SUMMARY, CONCLUSIONS AND POLICY IMPLICATIONS

In this Chapter, summaries of the foregoing chapters and the broad conclusions emerged from the analysis have been furnished.

One of the major problems that independent India is faced with is the problem of providing minimum quantities of food, clothing and shelter to all. One of the ways of overcoming the first problem, namely, providing of food security to the poor at the household level is an issue of great importance for a developing country like India where millions of them suffer from persistent hunger and malnutrition. In India, primarily sketched with a high degree of inequality in income distribution, widespread poverty, unemployment, food insecurity, low purchasing power, malnutrition etc, are common. It is for this reason the concern for ensuring food security has been at the top of agenda for both Central and State governments, and also it has received a good deal of attention among the policy makers. Several measures have been undertaken to eradicate poverty for the benefit of people in general and weaker section is particular. One of such measures to provide food security at affordable prices to the below poverty line families, Government of India was introduced Targeted Public Distribution System (TPDS). The TPDS is an important instrument of policy aimed at reducing poverty through the mechanism of delivering minimum requirements of food grains at highly subsidised prices to the families of Below the Poverty Line (BPL).
The PDS provides rationed amounts of basic food items (rice, wheat and sugar) and other non food products (kerosene) at below market prices to consumers through a network of fair price shops disseminated over the country. India became self-sufficient in foodgrain production but the PDS had been criticized for its urban bias and its failure to serve effectively the poorer sections of the population. Since June 1997, PDS turned into the Targeted Public Distribution System, the aim is to target the poorest household by differentiating the access quantities and prices at which one is allowed to buy. Those households below the poverty line (BPL households) are entitled with ration card that allows them to buy full allotted quantity at a higher subsidized price.

There is no existing research that attempts to analyse the impact of the Public Distribution System on the poor households. The researchers and experts have been conducted studies on PDS with different dimensions.

The brief review of literature highlighted a few issues, which prompted to take up the present work on PDS. The available literature in the field of PDS clearly indicate that most of the studies attempted to study the functioning of PDS system and to measure its cost of operation and subsidy given to PDS and also administrative costs involved in this PDS system. Few studies on the PDS in India have been concerned with its inflationary consequences and its correlation with poverty. The regional variations in the supply of food grains through the PDS have been observed by few researchers. Few studies have attempted on efficiency and targeting of PDS. And more number of studies concentrated on the functioning of PDS with reference to Maharastra, Bihar and Jharkand states.
However, a large number of these studies are confined to the northern regions of the country. This clearly helps to find the research gap in this field and establishes the fact that there has been no systematic study conducted to assess the impact of PDS on food security of the poor in India.

Further, due to the lack of detailed information and studies at micro level, the study has been undertaken. Thus, it is obvious that a comprehensive study on the system of public distribution and its related issues at the household level is required. The TPDS is precisely targeted toward the poor and it should aim to greater impact among the poor than others. Therefore, the study has been conducted on ‘Impact of Public Distribution System on Food Security among Poor in Karnataka’, for an in-depth analysis. The study of this kind would be highly useful for Karnataka by considering possible policy support.

The study has been undertaken with the objectives to analyse the status of food security and functioning of PDS at macro level; to study the socio-economic characteristics of BPL sample households; to examine physical and economic access of food grains through PDS to the poor at household level; to quantify the poor who are buying food grains in Fair Price Shops at BPL prices; To study the impact of PDS on poor in food security at household level and to examine the functioning and effectiveness of PDS in the study area. To study these, Chamarajanagar district has been selected from southern part of Karnataka. For an in-depth study, a multi-stage stratified sampling technique was employed for selection of the sample households to meet the objectives of the study. The sampling process consisted of three stages viz., at the first stage district, taluka/block were in the second and the sample households, who are the BPL ration card
holders have been selected ultimately at the third stage. A sample of 250 each from rural and urban areas, thus total sample of 500 BPL households has been selected with representation of all the taluks.

The data from primary and secondary sources were used to accomplish the set objectives of the research endeavour. The statistical techniques of frequencies, weighted averages, cross tabs and compound growth rates were used to analyse the data as per the objectives of the study.

7.1 Main Findings of the Study

The important conclusions that emerge from the study are presented below:

7.1.1 Conclusions from the Secondary Data Analysis

The production of food grains has increased from 51 million tonnes in 1950–51 to 212 million tonnes in 2006–07. The area under the production of food grains was 124.07 million ha and the overall production of food grains was 211.78 million tonnes in 2006-07, an increase of 4.2 per cent over 2005-06. The increase in production in 2006-07 was largely because of higher production of wheat by 6.5 million tonnes (9.3 per cent) and of pulses by 0.8 million tonnes (6 per cent). India almost became self-sufficient in food grains and there were hardly any imports during 1976-77 to 2005-06, except occasionally. The analysis of secondary data revealed that the rate of growth of food grains production, however, decelerated to 1.2 per cent during 1990-2007.
According to secondary sources, the consumption of cereals declined from a peak of 468 grams per capita per day in 1990-91 to 412 grams per capita per day in 2005-06 and indicating a decline of 13 per cent during this period. The consumption of pulses declined from 42 grams per capita per day (72 grams in 1956-57) to 33 grams per capita per day during the same period. The overall results indicates that the per capita production of both cereals and pulses have been declining since 2000 onwards. This could pose a serious threat to food security as the country identifies its food security with food grain security.

As per the latest NSS 61st round survey, 81 per cent of the rural and 67 per cent of the urban households in the country as a whole had ration cards in 2004-05. BPL cards were held by 26.5% of rural households and 10.5% of urban households. Antyodaya card holders formed less than 3% of rural households and less than 1% of urban households.

The study found that Karnataka has a wide network of public distribution service with 20543 fair price shops both in rural (14770) and urban (5773) areas as on March 2007. There are 1.20 crore ration card holders in the State, of which 55.21 lakh and 52.79 lakh were BPL and APL, respectively. Nearly 1.18 lakh families had the Antyodaya cards in the State. The responsibility of distributing essential food grains is placed with the department of food and civil supplies and its functioning is monitored by two organisations .Viz. The Directorate of food and civil supplies and the Karnataka state food and civil supplies corporation.
The secondary data clearly indicates that more than 98 per cent of the fair price shops are running by cooperatives and private authorized agencies under the control of government of Karnataka. In respect of Kerosene, the authorisation is issued to firms and individuals who have been appointed as agents of the oil companies.

7.1.2 Summaries of the Primary Data Analysis

The data has been collected from the 500 sample households represent different social groups of the BPL card holders in Chamarajanagar district. The primary data reveals that in the urban area 36.8 percent BPL families are belonging Scheduled Castes (SCs), 19.6 are Schedule Tribes (STs) and 43.6 belong to other castes. Similarly, in rural areas 42.8 percent Scheduled castes, 8.8 percent Scheduled tribes and 48.4 percent in all other castes households belong to BPL category in the study area. The SCs and STs together constitute 54 percent (270) and belong to other castes represents 46 percent (230).

It was found that the overall illiteracy rate of BPL card holders in the total sample was 84.2 per cent and it ranged between 82.8 per cent among urban and 85.6 percent in rural BPL card holders. The rate of Illiteracy are more among SCs (88.9 per cent) and STs (87.3 per cent) when compares to others (79.1 per cent).

Most of the households in the study area are landless and those who are having small piece of land consider themselves as landless as the returns from the land are insignificant. Among SCs, only 12.6 percent of them have land resources, it is 2.8 percent for scheduled tribes and 11.7 percent for others and only 10.8 percent of total BPL families have land ownership in the study area. 87.4 percent of scheduled castes, 97.2 percent of
scheduled tribes and 89.2 percent of other social groups do not have land resources or ownership in the study area.

The 33.6 percentage of BPL families do not own houses in the study area. An overall, 66.4 per cent of the BPL card holders owns houses and remaining are houseless. It has been observed that the housing condition of the sample BPL families in the study area is very poor. Even though, those who own houses, those conditions of houses (builted with mud walls) are not in good shape and is in collapsing stage.

It has been observed that the possession of household assets among BPL families in the study area is very poor. All the scheduled caste and scheduled tribes do not posses any valuable assets, even among other social groups are having the same condition in the study area. Value of the assets that BPL families own in the study area is not worthy also in terms of quality. In brief, most of the BPL ration card families are lack in the ownership of household assets due to poverty and they deprived in the society.

The data on average annual income of the sample households found, around 54 percent of the BPL households had the income under the limit of Rs. 1500 per month, whereas 39 percent of the households had the income ranging between Rs. 1501 to Rs. 3000 and just 6.2 percent of the households had the monthly income Rs. 3001 and above.

There are three types of ration cards under PDS issued to the BPL families in the study area of Chamarajanagar district. The three types of cards are namely Akshaya, Annapoorna and Anthyodaya. The rice, wheat, sugar and kerosene are the major items are distributing by FPSs under PDS to their respective ration card holders in the study area.
It is evident from the field investigation that the percentage of household income spent on PDS foodgrains across rural and urban BPL card holders found less than 20 percent.

It is clear from the study that the main access to foodgrains is from open market than PDS sources for BPL or poor families in the study area. More than 80 percent of the BPL families spend up to 60 percent of their household income on foodgrains, which are purchased from open market and all most all social groups were spend higher percentage of income for foodgrains purchase from open market and the varying prices in the open market will impact the BPL families capacity to buy from open market compared to PDS.

Along with PDS, the BPL card families are depended on open market for food grains. It can be concluded that across all social groups of BPL families are not depending on PDS alone and it has very little impact (beyond 15 percent and their food security through this PDS) on poor in food security.

The average quantity of foodgrains such as rice and wheat purchased by BPL card hold families from PDS sources in the study area found to be 14.40 and 2.95 kgs, respectively. The average quantity of sugar purchased by each BPL card family was nearly 0.75 kg and kerosene (4.42 litres). The rural BPL card families were purchased more quantity of foodgrains than urban BPL card families. In case of quantity of sugar and kerosene purchased by urban BPL card families are higher than the rural BPL card families. There is no much difference across social groups in this regard.
It has been found that the average price for PDS grains of rice and wheat per kg paid by the ration card holders was Rs. 3.09 and Rs. 3.08, respectively.

Majority of the respondents have reported that apart from PDS grains they will buy the required foodgrains in an open market also on daily or weekly basis. The major open markets for the BPL families in the study area are petty shops, small provisional stores and weekly markets.

The field investigation showed that the requirement of rice and wheat, on average per household was 34.95 and 7.49 kgs, respectively. The percentage gap between requirement and that supplied by the PDS sources per household per month is around 60 percent for both the commodities.

While market price is higher than the PDS price the BPL households are largely depending on open market to buy the more quantity of major commodities. Most of the households have reported that at the time of ration available in the FPSs, they are unable to buy full quota of ration due to financial constraints/ lack of purchasing power.

It is evident from the field investigation that the respondents are satisfied with the location of FPS situated in both urban and rural areas. Of the total sample (500), 74 percent of the households have reported that the FPS was situated in their own village, 26 percent of the households reported that the FPS is situated outside the village. Among 26 percent of households, most of the households were of the view that the FPS is situated in the range of one to three kilometers and walking is major mode in order to reach the FPS.
Regarding the timings of FPSs, the urban BPL card holders are very happy with the working hours of the functioning of FPS than rural BPL card holders.

It has been observed that the economic status of the majority of the sample households in the study area was very poor. The poverty, low purchasing power, landlessness and without basic assets are the major problems faced by the sample households in both urban and rural areas. The condition of housing was found pathetically in a poor shape among the sample households.

**7.2 Policy Implications**

Based on the analysis done and discussion of the results, the following policy implications are drawn. The important policy suggestions emerging out of the study are as follows:

In view of the severity of poverty and lack of adequate purchasing power of the BPL ration card holders in the study area, it is advisable that the doors of FPSs should remain open for longer duration for each quota to buy full quota of ration.

Government should try to evolve a system by providing credit facilities or provision of installments to the down trodden class (particularly, Akshaya, Annapoorna and Anthyodaya ration card holders) of families. It was observed that many sample households could not buy the full quota of ration items due to lack of purchasing power. Therefore, the government should raise the purchasing power capacity among the BPL cardholders by effectively linking with schemes of employment generation.
The government should take measures to distribute adequate foodgrains through FPSs under PDS is very essential to make its more effective and to avoid dependency of poor families on open market. Few respondents were complained the poor quality of ration items being supplied by FPS. Therefore, the government should ensure the good quality of ration items, particularly rice and wheat supplied through FPS.

The percentage gap between requirement and that supplied by the PDS sources per household per month is around 60 percent. Hence, more than universalisation of PDS, the policy emphasis should be on rendering the PDS fairly pro BPL families, which hamper poor households’ willingness and ability to purchase from the PDS. Therefore, food policy has take into account BPL families requirement before fixing quantity to be supplied to them through PDS on the one hand, and linking these families directly with national employment guarantee programme on other hand. This is very much necessary to ensure food security to BPL and poor families, because it leads to income increases in turn their purchasing power substantially so that BPL families will have a access to reasonable supply of food at lower prices.