CHAPTER-1
INTRODUCTION

India is a welfare State and the important function of a welfare State is to provide food security alongwith other welfare oriented and developmental economic activities. For developing countries like India food security is essential because of high degree of skewed distribution of income, high prices, high density of population, cropping pattern of different States etc. So, there is a need of a programme such as 'Public Distribution System', which can help the government in providing food security.

Public Distribution System, which is popularly known as PDS, is an important and integral part of national demand and supply management of essential commodities. It is a tool of macro economic management, which helps in maintaining equilibrium between demand and supply of essential goods particularly in times of shortages and also helps in arresting inflationary pressure in the economy. Since PDS is based on the doctrine of “Distributive Social Justice”, therefore essential commodities are distributed through it to the specific targeted group of population on a preferential basis at fair prices. The concept of PDS was originated during the period of Second World War as a crisis management technique to overcome the problem of shortages and to distribute the available quantities of essential goods to all at reasonable prices. But now it has become a permanent feature of modern welfare States1.

The Public Distribution System has now become an essential component of the Indian economic policy. PDS in India has assumed a great significance in recent years due to shortage of essential commodities, their rising prices and the declining purchasing power of the people especially of the vulnerable section of society. Government intervention and active participation in distribution system has become inevitable in a State like India where welfare of common people is the main objective of the government.2

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2 Ibid.
The government is also very keen to regulate the supply of essential commodities so as to regulate their quality and prices in the larger interest of the masses to achieve the goal of 'greatest good of the greatest number'.

1.1 The Public Distribution System (PDS)

Generally, the concept of PDS in India denotes a system of voluntary rationing supervised and regulated by the State to check inflationary, spiral in the economy and to ensure regular and adequate supply of essential commodities at reasonable prices to the weaker section of the society.

We can make it clearer to understand the concept of PDS in India by studying the PDS in accordance with various scholar of this field. The views of a few scholars are as follows:

Public Distribution Systems in India are retailing system supervised and guided by the State. PDS have been and continue to be, important instrument of government policy to meet the basic consumption needs of large segments of the population.

The PDS has assigned a significant role to play in bringing an efficient and equitable distribution of the available supplies of foodgrains at reasonable price. PDS is providing a protective umbrella to the vulnerable section of the society by distributing grains at concessional prices through a network of FPSs.

PDS is meant for streamlining the distribution of foodgrains and other commodities to the consumers at reasonable prices. The main purpose of the Public Distribution System is to act as a price support programme for consumers during the period of food shortage.

Over the years, the concept of PDS has evolved as a major policy instrument to (i) reach essential commodities to the people, particularly the weaker section of

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3 Ibid.
5 Ibid.
the society, on an assured and regular basis at reasonable prices; (ii) work as an effective anti inflationary measure; and (iii) make significant contribution in raising the nutritional standard of the poor.  

The public distribution is a direct State intervention in the national distribution system of goods. This is based on the free forces of the market mechanism. PDS by its very nature encompasses generally the items of mass consumption such as foodgrains, sugar, kerosene, edible oils and everyday other essential goods of common use. In a different economic sense PDS can be defined as “an equitable distribution of essential commodities at reasonable prices determined by the public authorities by intervening in the market for fulfilling the time and place utilities.”

Thus, the basic objective of the strategy of PDS in India, as in any other developing mixed economy, is to supply foodgrains and other essential commodities to the poor and vulnerable sections at fair prices, the strategy has been to effect the distribution of foodgrains and other essential commodities through a system of partial rationing. This is done through fair price shops at a price lower than those ruling in the open market.

1.2 Evolution of PDS in India

The today’s Public Distribution System is a result of a long process of ‘Rationing System’ in the country. The time-to-time food shortage (due to natural calamities or man made), prices imbalance of basic commodities and many other factors made it the need of present. Here we will briefly study the evolution of PDS.

The primary impetus for the growth of PDS in India has been shortages of essential commodities from time to time. Evolution of public distribution of grains in India had its origin in the ‘rationing’ system introduced by the British during the World War II. In view of the fact that the rationing system and its successor, the PDS has played an important role in attaining higher level of the household food

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security and completely eliminating the threats of famines from the face of the country.\textsuperscript{11}

It was really the generation of world war's own compulsions that forced the then British government to introduce the first structured public distribution of cereals in India through the rationing system, sale of a fixed quantity of ration (rice or wheat) to entitled families (ration card holders) in specified cities/towns. The system was started in 1939 in Bombay and subsequently extended to other cities and towns. The end of 1943 had brought 13 cities brought under the coverage of rationing and by 1946, as many as 771 cities/towns were covered. Some rural areas, suffering from chronic shortage were also covered. The department of food under the government of India was created in 1942, which helped in food matters getting the serious attention of the government. When the war ended, India, like many other countries, decided to abolish the rationing system, this was in 1943. However, on attaining independence, India was forced to reintroduce it in 1950 in the face of renewed inflationary pressures in the economy immediately after independence, which were accentuated by the already prevailing high global prices of foodgrains at the end of the war, which were around four times, higher than the pre-war prices.

Public distribution of foodgrains was retained as a deliberate social policy by India, when it embarked on the path of a planned economic development in 1951. It was, in fact, an important component of the policy of growth with justice. In the first five-year plan, the system, which was essentially urban based till then, was extended to all such rural areas, which suffered from chronic food shortages. It was also decided to have two variations of the system Statutory Rationing Areas, where foodgrains availability was supposed to be only through the ration shops and Non-Statutory Rationing Areas, where such shops would only supplement the open market availability.\textsuperscript{12}

In 1956, the US government under PL-480 agreed to supply 3.1 million tones of wheat and 0.19 million tones of rice for the next three years. This compelled the

\textsuperscript{11} www.fao.org/docrep/x0172e/x0172e06.htm-33k
\textsuperscript{12} Ibid.
The system of rationing was continued during the post 1960 period. The war with China in 1962 and with Pakistan in 1965 during the third plan period followed by unprecedented drought in 1965-66 and 1966-67, created the conditions of shortages in foodgrains resulting an enormous rise in the prices of essential commodities. The decision of State trading in foodgrains, which was taken in April 1959, was implemented during the third plan period to meet the supply gap of foodgrains. For this the “Food Corporation of India” was established in 1964-65 with the objective of building up a buffer-stock of about five million tones mainly through internal procurement. But due to two consecutive big droughts the scheme of procurement could not be operationalised. The name of the scheme of “Fair price shops” for the distribution of essential commodities was changed into “Public Distribution System” though the role and organization remained unchanged. It still remained an “adduct” scheme with no clear role defined on a permanent basis.\(^{13}\)

PDS was continue to its way with several ups and downs, when on 1\(^{st}\) July, 1979, the National Production Cum-Distribution Scheme (NPCDS) was launched on a massive scale to procure and distribute thirteen essential commodities. This scheme of NPCDS is a major landmark in the evolution and development of PDS in India.

It is very comprehensive scheme, which seeks to increase production and ensure the distribution of essential items. The co-operative organizations, at the national and State level, are vital instruments in the implementation of the various facets of the scheme. This scheme covers production procurement, storage and

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transportation. For the first time a vital link has been established between production, procurement and distribution. Unlike the earlier scheme of PDS, the main purpose of this scheme is to insure easy availability of the daily necessities, which do not find a place in the local grocer's shelf due to faulty distribution.

The main features of NPCDS which continues to be in operation are as fellows:

(a) Adequate coverage of the rural areas including the tribal belts.

(b) Extension of commodity coverage to edible oil and selected manufactured goods of mass consumption.

(c) Procurement and buffer stocking of the identified commodities by the public agencies.

(d) Assistance of central government in the establishment of direct link between the manufacturers and the States and their approved agencies including co-operatives for distribution of such items;

(e) Encouragement of public participation in the form of consumer councils.

Thus, NPCDS is a vital programme of the government of India with the objective of supplying foodgrains and other essential commodities to the general public at reasonable prices.14

Thereafter, in 1991, a major change came in the path of PDS. In 1991, first time in PDS history, Food Ministry of government of India had decided to have done an evaluation survey of the very programme. The survey had pointed out that the existing distribution system was failed in achieving its objectives. The PDS was found imbalanced and irregular among various classed and regions. For example, there was no relation between the supply, made under PDS and the poor population of any State. Not only this, the distribution made through FPSs was also insufficient, irregular and of poor quality. So, once again, the need to amend/reform the PDS was emerged.15

PDS was reorganized in direction to make it more effective and beneficial to the needy, by Central government in 1992. This amended PDS was given a new name ‘Revamped PDS.’ The new distribution system was of wide working/covering area and free from previous faults. The PDS was enlarged to more needy and the poor section of the society. 5200 blocks, selected by State governments, were targeted to cover under PDS effectively.  

The Prime Minister Shri P.V. Narsimha Rao formally launched the new PDS on 1st January 1992 at Barmer (Rajasthan). The new PDS was implemented with a view to provide relief to the poor people of desert, hilly, drought prone and adivasi areas of the country. It was targeted that 11,000 additional FPSs will be opened in these particular areas to serve 16.11 crore poor population. Under the RPDS, 24 lac New ration cards with be issued to the persons belonging to these 5200 blocks and for proper monitoring of the distribution of the consumer goods, vigilance committees will be formed at village level.  

But, distribution system was failed in achieving its targets, to provide a balanced and controlled distribution and to maintain food security of the poor section of the society. Again in 1997, the PDS was reformed, in accordance with the needs and necessities of the time and situation. Now the PDS has been given the new name as, ‘Targeted Public Distribution System’.

1.3 Targeted Public Distribution System

PDS as it stood earlier, was viewed as having failed to serve the population below the poverty line, due to its perceived urban bias, negligible coverage in the States with the highest concentration of the rural poor and lack of transparent and accountable arrangements for delivery. Realising this, the government streamlined the PDS by issuing special cards to families, Below Poverty Line (BPL) and providing foodgrain to them at special subsidized prices, with effect from June, 1997. Under the TPDS, the States are required to formulate and implement foolproof arrangements for identification of the poors, for delivery of foodgrains to FPSs and for its distribution in the transparent and accountable manner at the FPSs level.  

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17 Ibid.  
The scheme when introduced was intended to benefit about 6 crore poor families for whom a quantity of about 72 lakh tones of foodgrains was earmarked annually. The identification of poor under the scheme has been done by the States as per State-wise poverty estimates of Planning Commission based on the methodology of the “Expert Group on estimation of proportion and number of poor” chaired by the Late Prof. Lakdawala. The allocation of foodgrains to the States/UTs was made on the basis of average consumption in the past, i.e., average annual off-take of foodgrains under PDS during the past ten years. The quantum of foodgrains in excess of the requirement of BPL families @ 10 kg per family per month was provided to the States as transitory allocation for which a quantum of 103 lakh tones of foodgrains was earmarked annually. Keeping in view the consensus of increasing the allocation of foodgrain to BPL families from 10 kg to 20 kg per family per month at 50 percent of economic cost and allocation to APL at economic cost w.e.f. April 1, 2000. The allocation for APL was retained at the same level as at the time of introduction of TPDS. The allocation for BPL families was increased by shifting the population base to the population projection of the Registrar General as on March 1, 2000 instead of the earlier base of 1995. The scale of issue of the BPL families was further increased from 20 kg to 25 kg per family per month with effect from July, 2001 and to 35 kg per family per month with effect from April, 2002. The scale of issue under the APL category has also been fixed at 35 kg per family per month with effect from April 1, 2002.\textsuperscript{19}

The end retail price is fixed by the States/UTs after taking into account margins for wholesalers/retailers, transportation charges, local taxes etc. Under TPDS, the States were required to issue foodgrains at a margin of not more than 50 paise per kg over and above the CIP for BPL families. Flexibility to States/UTs has been given in fixing the retail issue prices by removing the restriction of 50 paise per kg over and above the CIP for distribution of foodgrains under TPDS except in case of Antyodaya Anna Yojana where the end retail price is to be retained at Rs. 2 a kg for wheat and Rs. 3 a kg for rice\textsuperscript{20}.  

\textsuperscript{19} Ibid.  
\textsuperscript{20} Ibid.
At present, TPDS is serving 6.52 crores of BPL families (which includes 2.5 crore households of AAY) through a network of 4.89 lakh FPSs in all over India. Under the scheme, the essential commodities (like: wheat mainly and rice, sugar, kerosene oil etc.) are distributed to these BPL families at special subsidised prices.21

1.4 TPDS in Haryana

At the time of creation of Haryana (November 1, 1966), PDS was of a very small size having 1518 fair price shops (988 in Rural areas and 530 in the urban areas) catering to about 15 lac ration card holders. However, with the passage of time it has expanded to almost every nook and corner of the State. It has been reorganized and streamlined from time to time to accommodate human needs.

The TPDS was announced to be launched by Union government on the Republic Day, 1997. The Scheme was, however, implemented all over the country in June 1, 1997, though in Haryana it was given effect to in May 1, 1997, ahead of others.22

The State government has decided to cover schedule caste and other BPL families having yellow cards under this scheme and 35 kg. foodgrains at subsidized rate per family per month as per scale of foodgrain fixed by the Government of India are issued. Foodgrains are distributed in grain/atta form through fair price shops/depots. At present, wheat, kerosene oil and levy sugar are distributed through FPSs. Addition/deletion in the commodities is made according to the circumstances.23

TPDS in the State is working through a network of 9533 (2676 in urban areas and 6857 in rural areas) FPSs. There are 24538447 beneficiaries under TPDS in the State, among them 20492826 are Above Poverty Line (APL), 2642588 are Below Poverty Line (BPL) and 1403033 are Antyodaya Anna Yojna (AAY). The number of ration cards is 4463523 APL, 538276 BPL and 292196 AAY, total no. of ration cards in the State is 5293995. The State government has issued special ration cards

22 Office Record, Directorate, Department of Food and Supply, Government of Haryana, Chandigarh, as on 31.7.2002.
of special colour (Green, Yellow and Pink) to the AAY, BPL and AAY respectively.24

1.5 The Study Area and TPDS

TPDS is working in Rohtak district since it was launched in Haryana in May, 1997. At present, TPDS is serving 188506 APL, 29722 BPL and 12695 AAY families in the district. The number of FPSs in the district is 277 (203 in rural area and 74 in urban area). There are three items only (wheat, sugar and kerosene oil) distributed through TPDS in the district. 35 kgm of foodgrain (only wheat, no rice and atta) per card, per month is distributed at the rate of Rs. 6.86 per kg. to APL, 4.84 to BPL and Rs. 2.10 per kgm to AAY. Other commodities distributed are sugar (3 kg per card) at a rate of Rs. 13.50 per kg. and kerosene oil (11 liters to BPL and AAY family and 3 liters to APL family) at a rate Rs. 8.96 to 9.77 per liter. State government defines prices, quantity and quality of these commodities. At district level, distribution system is controlled by District Food and Supply Controller, who maintains a check on the working of FPSs in the district and sends a monthly report about distribution, made in district to Director, Food and Supply.25

Thus, TPDS, with its focus on the poor is a step towards ensuring availability of food for the poor households. But a few research studies, news paper accounts and finally some tabulations from the latest round of the National Sample Survey has pointed out that implementation of TPDS is faulty at distribution level. Hence, the particular topic is selected by the researcher to search out the problems in the way of implementation of TPDS.

1.6 Review of Literature

Books:

Dholkia, Nikhilesh and Khurana, Rakesh26 (1979), this book alongwith an introductory note, a mix of policy perspectives, managerial insights, empirically evaluative studies and conceptual approaches pertaining to PDS have been brought together. The book has 17 articles based on evolution, evaluation and different

24 http://haryanafood.nic.in/profile_distribution.html (as on 31.3.2008).
25 Office Record, District Food and Supply Controller, Rohtak, as on 31.12.2007.
aspects of PDS in India. The performance of PDS in various States like: Gujarat, Maharashtra, Andhra Pradesh and Kerela, etc. is examined, the problems of working of PDS and irregularities and unsufficiencies of PDS are also studied by different scholars. This book, in total analysed that PDS is an important instrument of government policy to meet the basic consumption needs of large segments of the population.

Bora, P.M.\(^27\) (1982) studied the food problem in regard to the management of foodgrain and essential commodities in Maharashtra. The study is based on relevant statistical information and attempts the background and history of food control and food administration in the State of Maharashtra and rational of State intervention in purchasing, storing and selling foodgrain and commodities like sugar, kerosene etc. Administrative organization for implementing the food policy of the government of Maharashtra is also defined. The study also highlights the need for people participation for the betterment of PDS and its success.

Mishra, Bhagbat\(^28\) (1985) studied the rationale and working of the Public Distribution System in foodgrain in Orissa. And assessed the economics of buffer stock and the role of the Food Corporation of India in Orissa for foodgrains price stabilization and an even flow in their supply. Moreover, he outlined the administrative ability of the State government to run the system of public distribution. It is concluded that the working of the PDS in Orissa is not well, the system has failed to meet the total rice requirements of the people in both urban and rural areas.

Narayanan, S.\(^29\) (1986) examined the Public Distribution System as operated through the fair price/ration shops in Kerala. The study is based upon published data and a variety of methods have been applied to persue various objectives. Performance of PDS is reviewed. The role of PDS in the correction of demand-supply gap is also examined. It is found that the PDS has been able to fulfill its objective only to a limited extent. Further, its objectives are not found to be quite in

\(^{27}\) P.M. Bora, *Food Administration in India*, Ajanta Publications, Delhi, 1982.


harmony with the present system of its operation. It is suggested that there is a need to formulate a viable and realistic operational policy for PDS, which can help the system to play its role successfully.

Venugopal, K.R.\(^{30}\) (1992) observed that in the present context of acute hunger, poverty and unemployment for millions of people in the country, food subsidy was both inevitable and essential and he further noted that the present undifferentiated, generalized urban oriented PDS needs proper adjustment to serve the poor. He emphasized the need for PDS to provide food security to the targeted people.

Jharwal, S.M.\(^{31}\) (1999), the study has a sharp focus on the theme of impact of PDS on the poorer section. For assessing the impact of PDS in rural areas and on the poor, all the major States have been covered; to capture the impact of PDS on prices the major beneficiary States have been considered. The study estimated the benefits reaching to rural areas and the poorer section in particular, both in physical and financial terms.

Krishnaji, N. and Krishnan, T.N.\(^ {32}\) (2000), this book has 10 articles on PDS in various States of India. With original contributions from eminent economists and planners, this book reviews India’s experience with PDS and addresses a number of questions about the working of the scheme and the policies associated with it. The success of the PDS in Kerela and Andhra Pradesh as well as its failure in the States like Rajasthan is critically examined. The contributors make various practical suggestions to help reform the PDS and thus enable it to fulfill its important welfare objectives.

Bishal Tripathi, Badri\(^ {33}\) (2001) covered the food problem before and after the independence of the nation. Food policy of the government is also analysed, through which various programmes are made for over coming the problem of food insecurity and low production of foodgrain. Reforms made in PDS are also discussed and role


of PDS in providing foodgrain and others essential commodities at very reasonable prices to the poor consumers is also outlined. Moreover, Targeted, Public Distribution System: is defined briefly, its features and objectives are also explained.

Ruddar Datt and Sundaram, K.P.M.\(^4\) (2002) describes the concept of food security and food self-sufficiency in India. They study the progress of foodgrain production, between 1950-51 and 1999-2000, which has increased from 50.8 million tones to 209 million tones, the State-wise area, production and yield of foodgrain in 1996-97 and Public Distribution System and its impact on poverty. They find out the decline in poverty as a result of PDS subsidies. The revised PDS, which is specially focused on the poor section of the country and foodgrain supply to these BPL families at very reasonable and highly subsidised prices, is also studied. Suggestions are made to reform the PDS.

Bhandari, I.K.\(^5\) (2002), thoroughly analyses the PDS in India taking as microscopic view. Various conceptual and operational aspects of PDS in regard to its implementation and monitoring are also discussed and critically analysed. Bhandari also highlights the role of Central and State government in administering and operating the PDS in the country. Working of PDS, its administrative and monitoring mechanism in Rajasthan is also analysed. It is concluded that PDS in not working sufficiently in Rajasthan. The author also furnishes many useful suggestions to improve the functioning of PDS at various levels.

Aggarwal, A.N.\(^6\) (2003) studied the causes of the problem of food security in India and suggests remedies. He reviewed the government's policy to control the food problem, and governments efforts such as- increase in supplies, reforms in distribution system, determination of minimum support prices, control on demand and to eradicate poverty etc. He traces the growth in production of foodgrain, due to successfully implementation of the food policy of the government. Aggarwal also examined the role of PDS as an anti-poverty programme, importance of PDS, its irregularities and unsufficiencies.

Mahendra Dev, et al.\textsuperscript{37} (2003), this book discusses food security in India in broad framework and addresses critical issues and emerging concerns on food security such as the demand for the supply of foodgrain in future; policy response to domestic reforms and globalisation; regional scenario and micro-level experiences and ongoing perspectives such as the working of the PDS, nutrition and right to food etc. It is analysed that food security has a number of dimensions that go beyond supply and demand. Ultimately, the key question is that of the ability to access and effectively utilize food by all people, at all times, to lead a healthy life. And increased food prices, shrinkage of area under foodgrain and escalating food subsidy are studied as the major concerns with regard to food security.

Banerjee, Amalesh\textsuperscript{38} (2004) in this book food security and nutrition problems have been broadly examined in macro and micro frameworks by a number of scholars. This book has 31 articles on working and performance of PDS in various States of India. Different scholars of the book made State-specific, gender-specific and group-specific analysis of per capita food availability and the role of PDS. The present State of PDS among the APL and BPL population in different States, with particular reference to North-Eastern States has been examined on the basis of field study. Remedial measures for improvement of PDS have been suggested.

\textbf{Journals:}

Subharao, K.\textsuperscript{39} (1988) felt that barring Kerala and Gujarat the population below the poverty line, especially in the rural areas, did not benefit much from the combined operations of food procurement, buffer stocking and public distribution policies elsewhere in the country. He further opined that though the entire urban population undoubtedly benefited from the PDS, the network of PDS did not adequately cover the rural population, with the exception of Kerala and Gujrat and more recently Andhra Pradesh.

Mishra, Chandershekhar40 (1991) studied the PDS as affective machinery for providing the essential commodities and foodgrain to the weaker section of the society at affordable prices. He further studied the role of village cooperatives in public distribution. It is outlined that in 1989 there were 241671 fair price shops under PDS among which 64468 were operated by village cooperatives successfully. And it is suggested that the distribution system should be given to these cooperatives, because it is the demand of today and necessity also to control the corrupt practices by fair price shops holders.

Ahluwalia, Deepak41 (1991) emphasized that the food distribution was able to combat a drought much more effectively. In this sense, the distribution and not the production may have become more drought proof, as it was evident during the drought of 1987-88. Drawing large reserve stocks averted widespread food shortages. The PDS was able to deliver these stocks, in time, to the places where shortage occurred; therefore implementation of PDS needs to be attempted in a more systematic manner.

Dev and Suryanarayana42 (1991) revealed that PDS is not urban biased but pro-rural. Further, PDS has not favored the middle or richer groups. More or less all the population groups depended uniformly to the same extent on PDS with respect to all commodities in rural areas, even though there were slight variations. For urban India, the poor got slightly higher proportion of their total purchases from PDS than the rich for items like rice, sugar and edible oils. In the absence of a means test, the rich were getting about 20 to 50 percent of their total purchases from the PDS, particularly commodities such as rice and sugar.

Rao, V.M.43 (1992) commented that the PDS is an open for all facility rather than an arrangement designed only for the target groups. Some of the areas of concern regarding the operation of PDS which got highlighted are that the major beneficiaries of the procurement cum PDS policy are (a) farmers accounting for the

bulk of the marketable surplus i.e. medium and large farmers (b) urban areas particularly the larger cities receiving the major part of the distributed grains, (c) the expanding bureaucracy in the procurement and distribution operations.

Aggarwal, Ramesh44 (1992) viewed that the government of India has launched a new Public Distribution System in Badiadka district of Rajasthan in 14 January 1992, under which 1689 selected blocks from the desert and backward areas, and tribal and remote hill areas will be covered through 78829 existed and 11911 newly opened fair price shops. It is outlined that, under the new PDS, as per estimate, 16 crore 11 thousand people should benefited additionally. Moreover, the feature and objectives of this new Public Distribution System are also expressed.

Suryanarayana, M.H.45 (1995) made the suggestions for PDS reform based on commodity orientation stem largely from the general impression that (i) the commodity basket of the PDS is weighted in favour of commodities which figure prominently in the budgets of the middle and richer income groups and (ii) coarse cereals are consumed largely by the poor and hence an approach to ensure targeting would be to change the commodity composition of the PDS in favour of coarse food grain. He further examines the empirical bases for the suggestions for reform by reorienting the PDS commodity composition.

Shah, Amita46 (1997) this paper examines some of the more recent trends in production and demonstrates that the yield based growth in food production has taken place in most States including dry land regions, and that the shift from oilseeds to food grain production is essential for economic sustainability of dry land farming. She also stressed on the need of mix of PDS and employment guarantee programmes for food security.

Gadge, R.S.47 (2002) studied the PDS as a strategy to control prices, reduce fluctuations and equitable distribution of essential commodities at affordable prices.

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to BPL households through retail outlets. He further outlined the role of PDS in foodgrain deficit and surplus States in India. According to the study, States like Kerala, Gujrat, Maharashtra, Bihar etc. are highly deficit whereas Punjab, Haryana, Rajasthan, M.P. are highly surplus States. It is analysed that foodgrain production of rice, wheat and coarse cereal and pulses has increased from 1683.8 lakh tones in 1990-91 to 1961.3 lakh tones in 2000-01.

Mittal, Anant48 (2002) studied PDS as an instrument to establish social equality in a country like India and to fight against poverty, because, according to Mittal, through PDS it can be possible to provide food security to the poorer section of the society of a developmental country. He further studies the increasing food subsidy which has reached at 13670 crore in 2001-02.

Shankar, Kripa49 (2004) studied the Targeted Public Distribution System (TPDS) in a tribal area in south-eastern Uttar Pradesh and find out that the TPDS has not helped to provide food security to vulnerable households in the absence of assured regular income. And suggests that policy measures should be directed at providing income opportunities in these areas.

Bandhu Arya, Yogesh50 (2004) examined the food security in India in present as well as in future. He finds out that even after having sufficient foodgrain production, due to failure of distribution system, the problem of food security is still prevailed in India. He also highlights other factors responsible for this problem- such as population growth, unemployment, low per capita income and lack of advancement in the field of agriculture. Moreover he indicates that the problem of food security can be more serious in future. So essential efforts should be made in this direction.

Radhakrishna, R.51 (2005) studied the increasing level of malnutrition among the poor population of the society. It is pointed out that there is a need to moderate the trends from a nutritional perspective. This scholar also highlighted the

requirement of a range of food-for-work and other wage-employment programmes, 
where people are paid in part of full in foodgrains for working in public work. He 
said that these programmes could be helpful in raising the nutrition level of the poor 
class of society.

Chand, Ramesh\textsuperscript{52} (2005) examined government’s intervention in foodgrain 
markets meant primarily for promoting food security has reached a stage where 
consumers are being deprived of basic food, when a large proportion of the output is 
diverted from the market to government ware houses. High prices for grain paid to 
producers, completely ignoring demand-side factors and costs involved in building 
and holding grain stocks have put them out side the reach of consumers. Stocks are 
being liquidated by releasing them to private trade for export at a heavy discount. 
This implies a sort of taxation for domestic consumers and provides a perverse 
incentive for private trade to withdraw from the primary market.

Chakeravarty, Sujoy and Dand, Sejal A.\textsuperscript{53} (2005) found 73.66 percent sample 
of their study food insecure in six months of a year, in rural Gujarat. They criticized 
the system by saying that all this is due to the faulty managed public distribution and 
high-level biasness in estimating, identifying and issuing the ration cards to families 
below poverty line in this particular area. They suggest that the inefficiency and 
corruption should be controlled and more effective reforms should be made to make 
TPDS more helpful to the vulnerable section of the society.

Krishnaraj, Maithreyi\textsuperscript{54} (2005) studied that food security is contingent on 
three parameters – availability, accessibility and affordability. While availability and 
accessibility relate to production and distribution, the questions of affordability is 
linked to concept of ‘endowment’ and ‘exchange entitlement’ that is the resources at 
one’s disposal that determines one’s capacity to buy food. The paper deals precisely 
with this problem of endowment and exchange entitlement, especially with regard to 
women. It seeks to draw attention to the resources, mainly employment, available to 
women for procuring food.

\textsuperscript{53} Sujoy Chakravarty and Sejal A. Dand, “Food Insecurity in Gujrat: A Study of Two Rural 
Raghavan, M.55 (2006) evaluated the government’s decision of importing wheat to maintain food security and balancing the low procurement and falling stocks in the current year. He also discussed the skepticism expressed by several observers about the explanations given by the government for the largest ever wheat import in a single year so far. It is said that India’s history of wheat imports had been guided more by political considerations than by food security concerns.

Articles in Newspapers:

Karat, Brinda56 (2003) criticized Indian food policy and Public Distribution System, on the basis of faulty identification of BPL families, biased policy of government in providing subsidy and corrupt distribution system. It is pointed out that ‘if the government is serious about dealing with the problem of the PDS, it will have to give up the targeted system and adopt a universal system so as to ensure that no section of the population is deprived of food.

Sharma, Pravesh57 (2004) puts questions mark on the implementation of Public Distribution System. It is pointed out that PDS is serving over 220 million card-holders through a network of almost half a million fair-price shops, and the PDS, together with other food-based interventions, cost the country almost Rs. 17,500 crore in 2001-02, even after this, the problem of food security is the same, because of faulty operation of the PDS. Therefore, it is suggested that an universal approach should be adopted to improve the working of public distribution.

Kishwar, Madhu58 (2004) studied that the PDS is so corrupt and inefficient that no benefit reaches to the targeted section, because the bulk of food is pilfered by the ‘babus’ and sold in the market surreptitiously or damaged due to storage conditions. And it is of no concern to the Food Corporation of India (FCI), whether foodgrains reach their destination in time or in the right quantity. It is suggested that economic reforms should start with the dismantling of the PDS.

Singh, L.P.\textsuperscript{59} (2004) outlined the origin and growth of PDS in India. The purpose is to identify gray areas in its working and suggest appropriate remedial measures. He further suggests the strategies to make the PDS sustainable and more helpful to the targeted section of the society.

Firodia, Arun\textsuperscript{60} (2007) stresses on an urgent need to replace the inefficient, expensive and corruption ridden PDS. He advocates the strategy of ‘Food Stamps’. Arun says that these ‘Food Stamps’ should be given to the consumers directly, each food stamp would carry a subsidy of Rs. 5 per kg. And enable the poor consumers to buy food at any grocery shop. He further says that instead of spending Rs. 25800 crore on PDS, the Government should issue food stamps of equal amount. That would enable nearly 30 crore poor people to buy food at subsidised rates.

Karat, Brinda\textsuperscript{61} (2007) criticized the government for its faulty policies of low procurement, wheat import (which is guided by political considerations), privatization of foodgrains procurement and ‘Neo-liberals plan’ (The Neo-liberal in the government are hell bent on pushing the entire APL (Above Poverty line) population out of the PDS). It is argued that the PDS needs a drastic overhaul in order to strengthen it, not destruction through privatization and a whittling down of the food subsidy.

Sengupta, Arjun (2008)\textsuperscript{62} has concerned with rising prices of essential commodities and role of Reserve Bank of India is solving this challenge. He further suggests importing food products, subsidized them and revitalize the PDS to beat rising prices. It is stated that PDS can play an important role in controlling inflation.

Swaminathan, Madhura (2008)\textsuperscript{63} stated that the present system of public distribution is ignoring the needy section (food insecure section) of the society by the name of targeting it. It is said that in striving for efficiency by means of narrow targeting, household that should be entitled to basic food security through the PDS

\textsuperscript{60} Arun Firodia, “Food for thought: Dismantle PDS and issue entitlement stamps”, Times of India, New Delhi, February. 28, 2007.
\textsuperscript{62} Arjun Sengupta, “People first economy later”, Hindustan Time, New Delhi, April 25, 2008, p. 6.
\textsuperscript{63} Madhura Swaminathan, “Public Distribution System and Social Exclusion,” The Hindu, New Delhi, May 7, 2008, p.7
have been left out, for example APL families has been effectively excluded from the PDS.

Thus, after the study of available literature on PDS, it is clear that there is no study on PDS in Haryana. Therefore, it can be said that the projected study ‘Targeted Public Distribution System in Haryana (A Study of Rohtak District)’, is rationale and it will be the only study of its type in the State.

1.7 Objectives of the Study

Following are the main objectives of the study

1. To Study about the sufficiency of quantity of foodgrains supplied (sufficiency in two aspects, 1. by the side of weight and measurement and 2. sufficiency of foodgrains (35kg. per ration card per month) for a family for a period of one month).

2. To examine the regularities of distribution or timely supply.

3. To study the quality of foodgrains and other commodities distributed under TPDS.

4. To search out the biasness made by Ration Card Issuing Authority, in issuing ration cards.

5. To analyze, whether the arrangements made by the State government, for the implementation of TPDS are foolproof or not.

6. To know, whether the system is successful in serving the targeted people or not.

7. To search out the problems in the way of working of the distribution system and to suggest effective strategies to improve or to re-organize the distribution system, in direction to serve the targeted people more and more.

1.8 Hypotheses

1. The quantity of foodgrains/PDS items supplied is insufficient.

2. Timely supply is not there.
3. The quality of foodgrains is sometimes poor.

4. Menace of the bogus ration cards and an improper identification of BPL families.

5. Dealers of FPSs have a profit motto and dissatisfied with margins given to them.

6. FPSs dealers are not fulfilling their duties and responsibilities.

7. Lack of cooperation on the side of PDS Authority to FPSs dealers.

8. Vigilance committees are not working well.

9. Arrangements made by the State government for the implementation of TPDS are not foolproof.

10. The problem of black-marketing is there and due to which distribution system becomes faulty.

1.9 Methodology

The study is mainly based upon published literature on the subject and data collected from the Governmental Documents like, ‘Annual Reports of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) government of India, New Delhi; reports of various Committees constituted by the government of India or by the Ministry, to evaluate the PDS, ‘Census of India-2001’, ‘Annual Reports of the Department of Food and Supply, government of Haryana’ and many other governmental documents. The area selected for the primary investigation is Rohtak district of Haryana. All families (230923) in the study area (Rohtak district) benefited under TPDS, all fair price shops holders (277), officers dealing with TPDS, such as – Food and Supply Inspectors and even District Food and Supply Controller constitute the universe of the study. First of all, 27 Depot (FPSs) are selected as sample through ‘Regular Marking Method’ of Random sampling. After this 270 beneficiaries are selected as sample by selecting 10 respondents/beneficiaries from each depot (depots, which are already selected as sample). These 270 respondents are selected through ‘Random Sampling’.
Then data have been collected from this sample (270 respondents) through schedule technique. After this, information has been collected from the depot holders (27) through schedule technique to crosscheck the condition of distribution. Then, the further channel i.e. Food and Supply Inspectors, other officers and finally the District Foods and Supply Controller have been interviewed in this regard on the basis of information collected from the beneficiaries and depot holders, to point out the actual picture of the distribution. After this, the collected data have been classified, tabulated and analysed.

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