



## IMPACT OF COVID-19 ON DIGITALIZED PUBLIC DISTRIBUTION SYSTEM IN TAMILNADU

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### ABSTRACT

Public Distribution System (PDS) is a poverty alleviation programme and contributes towards the social welfare of the people. PDS is considered as principal instrument in the hands of State Governments for providing safety net to the poor against the spiraling rise in prices of essential commodities. Lockdown period had imposed in Tamil Nadu on 25th March 2020. During the period people had suffered a lot due to Corona virus. But the most important think for the people is they get free rice, wheat, sugar etc..from the public distribution system. Government of India taken necessary steps to provide all the items is free in ration shop. This is very helpful to the people and Govt also provide Rs.1000 ration card it will be very helpful to below average people. Therefore, the paper aims to study the impact of COVID -19 on Public distribution system in Tamil Nadu.

**KEYWORDS :** Public Distribution System, Social Welfare, Fair price, COVID 19.

### INTRODUCTION:

On 17<sup>th</sup> January 2020, the ministry of health and family welfare acknowledged the emergence of COVID19 pandemic that was spreading across china. Tamil Nadu reported its first confirmed case of COVID-19 on March 7, 2020. As of April 28, the state has 1,937 confirmed cases of COVID-19 (seventh highest in the country). Of these, 1,101 have recovered (third highest rate of recovery in the country among states with 100 or more cases) and 24 have died. The state government has taken several actions to contain the spread and impact of COVID-19. In this blog, we look at the key measures taken by the Tamil Nadu government between January 19 and April 28, 2020. In 25<sup>th</sup> March 2020, the different countries including Indians people were affected Covid-19.

Tamil Nadu Chief Minister Respected K Palaniswami on Wednesday announced that free ration for family cardholders will continue for the month of June and that tokens for obtaining essential commodities will be distributed at the doorsteps of the beneficiaries. As the lockdown in India set in, Finance Minister Nirmala Sitharaman announced free food grains and cash payments to women, poor senior citizens, and farmers as part of the ₹1.70 lakh crore, Pradhan Mantri Gareeb Kalyan Yojana on 26 March 2020. Moreover, it was reported that as of 5 May 2020, 2.42 lakh metric tonnes of pulses had been dispatched to various states/union territories and that there had been further distributed to 5.21 crore household beneficiaries. As part of the relief package, the government had also announced two months' worth of free food grain supply for migrants who were not covered under the National Food Security Act or who did not hold a ration card.

### REVIEW OF LITERATURE:

**A. Mahendran & S Indrakant (2014)**<sup>1</sup>, in their article examined "Public distribution system in Tamil Nadu, India: Rice supply scheme of prosperous, problems and policy", the main objectives of the study is to find out the problems, corruptions and complaints in coastal region. The researcher collected data from multistage sampling technique was adapted like selection of districts, followed by selection of blocks, villages and finally of households. Two villages from each of 13 districts were chosen for the survey. The districts were selected through a purposive sample. The researcher concluded that the present study assessed the good and bad about the impact of free rice distribution in coastal region. The poor people are very happy and utilised to meet their home needs. Rural coastal people's lifestyle are improved and changed, the reasons are due to the distribution of free rice, colour TV, fan, mixer, grinder, transport and other welfare schemes to the poor people in the state. The impacts of Socio-Economic reasons are developed in rural area, particularly in coastal region.

According to the report "Economic political & weekly (2020)"<sup>2</sup> in their report examined that "Food Security and COVID-19: Why India's Public Distribution System Requires an Overhaul", As the lockdown in India set in, Finance Minister Nirmala Sitharaman announced free foodgrains and cash payments to women, poor senior citizens, and farmers as part of the ₹1.70 lakh crore Pradhan Mantri Gareeb Kalyan Yojana on 26 March 2020. Moreover, it was reported

farmers as part of the ₹1.70 lakh crore Pradhan Mantri Gareeb Kalyan Yojana on 26 March 2020. Moreover, it was reported that as of 5 May 2020, 2.42 lakh metric tonnes of pulses had been dispatched to various states/union territories and that there had been further distributed to 5.21 crore household beneficiaries. As part of the relief package, the government had also announced two months' worth of free foodgrain supply for migrants who were not covered under the National Food Security Act or who did not hold a ration card. The researcher concluded in his report that instead of using a technologically-demanding and unreliable option such as ABBA for last-mile authentication, the central government should explore more reliable options such as non-biometric smart cards.

**Siraj Hussain (2020)**<sup>3</sup>, in their report said that "COVID-19 Lockdown: How India Can Provide Food Grains to Stranded Migrant Labourers", the researcher said that in a recent report, Jean Drèze, Reetika Khera and Meghana Mungikar have shown that more than 10 crore Indian citizens are not benefiting from NFSA as the Union government had asked the states to issue ration cards based on poverty figures based on the 2011 census, according to which India's population was about 121 crore. The population is now estimated to be 137 crores. If 67% of the country's population is to be covered under NFSA, the coverage has to go up by about 11 crores, from 81.14 crores to 92.20 crore people.

### STATEMENT OF THE PROBLEM:

Public Distribution System (PDS) is a poverty alleviation programme and contributes towards the social welfare of the people. Essential commodities like rice, wheat, sugar, kerosene are supplied to the people under the PDS at reasonable prices. **As per the announcement of Govt of Tamil Nadu, from 01st June 2011 onwards the rice is supplied at free of cost.** Rice is important and stable food for poor people and PDS is a back bone to the below poverty line family. During COVID 19, the government of Tamil Nadu taken many initiatives to provide free rice, wheat, sugar, kerosene etc., it helps the poor people and not only them but also it helps all of the people during this COVID 19 period. Government of Tamil Nadu also provide Rs.1000 for each ration card holders. The government has set aside around Rs 219 crore towards the provision of tur dal, edible oil and sugar, free of cost, to all ration card holders in the month of June. Therefore the main problem for the study is to taken related to public distribution system in Tamil Nadu whether the during COVID 19 the PDS become positive impact or negative Impact.

### Objective of the study:

The main objective of the study is to identify the impact of public distribution system in Tamil Nadu during COVID 19.

### Need for the study:

The lockdown in India set in, Finance Minister Nirmala Sitharaman announced free foodgrains and cash payments to women, poor senior citizens, and farmers as part of the ₹1.70 lakh crore Pradhan Mantri Gareeb Kalyan Yojana on 26 March 2020. Moreover, it was reported

that as of 5 May 2020, 2.42 lakh metric tonnes of pulses had been dispatched to various states/union territories and that there had been further distributed to 5.21 crore household beneficiaries. As part of the relief package, the government had also announced two months' worth of free foodgrain supply for migrants who were not covered under the National Food Security Act or who did not hold a ration card. Therefore, there is need for the study is to know the Impact of COVID-19 on digitalized public distribution system in Tamil Nadu.

#### GOVERNMENT MEASURES TAKEN DURING COVID 19 IN PDS:

Under the PDS, the government provides 35 kg of food grains to every **Antyodaya Anna Yojana** household (poorest of the poor) per month and 5 kg of food grains to every member of priority household (poor and vulnerable section) per month through a network of 5,00,000 fair price shops (FPS) in the country. These food grains are provided at a highly subsidized rate of Rs 3/kg for rice, Rs 2/kg for wheat and Rs 1/kg for coarse grains by the central government. PDS covers around 800 million entitled people in the country. NFSA has served to improve the general functioning of PDS to a huge extent. It has led to increased coverage of entitled people, a decline in exclusion error, a rise in the purchase entitlement ratio and improvements in the transportation of food grains where states undertook proactive measures.

In the current situation, the Indian government has declared that it has got surplus food grains of 435 lakh tons as on 23rd March 2020 of which 272.19 lakh tons is rice and 162.79 lakh tons is wheat. The PDS requirement for April is about 135 lakh tons of rice and 74.2 lakh tons of wheat. There is an availability of 646 lakh tons of food grains in the stock, which is 435 lakh tons more than the required. The government has enough supply to meet the demand and states can lift the quota in advance.

The Tamil Nadu government has issued an order to distribute Rs 1000/- each to rice cardholders and to supply rice, tur dal, oil, and sugar to all entitled families through FPS free of cost in April 2020. The token system will be adopted to avoid overcrowding at FPSs. Auto rickshaw drivers, construction workers, and registered pavement hawkers will get a cash grant of Rs 1,000. Families of migrant workers, construction workers, and auto rickshaw drivers have been handpicked by the Tamil Nadu government to be provided with 15 kgs of rice, 1 kg of dal, and free cooking oil

#### Technology backbone supporting the 'Now' phase:

**According to Gaurav Taneja and Muralidhara Honnur** the government recently announced its plans for the food security "one nation, one ration card" scheme aimed the corona virus crisis to address the food security challenges that poorer sections of the society including the migrants are facing today. The scheme is expected to benefit approximately 67 crore beneficiaries across 23 Indian states by August 2020 and all eligible beneficiaries pan India by March 2021. The government had the confidence to announce the above plan, based on work done on the public distribution system (PDS) over the past several years. Looking back at the actions taken by the state governments over the last 6-8 weeks reveals the crucial role played by digital technologies and how such digital initiatives are bearing fruits today. This clearly demonstrates government's forethought efforts to invest in digitalization in critical areas linked to PDS. For years, Targeted Public Distribution System (TPDS) was inundated with several malpractices which prevented the government benefits from reaching the intended beneficiaries. Manual and stand-alone processes aided many intermediaries to indulge in various malpractices, and in addition to that, lack of real-time information made it even more difficult for the authorities to monitor the delivery of benefits. The programme lacked significant investments to strengthen the system.

**The National Food Security Act (NFSA)** then provided the much-needed boost towards strengthening the systems in the last mile delivery by providing Rs. 170/tonne as incentive to undertake automation of the Fair Price Shop. In addition, the central government further strengthened one of its earlier schemes 'end-to-end computerization' to provide the IT backbone for the fair price shops (FPS) automation. The success of these digitalisation efforts has then led to the 'one nation, one ration card' and the initial trials have shown good results. National portability plays a major role in assuring the poor people that they can access their entitlements wherever they are, and not only that different family members can draw their rations in

different location based on the overall entitlement. This will be true game changer indeed.

#### The 'Next' and 'Beyond' phase: Digitalization for TPDS

As can be seen, digitalization investments till date have played a major role in the PDS system. However, given the advancements in technologies and stakeholders' appetite to adopt, there are many areas that can be easily targeted by the government in the next phase.

**[1] Digital payments** – This has seen a quantum jump over the last few years with infrastructure developed by both public and private enterprises. Government should look at driving digital payments for FPSs purchases as it moves PDS towards demonstrating transparency and further popularising its Jan-Dhan bank accounts and the wallets system. This would go a long way in ensuring the entitlements reach beneficiaries and the ability for the government to reach them with multiple services including the much discussed universal income guarantee.

**[2] Modernisation of supply chain operations** – Two critical components of PDS are quality of food grains and timeliness of the distribution. Much needs to be done to digitalise the procurement, storage and movement of goods along with modernization of physical infrastructure. Government should explore options for private investments in this area, particularly given the recent announcements by the Finance Minister in strengthening the agriculture infrastructure.

**[3] Enhance food basket** – Growth in rural economy is expected to increase the disposable income. Food being at the top value chain (wrt. roti, kapda & makan), families are expected to increase their spending towards pulses and other food items. Government can explore the possibility of increasing food basket at FPSs by connecting its digital platforms with e-commerce platforms. It would be win-win situation for all the stakeholders.

**[4] Mobile platform** – Government, as part of its digitization of physical data, can explore the possibility of sharing this data with the right stakeholders as per the guidelines from Meaty. This would fuel innovation at multiple levels and enhance quality of information services that can be provided to beneficiaries and intermediaries without impacting any of the data privacy issues.

#### Findings Of The Study:

- The government provides 35 kg of food grains to every **Antyodaya Anna Yojana** household (poorest of the poor) per month and 5 kg of food grains to every member of priority household (poor and vulnerable section) per month through a network of 5,00,000 fair price shops (FPS) in the country.
- The Tamil Nadu government has issued an order to distribute Rs 1000/- each to rice cardholders and to supply rice, tur dal, oil, and sugar to all entitled families through FPS free of cost in April 2020.

#### SUGGESTIONS:

- India may universalize the PDS at least for one year to help the rural poor to overcome the economic distress.
- There is a need now to provide food grains to anyone who comes to the ration shops with or without a ration card.
- This year food grains stock of FCI approaches around 77 million tons in March before rabi harvest and there is a need to create extra space in FCI go down for rabi procurement. So, the government can release more stocks for free or at a nominal price over existing allocations. The universalization of PDS is the way forward and easily attainable.
- Government can take necessary steps to improve the digitalized Public distribution system.

#### CONCLUSION:

The government should make policies to support the small and marginal farmers, wage laborers and migrant workers. The government should facilitate the production entities, ensure smooth logistical operations of regional agricultural and food supply chains, increase resilience and mitigation of social disruptions by increasing local food productivity and water access. The government will have to make sure that the procurement cycle, as well as the crop cycle, keeps going as before so that the food security is ensured under any circumstances. However, going forward in time policymakers henceforth would be burdened with the additional task of incorporating once in a century kind of provisions in their plans

because black swan events like these have the potential to completely disrupt economy, population, and societies. It remains to be seen how resources are allocated in the future so that the response is not catastrophic for the population at large.

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