SUMMARY AND CONCLUSION
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INTRODUCTION

World has more food than is required for the nutritional well-being of its population of about six billions of people. However, large proportions of population are suffering from hunger and malnutrition. This is due to the disparities in the distribution. It is a pity to note that about 730 millions of people in world are under-nourished and a major proportion of them are living in developing countries.

India the second largest populated country in the world, has low income compared to world standards and the per capita availability of food grains is the lowest in the world. Bapna S.L. (1990) estimated about 66.12 per cent in urban areas and 51.73 per cent in rural areas are under-nourished considering an average requirement of 2,250 calories. According to Alternative Economic Survey, 1994-95 about 41.72 per cent of people in India are living under poverty line. Hence, several measures were taken by government by introducing novel schemes such as small Farm Development Agency, the marginal farmers Agriculture labour Agency, D.P.A.P., I.R.D.P., R.L.E.G.P., and Food for work. But all these programs did less to reduce malnutrition and poverty among the poor. In contrast to these programmes, the Public Distribution System (PDS) is
considered to be relatively more effective because it provides subsidized nutrition, makes food accessible to the poor.

**PDS IN INDIA**

The Public Distribution System through Fair price shops was first introduced in India in 1939 after the second world war. In 1942, when Bengal suffered from famine, this system turned into rationing system. The central and state governments are responsible for ensuring the smooth functioning of the Public Distribution System, while Food Corporation of India procures, stores and transports commodities to central godowns. The state governments lift them from these godowns and distribute them through network of Fair price shops. The main aim of PDS in India is to meet the basic requirements of the poor who are not in a position to purchase the essential commodities from the open market.

The major objectives of the PDS are:

1. To ensure remunerative prices to the farmer through efficient procurement system of foodgrains.
2. To improve the consumption level of the weaker sections of the society.
3. To safeguard the interest of the consumers and protect from excessive hike in the prices.
4. To provide remunerative price for the product
5. To maintain good quality at low cost
6. To render public services
7. To provide employment to the unemployed educated and
8. To avoid excessive inter-seasonal and inter-regional disparities in the prices.

EVOLUTION OF PDS

As a result of 1942 famine, the food position became much active by the end of 1942 and to meet the exigencies a comprehensive scheme of food grains distribution through price control and rationing internal procurate and planned movement were undertaken by the government and formed Advisory Committee for price regulation.

The first and the second price control conferences held in 1939 and 1940, no price rise for agriculture commodities was considered an incentive for the farmers on the grounds that the farm price level was lower in comparison to the prices of manufactured goods and that the farmers who suffered in the depression should get the advantage of the changed circumstances, but in the absence of restrictions on the movement and the supplies of food grains, their prices continued to rise. In the third price control conference, it was desired to control the prices of food grains. In the Fourth price control conference which was held in 1942, though discussion held on the pricing and supply conditions of food grains, no effective measure could be enforced due to peculiar constitutional frame work. Subsequently, in the fifth price control conference, it was realized that fixation of maximum price was not enough for food grains price control. In order to restrict movement of stocks dealers were to be licenced. Accordingly,
the Government of India promulgated rule 81-D under defense of rule. The sixth price control conference, a scheme for centralized purchase of food grains by a single agency was recommended to meet both civilian and defence needs. In December 1942, the Food Department was set up at the center and was entrusted with the responsibility of regulating prices procurement, movement and distribution of food grains on a centralized basis.

The second step in the growth of Public Distribution System in procurement of food grains in India, was the introduction of rationing during the war period. In late 1942, the Government of India had made tentative suggestions to the provincial governments to introduce rationing in the principle urban areas of their territory. The success of rationing in Bombay set the example, which was followed by the several provinces in India. In the mean time, the Government of India brought a British expert, Mr. Kirby, to advise the Government on the rationing administration in the country. He recommended a ten-point programme for the effective implementation of the rationing scheme, such as introduction of comprehensive rationing, legal sanction in enforcing control orders, a moderate buffer stock and an efficient administrative machinery to run the system. The Government of India accepted his suggestions in total.

Food Corporation of India was created in 1965, due to low production in 1970-80's which serve up's and down's in the production of food grains. As a
result, new Public Distribution Scheme was launched in July, 1979. The unique features of this scheme are:

1. Expansion of the Public Distribution particularly in rural areas to ensure that every village or a group of villages having a population of a 2,000 and above has a fair price shop in remote areas, the population coverage could even be 1000.

2. For strengthening the system, commodity coverage should be extended to edible oils and selected manufactured goods of mass consumption in addition to existing items like wheat, rice, coarse cloth, soft coke and kerosene.

3. Successful implementation of the scheme would depend upon the procurement and buffer stocking of the commodities by public agencies. For this purpose, stocking-cum-distribution centres will have to be located in each state/union territory. It would also be necessary to set up appropriate agencies for undertaking procurement and import to the extent required for buffer stocking.

4. In regard to certain manufactured articles, the Central Government would assist in the establishment of direct link between the manufacturers and the states and their approved agencies including co-operatives for distribution of such items. subsidies, if any should be confined to buffer stocking operations only and

5. Keeping the basic objectives of making essential commodities available to the vulnerable sections of society keeping in mind, special commodities have to be declared as the basic necessities and special care will be taken in their production and distribution.
Following the drought of 1987-88, the PDS was introduced in the minimum needs programme in 1987-88 to ensure that all the basic needs of the people were as an assured basis; but P.D.S. has been confined largely only to urban areas. More than half of the five lakh villages in the country lack Fair price shops. To eliminate this defect, the government gave emphasis to strengthen and streamline the Public Distribution System in order to improve its reach to the consumer living in areas of relative economic disadvantage. The Government introduced new Public Distribution Scheme named 'Revamped Public Distribution System', which is implemented initially in 1700 blocks, covered by the drought prone area programme, integrated Tribal Development projects, Desert Development Programme and certain designated hill areas. Then the government thought to target the Public Distribution System. Since there may be poor people in those areas not covered by the RPDS, so it introduced 'Targeted Public Distribution system'.

The Public Distribution System has three major components, viz, procurement, distribution and buffer stock. Procurements are done by both the central and state governments, but a major share of it is handled by the Food Corporation of India on behalf of the central Government and in some cases also for states. The implementation of Public Distribution System rests on both the state and central governments. The Ministry of civil supplies is responsible for
innumerable activities concerned directly with PDS. These activities include monitoring of procurements and supplying essential commodities administration of prevention of black marketing and maintenance of supplies of essential commodities. Several Departments also co-operate with the ministry for effective functioning of PDS. Those departments include Department of Food, Department of Civil Supplies, the Department of Petroleum, Food Corporation of India, State Trading Corporation of India, and The Coal India Limited. In the state, the Food and Civil Supplies Department is responsible for the implementation of P.D.S. through Fair price shops. The state has set up various organs such as vigilence cell to implement PDS effectively.

Andhra Pradesh is one of the states pursuing a vigorous Public Distribution Policy. PDS in A.P. is under the Department of Civil Supplies. This Department is needed by the Commissioner of Civil Supplies and he was carrying on the duties as an independent head of department. The PDS upto 1982 is urban oriented. Only after the introduction of Rs.2 a kg rice scheme the PDS has reached all the nooks and the corners of the state. And for effective implementation of P.D.S. Food Advisory Committees at various levels are established. With the introduction of subsidy rice scheme the Government decided to provide Rice at the rate of Rs.2 per kg. to all those families whose annual income was less than Rs.6,000/- initially, then the income limit is enhanced to Rs.11,000/- per Annum. And the Government has distributed two
kinds of cards to the people white cards to all those families whose annual income is less than Rs.11,000/- and also the following categories of families being landed property are also made eligible for white cards.

A. All those owning wet lands upto an extent of 1.50 acres under assured sources of irrigation.

B. All those owning wet lands upto 2.50 acres under canal and other sources of irrigation like tanks and wells.

C. All those owning upto 3 acres of dry lands which are fit for raising commercial crops like tobacco, chillies and

D. All those owning upto 5 a acres of dry land.

Families having green cards are supplied rice at Rs.2 per kg at the rate of 5 kgs per member regardless of whether such a member is a child or adult subject to a maximum of 25 kgs per family. The price of the rice and maximum quantity per family is changed from time. At present the price is Rs.3.50 per kg at the rate of 4 kgs per member subject to a maximum of 20 kgs per family is issued now. Thus in Andhra Pradesh lot of money was spent for implementing the subsidy rice scheme.

The implementation of subsidy rice scheme at district level was studied. For this purpose two types of schedules are developed: One for card holder and another for dealers and data are collected.

In the districts, District Supply Officer will be responsible for the implementation of subsidy rice scheme. He will be assisted with a number of
officers. He gives a list of allotments to the District Manager Civil Supplies. The District Manager on the basis of this list allocates stocks and Transports the stocks to Mandal level stockist points. From here the stocks will be door-delivered to the dealers at F.P.S. on the basis of the stocks allotted by Mandal Revenue Officer. The dealers at F.P.S. on the basis of the stocks allotted by Mandal revenue Officer. The dealers receive the stocks and enter it in the stock registers and Distribute them to the beneficiaries.

In Cuddapah district there are 5,63,068 households. Among them 4,15,848 households have white cards and 1,37,937 pink cards. And about 1577 Fair price shops are catering to their needs. In Proddatur mandal 32,142 households out of 46,562 have white cards and 11,832 households have pink cards. These households in Proddatur Mandal are catered by 124 Fair Price shops.

About 21 per cent of sample population belong to scheduled castes or tribes and 49 per cent belong to backward castes and 30 per cent belong to Forward castes. If we look into the family size of the beneficiaries the average family size in rural areas is 4.34 while in urban is 4.46. It was interesting to note the family size in urban areas is slightly higher than that of rural areas, however there is no difference in the family size. About 3.5 per cent of respondents belong to the income group of Rs.6,000 and less than that while about 80.5 per cent of respondents belong to the income group of 6,000-11,000 rupees. The remaining 16 per cent of respondents belong to Rs.11,000 and above income group.
Regarding getting a white card about 66 per cent of respondents did not face any problem while 6.5 per cent gave bribe to the officials, about 13 per cent made arrangements for recommendations and about 14.5 per cent got the cards very late due to red tape isum. It is widely accepted fact that the rice provided by the PDS is not sufficient for the beneficiaries. Hence, data are collected about the source of extra rice needed for their family. It was known that about 72 per cent of beneficiaries buy the extra rice needed in the open market. About 21 per cent are getting the extra rice from Agricultural work and the remaining 7 per cent from their own fields. About 9.7 per cent respondents buy 5 to 10 kgs of rice in the open market and 46.5 per cent buy 10 to 20 kgs of rice and the remaining 44 per cent buy 20 kgs and above in the open market about 35 per cent of beneficiaries buy the rice at Rs.7 per kg. thus just twice the price provided in the FPS. Around 27 per cent of respondents buy rice at the rate of Rs. 8 to 10 per kg. Around 25 per cent buy rice at the rate of Rs.10 to 12 per kg. The remaining 13 per cent buy rice at the rate of Rs.12 or more than that per kg. Thus, the poor are spending twice the amount spent for buying rice in the FPS to buy the same quality of rice in the open market. Not only rice but also other commodities like Kerosene, sugar, and wheat. In the study area about 89 per cent of rural and 95 per cent of urban buy sugar in the open market. Similarly 38 per cent of rural and 83 per cent urban buy Kerosene in open market at higher prices, 61 per cent of urban and a negligible per cent (6 per cent) of rural sample population buy wheat.
in the open market. And only 6 per cent of urban population buy other items like palmoline oil, redgram and the like in the open market.

In the opinion survey about 24.5 per cent of respondents expressed the quality of rice supplied through FPS is of good quality. About 40 per cent of rural population and 50 per cent of urban population expressed that measures in the FPS were not proper. In the study area it was observed that the FPS was opened only a week or 10 days in a month. About 78 per cent of rural sample told that their shop was opened for 7 days or less than that, and about 51 per cent of urban expressed their shop was opened only 10 days in a month.

Overall the maximum observed period is only ten or 12 days. Regarding the presence of stock boards in front of Fair price shop about 35 per cent in rural area and 68 per cent in urban areas stock boards are displayed in front of their FPS. And another 30 per cent in rural and 10 per cent of urban FPS displayed blank stock boards. About 15 per cent rural and 10 per cent urban expressed there is no stock board displayed in front of their shop. 20 per cent rural and 12 per cent Urban sample told they 'do not know' about the presence of stock boards. About 32 per cent of sample expressed women would function as a good dealer. About 48 per cent felt, men would function better and the remaining 20 per cent felt that others such as co-operatives, committees, sabhas function better as a dealer. In the study area, it was observed about 70 per cent of cases there was no change of dealers and in the remaining 30 per cent the reasons for the
change of dealership opined by beneficiaries, are in order in order is politics, reservations, administrative lapses and other irregularities like diverting the commodities to black market. It was observed about 56 per cent beneficiaries expressed that there was no pressure on their dealer. About 30 per cent each said that their dealer was getting pressures from politicians and officers other 24 per cent expressed their dealers were getting pressure from faction leaders. Regarding diverting the stocks to black market 31 per cent of rural sample and 30 per cent of urban sample expressed they did not know whether their dealers were diverting the stock. About 27 per cent in rural area and 37 per cent in urban area expressed their dealer was diverting the stock, while the remaining 42 per cent rural 38 per cent urban said that their dealer was not diverting the stock. Regarding the system of PDS 55 per cent rural 45 per cent urban told the present system was good followed by 35 per cent urban 15 per cent rural providing super markets better function and 20 per cent in rural 10 per cent in urban expressed PDS maintain by village sabhas would deliver the goods better. The remaining 10 per cent each expressed other systems like elected dealer, permanent employees deliver their duties effectively. For their improvement of the PDS regarding measures, opinion is surveyed from the sample about 40 per cent expressed provision of computer weighing machine to all FPS would do good. About 45 per cent suggested provision of pre-packed sachets would be good. The other 45 per cent suggested forming of measures control boards at village level would have been good. About 35 per cent expressed periodical check-ups by an
hierarchy of officials would do good regarding measurements. Overall 35 percent of respondents in the study area did not give their ideas. Regarding the overall betterment of PDS, the following suggestions were made by the sample consumer population.

- Providing more quantity of rice.
- Better quality of rice
- Supply of coarse grains
- More quality at enhanced price
- FPS should be open for more days and the like suggestions.

To know the perception of dealers on subsidised rice scheme, all dealers in the study area were interviewed and their views were noted. Among the interviewed dealers, four belong to forward caste, four to backward communities while two dealers to the schedule castes and tribes. Coming to the literacy, their literacy level is minimum. If we look into family annual income, the average family incomes of these dealers fall around Rs. 25,000 per annum. Out of this the income gained from FPS worked out to be around Rs.1250/- a month and each dealer on an average has 235 white cards 75 pink cards the total is 310 cards. It was observed that in the study area the dealers do not get any problem or pressure from political leaders and officials but in some cases there was pressure to issue more quantity of rice and sugar. Majority of them while talking informally admitted they were not getting the correct quantity of rice. They have
to pay tips for the coolies. Overall opinion of the dealers was that they were satisfied with the present system provided more allowance or salary paid.

To conclude, the PDS has passed through several phases in response to the growing needs and demands of the consumers. Given high income and price elasticities for staple food, particularly among the poorer households, food subsidies in all probability are likely to result in higher food consumption by the poor. This would have a positive effect on the nutritional status of either to the malnourished amongst the poor. The success of food subsidy policy with respect to food security objective would depend upon the extent to which household consumption depends upon these ration shops. Subsidised food system also acts as an anchor to domestic inflation thereby help the country to avoid social unrest and instability which lead to riots.

Impact of food subsidy on human capital formation and there by net return on it in terms of increased labour productivity. Hence such investments in supplementary feeding and health for the poor not only helped in providing a basic need improved health and nutrition for pre-school children and lactating mothers but it also contributed to increasing the long term productivity capacity of the poor. The quantity procured, the quality released to consumers through rationing, the quantum of buffer stocks and pricing have to be viewed in an integrated manner and choices have to be made to maximise welfare. The fixation of procurement price may affect producers incentives. Producers will get
loss if the procurement prices are lower than those of the market price. Price stabilization through buffer stock operation may enhance welfare but overstocking apart from creating pressure on budgetary resources, may adversely transfer the welfare from vulnerable sections to producers by running the open market price. As the quantity prescribed for each consumer in a fair price shop is not sufficient, he has no other option than to take recourse to the open market. The artificial scarcity of the goods in urgent demand in the controlled price shops, created by dishonest dealers in collusion with the corrupt officials and the emergence of black marketing there of defeated the very objective of the PDS. The most important measure of gauging the effectiveness of the PDS is the public opinion. It is, therefore, essential to educate people to generate awareness about the Government’s efforts in supplying some essential commodities through FPS.

The physical management of Public Distribution System includes issuing of the ration cards location of the shop, timely and smooth supply, weighing procedure, quality of goods and charging of prices.

About the issue of ration cards, some of the non-target groups also have ration cards. Regarding location, the location of fair price shops are fairly good when compared with other states. About the timely and smooth supply, it is found that they are far from being satisfactory. The quotas are neither supplied in time nor are planned properly. Sudden arrivals, and uncertainties about the
quality introduce an element of hastiness resulting in long queues and tensions in
the distribution. Even the working hours are not tailored to suit the needs of the
consumers. Application of certain principles of scientific management can avoid
many of these pitfalls in the management of the fair price shops.

With regard to the weighing procedures and quality of goods supplied, it
is reported that there are considerable unhealthy practices. The compliant of
under weighing the goods and standard nature of the goods is reported both from
rural and urban areas. In the present PDS every one has a ration card irrespective
of his income. Often rich people do not avail of subsidised commodities due to
either poor quality or prestige factor or inconvenience in queueing and waiting.
But their quota is generally procured from government by traders running FPS. It
is then diverted to the open market. In addition to the large scale unscientific
nature of distribution, there are a number of other distortions such as black
marketing of the essential commodities by the dealers and manipulations by a
few influential consumers.

SUGGESTIONS

PDS is to be viewed as an integrated functioning as between the different
facets – production, procurement, storage, transport, distribution and that all
steps required to promote that causes of PDS should be taken from time to time
by the government and the other authorities concerned, coordination committees.
The different authorities, may be constituted and be made effective to help the
situation. The staffing pattern of P.D.S. and their relationships seem to be unique in the name of avoiding all possible over heads on the A.P.S.E.C.C. Ltd. The staff has been drawn from the Revenue Department, the Civil Supplies Department, the A.P.S.E.S.C. Ltd. And also from the Police, Accounts and Statistics Departments mostly on deputations. The Public Distribution is not offering the specialisation of administrative functions and is not presenting calculability of results. The Public Distribution is not resting on expert training, a functional specialisation of work, an attitude of officialdom to activity and is not rationally ordered structure. The officials are not yet forged to the committee of functionaries, who are integrated into Mechanism.

The PDS must have direct dealings from the whole sale supplier to that of fair price shop to facilitate proper distribution. The PDS's job is to be tackled with a management orientation instead of administrative and beauracratric approach. It is high time that the PDS was out of the hands of the Revenue Administration suitable modifications in the relevent government orders and the legislations are to be taken upto free the PDS from the red tape routine approach and the confusion and lack of coordination now faced in the wheels within the wheels as between the staff of Revenue Department, A.P.E.C.C. Ltd, A.P.S.C.S.C. Ltd. And the civil supplies Department. The staff and secretariat and at the corporation meant for PDS are to be strengthened. The secretariat will be confined to policy making and enforcement there of.
The Fair price shops are to be supplied the quantity and frequency at which they desire the essential commodities at their door-step. At best the quantum of offtake can be increased and to that extent the frequency of supplies can be reduced by providing credit linkage and storage facilities to the fair price shop dealer. This may be considered a promotion of retailing and the same will bring down the pressure on the shortage and buffer stocks, to be maintained at the taluq level. The fair price shops should be given credit facilities as warranted by the facilities to boost the sales. To avoid the malfunctioning of fair price shops it is advocated that PDS must run the fair price shop with its paid employees, preferably the unemployed educated and weaker sections.

To the needy consumers, a 'no stocks' response would sound very harsh. To improve availability. It may be ensured that fair price shop have a reserve of one month such a “looking up” has an economic cost. It would be better if such an arrangement managed without interest. In case it cannot be managed, credit may be arranged through a Bank. To improve customer service, fair price shops should accommodate the convenience of customers to the maximum possible extent including adherence to the regular timings. Despite instructions, prices of commodities are not displayed steps should be taken to ensure compliance and default should be viewed strictly.
The PDS must assess the demand conditions and draw a plan of consumption of the essential commodities. A tentative month-wise demand schedule should be taken up for coming year by calling for the estimated monthly sales from the fair price shops. The said estimates of fair price shops may be duly checked by the authorities concerned. So that, they can be taken as a real basis for the estimation of the demand. The aggregating of the said estimates of the fair price shops at the taluq and at the district level becomes the well-built basis for the PDS to arrive at the potential demand for commodities.

Though the PDS is a policy ingredient of wider horizons of planning and democracy, regular cost benefit analysis to be undertaken and the policy and social costs are to be identified so that the decision making can be confident of visualising and resolving the problems and bottlenecks. More assertions or exerting on the rank and file that PDS is to be run on commercial lines will not help the efficient functioning of the organization. It must be realised that the success of the PDS much depends on the information and reporting system and evaluation studies, which will help identify and redress the weaknesses and pitfalls of the system. Monitoring in the true sense for the present and with a forethought as to future can be installed only on the basis of good reporting and statistical base. The present plurality of control and confusion in coordination must be avoided through changes in the organizational structure. Strict enforcement of the essential commodities Act, vigilence and severe penalties is
needed to check the unfair practices and the evil of black marketing. But enough
to attract genuine traders and the jobless in place of the erring dealers and also
enlisting the consumers vigilence and co-operative is only the best and effective
way of checking the evil in the PDS.

There are wide spread complaints about the quality of food grains
supplied by the FCI. The fact that poorer groups accept lower quality stuff
because of the price differentials associated with but PDS should not make us
complacent about this. It will be helpful if the Civil Supplies Agencies which lift
stocks from the FCI are not only quality conscious, but are also assertive about it.
Consumer organisation too could play a helpful role as articulators.

The quantity of rice supplied to beneficiary households under the present
scheme is inadequate compared to their requirement. Further, on account of
unreasonably low ration price, the Government has to bear a heavy subsidy
burden. Therefore, to improve food security in the state and to reduce the subsidy
burden. The Government may consider alternative policies such as:

a. Providing additional quantities of rice comparatively at higher price or

b. Providing coarse grains at lower prices.

The gross margin to the fair price shop dealer is very low. So the
commission for dealers should be enhanced enumeration should be done
periodically at least once in four years and all bogus cards should be weeded out.
And functioning of fair price shops should be on regular basis and not be opened once or twice in a week. One man show should be abolished. Working hours of the shops should be fixed and conspicuously boards informing price and stock positions displayed prominently for public notice.

The Public Distribution System is a vital programme to ensure 'distributive justice' to the weaker sections of the community. However, the defective procurement, unscientific management, consumers' dissatisfaction, vested interest and many other issues like wrong classification of cards, and malpractice has rendered the programme less effective which is causing a widening gap between promise and performance of a crucial public policy. Hence, there should be co-ordination between production, procurement and distribution, and cooperation between consumers and dealers and dealers and government if public distribution system is to be effective and successful in serving the people at large and vulnerable sections in particular.