

Working of Public Distribution System in India - An Analysis

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Abstract: The poverty alleviation and eradication of hunger are two vital objectives of rural development programmes in India. Among various programmes of poverty alleviation and hunger mitigation, the Public Distribution System (PDS) is considered as a means of income support and social protection in rural India. PDS is the largest distribution network of its kind in the world. It emerged out as rationing measure in the backdrop of Bengal famine as well as a war-time measure during Second World War. It evolved in 1950s and 1960s as mechanism for providing price support to producers and food subsidy for consumers. The Public Distribution System (PDS) distributes subsidized food and non food items to India's poor. Major commodities distributed include staple food grains such as rice, wheat, sugar and kerosene through a network of fair price shops also known as ration shops established in several stages across the country. PDS has played an important role in a country like India where a large section of population is still suffering from malnutrition. A survey conducted by National Nutrition Monitoring Bureau (NNMB), it was found that the rates of micronutrient deficiencies in the Indian households are ranging from 56% in case of iron, 81% in case of vitamin 'c' and 50% for folic acid. Moreover, a significant proportion of Indian children also show symptoms of vitamin 'A' deficiency (0.8%), iodine deficiency (4%) and anemia (67%) (National Institute of Nutrition 2003, 2006) In this context, the importance of PDS is in great demand for ensuring food security among Indian households.

Despite all these, certain issues like inaccurate identification of beneficiaries; leakages, distribution of inferior quality goods, under weighing, inadequate storage capacity, and non-viability of Fair Price Shops are the common problems found in the Public Distribution System. Unless and until these shortcomings are washed away, PDS will not be successful. To counter these problems governments have taken up various reforms over the years which have led to the system becoming more efficient comparatively. This paper analyzes that whether PDS is able to achieve its objective of providing food security and its impact on poverty. Unfortunately, in India the working of PDS has not been successful in achieving food security at the desired level. The study by focusing on the working of the PDS is of immense significance to the policy makers, government and the planning department by recognizing the rights of citizens and their entitlements for food grains, would suggest methods of ensuring food security especially among poorer sections of the society. This study also explores a brief review of poverty alleviation programmes and finally it throws light on technology based reforms in Targeted Public Distribution System (TPDS).

Key Words: Public Distribution System (PDS), Targeted Public Distribution System (TPDS), National Nutrition Monitoring Bureau (NNMB), Food Security, Fair Price Shop (FPS) etc

I. INTRODUCTION

Promotion of the welfare of the people, more particularly the poor people, has been the major concern of the Governments at all levels in Indian Union from time to time. To achieve this goal, all state governments along with

the Central Government have implemented several anti-poverty programmes. The purpose of these programmes, in the main, is to redistribute the income and consumption in the economy.

As a result, the distribution of essential commodities at reasonable price in right time and at right place to the

people who are below the poverty line became the concern of the Government of India. This is intended to relieve the poor from the tentacles of the private traders who indulge in black marketing, hoarding and profiteering. To meet this situation Government supported and strengthened the cooperative movement. However, the failure of co-operatives to deliver the expected results has prompted the government to introduce public distribution system on a permanent basis.

Public distribution system is a network of fair price shops, co-operatives etc., through which essential commodities are made available to the vulnerable sections at reasonable prices. As a general concept, Public Distribution System "is the whole or a part of the distribution system in principle owned and controlled by the public authorities on behalf of the general public and run by them for the good of the general public or a specific group thereof".

Public distribution system does not mean that the government owns and controls the system. The distribution system is left open to be owned by private traders also but it is controlled by the government. At present Public distribution system takes the forms of Fair Price Shops, Consumer cooperative Societies and regulations on private trade. It assumes the responsibility of procurement, transport and distribution of essential commodities namely Rice, Wheat, Edible oils, Sugar, Kerosene and Cloth.

II. REVIEW OF LITERATURE

¹Shah (1986) observed that nearly 57 percent of PDS food grains was for urban areas and only 27 percent was for rural areas. RPDS was started with a view to provide relief to the poor people of desert, hilly, drought prone and Adivasi areas of the country. Finally the system was restructured to target the poor households as Targeted Public Distribution System (TPDS) across all regions in 1997. TPDS aims at providing food grains to people below poverty line (BPL) at highly subsidized prices and food grains to people above the poverty line (APL) at much higher prices than BPL beneficiaries. Thus TPDS adopted by the Government of India maintains the universal character of the PDS but adds a special focus on people living below poverty line. PDS with a wide network of about 4.99 lakh Fair Price Shops (FPSs), better known as Ration Shops, is perhaps the largest distribution network of its kind in the World.

²Mahendra Dev (1996) examined the poverty and food security problems in Maharashtra and West Bengal. The study also argues that the wider reach of the PDS makes it more effective than the Employment Guaranteed Schemes (EGS). Further, proper targeting and improved delivery system in rural areas will make the PDS more efficient. Nevertheless, not PDS alone, but a mix of policies, involving effective implementation of anti-poverty programmes, controlling inflation and improving facilities, will be needed to solve the food security problems in India.

³Mahendra Dev (1998) in his study noted that PDS is not the only answer to food security of the poorest of the poor because it can be of help only to those who have purchasing power. A part from higher economic growth, a mix of policies like effective implementation of anti-poverty programmes, stabilization of prices, improving wealth facilities is needed for food security at the household level.

⁴Dr.K.K.Tripathy and K.C.Mishra (2011) estimated that though India is one of the largest producers of the food in the world, yet nearly 300 million people struggle for meeting two square meals a day and 21 percent of the national population (230 million) are malnourished. This indicates the issues of accessibility to adequate and nutritive food to the poor.

⁵According to Dev. (2007) poverty declined during pre-post reform period is due to effective distribution system function, while that of growth rate of staple food grain prices remain low and inflation is also low. These are the things attributed to reduction of poverty in Andhra Pradesh. On one hand some policy measures to improve agriculture growth, macro policy on industrial and rural non-farm sectors in the post period had adverse impact on poverty reduction. On the other hand, it is believed that, it is due to social welfare programmes, such as focus on providing food and nutritional security, PDS and ICDS which helped in poverty reduction.

⁶Yesudian (2007) suggested to improve the quality of PDS products are proper grading and standardization of ration commodities must be ensured so that quality services can be provided to consumers, minimize the presence of sand and pebbles in flour and rice, packed and labeled products should be provided to consumers, dealer must be provided with sufficient infrastructure facilities so that they can provide better quality services to consumers, periodical inspection of records maintained by FPS dealers must be conducted by the competent authorities and those who violate rules and regulations must be penalized and debarred from continuing as a FPS dealers.

OBJECTIVES OF STUDY: The main objectives of this paper are as follows.

- To make a study of the existing Public Distribution System in India.
- To assess the role of the Public Distribution System on food security and poverty.
- To discuss the poverty alleviation Programmes in India.

III. METHODOLOGY

This study has been conducted on the basis of secondary data. The secondary data has been compiled from the books, journals, News papers, periodicals, reports, website and other published papers. The major sources of the secondary data are from the official records of Food

Corporation of India, NSSO reports, Planning Commission records etc.

IV. DISCUSSION

THE EXISTING PDS IN INDIA, AN OUTLINE: The origin of the Public Distribution System (PDS) dates back to the Second World War period when the government of India for the first time ordered the setting up of Fair Price shops in several major states and undertook many steps to stabilize prices of food grains. (Singh 2006; Swaminathan 2003). In the post Independence period the PDS initially focused on price stability in urban and food deficit areas and ensuring the standard of living of the emerging working class. It was only from the Sixth Plan that the government laid emphasis on complete regional coverage. (Geetha & Suranarayana 1993). The Eighth plan saw the introduction of Revamped Public Distribution System, which focused on granting special privileges to people in 1775 blocks in tribal, hilly and drought prone areas. In 1997, the Government of India launched the Targeted Public Distribution System (TPDS) which sought to target the benefits towards the BPL households.

Public Distribution System is a completely government scheme under which subsidized food and non food items are distributed among poor households. Major commodities distributed include rice, wheat, sugar and kerosene through a network of retail outlets called Fair Price Shops popularly known as ration shops established in several states across the country. Food Corporation of India, a government owned corporation, procures and maintains the PDS. Through the Food Corporation of India (FCI) the government procures grain at the Minimum Support Price (MSP) and then stores and transports it to the various states. The state governments buy the food grains from the FCI based on their allocations at the Central Issue Price (CIP) and transport it to the Fair Price Shops (FPS). The central government allocates food grains from the central pool to the state governments for distribution to BPL, AAY and APL families. Allocation for BPL and AAY families is done on the basis of the number of identified households. On the other hand, allocation for APL families is made on the basis of the availability of food grains stocks in the central pool, and the past off take (lifting) of food grains by a state from the central pool. Under TPDS CIP was initially fixed up to 50 percent of economic cost for BPL households and 90 percent of economic cost for APL households. However, whereas the economic cost of rice and wheat has been rising APL and BPL prices have fallen or remained constant. For AAY households, CIP for rice and wheat has remained constant at Rs.3 and Rs.2 for rice and wheat respectively. Apart from the food grains requirement for

immediate distribution under TPDS, the Central government also maintains minimum buffer reserves of food stocks for emergencies.

ROLE OF PDS FOR ENSURING FOOD SECURITY:

The phenomenal increase in food grain output in India resulted in excessive buffer stocks, which in turn increased the per capita availability of food grains. However, what was not ensured was food security to the millions of the poor in the country. That is, the government was successful in filling the warehouses of Food Corporation of India (FCI) by using the instrument of procurement price/support price, but it failed to take the food grains to reach the poor through the Public Distribution System.

There are two components in the framework of ensuring food security to the poor. The first is maintaining an increased growth rate in the real income of the poor. That is, keeping up their purchasing power. The second component is the PDS. The hope of the poor lies in the effective functioning of the PDS/Fair Price Shops to get their essentials at a cheaper rate or at a rate which is lower than the open market rate. The following table -1 shows the role played by PDS in improving the food security situation in the country. For the country as a whole, PDS contributed 8.88 percent to total calorie intake in 2004-05, which doubles 15.59 percent in 2009-10. The table also indicates the rising contribution of PDS to the food security situation for the country as a whole as well as for all states concerned notably Chhattisgarh and Odisha. However, there are large variations across states with the PDS contributing more than a third to total calorie intake in Tamil Nadu and Chhattisgarh and around a fourth in Andhra Pradesh, Himachal Pradesh, Odisha and Kerala, whereas states like Assam, Bihar, Rajasthan and Uttar Pradesh continue to lag behind in this field. Other studies similarly highlight the importance of PDS in improving food security in the country. Kaul (2014) report that although the elasticity for cereal consumption with respect to the value of the subsidy is small, the subsidy works by improving the overall calorie intake through the rise in consumption of all food groups. Kochar (2005) similarly find a low but positive elasticity of calorie intake with respect to food grain subsidy. Himanshu and Sen (2013b) report much higher elasticity of calorie intake with respect to income increases if it results from PDS food transfers rather than from equivalent out of pocket cash. Moreover just having access to PDS seems to result in a significant increase in calorie intake. Himanshu (2013b) based on NSS data from 1993 to 2009 find the extent of calorie intake decline to be lower among PDS users compared to non-users for all income classes.

Table: 1 Contribution of PDS to the Calorie Intake of the Poor (Per capita)

States	2004-05			2009 -10		
	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	328.24 (22.81)	258.99 (16.08)	300.46 (19.93)	402.87 (24.69)	364.48 (22.36)	392.27 (24.05)
Assam	96.10 (5.61)	169.27 (10.88)	97.32 (5.69)	234.61 (13.87)	156.37 (9.46)	227.60 (13.48)
Bihar	11.28 (0.64)	31.61 (1.82)	12.30 (0.70)	72.62 (4.19)	59.15 (3.31)	71.68 (4.13)
Chhattisgarh	225.53 (14.18)	219.83 (12.24)	224.52 (13.08)	682.32 (38.52)	611.69 (36.21)	677.38 (38.36)
Himachal Pradesh	513.22 (29.68)	453.69 (30.45)	511.90 (29.69)	545.05 (28.55)	369.58 (21.84)	530.90 (28.07)
Odisha	160.64 (9.54)	68.08 (3.66)	147.10 (8.60)	508.60 (27.82)	307.26 (16.13)	489.25 (26.65)
Rajasthan	156.45 (9.30)	23.15 (1.35)	102.00 (6.02)	148.76 (8.13)	109.74 (6.51)	141.67 (7.86)
Tamil Nadu	492.29 (34.87)	443.72 (28.59)	473.56 (32.31)	595.26 (38.84)	634.66 (39.32)	607.23 (38.99)
Uttar Pradesh	61.34 (3.47)	35.83 (2.13)	56.69 (3.23)	202.98 (11.32)	155.33 (9.55)	195.52 (11.07)
Kerala	407.72 (33.36)	314.32 (22.67)	373.48 (29.13)	362.38 (28.00)	349.84 (26.09)	359.17 (27.50)
India	154.16 (9.30)	129.28 (7.67)	147.78 (8.88)	272.18 (16.05)	221.06 (13.64)	262.04 (15.59)

Source: Calculations based NSSO 2007; 2013.
Notes: Figures in parenthesis indicate the contribution of PDS in total calorie intake.

IMPACT OF PDS ON POVERTY: Radha Krishna Report has also studied the decline in poverty as a result of PDS subsidies. Taking India as a whole, the impact of all consumer subsidies on poverty was moderate; subsidies were estimated to have reduced poverty by 1.6 percentage points in rural areas and 1.7 percentages points in urban areas. About 12 million persons (9 million in rural and 3 million in urban areas) may have moved out of poverty in 1986-87 due to income transfers from PDS. As the absolute number of poor in India was put at 274 million in 1986-87, these numbers are small, rather insignificant.

Poverty is a state where a person is unable to maintain a minimum socially accepted level of standard of living. As per the latest estimates of the Planning Commission,

released in March 2012, for the year 2009-10, the poverty ratios for rural and urban areas of Andhra Pradesh was 22.8% and 17.7% respectively and combined it was 21.1%. The corresponding figures for all India during the same period were 33.8%, 20.9% for rural and urban areas and combined was 29.8%. Poverty levels in A.P. have been lower than the national average, and its pace of reduction is faster than rate of reduction at all India level. Several factors have contributed for such reduction of poverty over years. One of the reasons for such reduction is attributed to effective functioning of Public Distribution System (PDS) ensuring access to food resulting in attaining required calorie norm to be above poverty line.

Table: 2 Poverty ratio's in AP and for all India

AP Poverty Head Count Ratio (HCR)				Percentage change per annum	
Area	1993-94	2004-05	2009-10	1993-2004	2004-2010
Rural	48.1	32.3	22.8	-1.44	-1.9
Urban	35.2	23.4	17.7	-1.07	-1.14
All	44.6	29.6	21.1	-1.34	-1.76
All India					
AP Poverty Head Count Ratio (HCR)				Percentage change per annum	
Area	1993-94	2004-05	2009-10	1993-2004	2004-2010
Rural	50.1	42	33.8	-0.75	-1.6
Urban	31.8	25.5	20.9	-0.55	-0.96
All	45.3	37.2	29.8	-0.74	-1.48

Source: Approach to the 12th five year plan Andhra Pradesh P.28: Planning Commission

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function, while that of growth rate of staple food grain prices remain low and inflation is also low. These are the

things attributed to reduction of poverty in Andhra Pradesh. On one hand some policy measures to improve agriculture growth, macro policy on industrial and rural non-farm sectors in the post period had adverse impact on poverty reduction. On the other hand, it is believed that, it is due to social welfare programmes, such as focus on providing food and nutritional security, PDS and ICDS which helped in poverty reduction.

POVERTY ALLEVIATION PROGRAMMES IN INDIA: The government has adopted three approaches for reduction of poverty in India. They are:

- Higher economic growth which will improve the levels of living of all groups of people in the society including the poor.
- Direct anti poverty programmes.
- Giving high priority to government expenditure on social sector.

1. Integrated Rural Development Programme (IRDP): It was launched during 1978-79 to provide self employment in a variety of activities like sericulture, animal husbandry and land based activities in the primary sector, weaving, handicrafts etc., in the secondary sector and service and business activities in tertiary sector.

2. Swarnajayanti Gram Swarozgar Yojana (SGSY): It was introduced on April 1st 1999 after restructuring the IRDP and allied schemes to provide self employment to the rural poor. SGSY has been restructured as the National Rural Livelihood Mission with affect from April 1st, 1913. To begin with, National Rural Livelihood Mission will ensure that at least one member from each identified rural poor household, preferably a woman, is brought under the Self – Help Group (SHG) network in a time bound manner

3. Jawhar Rozgar Yojana (JRY): This programme was started in February 1989 for intensive employment creation in 120 backward districts of the country. Later NREP and RLEGP were merged into a single rural employment programme on April 1st 1989 into Jawhar Rozgar Yojana. The JRY was renamed as Jawahar Gram Samridhi Yojana (JGSY) in April 1999. Its main objective of this programme was creation of infrastructure and durable assets at the village level so as to increase opportunities for sustained employment to the rural poor.

4. Employment Assurance Scheme (EAS): The EAS aimed at providing 100 days of unskilled manual work on demand to two members in the age group of 18 to 60 years in the agricultural lean season. During 1996-97 to 1999-2000, a total of 1,533.7 million man day's employment was generated under this scheme.

5. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS): This scheme was launched from 2nd October, 2009. It seeks to provide at least 100 days of guaranteed wage employment in a financial year to at least one member of every household whose adult

members volunteer to do unskilled manual work. At least 33 percent of the beneficiaries are to be women. Under MGNREGS, wage disbursement through bank and post office is mandatory. MGNREGS provide a wage rate of Rs 100 per day to a worker.

The focus of MGNREGS is on works relating to water conservation, drought proofing, land development, flood control and rural connectivity in terms of all roads. Panchayats have a key role in planning, implementation and monitoring of MGNREGS.

Other Schemes:

Indira Awas Yojana (IAY): Indira Awas Yojana (IAY) enabling rural, BPL families to participate and involve themselves in construction of their houses is implemented as an independent scheme since 1-1-1996. The beneficiaries construct the houses as per their own choice, design and technology and requirements. At least 60% of available funds are utilized for Sc's and ST's.

Three percent of funds are reserved for disabled persons living below the poverty line in rural areas. During the 11th Five Year Plan, Rs.26, 882 crore have been provided for rural housing. The financial assistance provided under IAY is Rs 35,000per unit in plain areas and Rs. 38500 for hilly and tribal areas. In order to help the landless poor who do not have site, scheme called homestead site was launched in 2008-09 by earmarking Rs 100crore for this purpose.

Pradhana Mantri Gram Sadak Yojana (PMGSY): Pradhana Mantri Gram Sadak Yojana (PMGSY) was launched in December 2000 with a view to provide connectivity to the targeted rural habitations through construction of good all weather roads in a phased manner covering highly populated villages in the first phase and subsequently those with a population of 500 to 1000 and less than 500. An important feature of the programme is that the contractor is responsible for maintenance of the roads is to be transferred to the village panchayat.

PDS REFORM: Several measures have also been to strengthen the present structure of TPDS notable among them being the introduction of UIDAI Aadhaar and Technology –based reforms initiated by the states. The government has proposed to link the TPDS with the UID Aadhaar scheme and expects that the scheme would play an important role in addressing inclusion / exclusion errors, checking diversion and leakages, assisting food grain management and ensuring accountability. (Planning Commission 2010). Several states have also undertaken various technology based reforms to TPDS. Another more recent and less widespread development is the inclusion of pulses, salt and edible oils among the commodities distributed at subsidized prices (Khera 2011a; Khera 2011b; Himanshu & Sen 2011) In the light of these facts, Dreze & Sen (2013) makes a distinction between old style PDS in operation in most states a few years ago and new style PDS

in operation in the better performing states like Chhattisgarh, Tamil Nadu and Kerala etc. While the old style of PDS suffered from a number of problems like large scale diversion and exclusion errors, the new style of PDS has been able to tackle these interrelated problems through various state level initiatives notable among them being

expansion of coverage, price reduction and the introduction of modern IT based technology. Most importantly, people now are much more aware of their rights and entitlements and are more willing to defend them. We mention some of the technology based reforms to TPDS in the following table-3.

Table: 3 Technology based reforms to TPDS

Type of Reform	Benefits of Reform	States implementing Reforms
Digitization of ration cards	<ul style="list-style-type: none"> ➤ Allows for online entry and verification of data. ➤ Online storing of data related to beneficiaries 	Andhra Pradesh, Chhattisgarh, Tamil Nadu, Madhya Pradesh, Karnataka, Gujarat etc.
Computerized allocation to FPS	<ul style="list-style-type: none"> ➤ Computerizes FPS allocation, declaration of stock balance, web based trunk challans etc. 	Chhattisgarh, Delhi, Madhya Pradesh, Tamil Nadu etc.
Issue of smart cards in place of ration cards	<ul style="list-style-type: none"> ➤ Secure electronic devices used to store beneficiary data. ➤ Prevents counterfeiting 	Haryana, Andhra Pradesh, Orissa etc.
Use of GPS technology	<ul style="list-style-type: none"> ➤ Use of GPS technology to track movement of trucks carrying food grains from state depots to FPS 	Chhattisgarh, Tamil Nadu
SMS based monitoring	<ul style="list-style-type: none"> ➤ Allows monitoring by citizens so they can register their mobile numbers and send / receive SMS alerts during dispatch and arrival of TPDS commodities. 	Chhattisgarh, Uttar Pradesh, Tamil Nadu
Use of web based citizens portal	<ul style="list-style-type: none"> ➤ Publicizes grievance redressal machinery, such as toll free number for call centers to register complaints or suggestions. 	Chhattisgarh,

Source: Balani (2013)

V. KEY FINDINGS

All is not well with public distribution in India. There are many problems associated with the working of PDS. The key findings are elucidated in the following manner.

- Large errors of exclusion of BPL families and inclusion of APL families.
- Diversion of subsidized food grains to open market.
- Prevalence of ghost cards.
- Lack of transparency in the selection of procedure of PDS dealers.
- Poor quality of food grains (PDS articles).
- Lack of Infrastructure and shortage of funds with the governments of many states.
- Weak monitoring and lack of transparency and inadequate accountability of official implementing the scheme.
- A large number of homeless and poor, without having permanent address are denied ration cards and thus excluded from PDS, despite being Indian citizens.
- The poor don't have cash to buy the entire quantity of entitlements at a time.
- The present procedure for selection of BPL beneficiaries is not satisfactory.

- Cost effectiveness of PDS is very small.
- Not lifting their ration quota by APL households as APL price is close to open market price.

Few researchers have documented the administrative problem in PDS and shown in many states that there is large scale diversion of grain, wastage and low quality. Major flaw in the working of PDS is that it has wrongly excluded a large number of deserving persons and families. Karat (2008) pointed out that planning commission evaluated that 57% of poor had been actually excluded from the BPL system. According to the report of National Sample Survey, at all India level 70.5% of rural households either possessed no card or held an APL card and are effectively excluded from PDS (Swaminathan 2008). Very high proportion of landless and near landless household did not possess BPL or Antyodaya cards in many states (86% in Sikkim, 80% in Goa, 79% in Uttar Pradesh, 76% in Haryana, 75% in Jharkhand and 74% in Uttaranchal for example) and mere excluded from PDS (ibid). Besides the targeting error, there is another serious problem of leakage and diversion. There is 36 percent diversion of wheat, 31 percent of rice and 23 percent diversion of sugar from the system at the national level (Jena 2002). Khera (2011) has pointed out that 44% of PDS grain was diverted at the all India level in 2007-08. According to another scholar (Mishra 2008) about 58% subsidized food grains issued from Central Pool do not reach to the BPL families owing to leakages and diversion. Moreover, the cost of income

transfer to poor is much higher e.g. for one rupee worth of income transfer to poor, the government of India spent R.3.65. Due to lack of effective targeting mechanism and large scale leakage due to corruption, the cost effectiveness of extending food subsidy to the poor has been low. According to a scholar (Parikh 1994) the “cost effectiveness of PDS reaching the poorest 20 percent of the households through the PDS cereals is very small. For every rupee spent, less than 22 paise reaches the poor in all states excepting Goa, Daman and Diu where 28 paise reach the poor. This is not to suggest that PDS does not benefit the poor at all, but only to emphasize that this support is provided at highest cost.” If one takes Central Government cost into account, Rs. 4.3 was incurred to transfer one rupee of income to the poor (Jena 2002).

VI. SUGGESTIONS

Suggestions for the improvement of the public distribution system relating to the policy and operation are:

- Allotment of quota should be made on practical basis.
- The item covered by PDS should be increased.
- Cards should be issued to all needy people and stringent action should be taken against those people who own the cards even though they are well off.
- Good quality commodities should be supplied.
- Necessary measures should be taken that the F.P.S. should be open all round the month and the timings should be specified and implemented strictly.
- Credit facility should be provided to all poor dealers.
- Quantity should be more and timely distribution must be there.
- Storage facility at gram panchayat level should be provided.
- Steps should be taken to bring the gaps in structural and management dimension of functions of fair price shops.
- Necessary steps should be taken to create awareness among consumer about the working and organization of P.D.S.
- Stringent action should be taken against the officers and Dealers indulge in malpractice.

VII. CONCLUSION

Agriculture plays a crucial role in India economy, with the largest segment of the population being dependent on agricultural sector for employment. Rapid and sustainable growth in agriculture has been identified not only as a key driver for economic development but also for achieving self-sufficiency and ensuring food security to the people. The Global Hunger Index reveals that nearly 50 percent of Worlds hungry live in India. The PDS has helped to reduce

poverty and it improves food security of the poor. The targeted public distribution system aimed at providing essential commodities to the poor both in rural and urban areas at concessional rates. However, very often PDS is being criticized for in effectiveness and in efficiency in achieving its objectives, the government of Andhra Pradesh has been reducing the burden of subsidies on one hand and on the other it has drastically reduced the number of white ration cards during 2013-14. A new study based on NSSO data, has estimated that 46.7 percent or 25.9 million metric tonnes of the grain (rice and wheat released through the PDS, did not reach the intended beneficiaries in 2011-12.

Despite receiving a high priority in the Constitution and policy objectives, the food security situation in the country has been more or less dismal. The Public Distribution System has been plagued by a number of problems and has not been able to yield its intended benefits. The above analysis reveals that a revival of the PDS in recent years especially in states that have taken a number of policy initiatives in this direction. However there is much that still needs to be done in this respect. The findings revealed that an active and meaningful public participation is a pre-requisite for the effective and successful functioning of PDS.

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