Introduction

The prevalence of widespread poverty, inflation and market imperfection has necessitated the system of economic controls in India. The first control order commenced in India with promulgation of Defence of India rules on September 3, 1939 after the outbreak of the Second World War. This order related to control of essential supplies. Thus, Government of India's Food Policy has been interventionist. State intervention in matters relating to the production, trade and distribution of food grains was accepted as a necessity because of chronic food shortages which were the result of War and famine conditions.

During the Second World War, acute shortage of foodgrains has been experienced throughout the country. Government of India had to introduce foodgrains control for the first time in Bombay through the system of Fair Price Shops. The objective was to check the speculative activities among private foodgrain traders during the period of war. Further, the country also faced a serious food crisis due to Bengal famine in 1943. It became imperative to appoint the first Foodgrains Policy Committee to advise the Government. On the adoption of a proper Food Policy on the recommendations of the Committee, the Government had introduced rationing in order to ensure equitable distribution of scarce food supplies. After Independence also the equitable distribution of foodgrains among different sections of the population at reasonable prices has been an object of Food Policy.
After Independence also, the Government had to intervene in the distribution of food and essential commodities as a welfare measure and also with an intention of checking inflation and market imperfections. State intervention in the distribution of food and essential commodities has been justified on the following grounds:

Firstly, the country is poor, indeed, is probably the poorest among the community of nations; Secondly, the growth of economy has been slow and unsatisfactory and the small gains of development seem to be monopolised by the upper middle and the richer sections of the society leaving the lower, middle and poor sections more or less untouched by the process of development; Thirdly, due to wide disparities in regional availability of foodgrains; and Finally, due to the exploitative, and anti-social activities of private trade.

Rationing System has undergone an evolutionary charge with the passage of time. Statutory Rationing, Fair Price Shops Scheme, Partial Controls, Public Distribution System, National Production-cum-Distribution Scheme etc. are the important concepts used by Government of India with regard to PDS from time to time.

Public distribution of essential commodity is a long felt need in the Indian context. The question is not of rationing out scarce supplies, rather the
question is how to meet the basic needs of those who don’t have the necessary wherewithal. Supply of the elementary necessities of life at reasonable price is a must if the betterment of the weaker section of the population is aimed at. Naturally, public distribution of essential commodities, which may be termed as the extension of the concept of management of essential services by the state, is supposed to ensure growth with justice, which in turn, is undoubtedly integral part of the overall economic strategy. It is absolutely necessary that the poor consumers should not be left at the mercy of the free market system.

There has been increasing emphasis on the development of rural areas where India’s 92 percent population resides. Prosperity of the country is judged by the reasonable standard of living enjoyed by majority of the countrymen. To live well is to have at least essential consumer articles to make the life worth living. One looks for the comforts after meeting basic consumer needs. Actually in any Welfare State, the equitable and proper distribution of consumer goods is as important as increased production. Whether it is a green revolution or white revolution the majority of people should be enabled to enjoy the fruits thereof.

In this context one can see the relevance of Public Distribution System which introduced since July, 1979 and appreciate the efforts of the Government for the concern of the common man. The Public Distribution Scheme envisages distribution of essential consumer articles through Fair Price Shops which can be
owned by cooperatives as well as private individual cooperatives which are located in far-flung areas and can serve the remotest corners of the country. They are considered the most suitable agency to take-up the distribution work and supply essential consumer articles to rural poor masses.

Since the village societies are at grass root level which have to serve the rural population with essential consumer articles, it was considered necessary to strengthen the capital base of these societies and also to help them to equip their retail outlets with necessary furniture and fixtures. It was also considered necessary that the service cooperatives be enabled to receive regular supply of essential articles at wholesale rates from the higher level organisation which has more resources and necessary experience in the business techniques.

A satisfactory Public Distribution System would have to be an integral part of the Government’s wages-incomes-price policy. The basic objective of the PDS is to ensure that essential consumer articles of daily use should be made available at reasonable prices to the public, particularly the vulnerable sections of society. This social objective can be achieved only if the Central and the State Governments assume the responsibility for assuring availability of essential commodities and articles of mass consumption to the common-man at reasonable prices. This is a very stupendous responsibility. The Government will have to rely largely on the public agencies and cooperatives in fulfilling the objectives of PDS.
Parikh (1994) concludes that PDS delivers a meagre support to the poor. According to him, a targeting programme such as EGS would deliver much more benefit to the poor than PDS does through cereals. He advocates that food coupons should be given only to the workers under EGS type programmes in order to lift them above the poverty line.

Vyas (1993) feels, “a subsidised PDS for well targeted groups is the best form of food security that we have been able to find out.” Basu (1993) also says, “it is better to reach the poor directly increasing their incomes and leaving it to them to buy good services they need at market prices.” Kapoor (1979) inferred that a New Controlled Cloth Scheme has thrown a Challenge to the NCCF and to various State Federations/ Cooperatives Institutions and resultantly the responsibilities of Cooperative Organisations have increased manifolds.

Chopra (1979) and Gurumoorthy (1992) advocated that FCI is the apex agency for procuring essential commodities to the central pool and actively engaged in supplying the food-grains throughout the country for PDS and hence proved the key instrument in assuring the availability of foodgrains to the vulnerable sections at reasonable prices. Studies of Singh (1992), Sankta (1989), Kabra et al (1992) and Ministry of Food (1994) inferred that the Fair Price Shops is the point at which the consumer obtains their PDS supplies, particularly the vulnerable sections of the
population at reasonable prices and must cater to the needs of student hostels and indoor patient in the hospitals.

Further studies such as that by Bose (1983), Azad (1984), Mukhopadhyay (1979) and Uma Maheshwaro et al (1980) suggested that extension of the PDS scheme to the drought prone area and flood affected area is a must which helps in gearing up the distributive machinery and considered it the powerful tool to establish an egalitarian society. They emphasized that in order to expand PDS network, there is need to open more fair price shops including mobile shops in far-flung areas to promote a strong consumer protection movement.

A group of studies undertaken by Sinde (1973), Behl (1976), Bhattacharya (1979), Ministry of Information (1994) and Pathania (1996) advocated that consumer cooperatives are an important accepted media and have a great responsibility in the PDS to sell goods at fair and reasonable prices. They pointed out that it is the cooperatives only which can help to build up an effective and permanent distribution system. The Consumer Cooperatives Societies should make every possible effort to reduce their cost of operation and for this purpose, rationalisation of the structure of the movement is absolutely necessary.

They further highlighted that the Cooperatives, Civil Supplies Corporations, Individual Depot Holders and Panchayats Shops etc. are undertaking the
job of PDS. There is a three tier system of PDS between the wholesalers and retailers, an agency of sub-wholesalers is functioning which procures supply from the wholesalers and arranges further transportation to various retail shops for making them available for door delivery. These sub-whole outlets are mainly being run by the cooperatives.

Lal (1985), Seshaih et al (1984) and Patil (1989) stressed the need to the strengthening of the cooperative movement. They advocated that PDS has proved to be ineffective because of the inefficient internal management and dominance of private trader in retail business. Whereas the studies of Sinha (1991) and Mooij (1994) remarked that the Public Distribution System failed to satisfy needs of the poor for whom it was intended.

Mathew (1979) observed that Government has encouraged the Cooperatives to provide leadership to the consumer movement for the success of PDS. Whereas on the other hand Kumar et al (1980) found that the items supplied under PDS are inadequate. Chattopadhya (1982) noted wide fluctuations in the distribution of grains and rice through the PDS. Kanwar (1985) suggested an action plan envisaged for an efficient and productive PDS. Dogra (1987) stated the shortcomings of PDS and observed that functioning of PDS a very lethargic. Dolakia et al (1988) suggested that there is a need for a Centralised National Supply Management System.
Despite certain attempts made to study the Public Distribution System in the state, there remain certain very pertinent gaps. While studying PDS in both the urban and rural sectors, some of these gaps revolve around the questions such as:

1. Does employees and respondents' attitude towards the management of PDS differ on different variables and in any way affect PDS?

2. Whether the essential commodities are served properly and timely to the poor masses through existing PDS network?

3. Whether the transport facility is adequate in the far flung and inaccessible areas?

4. Whether the respondents are satisfied with the allotted quota of various commodities?

5. Does the level of employees/customers' satisfaction with regard to PDS items differ on different variables?

6. Whether the respondents and employees are satisfied with the management of PDS?

In view of the above partially explored questions by certain scattered attempts made by some of studies, there arises an urgent need to conduct a critical study which can examine and evaluate the performance of Public Distribution System in Himachal Pradesh.