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## EEC food aid

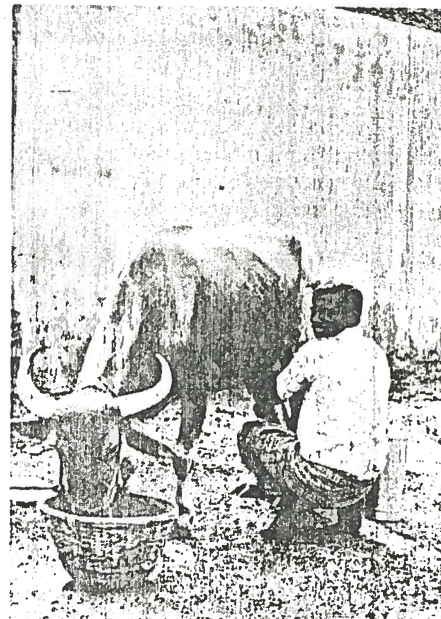
### Milk, no honey

FROM OUR INDIA CORRESPONDENT

Does the EEC's food aid help or hurt the recipients? Noisy lobbies are arguing that the Community's donations of free milk powder and butter oil to India are making that country poorer and more dependent. India gets 40,000-50,000 tonnes of the stuff a year, about 40% of all the milk products that the EEC gives away to poor countries. The Indian government wants it, but the European Commission is thinking of turning off the tap.

The Indians understand that aid can crush a local industry by depressing prices. They therefore designed a system by which the milk would be used to help local producers. In 1970 they started Operation Flood, under which the free EEC milk powder and reconstituted milk are sold, and the profits are then reinvested in better cattle, processing plants and marketing networks. This system was designed by Mr Verghese Kurien, head of the National Dairy Development Board and king of India's dairies.

According to the NDDB, India's milk production, which hardly grew at all in the 1950s and 1960s, has since the scheme began in 1970 increased from 21m tonnes



She could do with some Eurodevelopment

a year to 42m tonnes; that means 154 grammes per Indian per day, compared with 107 in 1970. Operation Flood had been India's—and to some extent the EEC's—development showpiece. But, in the past two years, journalists and academics in Europe as well as in India have been punching holes in it.

The critics say the scheme benefits the rich, not the poor; it induces the poor to sell milk they should drink themselves; it promotes inter-breeding between imported Friesian milk-cattle and "nondescript" Indian beasts, producing cross-bred calves that need expensive food. It does not do enough for buffaloes, whose fatty milk the Indians prefer. It is a conspiracy by the EEC to get India hooked on milk imports, whereupon free supplies will be cut off.

Some of this criticism is fantasy. But lobby groups—not least a Dutch one that has been running an "EEC milk out of India" campaign—have had a sympathetic hearing, particularly from the developmentwallahs in the European Parliament. The commission got worried, and a joint team from the EEC and the World Bank was sent out late last year to investigate the criticisms. Its report, which the World Bank now wants to dissociate itself from, agrees with some of them.

The commission is now debating whether to stop sending milk powder and contribute (much less) money instead. India's Mr Kurien is going to Brussels this month to try to counter the criticisms; in April, Mr Claude Cheysson, the commissioner responsible for relations with that part of the world, is due to visit India. The commission will then have to decide whether to find some less controversial way of getting rid of its milk.