

Looks like the PDS works

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The ration line Needs to be rationalised to reach all beneficiaries PTI

There's room for more awareness and organisation, but the number of people benefiting from fair price shops is growing

Poor people in India depend heavily on the public distribution system. A recent survey by the National Council of Applied Economic Research found that more than 90 per cent ration card-holders in Below Poverty Line (BPL) / Priority Households (PHH) and the Antyodaya Anna Yojna category purchase foodgrain at subsidised prices from the PDS in selected States.

An evaluation study of PDS was conducted in 24 districts in the six States of Assam, Bihar, Chhattisgarh, Uttar Pradesh, Karnataka and West Bengal. Of these, Bihar, Chhattisgarh and Karnataka had implemented the National Food Security ACT (NFSA) or its variant at the time of the survey. The other three States were following the targeted public distribution system (TPDS).

Getting popular

The India Human Development Survey conducted jointly by the NCAER and the University of Maryland, supports the finding that there's been an increase in accessing the PDS, nationally. Its popularity is attributed to wide coverage of poor beneficiaries and increasing amounts of food subsidy along with volatile market prices of foodgrain.

It is also heartening to know that the amount of implicit subsidy per capita per person is considerably high in the three States operating under the NFSA compared to the States following TPDS. Implicit subsidy refers to the amount of money saved by a household when it purchases from PDS at a lower price compared to the market price. The amount of per capita subsidy is considerably high for the PHH category in Chhattisgarh and Karnataka, at ₹141 and ₹140 per month, respectively. Additionally, these States provide a subsidy from the State exchequer. In Bihar, implicit food subsidy is moderately high, at ₹79. The extent of food subsidy is ₹92, ₹73 and ₹65 per capita per month in Assam, Uttar Pradesh and West Bengal, respectively.

Basic objective

The main objective of the PDS is to provide foodgrain at low prices. Prices vary across States that are yet to switch to NFSA. For example, BPL cardholders purchase rice and wheat, the major two foodgrains sold under PDS, at ₹6.15 and ₹4.65 a kg respectively in Uttar Pradesh. However, very often, the prices are higher than the issue price in all these States. To purchase one kilo of PDS rice, BPL families on an average paid 48 paise, 31 paise and 4 paise extra in Assam, Uttar Pradesh and West Bengal, respectively. Similarly, for one kilo of wheat, they pay, on average, an extra 33 paise and 97 paise in Uttar Pradesh and West Bengal.

The NCAER survey reveals that lack of awareness of issue price is the primary reason for the discrepancy. In many places, beneficiaries know how much to pay for a food basket in aggregate for diversified commodities. But they are ignorant about the per unit price of separate commodities. Display boards at fair price shops are supposed to mention the right amount of entitlement and issue price for each of the PDS commodities. In reality, such boards may not be displayed everywhere or what's displayed may not be legible. On the other hand, FPS dealers in some parts of Uttar Pradesh confess that they charge extra to cover the cost of transportation from the godown to the local FPS. Although the cost of transportation is supposed to be reimbursed to the dealer, FPS dealers claim that they end up covering it.

Rice and wheat are sold to PHH families at ₹2 and ₹3 a kilo respectively in Bihar, following the NFSA norm. However, on an average, beneficiaries are charged 33 paise and 40 paise extra per kilo each of rice and wheat. Lack of awareness regarding the issue price is still a problem in Bihar. The issue price of these two major foodgrains was even lower, at ₹1 a kilo, in Chhattisgarh and Karnataka, good performers in PDS, while the difference between issue price and actual price paid is negligible. Awareness of entitlement and issue price is highest in Chhattisgarh.

BPL families in Assam, Chhattisgarh and Uttar Pradesh are entitled to receive 35 kilos of foodgrain a household a month from PDS. Chhattisgarh did not change the quantity of allocation even after implementing the Chhattisgarh

Food Security Act (CGFSA), an adapted version of NFSA. However, Bihar, following the NFSA regime, allocates 5 kg foodgrain per person per month. Karnataka, after adopting a modified version of the NFSA, called the Anna Bhagya Yojna, allocated grain based on household size. Grain entitlement for a single-person family, two-person family and families with three or more people was 10 kg, 20 kg and 30 kg, respectively. West Bengal, on the other hand, allocates foodgrain per individual instead of per household.

Strengthen the system

The proportion of beneficiaries receiving less than their full quota varies widely. Among BPL/PHH households, it ranges between 2 per cent in Chhattisgarh and 91 per cent in Assam. On an average, BPL families receive 6 kg and 7 kg less than their entitlement in Assam and Uttar Pradesh, while it is 1.56 kg per BPL person in West Bengal. In Bihar, PHH ration cardholders receive 1.1 kg less than their full quota in a month. Lack of awareness regarding appropriate entitlement along with a weak monitoring system are the primary reasons for this.

To improve the overall functioning of the PDS, the monitoring system needs to be strengthened, beneficiaries' awareness regarding entitlement and issue price has to be increased, and modern techniques need to be adopted to curb malpractices in the system.

Introducing electronic weighing machines in place of conventional ones to curtail weight-related anomalies could be considered. Though Karnataka has adopted this on a pilot basis in a few districts, it is not fully functional due to glitches such as frequent power cuts and problems with internet connectivity.

To tackle awareness-related issues, it should be made mandatory for all fair price shops to maintain display boards containing information about entitlement, availability of foodgrain and issue price. The information on the board should be written legibly and in the local language. NGOs and government officials should disseminate PDS-related information among those who cannot read. Respondents in the survey suggested that display boards be kept in prominent places in the village such as the local panchayat bhawan and near schools, in addition to those at fair price shops. The bottom line was that despite criticism of the way PDS functions, respondents were unanimous in the opinion that PDS plays an important role in covering their foodgrain requirement.

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