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Corruption in Public Distribution System – A Micro Analysis

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ABSTRACT

Our Government's primary role to its citizen is to assure food for all. To carry out this, the Government of India under Ministry of Consumer affairs, Food and Public Distribution distributes food materials to the State Governments and it is a joint venture of both the governments to fulfil the very basic need of the people. The Central Government has established Ration shops in several States across the Country. In 2014-15, Our Finance Minister allocated1.15 trillion rupees for food subsidy. But, in reality the people living below poverty line have not been benefitted by the food subsidy provided by the government due to corruption from top to bottom. There are as many examples about corruption in public distribution. I just present one state as an example. The state of Andhra Pradesh has a population of 21million households as per census of 2011, but they have issued 24.5 million below poverty line card holders to get food subsidy. For every BPL card holder the family receives 35 kgs rice or wheat at subsidized price. This simply proves that 3.5 million cards are forged and it further paves way to receive the subsidized food items the same in the open market at a higher rate. Thus, this articles tries to elaborate the system is not functioning in a proper manner and also focuses on how to eradicate and provide healthy subsidised food to the people those who are really living below the poverty line.

KEYWORDS : Subsidy, Corruption, BPL, PDS, Poverty.

Introduction:

Public Distribution System in India is a Food Security system to our people. It is established by the Government of India under Ministry of Consumer Affairs, Food and Public Distribution (PDS) and State Governments in India, it distributes subsidised food and non-food items to the people living in below poverty. Major commodities distributed such as rice, wheat, sugar and kerosene, through a Public Distribution Shops also known as Ration Fair Price Shops established in several States across the Country. However, the food grains supplied by the ration shops are not enough to meet the consumption needs of the poor or are of inferior quality. The average level of consumption of PDS grains in India is only one kg per person. In Urban areas, the PDS failed to serve the poorer sections of the population effectively.

The targeted PDS is costly and gives rise to much corruption in the process of extricating the poor from those who are less needy. Today, when compare to China, India has the largest stock of grains in the world and government spends Rs.750 billion per year, it is almost 1% of GDP, yet 21% remain undernourished. In our country, as of date we have 5million fair price shops are operating to distribute the subsidised food.

Our Central and State Governments shared the responsibility of regulating the PDS in our country. While the Central government is responsible for procurement, storage, transportation and bulk allocation of food grains, State governments hold the responsibility for distributing the same to the consumers through the established network of Ration shops. The State government is also responsible for operational responsibilities including allocation and identification of families in below poverty line, issue of ration cards, supervision and monitoring the functioning of ration shops. A BPL Card holder should be given 35kg of rice or wheat and the card holder above BPL should be given 15kg of food grain as per the norms of PDS. However, there are concerns about the efficiency of the distribution process.

CORRUPTION IN PDS:

The general study reveals about several shortcomings in the form of corrupt about the system of PDS. The defects are:

- Consumers may receive inferior quality of food grains in ration shop; it may be increased day by day.
- Fraudulent dealers replace good supplies received from the Food Corporation of India with inferior stock and sell FCI stock in the black market.
- Fair price shop owners act unlawfully to create large number of bogus cards to sell food grains in the open market.
- Many ration shop dealers resort to mal practises, illegal diversions of commodities, holding and black marketing due to the minimum salary received by them.
- Numerous mal practises make safe and nutritious food inaccessible and unaffordable to many poor thus resulting in their food insecurity.
- Identification of households to be denoted status and distribution to granted PDS services has been highly irregular and diverse in various States.
- Regional allocation and coverage of fair price shops are unsatisfactory and the core objective of price stabilization of essential commodities has not met.
- Fair Price Shop dealers indulge malpractices in inappropriate weighting the materials.

Several schemes have increased the number of people aided by public distribution system, but the number is still extremely low. Poor supervision in fair price shop and lack of accountability by the citizen has spurred a number of intermediaries who consume a good proportion of the stock meant for the poor. There is also no clarity as to which families should be included in the BPL list and which excluded. The stock assigned to a single family cannot be bought in instalments. This is a decisive barrier to the efficient functioning and overall success of PDS in India.

Many BPL families are not able to acquire ration cards either because they are seasonal migrant workers or because they live in unauthorised colonies. A lot of families also mortgage their ration cards for money. Lack of clarity in the planning and structuring of social safety and security programs in India has resulted in the creation of numerous cards for the poor and limited information about the overall use of cards for the poor and limited information about the overall use of cards has discouraged BPL families from registering for new cards and also increased illegal creation of new cards by such families to ensure maximum benefit for the family members.

Supreme Court Panel delivers about PDS:

The Supreme Court appointed vigilance committee to investigate about the performance of PDS in India. The Committee has slammed the PDS in the country for widespread corruption, black marketing and diversion involving a ferocious cartel of bureaucrats, fair price shop owners and middlemen. The CVC headed by former Supreme Court Justice D.P. Wadhwa in its report to the apex court said around 28,000crore subsidy annually spent by the Centre was being robbed by vested interest and suggested drastic action to stem the rot.

"Corruption is all pervasive in the entire chain involved in PDS. It continues to remain a formidable problem. It is true that most of the functionaries under them in the department are typically heartless and resort to corrupt practices". It is in fact a cancerous growth and has to be chopped off. Patchwork methods will not do. Central government gives a whooping sum of Rs.28,000crore to subsidised food

for the poor. But till the recommendations given by the committee are put in place, the poor will go on suffering at the hands of corrupt officials, dishonest fair price owners, transporters and possibly to a large extent by unscrupulous millers as well", the report said.

The committee recommended breaking the strong nexus between the forces by setting up an effective vigilant mechanism but did not elaborate. A bench of Justice Dalveer Bhandari and K.S. Radhalrishnan took on record the report for passing appropriate orders.

Suggestions to improve the PDS:

Towards reviewing the certain short falls while implementing the system in a successful way, the following suggestions may helpful to do better performance. The suggestions are:

- The monitoring team may act vigilantly; it really strengthens to detect corruption. For this, the government may impart resources through tax payers.
- A local Official personnel will be chosen to act head to the vigilant team.
- Food Corporation of India and other important agencies should provide quality food grains for distribution, which is a tall order for an agency that has no real incentive to do so.
- The government may also reduce the quantity of foods to the family reasonably, but they should provide high quality goods to the beneficiaries.
- Margin of profit should be increased for honest business, in which case the market system is more apt anyway.
- Adequate checks and raids should be conducted to eliminate bogus and duplicate cards.
- The government should take necessary steps to open many more fair price shops in rural areas.
- The Fair price dealers seldom display rate chart and quantity available in the block boards in front of the shop, it should be enforced compulsorily.
- To monitor the FPS, the local people centred committee should be established.

Conclusion:

This article attempts to provide a good quality food grains to the people living in the poverty line through the PDS. It also put forth the short falls about the performance of PDS and some valuable suggestions to overcome from the corruption. The PDS main aim is to provide valuable resources to the lower sections in our country. It must be ensured that anyone trying to corrupt the system of Public Distribution, they should be severely punished.

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