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Role of targeted public distribution system in India: A study

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Abstract

Targeted Public Distribution System is came into existence in India is one of the important social welfare and poverty alleviation programmes for the targeted poor people in India. This Scheme introduced in 1997. In recent years this scheme has been working effectively in all rural and urban areas. With this background the present paper tries to explain briefly about this scheme, issues, problems and various government programmes to protect the targeted poor people. And also gives some suggestions for better working for Social welfare in the future.

Keywords: Public distribution system (PDS), TPDS, food security, national food security act

Introduction

Public Distribution System (PDS) has been considered as most important food based safety net programme introduced by the government of India. The unique objectives of the PDS in India are to provide essential consumer goods at cheap and subsidized price to the consumers. This helps the poor people from the impact of rising Prices. Bearing the foodgrains PDS has also been used in India for the distribution of rice, wheat, sugar, edible oils, kerosene and cloths. PDS distributes whole commodities worth more than Rs. 30,000 crore annually to about 160 million families and is considered the largest networks of its kind in the world. Till 1997, the central issue price (CIP) fixed by government remained unaltered. At the same time, a dual pricing structure was introduced under the Targeted Public Distribution System (TPDS), in which the prices of families below poverty line (BPL). Above Poverty Line (APL) were fixed equal to economic cost. The PDS came into existence as a result of the Bengal famine in 1943. During 1950s and 1960s it worked as a dual mechanism providing price support to producers and at the same time provided food subsidy for consumers. National level food shortages and food price inflation forced the government to support a surplus of foodgrains during the 1980s and the welfare poverty from about 50 percent in the 1960s to about 30 percent in the 1990s. The TPDS was further liberalized in December 2000 and was renamed as Antyodaya Anna Scheme. Under this scheme, the poor were further classified as the 'poorest among the poor'. Supply the deficiency of foodgrains is not only the cause of food insecurity but the historical evidences show that famines and food insecurity in India are the results of wrong policy of government. One of the suggest Indian noble prize winner " AmartyaSen" has pointed out that during great Bengal famine of 1943, there was no scarcity of foodgrains is very essential in removing food insecurity. Taking into consideration the severity of Food Security, any scheme must efficiently allocate and distribute food for the people at affordable prices. An important component of supply management of essential commodities is the public distribution system and the government provides safety net for the poor on the one hand and fulfills the objectives of growth with justice on the other.

Public Distribution System (PDS) is an Indian Food Security system, established by the government of India under Ministry of Consumer Affairs, Food and Public Distribution and managed jointly with the state governments in India. The Public Distribution System is the largest food subsidy programmes in India and perhaps in the world. It reaches out to nearly 10.5 crore households in the country and provides subsidized foodgrains through a network of Fair Price Shops (FPS). PDS is criticized on a wide front for its failure to serve the population to BPL for its perceived urban bias.

Hence, the government of India launched the targeted public distribution system (TPDS) in 1997 with focus on poor and it plays an important role in India. Providing foodgrains to below the poverty line families (BPL) through the Fair Price Shops at affordable prices, the targeted PDS is an important instrument of policy aimed at reducing poverty through the mechanism of delivering minimum requirements of foodgrains (ex: wheat and rice) at highly subsidized prices to the population below the poverty line. Under the Targeted Public Distribution System (TPDS), Government provides foodgrains (rice and wheat) 35 kg, per family per month at the rate of Rs. 3 per kg of rice and Rs. 2 per kg of wheat to States/ UTs for 6.52 crore accepted number of Below Poverty Line (BPL) families, which includes about 2.43 crore Antyodaya Anna Yojana (AAY) families for distribution at subsidized prices there are about presently 5.27 lakh working of Fair Price Shops (FPS) across India.

Statement of the research problem

The Public Distribution System is implemented in India. There are several problems in the implementation and operation of the scheme. Benefits of Public Distribution system are supposed to reach only the needy but what is happening is otherwise, there are many bogus cardholders. Similarly, while distributing food grains, it is often reported that, food grains to be distributed has been diverted to open market. Lack of good administration problems face to the effective public distribution system in India. So there are a large number of problems in implementation and operation of the scheme, so these are all problems faced by under the present Public Distribution System in India.

Need for the Study

Targeted Public Distribution System is one of the important poverty alleviation programmes in India. This scheme is very helpful to especially vulnerable sections and also malnourished people, rural and urban poor peoples in India. There is large number of people still living in below the poverty line. Government of India in recent years passed the Food Security bill during September 2013. During recent years the national Food Security act provided its benefits to all the vulnerable and poor sections of the country and also union territories. So this scheme is very help to targeted poor people in India.

Objectives of the Study

1. To analyze the functions of targeted Public Distribution System (PDS) in India.
2. To know the various government programmes to protect the targeted poor people in India.

Methodology

The data for the present study is collected purely from secondary sources. The data was collected from various governmental reports, Department of food and Public distribution, Annual reports, Food Security Bill 2013, statistical abstracts, articles, daily newspapers, journals, Periodicals, books, websites etc.

Public Distribution System (PDS) in India

PDS was introduced during the Second World War. The main goal of the TPDS is the availability of food grains to poorest families in remote and rural areas. PDS is a poverty

alleviation programme and contributes towards the social welfare of the people supplied with essential commodities like rice, wheat, sugar and kerosene to the people under the PDS at reasonable prices. It is the primary social welfare and antipoverty programme to the Government of India. In India, there is wide network of more than 5.27 lakh working Fair Price Shops (ration shops) one of the biggest PDS in the world and responsible for distributing more than 160 million families. PDS currently operated as the joint responsibilities of the State and the Central Government. PDS was facing a lot of problems in 1992, the government introduced a Revamped Public Distribution System (RPDS) to reach poorer households with more varieties and quantities of foodstuff at cheaper prices, but it was not effective in June 1997. A targeted public distribution system TPDS was introduced as part of different schemes for the poor, Antyodaya Anna Yojana (AAY) Mid-day Meals, ICDS in children and food for work scheme etc. under this schemes the poor was further classified as the poorest among the poor and others as living-BPL families, since 1997 Targeted PDS is intended to target poor people, amount that is spent by the Government should utilize the benefits by purchasing the food grains allotted under the Targeted Scheme.

Identification of eligible households under existing TPDS

The government of India launched TPDS in order to target food grains entitlements to poor households. Therefore, identification and classification of beneficiaries is vital to fulfill the goals of the scheme.

Categorization of Beneficiaries under the TPDS

APL BPL and AAY under the TPDS, beneficiaries were divided into three categories:

- a) Households below the Poverty Line or BPL.
- b) Households above the Poverty Line or APL.
- c) Households Antyodaya Anna Yojana or AAY.

BPL beneficiaries currently covered under TPDS were identified through a detailed process when TPDS was initially launched. The Planning Commission calculated state-wise estimates of the total number of BPL beneficiaries that would be covered under TPDS. Each state government was responsible for identifying eligible BPL households on the basis of inclusion and exclusion criteria evolved by the Ministry of Rural Development. Such households were entitled to receive a BPL ration card. APL households were not identified and any household above the poverty line could typically apply for an APL ration card.

Antyodaya Anna Yojana (AAY)

The AAY scheme was launched in December 2000 for the poorest among the BPL families in India. Individuals in the following priority groups are entitled to an AAY card, including: (i) landless agricultural labourers, (ii) marginal farmers, (iii) rural artisans/craftsmen such as potters and tanners, (iv) slum dwellers, (v) persons earning their livelihood on a daily basis in the informal sector such as porters, rickshaw pullers, cobblers, (vi) destitute, (vii) households headed by widows or terminally ill persons, disabled persons, persons aged 60 years or more with no assured means of subsistence, and (viii) all primitive tribal households.

Government Programmes Supports to Targeted Poor People in India

When government came to know the ground reality about the TPDS, the government took alternative steps to ensure food security among the poor people. In other word, the objective of TPDS failed in the eyes of government and it was considered to be the best platform of loot of public property by the dealers, leaders and government officials. So, government constituted many committees to protect the life of poor and on the basis of these reports several programs were launched by the government to solve the problem of food of the poor people which are mentioned below: Now we can say without any hesitation that the programmes mention below came into force as an alternative way of TPDS. Though the TPDS is still in operation and government is trying to bring it back on right path as per its objectives but let us wait for the time when the corruption comes to an end in TPDS so that food for the chronic poor people could be ensured and they may also bring themselves in the mainstream of society. The followings are the alternative programmes for food security for the poor.

- **Antyodaya Anna Yojana (AAY):** The AAY is mainly for the poorest of the poor. It was launched in December 2000, under it 25 kg. Of foodgrains was to be made available to each eligible family per month at a highly subsidized price of two rupees /kg for wheat and Rs.3kg.for rice. This quantitative allocation was raised to 35 kg in April 2002, it was then estimated that one crore families fell in this category. The AAY was later expanded to cover an additional 50 lakh BPL families. In 2004-05 the coverage was yet again increased from 1.5 to two crore families. According to GoI, against the foodgrains allocation of 4.55 million tonnes for AAY 2003-04, actual lifting was 3.82 million tonnes.
- **Sampoorna Gram Rozgar Yojana (SGRY):** SGRY was started by GoI in 2001 after the then Prime Minister, in his Independence Day speech, announced the introduction of a Universal Food for work programme to be called SGRY under which five million tonnes of foodgrains valued at Rs.5000 crore (at economic cost) are provided every year free of cost to States/UTs and another sum of Rs.5, 000 crore is utilized to meet the the cash component of wages and material cost. The SGRY is expected to generate 100 crore man-days of days employment a year. Under this programme five kg.of foodgrains are provided per man per day and the rest of the wage is paid in cash. The cash component is shared between the Centre and the States in the ratio of 75:25, FCI gets the payment for grains at economic cost. The cost of transportation from the FCI go down to the worksite/PDS location is borne by the concerned State governments. The programme is implemented through PRIs.
- **Annapoorna Scheme (AS):** This scheme covers indigent senior citizens of the age of 65 years and above who are eligible for old age pension but not actually covered by it on account of limited funding available under the National Old Age Pension Scheme (NOAPS).To such indigent old people ten kg. Of foodgrains per person per person per month is supplied free of cost under the Annapoorna Scheme. Implementation is again through funding is central. The off-take of foodgrains under this scheme was 1.15.lakh

tonnes in 2002-03 (including the backlog of 1-2) and 1.09 lakh tonnes in 2003-04. The allocation for 2004-05 was 1.58 lakh tonnes.

- **Food for–Work-Programme (FWP):** The Ministry of Rural Development, GoI, launched the FWI in the rural areas of drought affected States in January 2001, as a part of the employment Assurance Scheme. The scheme, in its essence, provides for allocation of foodgrains (wheat and rice) free of cost to the affected states /UTs. The scheme was discontinued in March, 2002 but was later allowed to continue as a special Component of Sampoorna Garmin Rozgar Yojana (SGRY). From November 2004, the FWP was merged with the National Rural Employment Guarantee Programme (NREGP) in 150 districts taken up under NREG in the first phase. In the districts not covered by NREGP, SGRY would expectly continue off-take of foodgrains under FWP was 4.5 million tonnes in 2000-03 and 5.44 million tonnes in 2003-04.And several other programmes are in existence to ensure food for the poor.
- **National Food Security Act, 2013:** In recent years as Passed by the Government of India has notified National Food Security Act the main objective to provide for food and nutritional security in human life cycle approach, by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity. The Indian National Food Security Act, 2013 (also Right to food Act), was signed into law September 12, 2013. This law aims to provide subsidized foodgrains to approximately two thirds of India's 1.2 billion people. Under the provisions of the bill, beneficiaries are to be able to purchase 5 kilograms per eligible person per month of cereals at the following prices: Rice at Rs. 3 per kg, wheat at Rs. 2 per kg and coarse grains (millet) at Rs.1 per kg. Pregnant women, lactating mothers and certain categories of children are eligible for daily free meals. The bill has been highly controversial. It was introduced into India's Parliament during December 2012, promulgated as a presidential ordinance on July 5, 2013 and enacted into law in August 2013. During recent years very effective working of Food Security across the states.

Problems of Targeted Public Distribution System in India

The introduction of TPDS was meant for the chronic poor people but there became many black holes in the system. Though the programme became universal but their quality tend to deteriorate day-by –day and a result of which foodgrains to be distributed among the poor people were too bad to be safe. Since the TPDS was mainly for the chronic poor people so there was no political support to thus programme by the political leaders and ultimately it suffered from different drawbacks such as irregular supply of foodgrains, malpractices on large scale and several other corrupt business started to take place. Though the targeted Public distribution system in the largest food distribution programme in the country that covers about 40-50 percent of the total off-take of foodgrains from the Central Pool. This percentage was much higher (about 65 to 75%) in the earlier years 1999-2000 and 2000-01. the TPDS has been defined by some economists as a “producer –price support-cum –consumer-subsidy programme.” In its earlier format it

was geographically limited to urban areas and those rural areas that were distinctly food deficit ones. It was in the 80's of the last century that food was (through its distribution at subsidized pricing) utilized as a means to providing a safety net to protect the poor "from potential short-run price induced adverse effects. "It was made a component of many employment, poverty alleviation and nutrition deficiency-filling programmes. This is when distortions started to surface. The policy of open ended procurement, the rising minimum support prices from year to year, the inexorably high economic costs incurred by FCI on procuring foodgrains that include MSP+ procurement charges, warehousing, transport, storage losses, interest charges, etc.), the deliberately fixed lower issue prices for PDS (APL, BPL, etc. and highly subsidized or even free food supplies for some specified categories of consumers—all these factors put together have created a system that has been, and continues to be conducive to manipulation, fraud, leakages and large scale corruption.

Conclusion

Public distribution system and Food Security programmes is one of the important poverty alleviation nutrition security and it helps the needs especially to poor people India. Food Security has been an important developmental objective since the beginning of planning in India. Though there has been impressive growth in the recent past still the country is facing acute shortage of foodgrains. The primary objective of India's Food Security policy is to provide foodgrains to the people at affordable prices. Food Security will provide legal entitlement for foodgrains to about 68% of the country's population. There is need to improve implementation of Food Security and PDS in India.

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