CHAPTER-1

INTRODUCTION
CHAPTER I
INTRODUCTION

1.1 A Word About PDS

The public distribution system (PDS) has been recognised as a permanent feature of the Indian economy for the supply and distribution of essential commodities at reasonable prices to the needy people. It is a part of distribution system owned and controlled, in principle, by public authorities on behalf of the general public or specific group thereof. It is not a system of distribution under public ownership as in the case of many socialistic countries, nor is it an independent system of consumer co-operatives of the type found in Scandinavian countries. In a country like India, which has mixed economy and where about 40 per cent of the people live below the poverty line, the concept of PDS has some specifications. In fact, there are two alternative systems with regard to PDS viz., nationalisation of wholesale trade and strengthening and improving the specified system of public distribution. Since ours is a mixed economy the former system, therefore, can not be a practicable proposition. For this reason the latter system is advocated for an economy like India where both the PDS and free market system co-exist. This arrangement, obviously, would be in the larger interest of economically vulnerable sections of the Indian society.
1.2 Origin and History of PDS

The distribution system in general encompasses all movements starting from the shipment of raw material to the delivery of the finished product to the consumer. The distribution system undertaken by the Indian government or any public agency doing this work on behalf of the government is termed as Public Distribution System (PDS). Public Distribution system is an aspect of the demand and supply management\(^1\), and is based on the following main guidelines:

i) A continuous and permanent system;

ii) a comprehensive coverage of the vulnerable sections of the society;

iii) coverage of both deficit as well as surplus states;

iv) distribution of essential items in such quantities as will not erode the consumption standards of the poorest;

v) charging a price that the vulnerable sections can afford; and

vi) check hoarding and black marketing of essential commodities\(^2\).

The origin of PDS in India could be traced back since the Second World War. Undoubtedly, deficiency in foodgrain supply did exist in the country even before this period which was met out from imports as deficit then was only marginal. However, the foodgrains imports became difficult
and ticklish during and even after war times. This resulted in rising prices of foodgrains. These two significant developments compelled the government to resort to controls of foodgrains in the country. Statutory wheat price was fixed for the first time in 1941 as a first step in this direction. And subsequently in 1942, the emphasis was also shifted to produce more rice because of its continued reduced supply from Burma which was conquered by Japan.

The administration of controls was vested initially in the provincial governments. However, the Third Price Control Conference held in 1941 favoured central government interference in the whole issue. Accordingly, Wheat Commissioner was appointed for India to advise Provincial Administration on regulating the supply and distribution of wheat. The next conference that took place in 1942 recommended for affecting an all-India distribution plan through permit system. The fifth and sixth conferences again in 1943 favoured an effective check on location and movement of stocks and centralised purchase by a single agency. These arrangements, however, could not provide a fool-proof system. Consequently, the first and second 'All India Food Conferences' were convened in December, 1942 and February, 1943 respectively. It was planned through these conferences to "secure the maximum social welfare in the distribution of what is available, which involves mutual give and take and a willingness to bear sacrifices for the good of India as a whole". But suitable measures for policy were not suggested to put the plan successfully into operation.
Ultimately, the policy of the government was to be based on the recommendations of 'Foodgrain Policy Committee' appointed in July 1943. Accordingly, the government took the following decisions:

i) **Effective all-India basis plan for assisting deficit provinces;**

ii) **procure foodgrains under control supervision;**

iii) **bring all major foodgrains under statutory price control;**

iv) **introduce rationing in the larger cities with over one lac population initially and extendable to others gradually; and**

v) **extend rationing of foodgrains to all classes of population.**

Based on these guidelines, the Madras government introduced in 1943 a scheme for the distribution of rice. Bombay followed this with the introduction of formal rationing in 1943. Other states introduced the system later. The main beneficiaries of the system were the employees of central and state governments and the industrial labour.

Then, the 'Foodgrains Procurement Committee' was appointed by the government of India in 1950 to review the situation during 1947-50. The committee found absence of a coordinated and consistent distribution system and the existence of contradictions like the prevalence of controls over foodgrains prices vis-a-vis no control over other agricultural
commodities. This created a very anomalous situation. All said and done the public distribution had come to be recognised as a semi-permanent feature of the Indian economy by 1950.

Public distribution of foodgrains was retained as deliberate social policy by India, when it embarked upon the path of a planned economic development in 1951. It was, in fact considered, an important component of the policy of growth with justice as it directly would benefit millions of poor people. The First Five Year Plan aimed at price stability for the consumer and more particularly the urban consumer. This trend also continued during the Second Plan period when food reserve was built up to control price fluctuations and to meet emergencies. To achieve this, higher quantum of foodgrains was made available through fair price shops without ration cards, although maximum quantity that could be obtained from such shops was fixed.

In 1957, government of India appointed the 'Foodgrains Enquiry Committee', which recommended the import of foodgrains and also favoured the continuation of the fair price shop scheme. Further, the committee stressed the need to build up buffer stocks through imports and channelising marketed surplus through compulsory procurement.

In 1961, During Third Five Year Plan, a new agreement was signed under which the American government promised to give 16 million tonnes of
wheat and one million tonnes of rice in the next four years. The major objective of this agreement was to control the upward trend in the prices of foodgrains in the open market. The situation of easy availability of foodgrain did not last long. In 1964-69, prices showed a rising trend which forced the government to introduce rationing in all the major cities and industrial towns. In the same year, the Food Corporation of India and National Agricultural Prices Commission were set up to consolidate the position of PDS. Government was now committed to announce a minimum support price for wheat and paddy and procure quantities that could not fetch even such minimum prices in the open market. The Fourth Plan instead of emphasising the need for making foodgrains available to all the poor at affordable prices through fair price shops got caught up in the ideology of cooperatives. The Fifth Plan looked at the PDS as an instrument to discourage speculative activities in the area of trading and also stipulated that it should not bear any sizable subsidy burden on the public exchequer.

The Sixth Plan made a general reference to the need for the PDS to play a major role in ensuring supplies of essential commodities to consumers at reasonable prices. It promised that the PDS would be so developed that it would remain a stable and permanent feature of the strategy to control prices and to achieve equitable distribution. The Seventh Plan
pinned its hope on decentralised agricultural production, especially in regions hitherto undeveloped, to provide higher rural incomes and meet inflationary pressures. The concept of 'food security system' was also introduced covering public procurement, buffer stocking and public distribution. The Eighth Plan linked the main thrust of the system to poverty in as much as it spoke of its expansion in the rural areas with special attention to remote and inaccessible areas so that the PDS becomes supplementary to the poverty alleviation programme. The Ninth Plan has also been emphasising on the required changes in the PDS. Targeted PDS particularly has been getting top priority at both central and state level in the country since then.

It may be mentioned that the creation of Food Corporation of India (FCI) and Agricultural Costs and Prices Commission (ACPC) in 1965 further consolidated the position of PDS. Government was now committed, as already stated, to announce a minimum support price for wheat and paddy the two main foodgrains and procure quantities that could not fetch even such minimum prices in the open market. All over the years, the resultant stocks were utilised for maintaining distribution through the PDS and a portion of these were used to create and maintain buffer stocks. All through the ups and downs of Indian agriculture, PDS was made to continue as a deliberate social policy of the government with the objectives of:
i) Providing foodgrains and other essential items to vulnerable sections of the society at reasonable (subsidised) prices;

ii) to put an indirect check/influence on the open market prices of various items; and

iii) to attempt socialisation in the matter of distribution of essential commodities.

The PDS, as it stands today, seeks to provide to the beneficiaries two kinds of cereals, namely rice and wheat and four essential commodities, viz, sugar, edible oil, soft coke and kerosene oil. However, state governments which actually manage the system at the ground level, are exhorted to add other essential commodities like pulses, salt, candles, match boxes, ordinary cloth, school copies and the like8.

1.3 Need for PDS

We want hunger free India. But for a common man, even in a land of plentitude, there is no assurance of deliverance from hunger unless government of the day takes conscious and deliberate steps to channelise the abundance in his favour so that he, at least, gets the little that he actually needs9. Guided by this principle, one of the major objectives of planning in India has been to provide 'National' Minimum level of living to its subjects. As the first condition, this requires provision of not only
the needed quantum of foodgrains but also the required quality of food.
The government of India has adopted the dual market mechanism to
meet the situation. It has been felt necessary by the government that
there should be an efficient PDS because if enough foodgrains are not
provided to the weaker sections of the society, it will impair many of
government other programmes. Say, if some sections of the society do
not get enough food, mortality rates particularly infantile mortality rates,
would continue to be high in many food deficit states, and consequently,
the government sponsored family welfare programmes would not be
successful. Even the proposed employment generation programmes
would get a set back because of reduced productivity of workers/
employees on account of their poor health due to mal-nutrition.

Not only this, the liberalisation of the Indian economy, set in motion in
1991 has generated renewed interest in social safety-net programmes
such as PDS10. Therefore, on the present showing, it is certain that the
PDS is going to stay in India at least for some decades to come if not
more.

1.4 The PDS Policy

The distribution policy of the government usually gets evolved in response
to the exigencies of critical situations such as shortages, price rise or
quality deterioration of essential commodities. Because of its exigent
nature, the distribution policy of the government tends to be somewhat fragmented. Although concerns are often expressed for a consistent, well-integrated public distribution policy, the situational factors have prevented the emergence of such a comprehensive policy so far. A systematic model of distribution policy is depicted through chart 1.1.

The procurement, buffer stocking and the PDS of foodgrains have been important instruments of implementing the Food Policy. While PDS takes care of the objective of distributing foodgrains, among others, to the poor, procurement acts as a system of support to producers/farmers. Stocks can be used to reduce inflationary pressures. Even though these objectives have been achieved with varying degrees of successes but for the moment, only the interests of the farmers seem to be taken care of by this procurement - PDS buffer stocking operations.

An effective PDS policy requires the fulfilment of certain conditions regarding the size of total supply, the range of commodities to be included under it and an appropriate, non-arbitrary distribution of these rationed commodities among various sections of society. Making available the six essential commodities (rice, wheat, sugar, edible oil, soft coke and kerosene oil) to the state governments, is the responsibility of the central government. Taking commodities other than cereals (rice and wheat), the arrangement for their supply is as under:
A SYSTEMATIC MODEL OF DISTRIBUTION POLICY

CHART 1.1

- Distribution System
- Policy Objectives
- Consumption Needs
- Policy Instruments
- Product Characteristics

Distribution Policy

Product Policy
Characteristics
Instruments
Sugar: Central government under the provisions of the Essential Commodities Act, fixes a levy percentage, and accordingly every sugar factory has to deliver that percentage of production to the government. Presently, the levy is 40 per cent. Central government allots to the state governments every month their share of the sugar out of the overall levy quantity on the basis of 425 gms per capita on 1991 census basis.

Edible Oil: Whenever production of oilseed dips and prices of edible oils rise steeply making it too expensive for poor people, central government resorts to imports of oils like palmoelin or rape seeds through its trading agencies and allots these among state governments who in turn sell these through PDS.

Soft Coke: Soft coke is allotted to the state governments out of the stocks held by the public sector coal companies.

Kerosene Oil: The supply to the state governments, on the basis of allocation made by the central government, is arranged by the public sector oil companies either from domestic production or by imports. It is also sold at subsidised rates.

Rice & Wheat: As far as rice and wheat are concerned, it is the Food Corporation of India (FCI) which builds and holds the stocks and distributes these as per allocations approved by the central government.
The stocks of these commodities are built almost entirely through domestic procurement. These stocks are utilised both for allocations to the state governments for distribution through PDS and also for maintaining a national buffer stock.

It can be concluded that the government of India has been bestowing all its attention toward PDS policy and has been making several changes in it from time to time. Recently, a targeted PDS scheme was introduced for the poorest of poor sections. The scheme as such is an effective instrument for poverty alleviation programme and upliftment of the poor.

1.5 PDS in Haryana

The Public Distribution System in Haryana is in operation since the inception of the state in 1966. The Food and Supply Department of the government of Haryana is mainly entrusted with the task of monitoring Public Distribution System in the state. The major functions of this department are as follows:

i) Procurement of foodgrains for the central pool under price support scheme;

ii) operation of PDS and to maintain adequate supplies of essential commodities;
iii) safe storage of foodgrains in godowns till these are delivered to FCI for central pool;

iv) enforce various Acts and Control orders to check malpractices of the hoarders, licensed dealers and to help the weaker sections of society to procure essential commodities at fair prices; and

v) enforcement of Consumer Protection Act, 1986.

It is to be noted that Haryana is a surplus state in the matters of production and procurement of foodgrains. In case of wheat, it produces about 11 per cent of the total wheat production of the country whereas its contribution to the central pool is to the extent of 25 per cent. The state procures between 30 to 50 per cent of the total production of wheat in the state and delivers it to the central pool. There are 335 regulated *mandis* in the state and most of them are equipped with basic amenities. No farmer has to travel more than 10 kms to sell his produce and the payment is made within 48 hours of his sale proceeds. So far as storage accommodation is concerned, there is in all about 64 lac MT capacity which includes 31 lac MT covered and 33 lac MT open plinths.

The procurement of *Rabi* and *Kharif* foodgrains is generally made twice a year in the state. The system and procedure relating to procurement of food crops for both *Rabi* and *Kharif* seasons are implemented and
regulated through the Food and Supply Department, government of Haryana. For the purpose of procurement of foodgrains, various agencies like FCI, HAFED, HWC, AGRO, CONFED etc. are actively engaged in the state.

The public distribution system in Haryana, to some extent, is an organised one. During the last many years, vigorous efforts were made to further streamline and re-organise this system in the state. At present, 7643 fair price shops (2640 in urban areas and 5003 in rural areas) are functioning in the state through which controlled commodities like wheat, rice, levy sugar, kerosene oil etc., are distributed amongst the consumers. Notably, no consumer has to travel more than 1.5 km to get supplies of these controlled commodities. Table A-1 shows that the total number of ration cards, as on 28-12-98, in Haryana is 34,13,373, out of which 12,18,132 ration cards are in urban areas and the rest 21,95,241 in rural areas. The total number of units (in terms of persons) covered under it in the state work out to be 2,08,22,970 of which 58,58,455 are from urban areas and the rest 1,49,64,515 from rural areas. The number of petrol pumps is 570. The number of kerosene oil dealers both wholesalers and retailers is 229. The number of LPG dealers comes around 161 and, as per latest information, nearly 8.65 lac LPG connections have already been given to the consumers in the state.
Table - A-1

Basic Data about PDS in Haryana, 1998-99

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>No. of Fair Price Shops</td>
<td>2640</td>
<td>5003</td>
</tr>
<tr>
<td>2.</td>
<td>No. of Ration Cards</td>
<td>1218132</td>
<td>2195241</td>
</tr>
<tr>
<td>3.</td>
<td>No. of Units</td>
<td>5858455</td>
<td>14964515</td>
</tr>
<tr>
<td>4.</td>
<td>No. of Petrol Pumps</td>
<td>570</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>No. of Kerosen Dealers</td>
<td>229</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>No. of LPG Dealers</td>
<td>161</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>No. of LPG Connections</td>
<td>8.65 Lac</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DBC</td>
<td>5.90 Lac</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Single</td>
<td>2.75 Lac</td>
<td></td>
</tr>
</tbody>
</table>

Source: Profile of Food and Supply Deptt, Haryana, 1998-99
Targeted PDS in Haryana

As already indicated, the government of India has introduced a new scheme called "Targeted Public Distribution System" (TPDS) throughout the country w.e.f. May, 1997. Under this scheme, families living below the poverty line are entitled to draw 10 kg foodgrains per month at half of the central issue price. In Haryana, the scheme has been fully implemented from June, 1997. The monthly allocation of wheat under the scheme is 7,330 MT for below poverty line (BPL) families and 720 MT for above poverty line (APL) families. However, there is no allotment of rice under this new scheme in Haryana. During the month of June, 1997 for which statistics are now available, about 5420 MT of wheat was allotted to various districts against which 5104.8 MT was lifted for distribution amongst the identified BPL families whose ration cards have been stamped. The total number of ration cards of eligible BPL families that have been stamped upto 10.7.97 are to the tune of 5,73,185.

It may be mentioned that with the introduction of new TPDS, the old PDS/RPDS schemes have been discontinued for the distribution of foodgrains. There are about 36 lac total families in the state out of which 9.00 lac and 27.00 lac are BPL and APL families respectively. Thus the total requirement of foodgrains in the state is estimated to be about 36,000 MT per month which includes 9000 MT per month for BPL families.
From the foregoing discussion, it emerges clearly that the state of Haryana has been striving hard to implement the schemes of PDS as announced by the central government from time to time.

Revamping PDS in Haryana

The "Targeted Public Distribution System" (TPDS), a reference of which has already been made, is a new form of the Revamped Public Distribution System (RPDS) which was introduced by the government of India some time back. As per this scheme, families living below the poverty line are entitled to draw 10 kg (20 kg as per the proposal in union budget, 2000) of foodgrains per month and that too at half of the central issue price (CIP). In Haryana, the scheme is being implemented with full vigour as is evident from table A-2.

Table: A-2

Details of Targeted Public Distribution System (TPDS) in Haryana

<table>
<thead>
<tr>
<th>1. Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population as per 1991 census: 1.64 crore</td>
</tr>
<tr>
<td>Population as on 28.2.98     : 1.96 crore (approx.)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. BPL Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research estimates          : 7.33 lac families</td>
</tr>
<tr>
<td>As per local survey         : 7.20 lac families</td>
</tr>
<tr>
<td>APL families                : 27.20 lac families</td>
</tr>
<tr>
<td>Stamping done               : 5.62 lac families</td>
</tr>
</tbody>
</table>

Source: Profile of Food and Supply Department, Haryana 1998-99
With the introduction of the new TPDS/RPDS, the old schemes have been discontinued for the distribution of foodgrains. The details of distribution scales of the distributed items are provided in table A-3.

Table A-3
The Details of Distribution Scales of PDS Items in Haryana

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Issue Scale to Consumers</th>
<th>Consumers Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Wheat</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For BPL</td>
<td>10 Kg per family per month</td>
<td>Rs. 3.00 per kg.</td>
</tr>
<tr>
<td>For APL</td>
<td>-do- (Not Allocated)</td>
<td>Rs. 5.00 per kg.</td>
</tr>
<tr>
<td>(b) Rice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Rice is not distributed under TPDS in Haryana)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Sugar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Haryana</td>
<td>370 gms per unit per month</td>
<td>Rs. 10.50 per kg.</td>
</tr>
<tr>
<td>Punjab</td>
<td>350 gms per unit per month</td>
<td>Rs. 10.50 per kg.</td>
</tr>
<tr>
<td>Chandigarh</td>
<td>600 gms per unit per month</td>
<td>Rs. 10.50 per kg.</td>
</tr>
<tr>
<td>(d) Kerosene Oil</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Haryana</td>
<td>(i) upto 10 Lts per card per</td>
<td>Rs. 2.78 to 2.99</td>
</tr>
<tr>
<td></td>
<td>month for Non-LPG holders</td>
<td>per litre</td>
</tr>
<tr>
<td></td>
<td>(ii) 3 Lts for LPG holder per</td>
<td></td>
</tr>
<tr>
<td></td>
<td>month having single cylinder</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(iii) No. K. Oil to DBS holders</td>
<td></td>
</tr>
<tr>
<td>Punjab</td>
<td>(i) upto 20 Lts per card per</td>
<td>Rs. 2.75 to 3.10</td>
</tr>
<tr>
<td></td>
<td>month for Non-LPG holder</td>
<td>per litre</td>
</tr>
<tr>
<td></td>
<td>(ii) 5 Lts for LPG holders</td>
<td></td>
</tr>
<tr>
<td>Chandigarh</td>
<td>(i) 10 Lts per card one time</td>
<td>Rs. 2.70 per litre</td>
</tr>
<tr>
<td></td>
<td>(ii) 20 Lts per card per month</td>
<td></td>
</tr>
</tbody>
</table>

Source: Profile of Food and Supply Department, Haryana, 1998-99
1.6 Need of the Study

Public distribution of foodgrains and other essential commodities was envisaged as a thoughtful social policy by the government of India, since the beginning of its planning era in 1951. It was, in fact, an important component of the policy of growth with social justice\textsuperscript{13}. The real aim of such a policy was to keep within control the prices of edibles in the country mainly to safeguard the interests of the consumers both in rural and urban areas.

In view of its crucial significance, the public distribution system has been extensively introduced in almost all parts of the country. The PDS, obviously, provides a vast and discrete scope of study in terms of its managerial and organisational imperatives vis-a-vis the social system dictating change. Admittedly, the PDS is not a perfect system as it has been facing several teething problems. This requires the immediate attention of the researchers to find solutions of these problems. The shortcomings of PDS are fairly well known. However, while there has been much debate and criticism of the effectiveness and the desirability of continuing with the PDS in its present form, there has been a little work on the operational aspects of the PDS.

In the light of these facts, it becomes imperative to make an indepth study of the managerial and other aspects of the public distribution system. This was with this intent that this research work was undertaken
by the researcher. The justification for taking Haryana state as a special case lies in that there exists no other comprehensive study on this theme. The present study analyses the policy framework and several managerial aspects of the PDS. Further, it also evaluates the working of the system from the feedback of consumers and beneficiaries as they look at the programme in terms of their level of satisfaction or otherwise.

1.7 Objectives of the Study

The present study has been undertaken with the following objectives in view:

i) To examine the role of PDS in India with special reference to Haryana in the light of publically declared goals;

ii) to critically analyse and evaluate the operating efficiency of the PDS;

iii) to examine the level of benefits that the rural and urban dwellers are able to get from this system;

iv) to assess the administrative capability of the state government to run this system effectively;

v) to analyse the consumption patterns of the people falling within the ambit of PDS; and

vi) to suggest suitable measures to revamp the PDS in the light of the problems so identified.
In short, the study aims at to examine the PDS in Haryana state in its entirety from all possible angles.

1.8 Scope and limitation of the Study

The scope of the present study is quite wide. However, there are some limitations of the study which are generally inherent in all such studies conducted at individual level. The present study is mainly confined to three subsistence food items, namely the wheat flour, rice and sugar under the scheme. Besides time and many other constraints, there have been some obvious handicaps. Due to easy accessibility, the researcher selected relatively a larger sample from urban areas as compared to rural areas. Another limitation of the study is that it is based on cross-section data and not on time series data. But all these limitations and constraints do not, in any way, affect the quality of this research work.

1.9 Research Methodology

Research methodology serves as backbone to any research problem. This is the way to solve the research problem in a scientific manner. Appropriate research methodology provides systematic outlook to a research problem. There are several essential components of a research methodology such as formulation of hypothesis, method of data collection, statistical tools used for processing the data etc. We now enumerate these components one by one.
(a) **Hypothesis** : Research hypothesis is termed as making prediction about the relationship among various variables and statements. It is of utmost importance to know whether the analysis supports the hypothesis on which it is based. Following are some of the hypotheses postulated in this study:

i) The PDS of foodgrains in Haryana state has been haphazard and has failed to meet the consumers' expectations; 

ii) the role of various agencies involved in the PDS in Haryana has not been satisfactory in distributing foodgrains and building up of the buffer stock for price stabilisation programmes; and 

iii) the administrative machinery charged with the responsibility of running the PDS is ill-equipped to handle the system effectively.

(b) **Sources of Data Collection (Sample Plan)**

There are generally two types of data viz., primary and secondary. The primary data are those which are collected afresh and for the first time. The secondary data are those which have been already collected by someone else and which have gone through the statistical process. The first category of data are original in character while the latter is simply the compilation of the data which are already there collected by someone else. This study is based on the data collected from both the sources.
The primary data have been collected by mean of field survey through well structured questionnaires for the officials of various agencies (FCI, HAFED, HWC, AGRO, CONFED etc.) involved in PDS in Haryana, the dealers of fair price shops and the consumers both from urban and rural areas. The secondary data have been collected from the Directorate Food and Supply, Haryana, books, journals, magazines, newspapers and reports.

(c) Construction of Questionnaires: Construction of questionnaire, which is heart of a survey, needs utmost attention of the researcher. If it is not properly constructed, then the survey is bound to fail. For the collection of primary data, three sets of questionnaires were constructed for the study with the help of experts after extensive discussions with them and after reviewing the literature on the subject. The questionnaires were tested through Pilot Survey and necessary modifications were made. The first questionnaire was prepared for the officials of the agencies engaged in public distribution system in Haryana to assess the overall managerial aspects of the PDS from their point of view. Second questionnaire was served to different dealers of fair price shops to know their views. The third questionnaire was meant for the consumers availing the PDS facility. All the three sets of questionnaires, as mentioned above, were personally administered.
(d) **Sample Unit**: While selecting sample, a decision has to be taken regarding a sample unit. Sample unit may be of various type such as geographical one like state, district and villages, or a construction unit such as household and school or it may be a social unit such as family and caste or it may be an individual. We as guided by the nature and scope of the study, took district, villages, offices, ration dealers, agencies and beneficiaries as sample units. We selected agencies, dealers and consumers/beneficiaries from four districts cities and eight villages (two from each district) belonging to these districts. It may be mentioned that the four selected districts namely, Hisar, Rohtak, Mahendergarh and Ambala represent the four regions viz., east, west, south and north of the state of Haryana. In all, we selected 424 beneficiaries households from both urban and rural areas. To get reliable and authentic information, we contacted the head of the households or the most enlightened person.

### Table A-4

**Sample Unit of the Study**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>District</th>
<th>Consumers</th>
<th>FPS Dealers</th>
<th>Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Urban</td>
<td>Rural</td>
<td>Urban</td>
</tr>
<tr>
<td>1</td>
<td>Hisar</td>
<td>83</td>
<td>25</td>
<td>31</td>
</tr>
<tr>
<td>2</td>
<td>Rohtak</td>
<td>77</td>
<td>24</td>
<td>33</td>
</tr>
<tr>
<td>3</td>
<td>M. Garh</td>
<td>80</td>
<td>23</td>
<td>32</td>
</tr>
<tr>
<td>4</td>
<td>Ambala</td>
<td>72</td>
<td>30</td>
<td>36</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>312</strong></td>
<td><strong>112</strong></td>
<td><strong>132</strong></td>
</tr>
</tbody>
</table>
in the family. On scrutiny, the responses of 360 were found correct for the purpose of analysis. It may be clarified that sample households/beneficiaries/consumers conveying the same meaning for our purpose have been used interchangeably in the text. Similarly, 231 dealers were selected from these areas and information were collected from them through questionnaire. Again, 200 questionnaires were found correct in all respect for the purpose of analysis. All the official agencies (FCI, HAFED, HWC, AGRO and CONFED) engaged in public distribution programme in Haryana were contacted personally and information were collected from 27 officials of these agencies. Table A-4 shows the details of the sample scheme adopted for the study\textsuperscript{14}.

(e) **Sample Media** : The respondents were approached personally to get the first hand information. Mail and telephone systems were also applied where ever it was found necessary and convenient to supplement the information.

(f) **Sample Design** : It was not possible in practice for an individual research work to approach all the items in the universe. We selected only a few items from the universe for the purpose of the study. The items so selected constitute our sample or the sample design. A sample design is a definite plan for obtaining a sample from a given population. Thus the plan to select districts, villages and then beneficiaries in a definite
way constitutes our sample design. Sample can be either probability sample or non-probability sample. We used both the techniques while making sample. The beneficiaries were selected on the basis of multi-stage random sampling with stratification at the final stage by taking income as the stratifying variable. The dealers were taken on the basis of systematic sampling procedure from the list of the dealers available in the Directorate of Food and Supply, Haryana. As to the agencies, the officials constitute sample, which were selected on random basis. However, awareness regarding PDS has been a substantial criterion even while making random sampling. Selected units, found ignorant on various aspects of PDS, were left out. The survey took nearly 7 months and was conducted during January to July, 1999.

(g) **Statistical Tools Used**: The role of statistical tool is important in analysing the data and drawing inferences therefrom. In order to derive the substantial results from the information collected through questionnaires, various statistical tools like percentages, averages, ranks have been used.

The information gathered from questionnaires from agencies, dealers, and consumers participating in the PDS were also further supplemented on the basis of discussion which researcher made with the persons concerned and scientific observations. This has made the data more authentic and reliable.
1.10 Chapterisation Scheme

In order to present this research work in a lucid way, the entire study has been divided into six chapters. The layout of these chapters is given hereunder:

Chapter-I is introductory in nature and has been divided into ten sub-parts which includes the origin and history of the PDS in India, needs for PDS, the PDS policy, PDS in Haryana, need of the study, objective of the study, scope and limitations and research methodology. It also discusses the rationale of conducting the present study in the state of Haryana. Chapter-II gives a brief review of literature. It is imperative to survey all probable literature so that researcher becomes well-conversant with the relevant researches and information in the field. Realising the significance of this aspect, we devoted sufficient time in locating and in reviewing the researches already undertaken in this and other similar related field. The purpose here is to get a synoptic and integrated view of the problem in order to fill up the gap and revamp the sluggish ongoing PDS programme in the state.

Chapter-III deals with the administrative and organisational aspects of the PDS. This chapter contains two parts. The first part is devoted to managerial and organisational aspects of the PDS including administrative
design and administrative frame-work at different levels. The second part is devoted to as to how targeting of the entire PDS is identified. It also discusses about the different agencies involved in the programme emphasising more on their policies. Chapter-IV brings out some operational aspects of the FPs. This chapter examines in detail the operational efficiency and the viability of the Fair Price Shops (FPS's) engaged in the distribution of PDS supplies both in the urban as well as rural areas of Haryana state. Various important variables relating to FPS's have been thoroughly examined and certain inferences have been drawn on various issues under investigation.

Chapter-V is devoted to the discussion on consumers who avail the facility under PDS. It brings out vividly the consumers to the centre stage. It examines the consumers' preferences for various issues in the PDS. The issue of ration cards, scale of ration, the location, the availability of the PDS supplies are among such important issues. The experiences, the complaints and grievances of consumers regarding the overall functioning of the PDS have also been incorporated and analysed in this chapter. Chapter-VI, the last chapter gives summary, conclusions and some workable suggestions for the smooth functioning of PDS. Towards the end of this research work, a comprehensive bibliography on the subject and some appendices have also been added.
1.11 Notes and References


5. Foodgrains Policy Committee, Sir T.N. Gegory as Chairman, 1943. The committee was to suggest suitable measure for securing maximum supply equitable distribution and proper control on prices of foodgrains.


7. Venugopal, K.R., "Deliverance from Hunger", The PDS in India, 1992, p. 82-83.


14. Only Accurate Questionnaires have been selected for the purpose of analysis and inaccurate because of this reason or that, have been left out.

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