



ORIGINAL RESEARCH PAPER

Commerce

IMPLEMENTATION OF PUBLIC DISTRIBUTION SYSTEM IN (PDS) INDIA: WITH SPECIAL REFERENCE TO ANDHRA PRADESH

KEY WORDS: Ration Distribution, Implementation, Controversial, Implementing, Customers.

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ABSTRACT

Ration Distribution System means distribution of essential commodities to a large number of people. Our main objective here is to automate the process of the distribution. The classical method involves customer to tell the person handling the ration shop outlet, the amount of the commodity he/she needs and the type too. The person working then measures the commodity and gives it to the customer. Currently, ration card is very useful to every household for various purposes such as family member's details, to get subsidized food items and non-food items, gas connection, and also address proof for various purposes. All people having a ration card to get different food grain items such as sugar, rice, wheat and non-food items like edible oils and kerosene from fair price shops. But our public distribution system having many drawbacks like all customer details stored in manually in the registers. This may cause to pilferage. Because of security issues, the ration cards are duplicated by the middlemen, so using computerized ration cards can reduce the misuse and frauds. This paper main focus on the Implementation of Public Distribution System in India: with Special reference to Andhra Pradesh.

INTRODUCTION

The Public Distribution System (PDS) evolved as a system of management of scarcity through distribution of food grains at affordable prices. Over the years, PDS has become an important part of Government's policy for management of food economy in the country. PDS is supplemental in nature and is not intended to make available the entire requirement of any of the commodities distributed under it to a household or a section of the society. PDS is operated under the joint responsibility of the Central and the State Governments. The Central Government, through Food Corporation of India (FCI), has assumed the responsibility for procurement, storage, transportation and bulk allocation of food grains to the State Governments. The operational responsibility including allocation within State, identification of eligible families, issue of Ration Cards and supervision of the functioning of Fair Price Shops (FPSs) etc., rest with the State Governments. Under the PDS, presently the commodities namely wheat, rice, sugar and kerosene are being allocated to the States/UTs for distribution. Some States/UTs also distribute additional items of mass consumption through the PDS outlets such as pulses, edible oils, iodized salt, spices, etc

Embedded systems control many devices in common use today. Embedded systems are controlled by one or more main processing cores that are typically either microcontrollers or digital signal processors (DSP). The key characteristic, however, is being dedicated to handle a particular task. Our proposed system, i.e. the Automated Ration Distribution System, is also an embedded system as it includes a perfect share of hardware and appreciable share of software as well. It, like many other embedded applications, it consists of program source code, a microcontroller, a circuit with which the microcontroller is interfaced along with the computer, serial communication connection, a keypad, other peripheral circuits and power supply. Automated Ration Distribution System, the name itself suggests an important and new concept which will help resolve the various fallacies involved in the classical system.

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 public distribution system (PDS) has played an important role in attaining higher levels of the household food security and completely eliminating the threats of famines from the face of the country. The system was started in 1939 in Bombay and subsequently extended to other cities

and towns. By the end of 1943, 13 cities had been 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. Ever Since the independence in 1947, one of the aims of Government of India has been to provide Food Security to all the citizens of India. Keeping this objective in mind, Public distribution system (PDS) was started by Ministry of Consumer Affairs, Food and Civil Supplies. Andhra Pradesh Government is implementing Universal Public Distribution System (UPDS) and no exclusion is made based on the income criteria. The Targeted Public Distribution System (TPDS) was introduced with effect from June, 1997. The Andhra Pradesh Civil Supplies Corporation (TNCSC) is a „No profit No loss Public Sector Undertaking of Government of Andhra Pradesh.

PUBLIC DISTRIBUTION SYSTEM IN INDIA

India's Public Distribution System (PDS) is the largest distribution network. TPDS aims to provide subsidised food and fuel to the poor through a network of ration shops. Food grains such as rice and wheat that are provided under TPDS are procured from farmers, allocated to states and delivered to the ration shop where the beneficiary buys his entitlement. The centre and states share the responsibilities of identifying the poor, procuring grains and delivering food grains to beneficiaries. The Public Distribution System (PDS) in India is more than half-century old as rationing was first introduced in 1939 in Bombay by the British Government as a measure to ensure equitable distribution of food grains to the urban consumers in the face of rising prices. The consequent food distribution was exclusively focused on the urban centres. That with partition, India bequeathed 82 per cent of the population of the subcontinent, 75 per cent of the cereal production and 69 per cent of the irrigated area aggravated the food situation. However, under the influence of Mahatma Gandhi, a policy of decontrol was announced in December, 1947. Policies kept changing with the reintroduction of controls in September, 1948, shift to decontrol during 1952-54 and recourse to controls in 1957.

The Green Revolution and food self-sufficiency brought about a new dimension in the food grains management. The focus was on fair procurement price for farmers to insulate them from market anomalies, buffer stocking, and control of market prices and public distribution of essential commodities. Food Corporation of India was established in 1965, to function as an autonomous organization, working on commercial lines, to undertake purchase, storage, movement, transport,

distribution and sale of food grains and other food stuff. The Study Team on FPSs headed by Shri V.M. Dandekar (1966) observed that the foreign supplies had proved inadequate in meeting the increasing demand for food grains through FPSs. The Team recommended that the pricing in FPSs should be market oriented and that they should maximize their share in the market. The Food Grains Policy Committee (1966) advocated formulation of a National Food Budget on the basis of zonal restrictions, introduction of statutory rationing in bigger urban areas, intensification of procurement, building up buffer stocks and a more important role for Food Corporation of India in inter-state trade.

REVIEW OF LITERATURE

Mayilvaganan and Varadarajan (2013) in their article analysed the Targeted Public Distribution System and its focus on the poor. Under the TPDS, states are required to formulate and implement fool proof arrangements for the delivery of food grains and for its distribution in a transparent and accountable manner at the FPS level to the poor.

Himanshu and Abhijit Sen (2014) indicated that the case of PDS is more complicated because this invokes some very strongly held opposing views. Being the largest subsidy item of central government, expenditure on minimum support price (MSP) operations and PDS has long been a subject of controversy. The MSP-PDS system has obvious appeal in terms of being seen to provide direct food security, encouraging food production by price support to farmers and also enabling millions to PDS benefits. But, as with any subsidy, this distorts markets and leads to inefficiencies and misuse.

Ghuman and Dhiman (2015) suggested that under proper food management system, food security should go hand in hand with fair price for the farmers. Food security does not mean overflowing of FCI godowns and food grains procured and stored at high costs with some of them sub-standard and rotting. Food security actually means access to food grains to all sections of society at all time at affordable price. They emphasized the important role of PDS in food security schemes.

Rameswar (2016) stated that according to the World Food Programme, nearly 50 per cent of the world's hungry live in India and 35 per cent of its total population face food insecurity. So ensuring food security ought to have a great importance in India. Johan and Srinivasan (2001) 68 further said that it also involves high cost in identifying the poorest among the poor.

PUBLIC DISTRIBUTION SYSTEM IN ANDHRA PRADESH

The Government of Andhra Pradesh is implementing PDS since the year 1956. The scheme Village Shop Programme was introduced by the State with the intention to have one shop for one village in order to feed essential articles to rural public. Subsequently the scheme was converted into PDS with the intention of providing essential commodities to the public both in rural and urban areas at concession rate. Since the introduction of TPDS from 1.6.1997 the universal PDS is in operation in Andhra Pradesh with the Antyodaya Anna Yojana and the expanded Antyodaya Anna Yojana schemes. Under the universal PDS there is no discrimination of families on APL and BPL lines based on income.

Three important forms of social security are food, employment and health. Among these the most important social security need of the poor is food. But, food security cannot be ensured without access to adequate purchasing power. Since the means of obtaining purchases is through employment. Further to improve food security for the poor, the government relies on a set of policy instruments such as food rationing, price subsidies, and employment programmes. Public distribution is given an important role in

protecting the vulnerable sections against price rise and for stabilization of prices. Andhra Pradesh is in several ways a state that provides interesting case study in its implementation of the PDS. Telugu Desam party introduced two-rupees-a-Kilo rice scheme as an election promise after it wrested power from Congress in 1982-83. The main purpose of this scheme was to improve the consumption levels of the weaker sections of the society and thereby raise their nutritional standards. Several studies have analysed different aspects of the subsidized rice scheme under PDS in Andhra Pradesh; Venugopal (1992) examined the impact of the welfare scheme on the reduction of hunger whereas, Sastry et al (1990) attempted to estimate leakages in the PDS. The impact of alternative intervention policies have been analyzed by Radhakrishna and Indrakant (1988) and by Indrakant (1996). All These studies provide an interesting background material to understand the operations of PDS in the present context.

Analysis of the operations of PDS provides us to understand the distributional aspect of food security in the changing circumstances. During 1990's, two major interventions have taken place in the distribution system namely the targeting of PDS and liberalisation of the economy, which in turn were expected to impact the consumption at household level. Keeping this in view we will be looking into the two broad issues: (i) How effective is the working of PDS in Andhra Pradesh in the changing context? and (ii) will the targeting of PDS improve physical and economic access to food to the poor? This is attempted in the background of analysis of the changing food security over the last five decades.

IMPLEMENTATION OF PUBLIC DISTRIBUTION SYSTEM IN ANDHRA PRADESH

Andhra Pradesh is one of the states pursuing a vigorous public distribution policy. Since early 1980s onwards PDS coverage has been almost universal, although the scale of rations, commodities supplied and ration prices have varied across different sections of the population. In Andhra Pradesh, Rs.2 per kilo of rice scheme was started in 1982-83. Ever since the TDP was propelled into power largely on the basis of its electoral promise of cheap rice and rice subsidies, PDS policy has become an important issue in the electoral battles.

The genesis of the scheme begins from 1982 Andhra Pradesh witnessed the prevalence of acute drought conditions during that year. The state was to go to the polls in the first week of January 1983. Ever since it came into existence, the Telugu Desam Party (TDP), which was trying to wrest power from the ruling Congress (I), had been repeatedly promising that it would make rice available to the people at Rs.2 per Kg if it comes to power. In November 1982, the Congress Government announced that in order to ensure that the price of rice did not rise in the open market as a consequence of drought conditions, The election manifesto of the Telugu Desam Party stressed the need for streamlining the PDS so that essential commodities could reach the villages at reasonable prices, making the sale of rice at RS.2 per Kg., the central objective of this larger policy. By November 1982, rice (common variety) was sold at Rs.2.09, within an effort to translate its electoral promise; the Government reduced the price of rice (common variety) to Rs.1.90 per Kg.

In rural areas, households having less than 1.5 acres of wetland under assured water resources or 2.5 acres of wetland under other irrigation sources or 3.00 acres of dry land under commercial crops and 5.00 acres of land under other crops were issued green cards. The Congress Government in 1991 modified the subsidised rice scheme. The ceiling on rice for white cardholder was initially reduced to 16 Kgs but it was again increased to 20 Kgs. On account of the increase in issue price of rice by the FeI, the state Government increased the ration price of rice to Rs.3.50 per Kg. Further, the green cards were replaced with white cards

and yellow cards by pink cards. In 1994, the Government restored the ceiling on rice in respect of white cardholders to 25 Kgs. Further, the price was raised to Rs.3.50 per Kg and the ceiling was reduced to 20 Kgs per card.

GOALS OF PUBLIC DISTRIBUTION SYSTEM IN ANDHRA PRADESH

The goal of PDS does not restrict itself with the distribution of rationed articles. Making available adequate quantities of essential articles at all times, in places accessible to all, at prices affordable to all and protection of the weaker section of the population from the vicious spiral of rising prices is the broad spectrum of PDS. More specifically, the goals of PDS are:

1. Make goods available to consumers, especially the disadvantaged / vulnerable sections of society at fair prices;
2. Rectify the existing imbalances between the supply and demand for consumer goods; Check and prevent hoarding and black marketing in essential commodities;
3. Ensure social justice in distribution of basic necessities of life;
4. Even out fluctuations in prices and availability of mass consumption goods; and
5. Support poverty-alleviation programmes, particularly, rural employment programmes, (SGRY/SGSY/IRDP/ Mid day meals, ICDS, DWCRA, SHGs and Food for Work and educational feeding programmes)

CONCLUSION

The Government of Andhra Pradesh took all efforts to ensure the availability, accessibility and affordability of essential commodities to the poor. Hence, universal PDS is in operation in this State and the Cooperatives are given much importance in the distribution system. Through this paper, we have made intent to introduce a new technology which helps to remove the wrongs of the existing system and also has its own advantages which are useful for other applications. It acts as an anti-corruption tool as it reduces corruption to a great extent, which was one of the primary reasons we thought of while coming up with the idea. To overcome the issues, utilization of a technology which linkage of UID with the PDS, use of biometric enabled smart cards for the beneficiary identification. There must be a Public Private Partnership (PPP) to develop the system. The government also needs to check the efficiency and effectiveness of the system from the private agencies. Using this proposed biometric enabled fingerprint management system can have managed better ways of ration card system to stop the pilferage of the commodities. Also, the computerized ration system to achieve paperless work and to increase security and using this system, can achieve transparency and reduce sales of commodities in the black market.

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