicited much less attention in recent years. To fill this gap, we examine those programs and how they evolved into other interventions, particularly vouchers and, in some cases, cash transfers.

While countries are increasing their provision of cash transfers (World Bank 2015), food and vouchers assistance is still a predominant modality in low- and middle-income countries. Based on administrative data from programs in 108 countries, food and vouchers programs cover 20.4 percent of the population in those settings (figure 1.1). This is 13 percentage points higher than unconditional cash transfers (UCTs). Disaggregated analysis reveals that in low-income countries, the mean coverage of the population by food and voucher programs is 8 percent, double that of UCT programs; coverage rises to 22 percent in middle-income countries. In the 13 high-income countries for which data are available, the highest coverage is achieved by UCTs (16 percent), followed by food and vouchers (6.5 percent).

**FIGURE 1.1**
Coverage of Social Assistance Programs in 108 Low- and Middle-Income Countries, Latest Available Data

<table>
<thead>
<tr>
<th>Program</th>
<th>% of population covered (mean)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and vouchers</td>
<td>20.4</td>
</tr>
<tr>
<td>UCT</td>
<td>7</td>
</tr>
<tr>
<td>School feeding</td>
<td>4.3</td>
</tr>
<tr>
<td>CCT</td>
<td>3.1</td>
</tr>
<tr>
<td>Social pension</td>
<td>2.3</td>
</tr>
<tr>
<td>Public works</td>
<td>1.7</td>
</tr>
<tr>
<td>Other SA</td>
<td>1.4</td>
</tr>
</tbody>
</table>


Note: The ASPIRE database presents combined data for food and vouchers (both are generally unconditional transfers); UCTs = unconditional cash transfers; CCTs = conditional cash transfers; SA = social assistance. The analysis includes China and India, which are not included in ASPIRE and were added for the analysis.
Programs in the six case studies examined in this volume reach about 1 billion beneficiaries. Global coverage, including relatively large programs in countries like Bangladesh and the belt of countries stretching from Morocco to the Islamic Republic of Iran, clearly adds appreciably to this estimate. The 1 billion figure, for instance, does not include beneficiaries enrolled in programs like school feeding and labor-intensive “food-for-work” activities, which reach 368 million and 22 million beneficiaries, respectively (WFP 2013a, 2013b). Moreover, approximately 57 million people in European and other high-income countries are supported by informal mechanisms such as food banks, soup kitchens, and food pantries operated by civil society, communities, and faith-based organizations (Gentilini 2013). Taken together, the studied interventions, as well as other international programs, reach almost 1.5 billion people, a remarkable number that motivated the title of this volume.

**Snapshot of Case Studies**
The six case studies presented in chapters 2–7 discuss the evolution, design, and performance of some key programs. These include the targeted public distribution system (TPDS) in India; the ration cards (RCs) and baladi bread programs in Egypt; the Samurdhi food stamp program in Sri Lanka; the Programa de Apoyo Alimentario (PAL, Food Support Program) in Mexico; the Supplemental Nutrition Assistance Program (SNAP) in the United States; and Raskin (now Rastra) in Indonesia. Combined, these programs involve more than US$90 billion annually. The programs are core components of wider safety net programs in these countries and provide a critical source of food for participating households (for example, more than 40 percent of food expenditures for poor households receiving assistance in India). The main features of the schemes are laid out in annex 1A.

The TPDS in India is the largest-scale social assistance program worldwide. In chapter 2 of this volume, Bhattacharya, Falcao, and Puri show that the scheme reaches about 800 million individuals who receive a set of subsidized food commodities accessible in designated food shops. While India’s assistance offers the highest absolute coverage, Egypt’s schemes—which Abdalla and Al-Shawarby study in chapter 3—offer the highest rate of national coverage, reaching almost 90 percent of the population. As in Egypt, in Sri Lanka the antecedents of the in-kind program, examined by Tilakaratna and Sooriyamudali in chapter 4, reached 90 percent of the population before being transformed into a food voucher program. This was subsequently converted into a cash-based program reaching about 16 percent of the population. In chapter 5, Scott and Hernández describe the evolution of food-based programs in Mexico, which occurred in parallel with—and in complement to—the better-known conditional cash transfer (CCT), Prospera (originally named Progresa). PAL currently reaches about 2.5 million people with a combination of cash and voucher transfers.
As Oliveira, Tiehen, Prell, and Smallwood document in chapter 6, SNAP in the United States currently reaches 14 percent of the American population or 45.8 million people. About half (49 percent) of U.S. children are estimated to be in a SNAP-participating household at some point during their childhood. SNAP is a value-based voucher similar to a debit card that can be used in more than 261,000 outlets. The program is part of wider—mostly in-kind—social assistance programs, such as school meals and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Finally, in chapter 7, Timmer, Hastuti, and Sumarto describe the Raskin program in Indonesia. The scheme was established in 1998 and covers more than a quarter of the population, accounting for more than 40 percent of Indonesia’s social assistance budget. In contrast to SNAP, which gives beneficiaries a choice, Raskin provides a fixed quantity of rice (15 kilograms) per household at subsidized prices, which is delivered by the government at the community level. Yet, recent developments in Indonesia signal the beginning of a significant transition toward a voucher modality.

A Rapid Tour of Global Evidence

Even in antiquity, public provision of commodities was considered an obligation of the state, including well-known food distribution programs in Egypt and Rome. Yet cash assistance has a similarly ancient history. For example, Garnsey (1988, 26) documents that in the 100s BC, “Famine relief came to Edessans in the form of money.” Fast-forward to the 17th century, when England’s seminal Old Poor Law expanded “the quantity of cash in the hands of those whose vulnerability was exposed to high prices in dearth years” (Smith 2011, 88). Over the centuries, the relative merits of cash versus food continued to be debated. While others have recently discussed the quandary in more detail (Gentilini 2016a) we provide a succinct overview of key issues in order to frame the ensuing discussions on the evolution and design of food-based programs. Additional considerations around theory and evidence are offered when discussing nutritional issues later in this chapter.

In-kind assistance reduces household choice, but from a normative public policy standpoint, such paternalism may be the intended goal (Currie and Gahvari 2008). For example, a food or voucher program may be more aligned with the specific objective of altering consumption patterns to favor certain types of nutritious foods than a generic transfer in cash.

The use of in-kind transfers may also reflect broader societal preferences toward redistribution, with average taxpayers deeming in-kind as more “reassuring” than cash, despite evidence that recipients spend cash wisely (Evans and Popova 2017). According to Reinhardt (2013, 6), “The preference among voters for bestowing on the poor benefits in-kind rather than cash transfers … may well rest in good part on that characteristic of the typical taxpayer’s utility function.” That is, FOSA may reflect the interests of nonrecipients as much as those of recipients.
The case for in-kind transfers can also occasionally be made in terms of implementation conditions. For example, in the context of weakly integrated markets or high food prices, such as in the immediate aftermath of a covariate shock or during a lean agricultural season, the capacity of in-kind transfers to keep purchasing power constant can make them preferred—and technically appropriate.

Gender roles and intrahousehold decision-making processes also tend to be among the factors that shape preferences, including the degree of control that women exert over household resources. Moreover, people’s experiences can shape their preferences. In India, for example, poor people prefer to receive cash when the public food distribution system works poorly; however, they prefer to receive food when distribution is timely (Khera 2011, 2014). This preference has also been noted in Ethiopia (Sabates-Wheeler and Devereux 2010). Moreover, the majority of participants in a trial in Ecuador who received either cash, vouchers, or in-kind transfers of equal value expressed a preference for the program into which they had been randomly assigned, with such preference being highest among the cash recipients (Hidrobo and others 2014).

What does the empirical evidence reveal about the comparative effectiveness and efficiency of noncontributory cash assistance and in-kind food transfers? Results from 14 comparative, randomized and quasi-experimental trials in 11 low- and middle-income countries—all of which were designed to attain food security goals—showed mixed impacts; that is, the effectiveness of cash and food transfers was similar on average (Gentilini 2016a). Indeed, differences are often not statistically significant and tend to depend on objectives such as ensuring calorie availability and dietary diversity, and the indicators used to measure them (for example, food expenditures, food consumption scores, and dietary diversity index). The comparative performance of transfers also appears to be a function of the organic and fluid interactions among various factors (for example, profile and “initial conditions” of beneficiaries and capacity of local markets), instead of the inherent merits of a modality.

Instead, assessments of relative efficiency lean more favorably toward cash transfers. For example, four randomized trials found that the cost was two to four times higher for food transfers than for cash (Margolies and Hoddinott 2015). Moreover, increasing the value of the transfer did little to change the cost per transaction—thus costs per dollar of transfer declined markedly with value, but this was not the case with food (Alderman 2016). However, in some contexts, economies of scale from the procurement of large amounts of food can offset the higher logistical costs of in-kind provision.

Most large-scale, food-based programs are part of a wider set of objectives, including supporting agriculture and managing price fluctuations and supply risks, in addition to playing a social assistance function. As such, food transfers likely involve more political economy than cash transfers (or vouchers) because of the intertwined, multiple-actor nature of those objectives. And yet, as our case studies show, change is possible and does occur over time—sometimes
dramatically, but most often at the margin. In the following sections, we explore these programs and patterns of change in more detail.

While the case studies differ in their reform pathways, they are presented in a consistent structure. In particular, they provide a narrative on the context and factors behind the historical evolution of the core FOSA program, its main design features, and current performance. The chapters also provide insights on institutional coordination with other social protection programs, and their connections to supply chain issues (logistics and agriculture) as well as nutritional matters. In addition, each chapter identifies lessons learned from current experiences and past evolution.

BROAD DIRECTIONS OF CHANGE

From Generalized Subsidies to Targeted Transfers, with Transitions from Food Transfers to Vouchers or Cash Transfers

The trajectories of reform among the six case studies can be charted along two basic axes: (a) whether programs feature a generalized provision or are more targeted and (b) the type of intervention—here, for simplicity, including food subsidies, food transfers, vouchers, and cash transfers. While we focus on the six country examples, we interpret them within global experiences and international literature. Plotting countries’ reforms against those metrics reveals some stylized pathways, which are traced in figure 1.2 and include the following:

- Moving from a generalized to a targeted scheme, with a switch from food subsidies to, respectively, food, vouchers, and eventually cash transfers (Sri Lanka)

FIGURE 1.2
Stylized Evolution of the Pathways of the Case Studies

Note: Evolution refers to the examined programs, not necessarily to countries as a whole.
• Moving from generalized to targeted provisions, within the same subsidy modality for a defined bundle of food (Indonesia)

• Maintaining generalized scope, with a switch from a subsidy for commodities to a subsidy similar to vouchers (Egypt)

• Improving scalability and targeting performance (coverage and accuracy), with innovations within a voucher modality (the United States)

• Moving from generalized to targeted provisions, with cash complemented by food and subsequently vouchers (Mexico)

• Moving from a de facto targeted approach (urban biased) to more generalized provision, with emerging innovations within food subsidy provision (India).

In its first two decades (1942–1960s), India’s public distribution system (PDS) was de facto spatially targeted. The government initially retained the structure of wartime ration shops to ensure that a regular supply of basic food commodities was widely available in cities, while the country was a net importer of grain. In other words, the PDS was originally conceived to function as a secure market channel and was largely urban. From the early 1970s and following the introduction of the Food Corporation of India (FCI) in 1965, the program evolved into a more general provision, expanding its coverage to rural populations. During the 1990s, structural reforms, skyrocketing costs, and limited performance (including high leakage) led to a shift toward targeting and the introduction of different quotas and prices depending on income—first in 1992 with the revamped PDS (RPDS), followed in 1997 by the targeted PDS (TPDS).

Since the 2000s, the scheme has been part of a broader movement toward generalized and rights-based approaches. India broadened public distribution coverage with the National Food Security Act of 2013. Although debates are unfolding on whether such commitments can be fulfilled, a legacy of droughts and local shortages and the renewed role of rights-based approaches may influence the direction of future reforms and will remain the starting point for many social protection considerations in the country.

At the same time, states such as Chhattisgarh have been innovating with the technical delivery of food subsidies without, for the moment, fully shifting to vouchers or cash transfers. Those experiments have led to remarkable improvements in delivery and accountability, in no small measure due to the application of technology that allowed for beneficiary choice, program monitoring, and competition among participating shopkeepers. We return to these improvements later in the chapter.

Like India, Egypt’s RC program has swung between targeting and more general provision. Egypt, however, has maintained a relatively steady course of near-universality through the baladi bread subsidy and expansion of RC coverage. Programs in the Maghreb countries like Algeria, Morocco, and
Tunisia have evolved along the lines of Egypt’s system (World Bank 1999, 2011); throughout the Middle East and North Africa more generally, providing food at low (and stable) prices to everyone is regarded as a responsibility of the state and a key ingredient for social contracts. That retention, however, does not mean that systems in the region have been static. In Egypt, changes toward targeting have tended to follow a “U shaped” curve, with coverage starting from extremely high levels (more than 90 percent in 1981), then declining remarkably (although never below serving at least half of the population), and then expanding again. As shown in annex 1A, the subsidy system reaches about 90 percent of Egyptians.

As previous attempts to limit costs opened new opportunities for diversion of flour from subsidized bakeries to the open market, in 2014 the government devised new means to monitor offtake at bakeries, including the experimental use of smartcards. The move both assisted in reducing leakage and allowed a new individual, record-based incentive system, which can be viewed as a major step toward a voucher-type program. More fundamentally, for baladi bread, Egypt moved from subsidizing inputs to bakeries (flour) to subsidizing outputs, that is, up to five loaves per beneficiary per day. At the same time, the RC system was changed from a fixed-quantity-based approach for three commodities to a value-based approach that allows beneficiaries to choose among more than 100 food items. Recent reforms have deliberately connected the baladi and RC systems, including a system whereby unused baladi bread quotas are converted into “points” usable under RC.

The Sri Lanka experience illustrates a more dramatic shift along the dimensions of both targeting and transfers. In that country, a universal system that provided low-price—or free—food on quota for nearly four decades was transformed into a means-tested voucher program over a six-year period. The voucher was only a way station toward a program of cash transfers. Such a conceptually clear evolution was, on closer inspection, fraught with reverses and setbacks.

From 1942 to the early 1970s, the basic structure of the Sri Lankan food subsidy scheme remained largely intact. Then the 1973 global food crisis sparked a major reform, which led to less generous benefits and the introduction of means-tested targeting. The latter was meant to inhibit the better-off individuals from accessing part of the subsidy and, by 1976, to exclude them from the scheme altogether. Other means-tested criteria were subsequently established to target the poorest, while by 1979 the food subsidy scheme was replaced with a voucher program. The voucher program remained in place for 33 years—way longer than in countries like Zambia that tried, briefly and unsuccessfully, to shift from price subsidies to stamps (Grosh 1994; Suryanarayana 1995).

The performance of Sri Lanka’s voucher scheme was severely hindered by inflation (the benefit’s real value shrunk 50 percent in 1982) and hampered by several targeting and recertification challenges. Starting in 1989, two
consecutive programs, Janasaviya and Samurdhi, substituted part of the voucher scheme with cash, providing a mix of transfers linked to work and training requirements. By 2012, vouchers were replaced with cash transfers, although several implementation challenges remained.

In the mid-1990s, Mexico brought to a halt its long-standing generalized food subsidy programs. These programs have antecedents in policies initiated in 1938. From the 1960s through the 1990s, they were largely implemented by the government agency CONASUPO. In 1997, the government launched the Progresa CCT program replacing 15 food subsidies (Levy 2006). Such a major step (a) built on a series of smaller reforms that dismantled government retail outlets over time, (b) explored alternative means of subsidizing tortillas (a main food staple), and (c) involved several different transfer modalities.

In particular, within an overall shift toward cash, vestiges of food-based transfers remained after Progresa and its successors scaled up. Indeed, an unconditional food transfer component was retained to serve places that Progresa could not reach. Gradually, that component was phased out and replaced by a voucher scheme operating in tandem with cash. Yet links with previous arrangements were preserved. The voucher distributed by the program (PAL–Sin Hambre, meaning PAL–Without Hunger) could be used at Diconsa stores involving a network of more than 27,000 government-run subsidized retail outlets. That measure revealed a deliberate preference for maintaining some level of in-kind instruments to complement the pure cash-based model.

In the United States, although modifications have been made to SNAP since its inception, it retains its basic function as a targeted voucher program. SNAP originated in an agricultural measure that provided surplus products to low-income families in the Great Depression and evolved into a high-performing countercyclical safety net following its establishment in 1964 (with a pilot in 1961 and roots in a 1939 program). The scheme became an entitlement program and dramatically expanded its coverage of the poor through considerable outreach efforts, while maintaining high cost-efficiency and standards of targeting accuracy.

Finally, Indonesia’s approach to food-based social assistance is intrinsically linked to its strategy of maintaining a high level of domestic food prices. Rather than addressing price volatility through targeted social safety nets, a seemingly less administratively taxing approach was to address the “root” cause of food unaffordability through upstream interventions in the rice market and supply chain. In this regard, BULOG, a food logistics agency, was created in 1966 with a mandate similar to India’s FCI, including a responsibility to achieve food (rice) self-sufficiency and use stocks to smooth fluctuations in production and consumption. In 1998, however, a massive devaluation occurred at the same time as an El Niño event that negatively affected agriculture; with the skyrocketing cost to stabilize prices, the country was forced to adopt an explicit targeted program to provide subsidized rice to poor households (even though this proclaimed objective remains challenging to achieve).
The program, Raskin (now called Rastra), has persisted as the core domestic safety net even as the country has launched several cash transfer schemes. As mentioned, Rastra is moving in the direction of a voucher scheme, with ongoing experimentation in 44 cities.

From Agricultural Objectives to Social Protection
Imperatives of food self-sufficiency have been a key factor motivating an in-kind approach to food security. Over time, many countries have transformed food price stabilization policies into social protection programs aimed directly at poverty reduction. Such an evolution was possible only with changing politics, governance reforms, and modifications to the social contract, and it was enabled by technological changes.

For example, during the 1970s and 1980s, some countries in Latin America used overvalued exchange rates to reduce the price of food, a practice that lowered the cost of living for the poor and kept urban wages low enough to encourage private enterprise. The same was true in many African countries after independence, with detrimental impacts on agricultural development (de Janvry and Subramanian 1993; Krueger, Schiff, and Valdés 1988). Other measures, such as mandatory procurement at prices below those that would clear an open market as well as export bans, were also used to achieve many of the goals covered elsewhere by ration shops and food distribution via state-supported retail networks. Although such policies are still employed—especially to stabilize prices in the wake of significant spikes (Barrett 2013)—they are more likely to be used as temporary emergency measures rather than as core instruments designed to influence price levels (Pinstrup-Andersen 2015).

The presence of direct targeted cash support or a willingness to use fiscal resources to place a wedge between consumer and producer prices for food has helped to lessen the inherent tension between the interests of the two groups. For example, fiscal subsidies to consumers allowed Egypt to relax procurement quotas (Von Braun and de Haen 1983) and enabled Morocco to support wheat producers without imposing major increases on consumer prices (Azzam 1991; World Bank 2003). A similar wedge permitted the Islamic Republic of Iran to pursue a self-sufficiency strategy with price incentives for producers as well as controlled prices for bread (Amid 2007). Additionally, before implementation of the North American Free Trade Agreement, Mexico simultaneously offered prices to producers that were above world market prices and provided subsidized tortillas to urban consumers.

The interaction of consumer and producer policies in India is particularly complex and has evolved appreciably over time. A key moment in its evolution stems from the petition filed in the Supreme Court by the People’s Union for Civil Liberties in Rajasthan in 2001. The petition demanded that the government use the country’s considerable food stocks to address hunger, citing a clause in the country’s constitution that ensures the right to life and personal dignity. The court responded with an “interim order” (since renewed) that
converted benefits from existing nutrition programs into entitlements. The trend to lower prices for commodities distributed in the TPDS represents a shift of objectives from assuring the functioning of food markets to transferring income to the poor (Khera 2011).

While the interplay of objectives still plays an important role, food-based programs are becoming better aligned with social protection systems. SNAP contains features that connect it to other national FOSA programs. For example, the electronic benefit transfers card of the WIC program has a strong functional overlap with SNAP cards. In addition, more than 50 percent of WIC beneficiaries also participated in SNAP in 2009.

In Indonesia, an evaluation of Rastra led to the eventual adoption of a “social protection card,” which allows access not only to the food subsidy but also to other cash-based and education-related programs. Rastra’s data and targeting classification criteria are, since 2012, aligned with the Unified Database for Social Protection (earlier criteria followed a 10-point scale based on National Family Planning Coordination Board data). In 2013, Rastra became part of the Acceleration and Broadening of Social Protection Program, a program to alleviate the impact of rising fuel prices, with the government providing households with brochures that contained further information about Rastra.

In addition to integrating baladi and RC programmatically, Egypt recently introduced Takaful, a new CCT scheme. The program automatically ensures eligibility for the food subsidy program. Thus, it currently administers a subsidy scheme in parallel with a targeted transfer. As mentioned, Indonesia also has a policy of cash transfers that coincides with its program of in-kind distribution. In Mexico, the PAL program was gradually integrated with Prospera: after an initial period of separate organizational arrangements, the program was eventually incorporated into Prospera’s institutional framework. Yet, Mexico maintained a food distribution program for many years after institutionalizing CCTs and continues to distribute subsidized milk, and it has not completely phased out its retail arm, Diconsa (which remains a key institution). On balance, in Mexico, the benefits reaching the poor increased fivefold in the past two decades. The food-based PAL is a stepping stone to CCTs once the preconditions of available services are met and the budget is authorized (1.3 million beneficiary households of PAL have moved to the mainstream CCT, a sizable influx).

A similar approach has been taken in Bangladesh, which has successfully administered cash transfers for education for decades and eliminated food rationing in 1993 (Ravallion and Wodon 2000; Ryan and Meng 2004). However, in the spring of 2016, the country reintroduced a rural grain-rationing scheme, which is intended to avoid upheavals such as those of the 2008–09 global food crisis through an aggressive domestic food stock policy (Dorosh, forthcoming). These examples show a degree of commonality within a set of programs that are all easily categorized as elements of a safety net strategy, often with clear administrative overlap. In other cases, free or subsidized food distribution occurs outside of social protection programs. For example, in Sri Lanka, the
Ministry of Health provides Thriposha, a formulated infant nutritional supplement, on the basis of nutritional need and has done so as food rations have evolved into food stamps and subsequently into direct income support. India provides in-kind commodity transfers—as well as prepared meals—as part of its Integrated Child Development Services, which is administered by the Ministry of Women and Child Development, with eligibility not affected by whether or not the household is below the poverty line. Eligibility is not dependent on the level of subsidy the household receives in the TPDS.

The insights emerging from case studies also shed light on an intriguing, yet understudied, aspect of social assistance provision—that is, its role in facilitating a process of structural transformation from an agrarian to a more industrial economy (Timmer 2007). While the issue requires further examination, suggestive evidence indicates that food subsidies have been used to accelerate the transformation process.

The initial urban bias of formal social assistance could be interpreted in this vein (Lipton 1977). For example, for most of Indonesia’s history, the main social safety net has been a public guarantee that rice would be available in urban markets at affordable (and stable) prices. In Mexico, the Social Milk Supply Program—the country’s oldest targeted food program—began as an urban program, while in India the PDS began operations in urban centers with a population of more than 100,000. Perhaps more explicitly, in Egypt in the 1950s–60s, food subsidies were intended to finance industrialization and the provision of inexpensive food to urban consumers. In Sri Lanka, the role of agriculture and the coverage of food subsidies seem particularly attuned: over the past half-century, the share of agriculture in gross domestic product (GDP) declined 75 percent and the coverage of food subsidies declined 80 percent (figure 1.3).

The considerations dovetail transformation strategies whereby agriculture is protected in the early stages of the process, with farmers later becoming a potent voting bloc in newly formed democratic societies. In Indonesia, many poor households remain—in both rural and urban areas—but they may not be numerous enough to ouvote key coalitions. These may include urban middle-class households that want guaranteed supplies of rice in their local markets and farmers who want higher rice prices to compensate for the loss of economic competitiveness in the production of labor-intensive crops, especially rice.

Such perspective might also provide a useful lens to understand how, for instance, vouchers are connected to the growing and diversified retail sector (and its political clout)—which in itself is the result of wider transformations in supply chains. The rise of supermarket chains across low- and middle-income countries epitomizes those underlying structural forces (Reardon and Timmer 2014). As a result, food vouchers do not necessarily need to be redeemed in small food shops, like relatively small-scale vendors in the West Bank and Gaza and the precrisis Syrian Arab Republic (Omamo, Gentilini, and Sandström 2010); instead, a wider gamut of outlet options
have emerged, with Ecuador illustrating how a voucher program could be used in commercial supermarket chains (Hidrobo and others 2014). SNAP is a premier example of how a voucher program can operate in an increasingly sophisticated retail sector, with implications for procurement standards. Under the program, 49 percent of the total transactions occur in superstores and 33 percent in supermarkets. Groceries or similar stores account for only 12 percent of total outlets used.

**CHANNELS FOR CHANGE**

**Crises as Critical Junctures**

In the preface to his 1962 book, Milton Friedman suggested, “Keep options open until circumstances make change necessary. ... That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes politically inevitable.” Almost every crisis is a reminder for policy makers of the volatility of markets and ensuing risks for producers and consumers. Often, but not always, a crisis opens the political space and creates opportunities for reform. These opportunities are what Acemoglu and Robinson (2012) call “critical junctures” in the course of policy making. Macroeconomic crises can serve as catalysts for this makeover, but it is very difficult to stabilize prices or find the resources needed to ring-fence food-based transfers when the macroeconomy is out of control. For example, when the costs of imports rise due to either oscillations in grain
markets or movements in exchange rates, countries may be forced either to increase subsidies with the attendant budgetary impact or to redesign consumer support policies.

Most of the flagship food-based programs examined in this book were introduced or significantly reformed during wartime (Egypt, India, Sri Lanka) or after severe economic shocks (Indonesia, Mexico). For example, Levy (2006) maintains that the combination of economic and political pressures that followed the Chiapas uprising in 1994 spurred a reconsideration of how support should be provided to the poor in Mexico. This motivated the rethinking of a complex system that had grown into a dozen food subsidy schemes. Similarly, the 2007–8 food price crisis provided an opportunity to introduce targeted vouchers in the Russian Federation, reaching about 19 million people. Even when crises put pressure on FOSA, however, governments do not always seize the opportunities; they have to find a balance between economic realism and political caution when considering sudden reforms.

In some cases, political caution is compounded by preexisting sentiments regarding the role of food provision in forging social contracts. In Egypt, for example, the legitimacy of the ruling regime often became conditioned on its commitment and ability to provide food and basic goods at affordable prices. Similarly, in Sri Lanka, interfering with the subsidy program was not politically feasible without risking political capital. Moreover, the shift in power in 1970 could be attributed largely to the government’s change in the food subsidy structure (that is, halving the quantities provided, although providing them for free instead of at subsidized prices), which was partially superseded by the incoming administration.

Technology Can Help to Seize Reform Momentum

Change, however, does not need crises to occur. Technology is a case in point. The use of electronic platforms to transfer cash to bank accounts, smartcards, and mobile phones has transformed the ability of governments to introduce and manage cash transfer programs. The same technology that delivers cash can also be used for vouchers, eliminating most of the expense of redeeming them. Available technology can even make in-kind systems more efficient. For example, Egypt uses card readers that record the number of bread loaves a family purchases. This technology not only reduces the opportunity for diversion of flour, but also incentivizes savings (that is, a family that purchases less bread is entitled to more purchases at other outlets providing ration card commodities).

Although technology can cut transaction costs, the willingness and capacity to adopt such measures are central. Mexico introduced the electronic tracking of purchases of free tortillas a quarter of a century before Egypt sought to use such tracking. Moreover, the recent reduction in the leakage of rations in Bihar, India, was made possible, in part, by the distribution of coupons that could be used at any time during the existence of the program (Drèze, Khera, and Pudussery 2015). In particular, table 1.2 shows the key
### TABLE 1.2 Technology and Problem Solving in India’s Targeted Public Distribution System (TPDS)

<table>
<thead>
<tr>
<th>PROBLEM</th>
<th>TECHNOLOGY-BASED SOLUTION</th>
<th>COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manual entry of data and missing documents</td>
<td>End-to-end computerization of transactions involving the procurement, storage, and transportation of food grains</td>
<td>As a result, in Bihar the leakage of food grains declined from 92.9% in 2004–05 to 29.1% in fiscal year 2011–12.</td>
</tr>
<tr>
<td>Abuse by TPDS shopkeepers</td>
<td>Beneficiary choice and performance-based allocation of grain to participating shops</td>
<td>In Chhattisgarh, the centralized online real-time electronic PDS (CORE PDS) allows beneficiaries to use smartcards and choose shops, an innovation that enhances portability of benefits and fosters competition. In turn, the model allows states to allocate grains to shops on a performance basis—that is, based on online-recorded transactions.</td>
</tr>
<tr>
<td>Food not arriving at ration shop</td>
<td>Doorstep delivery and global positioning system (GPS)-based monitoring</td>
<td>This monitoring includes simple solutions like replacing private delivery trucks with yellow-painted government trucks, which addressed a key source of leakage. In Bihar, for example, a Bangalore-based information and communication technology (ICT) company designed a software that allows district and state officials to track the movement of grain, as well as to obtain detailed information from each truck, like the weight of grain it is carrying.</td>
</tr>
<tr>
<td>Double dipping</td>
<td>Digitization of the ration card database</td>
<td>Digitization has increased transparency by making available an easily accessible database and allowed the government to apply other technologies, such as bar codes and biometric smartcards, to remove bogus or “ghost” beneficiaries. The digitization process has been carried out for more than 320 million cards, of which more than 25 percent have been seeded with Aadhaar.</td>
</tr>
<tr>
<td>Lack of feedback loops</td>
<td>Grievance software and call numbers</td>
<td>In Chhattisgarh, complaints are directed to a toll-free call center where they are recorded on a web portal. The web portal redirects complaints to the respective district food offices, which send them to the associated food inspectors. Food inspectors are expected to investigate and respond within 15 days.</td>
</tr>
</tbody>
</table>

Source: Based on chapter 2 in this volume (Bhattacharya, Falcao, and Puri 2017).
role of technology in addressing five sources of leakage. Furthermore, many countries are moving to a common registry of current and prospective beneficiaries that allows coordination and integration across programs (Leite and others, forthcoming). Along these lines, India is making progress in providing a unique, biometric Aadhaar identification number to every citizen. That use of technology may revolutionize the business of record keeping and verification in all social safety nets, including the TPDS. Clearly, the use of technology has also helped to move away from approaches that direct beneficiaries to specific shops and toward a system that allows beneficiaries to choose where to spend their entitlement. This has helped to eradicate patronage and abuse by shopkeepers, while fostering competition among them. In other words, beneficiaries became customers.

In addition to the Chhattisgarh case mentioned in table 1.2, the recent experience of Egypt is noteworthy. In chapter 3, Abdalla and Al-Shawarby show that the number of reported violations by bakeries in regard to underweight loaves and loaf specifications decreased from 37,000 and 46,000 pre-reform incidents, respectively, to 12,000 and 14,000 incidents in 2015. Similarly, a key ingredient for the merger of the baladi and RC schemes was the presence of an automated smart system to monitor both financial transactions of the bakeries and accrued saving points of the beneficiaries. A private sector partnership consolidated the system and rolled out the model nationwide within about a year, starting with a pilot in Port Said in 2013.

Technology also assists in improving the efficiency of targeting. Computer-assisted data collection, for example, makes proxy means testing easier to implement. Targeting, however, still requires incentives for administrators, because bureaucratic management and quality assurance of data take resources (Duclos 1995). But in some cases, targeting breaks down because the community and the administrators may favor universal distribution (of smaller allotments for everyone), as in some areas of Indonesia. In such a case, decentralization potentially improves information, but it also allows local implementation to deviate from the central government’s preferred approach.

Political Economy
One well-known model of collective action posits that comparatively small groups, with large benefits for a given individual, can organize more effectively to promote their interests than can the general population, with larger total benefits but relatively small expected benefits for a given individual (Olson 2009). Even in primarily agrarian economies, a few surplus-producing estates can dominate trade, and, thus, the estate stratum has an incentive to advocate for pro-producer policies. But if poverty is widespread, food absorbs a large share of household budgets and consumers are unlikely to be indifferent to high producer prices, as is often the case in higher-income countries. Hence, many countries (including India and Indonesia) have sought to reconcile those interests by simultaneously supporting producers and subsidizing consumers.
But the alignment of incentives and the ability of different groups to assert their interests is fluid, with crises that can reorder social priorities and reweight concerns. Longer-term trends in the economy can also reorient priorities for food policy. For example, the overall balance of consumer and producer interests often shifts over time. A declining share of agriculture in the economy, usually accompanied by increasing national income, is a hallmark of agricultural transformation. The concentration of agricultural production does not reduce the ability of the rural economy to organize politically, but the associated reduction in the number of poor households and the share of the budget they devote to food could make a targeted transfer program more feasible to administer and a broader food policy less compelling. Indonesia fits this pattern most closely.

Changing market circumstances also helped Bangladesh to revisit its food policy, where fitful attempts to reform the ration system eventually reached fruition in 1992, aided by a 20 percent decline in rice prices in the wider market (Chowdhury and Haggblade 2000). Similarly, Pakistan was able to abolish flour rationing in 1987 with no consumer resistance, in part because the share of flour that even low-income consumers obtained from ration shops had been declining for a decade (Alderman 1988). In the United States, SNAP vouchers are supported by a coalition of rural and urban interests, in part because the common goal is to increase the size of the food budget (Beghin and Elobeid 2015; Wright 2014). By placing the reauthorization of SNAP vouchers within a comprehensive farm bill that is scheduled to be renewed every five years, sponsors can rely on a share of urban representatives to work with farm lobbyists to enact the legislation.

However, rent seeking by a small set of participants can also slow or dilute reform. As is commonly observed throughout the world, two-tier price systems can invite corruption (Mehta and Jha 2014). Government officials at the head of the distribution channel and shopkeepers at its tail may have an incentive to divert subsidized commodities to the higher-priced open market and, thus, have an interest in blocking reforms that remove that opportunity. The reforms in Chhattisgarh included doorstep delivery to ration shops, a procedure that reduced the potential for upstream diversion of supplies and made it difficult for shopkeepers to blame the warehouse for partial delivery of rations (Drèze and Khera 2010).

Even bakers’ interest in having access to subsidized flour, which they can divert, appears to have been an obstacle to bread policy reforms in Egypt, at least until recently. Moreover, even if the retailers do not divert grain, their livelihoods may depend, in part, on their participation in the subsidy system. Thus, the distribution of dealerships became a means of political patronage in Bangladesh, one that was lobbied effectively through a dealers’ association (Chowdhury and Haggblade 2000). Although such an arrangement was not able to thwart the abolition of ration shops in 1992, an earlier attempt at reform in the former East Pakistan in 1956 was reversed largely due to the
efforts of disenfranchised departmental employees who were rehired when rationing was restored (Haggblade 2000). Bangladesh's derationing in 1992 and Pakistan's similar step in 1987 prompted ration shopkeepers to protest; however, they received little broad consumer support (Alderman 1988).

Relatedly, in India various attempts to replace grain distribution with flour, which can be fortified with micronutrients, have been challenged by small mill (chakki) owners (Fiedler and others 2012). The millers could lose business if flour were processed at a more convenient central location.

How do consumers and producers make their voices heard? While coalitions of support for food policy do not always interact in the public arena, the public expresses its interest in food policy at the ballot box and in the streets. Regarding the former, both India and Sri Lanka have used promises of increases in transfer programs as part of the election process, reflecting a common, indeed global, pattern of clientelism in democratic states (Fukuyama 2014). Edirisinghe (1988) presents a specific illustration of the interplay of elections and stymied program reforms. In an attempt to improve targeting, the Sri Lankan government set up administrative guidelines for publicizing names in order both to discourage false reporting and to allow local committees to screen applicants. However, after the president declared that no family receiving stamps would lose access to them, it was no longer possible to pare off ineligible beneficiaries, and the number of recipients increased 6 percent.

Democratic processes can, however, also make substantial reforms possible. For example, Jamaica introduced targeted food stamps following opening of the economy in the 1980s endorsed by the ballot (Grosh 1992). Voters may also reward politicians who are seen as promoting equity through efficiently targeted transfer programs. For example, mayors in Brazil who were more successful at transparent implementation of the country's cash transfer had a greater probability of reelection (de Janvry, Finan, and Sadoulet 2012). Such a result is consistent with the various laboratory studies indicating an innate preference for fairness. In partial contrast to this perspective, Gelbach and Pritchett (2000) argue that if middle-class voters do not share in a portion of a transfer program, they will not support it. This view is in keeping with an analysis of Colombia's food coupon, which was launched in 1975 and discontinued by 1982 (Uribe Mosquera 1993). That program was relatively small yet complex; with no clear political constituency, it withered from lack of interest.

A different form of voice can be heard in the streets, although the role of riots in blocking reforms is not clear. Bread riots have ignited mass protests from the Greek and Roman empires to the tumultuous days of the Arab Spring (Barrett 2013; Garnsey 1988; Tannahill 1988). However, few governments fall as a result of food riots, in part because these riots are often spontaneous rather than a product of an organized opposition (Bienen and Gersovitz 1986). Perhaps, but this provides little consolation to a minister whose job
was sacrificed to mollify public opinion. Moreover, one reason why governments survive food riots is that they often rescind reforms or offer new subsidies in the wake of protests. This was part of the response to the riots that broke out in Alexandria and Cairo in 1978 after the government announced that it would reduce—not abolish—subsidies (Alderman 1986). Moreover, the government kept those disturbances in mind when considering reforms over subsequent decades.

Although food prices may be a focal point for consumers, some food riots may reflect a general discontent and challenge a government’s legitimacy or overall economic management. Seddon (1986) maintains that this was the case for the 1984 food riots in Morocco and Tunisia, both of which led to the withdrawal of previously announced price increases. This is also likely a valid observation in regard to food riots during the Arab Spring of 2010 and 2011. For example, deadly riots in Algeria were sparked by 20 percent increases in the prices of cooking oil and sugar (Wall Street Journal 2011), although such price movements were unlikely to have had a substantial impact on real income. Nevertheless, regardless of the mix of factors that feed into food riots, most governments remain acutely sensitive to the potential for consumer unrest to become unmanageable.

Somewhat less visible, or at least less dramatic, than public protest is the long-term involvement of civil society outside the ballot box. Civil society played a major role in ensuring that the Indian TPDS was viewed as an entitlement when it brought suit in court. Here we refer to entitlement in its narrow legal sense (as opposed to the concept introduced by Indian economist A. K. Sen, which embodies opportunities as well as rights). Claiming public assistance as a right does not work without a legal system that enforces the law and a budget that is adequate to make good on individual claims; SNAP fits these criteria effectively. India’s situation, however, stands out because civil society uses the courts not merely to monitor the implementation of laws—indeed, implementation of court orders appears spotty—but also to set the agenda.

Civil society plays an additional role in reforming the implementation of a program by increasing transparency. For example, the state of Chhattisgarh has reduced ghost or fake recipients and reduced mistargeting by publicly posting information on cardholders, a policy that both increases program awareness and provides a measure of public shaming of ineligible beneficiaries (Drèze and Khera 2010). In addition, a grievance hotline was established in the state to increase the voice of previously disenfranchised households. Moreover, the government of Chhattisgarh, as well as the government of Tamil Nadu, sends text messages to households informing them when grains have been delivered to ration shops (Khera 2011). Finally, reforms in Chhattisgarh have placed ration shops under community councils (gram panchayats) and self-help groups.

Community monitoring of performance may be enhanced by the inclusion of a broad spectrum of the population. Drèze and Sen (2013) maintain that
states where families with incomes somewhat above the poverty line can
draw rations often have less leakage than states where only marginalized
households have a stake in the system. Similarly, they speculate that, although
the gap between the ration price and the open-market price might be a moti-
vation to divert supplies, that same price premium is also an incentive for
communities to scrutinize delivery more closely.

**STEPS FORWARD, STEPS NOT TAKEN**

**Average Performance Has Improved, but Challenges Remain**

Today, food-based social assistance programs are a long way from the stereo-
type of food assistance that fueled past perceptions of wastage and ineffi-
ciency. Since the mid-2000s, most programs made significant progress along
key performance metrics. For example, SNAP consistently exceeds global
standards of program performance: 85 percent of eligible beneficiaries partic-
ipate in a typical month, 4.7 million people were lifted out of poverty in 2014,
and the program has an economic multiplier factor of 1.79—that is, national
GDP increases US$1.79 billion for every US$1 billion worth of SNAP, with a
resulting creation of 17,900 full-time jobs.

SNAP program features are designed to offset potential work disincentives.
These include, for example, an earned income deduction and dependent care
deduction; a simplified eligibility process, with relaxed asset limits to allow
for vehicle ownership; restrictions on the participation of nonworking adults
without dependents; and work registration (and training) requirements.
Program participation is highly dynamic, making SNAP one of the most coun-
tercyclical social assistance programs worldwide (figure 1.4). For example,
between 2008 and 2012 the median spell of continuous participation was one
year. About two-thirds of beneficiaries exited within two years; among those
who exited, almost half reentered within one year. Also, provisions are
included for disaster response (D-SNAP), with the delivery of an additional
month of benefits to disaster-affected participants.

In India, some noticeable improvements occurred between 2004–05 and
2011–12. For instance, there was a steady decline in the leakage of TPDS food
grain, from 55 to 38 percent; coverage of the program doubled from 22.4
to 44.5 percent of Indian households; and coverage among the bottom
40 percent increased from 33 to 58.3 percent. Nominal monthly benefits
transferred to the poor also increased from Rs 46 to Rs 184.

Improvements in TPDS functioning have been attributed to a range of
innovations initiated by state governments, especially low-income ones. In
Chhattisgarh, for example, measures were put in place to capture in real time
the transactions between beneficiaries and food shops. Field surveys suggest
that leakages decreased from 51.8 to 1.5 percent. Similarly, Indonesia has
significantly reduced exclusion errors. Between 2002 and 2014, the share of
households in the bottom decile that received Rastra soared from 60 to
72 percent. Also, steps were taken for a more user-friendly distribution, such as stipulating that rice packs could be provided with a capacity aligned with the household’s entitlement quantity (15 kilograms).

In Egypt, the reform of the food subsidy system has been associated, in the case of baladi bread, with a reduction in the amount of nonmilled wheat from 15 to 7–8 percent a year. At the same time, coverage grew from 56 million to 82.2 million people, with the provision of bread moving from a “first come, first served” basis to smartcard preregistration. Waiting time for beneficiaries decreased from “several hours” to less than 15 minutes. Moreover, coverage of RC grew from 66 million to 71 million people. There are early indications that the RC program’s choice-based approach brought a 30 percent increase in dietary diversification.15

There is also emerging evidence of economic benefits from the broad Egyptian reform: for example, the government launched a new franchising chain of 14,000 shops (called My Cooperative), where young entrepreneurs get concessional loans to equip their shops with commodities in line with government specifications; simultaneously, Egypt’s three state-owned grocery chains doubled their sales between 2013 and 2015, from LE 0.7 billion to LE 1.5 billion, respectively. The fact that the food subsidy scheme is now open to the private sector has enhanced the negotiating power of the government in procurement, leading to wholesale prices that are generally in line with those

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**FIGURE 1.4**


Source: Oliveira and others 2016.
obtained by large retailers. This translated into significant discounts for grocers licensed to receive RC commodities (up to 15 percent for some products), hence making their business profitable. Like Egypt, other countries in the region are attempting to use modern technology for program implementation (especially for identification and payment) and for making more explicit the links between food-based assistance and the rest of the social protection system. These efforts may generate mutual learning opportunities. Morocco, in particular, is attempting to gear the reform of its system toward promoting better nutrition.

In Sri Lanka, the shift from a cash plus voucher in the Samurdhi program to a pure cash regime was accompanied by a simplification of beneficiary categories (reduced to four groups) and a transfer of the cash grant directly into beneficiaries' Samurdhi bank account. The shift occurred because of long delays in the provision of voucher-related goods, their poor quality, abuse by shopkeepers (who were charging higher prices), and limited availability of commodities.

While the emerging evidence from the case studies is encouraging, significant challenges remain. For instance, while coverage has been enhanced and exclusion errors have improved, inclusion errors are still significant. In Chhattisgarh itself, exclusion errors are negligible, while inclusion errors are at a sobering 22.1 percent. Similarly, in Indonesia, the planned number of Rasta-participating households is 15.5 million. Although the overall program is progressive, in 2014, actual beneficiaries were double that level, or some 33.4 million households.

Moreover, household survey data show that Rasta recipients only receive about one-third of their entitlement. This stems from several factors, like “missing rice” on the order of 39–48 percent of total allocation; extra costs incurred by beneficiaries (for transporting rice from the distribution point to the local center); inadequate information and awareness about the program; and inadequate sharing of practices within receiving communities. Finally, Rasta rice is often inferior quality, the purchase of that rice by beneficiaries occurs with manual cash payments.

Although qualitative indications for the new system in Egypt are positive, recent reforms have yet to be evaluated rigorously. There is evidence, for example, that while the move toward a value-based entitlement provided more choice, inflation decreased its real value by about 18 percent compared with that of the quantity-based system. Beneficiaries also experienced shortages of commodities: for example, between July and December 2015 shortages of cooking oil accounted for about one-third of total supply among affiliated groceries. The near-universal nature of the scheme is also evident in its targeting performance, with 77.4 percent of the richest decile participating in the program. Although the reforms seem to have reduced the leakage of wheat flour, the supply chain of procurement, warehousing, and milling of wheat is still facing some issues.

Similarly, Mexico's PAL has historically lacked some key performance indicators, making performance monitoring challenging. Its recent absorption into the
Prospera framework was intended to raise the evaluation standards for that component, placing them on a par with those applied to the CCT arm. In Sri Lanka, the targeting performance of the Samurdhi program has deteriorated over the years. In 1995–96, nearly two-thirds of households in the bottom two deciles were beneficiaries; in 2012–13, this share had declined to around 36 percent of households in the poorest decile. The lack of clearly defined criteria for selecting beneficiaries and limited systematic entry and exit mechanisms may help to explain the persistence of targeting errors in the Samurdhi program.

Evidence Can Facilitate Change

The discussion of performance is closely connected to the role of evidence in decision making. Attributing a policy change to any specific study or new information is challenging. The principals involved in a policy decision are rarely fully conscious of the role that facts and analysis play in shifting objectives or changing instruments. These individuals may be even less likely to articulate the decision-making process. For example, when the state secretary for agriculture, Sartaz Aziz, announced the end of flour rationing in Pakistan in 1987, he cited evidence of grain leakage. However, it is not possible to ascertain whether the data directly motivated the policy change or merely assisted in the justification to the public (Alderman 1988). In other words, evidence can be an instrument to further policy choices made on other criteria rather than a tool to determine them.

In Pakistan, the path from evidence to an interested policy maker was direct; the evidence was not transmitted through either academic publications or the wider media. Although academic studies and the media do produce evidence that informs policy, there is often a gradual diffusion of general knowledge over time, knowledge that is generally not attributable to a single study or report. Indeed, the relevant information often crosses borders. For example, Kenya does not have a ration shop for maize partially because of evidence accumulated from the PDS in India. The Kenyan government had considered an urban ration in 2008 as prices spiked, and it set up a food policy advisory group to consider the proposal before ruling out the option. Similarly, Behrman (2010) attests that the specific body of research used to evaluate Progresa has as much or more value to the global community of practice as to Mexico itself. That opinion does not imply that the reforms in Mexico were not based on evidence—indeed, the 1997 watershed reflected a careful evaluation of a pilot program and other reforms. Subsequent modifications of the CCT have also used studies from earlier phases.

Additionally, the evidence accumulated in trials of smartcards, cash, and in-kind programs from Mexico is used in discussions of safety net programs around the world. However, Mexico did not conduct a pilot before introducing a form of voucher redeemable at government retail outlets (Diconsa), signaling policy makers’ interest in continuing to provide food transfers alongside cash-based programs.
Reforms in Tunisia in the late 1980s and early 1990s illustrate the additional role of information. Although the government employed detailed studies of consumer budgets in its programs, including using a combination of (a) subsidies on commodities preferentially consumed by low-income households and (b) price increases on higher-quality varieties of commodities purchased by wealthier families, it also used a strategy of broad dissemination of information (Tuck and Lindert 1996). In particular, it promoted the distribution of data on the budgetary implications of subsidies as well as the rationale for reforms that would be implemented in advance of the actual reforms. Unlike the experience six years earlier, the government was able to reduce the subsidy without public unrest. However, similar attempts to change the subsidy regime after the Arab Spring have not resulted in a recasting of the scheme, even though it has largely lost its original rationale.

Promising, but Largely Untapped, Linkages to the Nutrition Agenda
Interventions or programs that address the immediate determinants of fetal and child nutrition and development—adequate food and nutrient intake, feeding, caregiving and parenting practices, and low burden of infectious diseases—may be necessary steps toward reducing malnutrition, but they are likely only part of a larger strategy. For example, simulations of the impact of scaling up 10 effective nutrition-specific interventions to cover 90 percent of children in the world’s most malnourished countries would diminish stunting only 20 percent globally (Bhutta and others 2013). Thus, investments in “nutrition-sensitive” sectors will be critical components of any global strategy to eliminate undernutrition (Ruel and Alderman 2013).

Those interventions or programs will address the underlying determinants of fetal and child nutrition—food security; adequate caregiving resources at the maternal, household, and community levels; access to health services; and a safe and hygienic environment. Social protection can be a nutrition-sensitive investment by virtue of the fact that it targets families at risk of malnutrition. Moreover, social protection programs are often at a scale far more comprehensive than nutrition-specific programs. Few countries have been able to scale up all of the recommended nutrition-specific interventions at levels similar to the coverage of social protection programs.

In some contexts, in-kind transfer programs may have a limited impact on the amount or diversity of food consumed. A key reason is that they often provide a small fraction of consumption needs even for the poor: as shown in annex 1A, transfer programs in Egypt, Indonesia, and the United States range between 2 and 10 percent of household food consumption or expenditures. As such, most transfer programs are “inframarginal”—that is, they provide an amount of food (or specific commodity) smaller than the household would consume in the absence of the program. These inframarginal transfers do not
influence consumption through a price response, although they do increase the amount of income at the household’s disposal.

While the size of transfers might be limited, households often consume more food from transfer programs than from other sources of income. Indeed, what is noteworthy about the global experience with food-oriented transfers—whether a voucher, food, or even a cash transfer—is that such transfers often nudge consumers to devote more of the additional income to food purchases than they would from other sources of income. This tendency has been noted in Colombia, Ecuador, Mexico, and Nicaragua (Attanasio, Battistin, and Mesnard 2012), as well as in studies of SNAP. Beatty and Tuttle (2015) find that the expansion of SNAP in 2009 led to increases on food expenditure greater than predicted by an assumption of fungible income sources. This increase may be the result of social marketing or labeling (Kooreman 2000). Alternatively, or additionally, the shift of budgets toward food purchases may be linked to female control of income and bargaining power (Angelucci and Attanasio 2013; Schady and Rosero 2008).

Although this “nudging” holds for all transfer modalities—that is, for both cash and in-kind transfers—in some cases, in-kind transfers generate an additional effect relative to cash. This “cash out puzzle” has been widely observed in the literature on SNAP: according to Barrett (2002, 54), “Virtually every study finds [that] food stamps increase household nutrient availability at 2–10 times the rate of a like value of cash income.” Chapter 6 discusses this surprising evidence in more detail.

Another major puzzle is why the unmistakable impact of transfer programs on food consumption does not readily translate into improvements in anthropometric measures of nutrition. Meta-analyses of trials of conditional and unconditional transfers have found that these programs have relatively little consistent impact on child stunting or underweight (Manley, Gitter, and Slavchevska 2013; Ruel and Alderman 2013). Many explanations have been offered for that limited impact. Some of these reflect research design. For example, the children studied often are outside the age of greatest growth velocity and vulnerability to malnutrition. Moreover, many interventions, or at least the evaluations of them, cover too short a period of time to capture the cumulative nature of the program. In addition, systematic reviews are based predominately on studies of Latin American programs.

More substantially, however, there is some question as to the quality of the supply side of health services available to beneficiaries. Demand-side interventions have not generally been matched with programmatic considerations, making these transfers nutrition sensitive (Alderman 2016). As discussed, one approach to improving the nutritional sensitivity of transfer programs is to include an in-kind component within the broader social protection system. For example, children participating in Progresa in Mexico who benefited in
terms of increased stature also benefited from a package of interventions including increased access to health services, improvements in maternal nutrition knowledge, and a calorie- and micronutrient-dense food supplement (Behrman and Hoddinott 2005).

Nutrition education is another potential means to enhance the nutritional impact of increased food consumption. SNAP Ed, a program within SNAP, aims to encourage participants to make healthier food choices through public education and messaging. It remains, however, a small component of SNAP (less than 0.5 percent of the total budget) and is far exceeded by the advertising of major food producers and retailers, which often nudges consumers into less-healthy food choices. Other forms of enhancing the nutritional effects of SNAP include price subsidies for “healthy” products and more frequent payments to beneficiaries to sustain more frequent purchases of perishable (and more nutritious) foods. Such programs remain for the moment as pilot programs and, in the case of payment frequency, at the proposal stage. In Mexico, the “nutrition colors” campaign at Diconsa stores helps consumers to understand the nutritional content of food items: green is associated with items whose consumption is encouraged daily, yellow signals moderate consumption, and red discourages consumption.

An additional means of making food transfers—even inframarginal transfers—nutrition sensitive is to fortify the commodities to improve their micronutrient status. For example, Cunha (2014) observes that most of the 10 commodities in the in-kind distribution program in Mexico (known as the Rural Supply Program) substituted for similar goods that would otherwise have been purchased. But because the milk powder was fortified with iron and zinc, the program increased the consumption of micronutrients. A similar result is likely for any program that provides a fortified commodity if the alternative foods obtained from the market are not similarly enriched; in-kind distributions can be sensitive to nutrition when they are vehicles for food fortification.

Various states in India have used the PDS as a vehicle for fortified commodities. Gujarat reduced inadequate intake of iron by 94 percent when it substituted iron-fortified flour for wheat grain in the PDS at an incremental cost of only US$0.48 per ton (Fiedler and others 2012). The measure was introduced gradually between 2006 and 2010, with testing of acceptability as well as a government media campaign. At the same time, the government of India added micronutrient fortification to school meals as well as to items in a children’s nutrition program, the Integrated Child Development Services. However, the fortification program was discontinued in 2012. Indeed, with the exception of a long-running fortification program in the state of West Bengal, other state fortification initiatives in India have had short lives. Such was also the case in Egypt, which briefly fortified bread flour with iron and folate between 2008 and 2013.
WHAT’S NEXT FOR THE AGENDA?

This chapter has served as a compass for navigating and contextualizing the six country case studies. We have shown that the core in-kind programs examined in this volume are not static and that underlying forces are, at different paces, moving schemes from generalized to targeted provisions, from subsides to cash-oriented modalities, and from agriculture to social assistance objectives. Those trends are long-standing and somewhat related to each country’s structural transformation process.

Crises have often offered a window for accelerating those changes, with technology playing a key role in facilitating and enabling those accelerations. Political economy, of course, has also been a key vehicle that has, at times, stifled and even reversed the direction of change—but not always. The overall social assistance results are improving on average, ranging from SNAP’s impressive performance to Raskin’s more modest progress.

Against this backdrop, the basic agenda around the process of reform could revolve around furthering the direction of change, channels, and performance of programs. The transition out of agriculture-related objectives is not yet complete and, unless governments opt for cash transfers, may never be entirely complete by definition. In-kind programs would need to be somewhat procured, but the way in which that happens increasingly points to a voucher-oriented approach of “outsourcing” procurement functions to retailers, with proper government oversight, guidelines, and standards. The direction of change seems to move toward providing choice to beneficiaries, including where to buy (as in India) and what and where to buy (as in the United States). Clearly, countries with more advanced and integrated food systems can provide more ample opportunity for enabling such choice in a competitive and transparent way. The experience of trailblazers like some low-income Indian states calls for governments to be on the lookout for positive outliers. There is plenty of local-level innovation that, if properly nurtured, could serve as a scalable model.

Programs would need to continue their process of integration with social protection. Until recently, one could clearly discern “smart” cash transfer programming from traditional in-kind support, but today that is much harder to do. Both food and voucher programs can often be accessed by beneficiaries through electronic cards that resemble standard consumer swipe cards; they are increasingly underpinned by biometric information to verify beneficiaries’ identity; they are supported by online devices allowing beneficiaries to choose retailers; and satellite tracking systems have been leveraged to monitor procurement, storage, and delivery of food programs. This suggests that in-kind transfers can be connected to coexist with cash transfers, and few social protection systems are based entirely on food or cash alone.

More and better evidence is needed on key metrics, particularly regarding comparative cost structures. While there are results, the available data
and overall empirical base of in-kind programs are—with the exception of SNAP—a far cry from the quality of evidence available for cash transfers.

Our analysis does not include an extensive review of Sub-Saharan African experiences, which could be a natural follow-up to this book’s discussion. Yet the volume has important implications for Africa. The region has been a comparative latecomer to social protection, initially relying largely on state interventions in markets and regulation to achieve food policy objectives. FOSA programs are not uncommon in the region (for example, in the Sahel), but they are more likely conditioned by donor support and emergency response than by long-running national strategies. However, many countries in the continent have recently invested in national social protection systems (World Bank 2015). The timing of this trend has allowed African countries to build on global experiences from outside the continent as well as on innovations in South Africa’s social protection system. This trend is reflected in the emergence of cash transfers across Sub-Saharan Africa (Davis and others 2016).

At the same time, a growing share of global food assistance is being procured locally from farmers in host countries. While positive for local economies and cross-sectoral links the practice of local procurement might also create new pressures for maintaining and integrating FOSA throughout the food system (WFP 2017). Moreover, some countries are introducing food subsidy programs ex novo. For this reason, the evolution of social assistance in Africa is likely to be unique, yet not totally immune from the mixed objectives that have characterized FOSA programs across the spectrum of country income. The pathways and models of FOSA in the continent might be an important social protection theme in the years to come.

Relatedly, the social protection system agenda includes multiple stakeholders. In-kind programs would bring to the table even more actors. Identifying cases of where and how stakeholders’ incentives and objectives for reform align would be important for assessing the feasibility and direction of reform pathways.

Finally, in-kind assistance has not benefited to the same extent as cash transfers from knowledge-sharing and learning platforms. This is an area where countries could greatly benefit in exchanging experiences from reform processes, program design, and implementation. If FOSA programs continue in their trajectory of alignment with social protection systems, it is important to open up space for sharing knowledge and information.19
## ANNEX 1A. SUMMARY FEATURES OF THE PROGRAMS EXAMINED IN SIX COUNTRIES

<table>
<thead>
<tr>
<th>FEATURE</th>
<th>EGYPT, ARAB REP.</th>
<th>INDIA</th>
<th>INDONESIA</th>
<th>MEXICO</th>
<th>SRI LANKA</th>
<th>UNITED STATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the program(s)</td>
<td>Ration cards (RCs) and baladi bread (BB)</td>
<td>Targeted public distribution system (TPDS)</td>
<td>Raskin (now Rastra)</td>
<td>Programa de Apoyo Alimentario (PAL, Food Support Program)</td>
<td>Samurdhi food stamp program¹</td>
<td>Supplemental Nutrition Assistance Program (SNAP), formerly “Food Stamp”</td>
</tr>
<tr>
<td>Current modality</td>
<td>Food subsidy</td>
<td>Food subsidy</td>
<td>Food subsidy</td>
<td>Voucher, cash</td>
<td>Cash</td>
<td>Voucher</td>
</tr>
<tr>
<td>Previous modalities</td>
<td>Food subsidy</td>
<td>Food subsidy</td>
<td>Food subsidy</td>
<td>Food subsidy, in-kind food</td>
<td>Food subsidy, in-kind food, vouchers</td>
<td>Voucher</td>
</tr>
<tr>
<td>Managing institution</td>
<td>Ministry of Supply and Internal Trade (MOSIT)</td>
<td>Food Corporation of India and States</td>
<td>Ministry of Human Development and Culture</td>
<td>Ministry of Social Development (Sedesol)</td>
<td>Department of Commissioner General of Samurdhi</td>
<td>U.S. Department of Agriculture</td>
</tr>
<tr>
<td>Established</td>
<td>1941</td>
<td>1943</td>
<td>1998</td>
<td>2003</td>
<td>1995 (with antecedents in 1942)</td>
<td>1964 (with pilot in 1961 and origins in a 1939 program)</td>
</tr>
<tr>
<td>Coverage as % of population</td>
<td>90% (BB: 82.2 million; RC: 71 million)</td>
<td>67% (about 800 million people)</td>
<td>24% (62 million people)</td>
<td>2.50% (2.8 million people)</td>
<td>16.8% (3.4 million people)</td>
<td>14% (45.8 million people)</td>
</tr>
</tbody>
</table>

¹ Table continues next page
<table>
<thead>
<tr>
<th>FEATURE</th>
<th>EGYPT, ARAB RER</th>
<th>INDIA</th>
<th>INDONESIA</th>
<th>MEXICO</th>
<th>SRI LANKA</th>
<th>UNITED STATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility condition</td>
<td>BB: no targeting criteria; RC: mostly income-based</td>
<td>Two types of households are eligible, Priority households and Antyodaya Anna Yojana households. They receive 5 kgs per family member and 35 kgs per month, respectively. Both categories receive wheat at INR2/kg and rice at INR3/kg. Some households not eligible for NFSA benefits are provided rations by the state government. Quantity and price vary by states.</td>
<td>&quot;Poor and vulnerable&quot; from unified database (bottom 40%)</td>
<td>Same targeting method as Prospera CCT (but in areas with limited service supply)</td>
<td>Income criteria, varying by family size (Rs 100–Rs 1,000 per month)</td>
<td>Gross income &lt;130% of poverty; gross income minus deductions (net income) &lt;100% of poverty; assets &lt;US$2,250 (US$3,250 if elderly or disabled)</td>
</tr>
</tbody>
</table>

| Targeting performance (coverage) | RC: 91.9% of poorest decile | 58.3% of households at bottom 40% of the population | 72% of households in poorest decile | 37.5% of households at bottom 40% of the population | 36.5% of households in poorest decile | 85% of the eligible participate |

| Benefit amount | 6.8% of household food consumption (10.5% for poorest decile) | 43.4% of household food expenditures\(^b\) | 2% of household expenditures | 27.8% of household income | n.a. | More than 10% of food-at-home spending in the United States |

| Cost as % of GDP | 1.3% (US$2.2 billion); 59.8% of social assistance budget | 0.4% (US$7 billion); 53% of social assistance budget | 0.2% (US$1.5 billion); 43.1% of social assistance budget | 0.03%; 7% of Prospera budget | 0.17% (US$102.9 million) | 0.47% of GDP (US$79.9 billion); 13% of budget for major federal social assistance programs |

*Note: GDP = gross domestic product; kg = kilogram; n.a. = not applicable; NFSA = National Food Security Act.

\(^a\) Figures refer to 2012–13 (before the program became cash only).

\(^b\) Calculations of average beneficiary TPDS purchases in six states based on data from NCAER (2015, 30–31).
NOTES

1. An “exclusion error” occurs when a potentially eligible person or household does not participate in a program.
2. Data refer to 16 low- and middle-income countries presented in Banerjee and Duflo (2011), with estimates based on average spending on food by rural households living on less than US$2 per day.
3. See also Cornia and Stewart (1995) for a discussion on the phaseout of general food subsidies in Jamaica in 1984 as well as their reinstatement in 1986–88 and eventual abolition in 1989.
4. Given that estimates are population-weighted, excluding China and India would reduce the coverage of food and vouchers to 8.6 percent, still almost as high as that of an unconditional cash modality.
5. For example, see Feeding America, http://www.feedingamerica.org/. Although a more comprehensive stock taking might be required, in Europe, FOSA remains outside formal welfare regimes (Silvasti 2015). In some cases, these are supported by public funding, such as the European Union’s Food Aid for Deprived Persons Program.
6. This may be related to an endowment effect; see Kahneman, Knetsch, and Thaler (1991).
7. For numerical examples, see the cases of Ecuador and the Republic of Yemen presented in Gentilini (2016b).
8. We intentionally avoid referring to “universality” and instead refer to “generalized” provision. The concept is often used erroneously and refers to a specific form of provision (that is, reaching 100 percent of the population) (Devereux 2016). The examined programs, instead, are far-reaching (even more than 90 percent of the populace), but not designed nor intended to reach everyone.
9. Since the 1970s, those countries took a more deliberate stance toward subsidization of agriculture; since 1996, they targeted specific groups of poor farmers and guaranteed low consumer prices for some basic commodities (bread, oil, sugar, at times milk, and canned fish) available on a generalized basis with an element of self-targeting (Alderman and Lindert 1998).
10. See the Right to Food Campaign, http://www.righttofoodcampaign.in/.
11. See also “Village Rationing from July to Cover 5.0 Million Poor,” Financial Express (Dhaka), April 4, 2016 (http://www.thefinancialexpress-bd.com/2016/04/04/24649/Village-rationing-from-July-to-cover-5.0m-poor). 
12. For example, in response to trade disruptions during World War II, many countries, including Egypt and Great Britain as well as Great Britain’s South Asian colonies of Ceylon and India, rationed basic goods that, it was argued, untampered markets could not be trusted to provide for the entire population. Great Britain dismantled its food rationing completely by 1954; however, even three decades after the end of World War II, ration systems in the three countries partitioned from British India, as well as ration systems in Egypt and Sri Lanka, still bore a strong resemblance to the structures designed as emergency measures.
13. With the food price crisis in 2008, several regions have introduced targeted food vouchers for consumers and subsidies to retailers. At the time of finalizing this book, legislation was drafted with the inclusion of parameters similar to the SNAP program. There are however, significant opportunities to deepen learning and ensure coordination with the rest of Russia’s social protection system (World Bank 2016).
14. According to Drèze (2016), growing pains with the introduction of the Aadhaar have set back reforms of the PDS. He laments the “juggernaut” that has not heeded evidence on the roll out.
15. This may be attributed to consumer choices or the shortage of some basic commodities where customers have no choice but to go for the available ones.

17. Meetings attended by Harold Alderman, one of the authors of this chapter. Initially, the prime minister had a favorable impression of the PDS stemming from a visit to Gujarat earlier that year. This was countered, however, by reports of extensive leakage throughout the country. The final “nail in the coffin” was a report by the Indian Ministry of Planning, rather than an academic quibble, that documented extensive flaws in the program’s implementation.

18. It is interesting to note that in India, a “reincarnation” of the cash vs. in-kind debate is now occurring around whether and how to introduce a universal basic income—that is, an unconditional cash transfer program for every citizen—replacing the TPDS and other social assistance interventions (Gentilini and Yemtsov 2017; Government of India 2017).

19. For example, the U.S. Department of Agriculture’s Economic Research Service maintains a web database of more than 1,000 peer-reviewed reports and operational guidelines on food assistance programs.

REFERENCES


