

## A STUDY OF PUBLIC DISTRIBUTION SYSTEM IN HIMACHAL PRADESH

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### ABSTRACT

Public Distribution System is a system of distributing essential commodities to the weaker section of the society under the control of government departments and agencies at an affordable price to protect them from the high prices in the market. Among various programmes of poverty-alleviation and hunger mitigation, the public distribution system (PDS) is primarily a remarkable programme of the Government of India. It is an Indian food security system. Essentials commodities like rice, wheat, sugar, kerosene etc. are supplied to the people under the PDS at subsidized prices. With a network of about 5,00,000 fair price shops (FPS) for the distribution of commodities throughout the country, the PDS in India perhaps the largest distribution network of its type in the world. The central and state government shares the responsibilities of regulating the PDS. In Himachal Pradesh, geographical conditions are not good. The coverage and network of public distribution system does not ensure that the poorest or the poor is benefited. The PDS has been untargeted and proved to be regressive in some parts of the state. This paper is an attempt to study the opinion of the beneficiaries regarding the quality of goods supplied by the government through fair price shop (FPS). The results show that the opinion of the beneficiaries is negative regarding quality of commodities and supplies are not provided within time.

Key Words: Poverty-alleviation, Public Distribution System, Food security, Fair price shop.

### INTRODUCTION

Poverty-alleviation and eradication of hunger are two vital objectives of rural development programmes in India. Among various programmes of poverty alleviation and hunger mitigation, the public distribution system (PDS) is a remarkable programme. PDS aims at eradication of rural poverty and inequality by providing justice to the poor (pattanaik, 1997). Public Distribution System is the largest food subsidy programme in India, and perhaps in the world. It reaches out to nearly 10.5 crore households in the country and provides subsidized food grains through a network of Fair Price Shops (FPS). The basic objectives of the PDS is to provide essential consumer goods at subsidized price to the consumers so as to insulate them from the impact of rising prices of these commodities and maintain the minimum nutritional status of our population.

The responsibility for operating the PDS is shared between the central and state governments. The central government procures stocks and supplies grain and absorbs the costs of these operations. Once the grain is allocated to the states, it is the job of the state government to 'lift' the grain and distribute it to the retail PDS outlets across the state. Hence, the PDS performance depends on food grains operations of the central government as well as the distribution of subsidised grain by state governments.

### REFORMS IN PUBLIC DISTRIBUTION SYSTEM

#### 1. REVAMPED PUBLIC DISTRIBUTION SYSTEM (RPDS)

The Revamped Public Distribution System (RPDS) was launched in June, 1992 with a view to strengthen and streamline the PDS as well as to improve its reach in the far-flung, hilly, remote and inaccessible areas where a substantial section of the poor lived.

It covered 1775 blocks wherein area specific programmes such as the Drought Prone Area Programme (DPAP), Integrated Tribal Development Projects (ITDP), Desert Development Programme (DDP) and certain Designated Hill Areas (DHA) identified in consultation with State Governments for special focus, with respect to improvement of the PDS infrastructure. Foodgrains for distribution in RPDS areas were issued to the States at 50 paise below the Central Issue Price. The scale of issue was upto 20 kg per card. The RPDS included area approach for ensuring effective reach of the PDS commodities, their delivery by State Governments at the doorstep of FPSs in the identified areas, additional ration cards to the left out families, infrastructure requirements like additional FPSs, storage capacity, etc. and additional commodities such as tea, salt, pulses, soap, etc. for distribution through PDS outlets.

## 2. TARGETED PUBLIC DISTRIBUTION SYSTEM (TPDS)

In June 1997, the Government of India launched the Targeted Public Distribution System (TPDS) with focus on the poor. Under the TPDS, States were required to formulate and implement foolproof arrangements for the identification of the poor for delivery of foodgrains and for its distribution in a transparent and accountable manner at the FPS level. The scheme when introduced, was intended to benefit about 6 crore poor families, for whom a quantity of about 72 lakh tonnes of food grains was earmarked annually. The identification of the poor under the scheme was done by the States as per State-wise poverty estimates of the Planning Commission for 1993-94 based on the methodology of the "Expert Group on estimation of proportion and number of poor" chaired by Late Prof Lakdawala.

## 3. ANTYODAYA ANNA YOJANA (AAY)

AAY is a step in the direction of making TPDS aim at reducing hunger among the poorest segments of the BPL population. A National Sample Survey Exercise pointed towards the fact that about 5% of the total population in the country slept without two square meals a day. This section of the population could be called as "hungry". In order to make TPDS more focused and targeted towards this category of population, the Antyodaya Anna Yojana (AAY) was launched in December, 2000 for one crore poorest of the poor families. AAY contemplates identification of one crore poorest of the poor families from amongst the number of BPL families covered under TPDS within the States and providing them foodgrains at a highly subsidized rate of Rs.2/- per kg. for wheat and Rs.3/ per kg. for rice. The States/UTs are required to bear the distribution cost, including margin to dealers and retailers as well as the transportation cost. Thus the entire food subsidy is being passed on to the consumers under the scheme.

## PUBLIC DISTRIBUTION SYSTEM IN HIMACHAL PRADESH

The Targeted Public Distribution System is functioning in the state of Himachal Pradesh through a network of 116 Wholesale godowns of HPSCSC Ltd. and an aggregate number of 4790 retail fair price shops. Out of these 4790 fair price shops, 3180 are being operating by Cooperative Sector, 1455 by Individuals, 111 by HPSCSC Ltd, 37 by Panchayats, and 7 by Mahila Mandals.

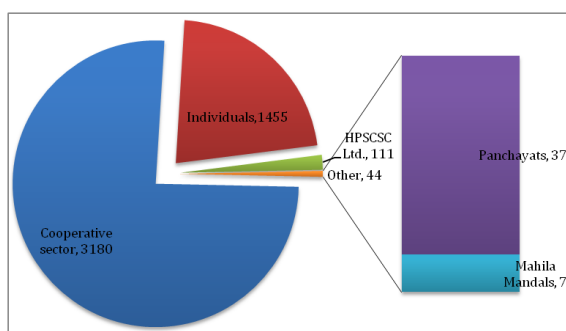


Figure : Ownership of Fair Price Shops in Himachal Pradesh

Currently, Ration Card is the unit delivery system under the TPDS. The total number of Ration Cards under all categories of TPDS are 17, 76,068. The scheme-wise bifurcation is as under:

APL: 11,88,444    BPL: 3,03,714    AAY: 1,95,760    PH: 88,150

### Family cards

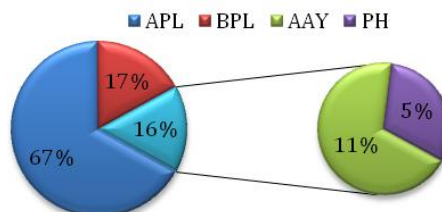


Figure : Ration card holders in Himachal Pradesh

### REVIEW OF LITERATURE

Perumal (2009) concluded in his study entitled "Food Security and Public Distribution System" that there are several schemes introduced and measures taken by the Government of India and States Government to reduce poverty and ensure food security. Opening new rationing shops including part-time, mobile fair price shops and fair price shops run by women self help groups are ensuring the food security in the country. The gram panchyats are also authorized to run the fair price shops for immediate supply of food grains to rural poor.

Rai (2011) found in their study entitled "Performance Audit of Food Security in Orissa and UP" that among 3250 total surveyed households, more than one third (34.2%) had no ration card whatsoever 22.5% of respondents households identified "full quantity of grain not provided" as a major problem faced by them in availing their food grain entitlements under the PDS. "Irregular availability of grain at the PDS shop" was identified by 13.5% of the respondents as a major problem faced by them. Only one respondent in the total samples said that there was over-pricing by dealer. 22.2% of sample households said that there was corruption in the PDS. 33.5% of the respondents said that poor quality of grain was given to them under the PDS. "Lack of cash when grain was available at the PDS Shop" was a problem faced by 21.2% of the surveyed households.

Hussain (2012) found that there is a lot of misappropriation of supplies in the system. There is Fair Price Shop (FPS) within a two km radius for every ration card holder. Kashmir is a region which has a comparative advantage for cash crop production and is dependent on imports mainly for food. Under the targeted PDS, the centre had identified 24% of the population as being BPL and the allotments to the state had been reduced from the time of the universal PDS. Ration shop owners would get less profit and more incentive to sell their goods in the black market as it is much more profitable. Government in J & K is not serious about the supplies provided to the general public. The supplies either is of least quality or is not provided at proper time resulting into huge crises in the state in general and Kashmir in particular. The public in Kashmir is properly dependent on the supplies for their survival as there is no production of sugar and other commodities supplied through PDS.

### OBJECTIVES

1. To study the satisfaction level of beneficiaries regarding the quality of goods.
2. To study whether Government provides food grain supplies in proper time.

## SAMPLING METHODOLOGY

The present paper is an attempt to study the beneficiaries covered under the PDS scheme. The data has been collected from two blocks of Hamirpur district. Simple random sampling technique has been utilized. Data has been collected through a questionnaire. Total of 200 questionnaires were distributed to the respondents. Few respondents did not fill the questionnaire and for few respondents there was missing data. Thus a total of 160 respondents have been taken for this study.

## RESULTS AND DISCUSSION

### 1. OPINION REGARDING QUALITY OF FOOD GRAIN

The views of respondents regarding quality of goods supplied by government have been presented in the table 1. In order to gauge the response of respondents regarding quality of goods supplied to them through PDS, their responses were measured on a 3 point scale assigning '3' to satisfied, '2' to dissatisfy and 1 to highly dissatisfy. The responses are presented in this table on the basis of each panchayat as well as in totality for all the respondents.

**Table 1: Opinion regarding Quality of Food grains**

Block	Panchayat	Satisfied	Dissatisfied	Highly Dissatisfied	Total
Bamsan	Patnaun	8(20)	15(37.5)	17(42.5)	40(100)
	Chammed	14(35)	14(35)	12(30)	40(100)
Bhoranj	Kharwad	12(30)	13(32.5)	15(37.5)	40(100)
	Ukhali	11(27.5)	13(32.5)	16(40)	40(100)
Total		45(28.1)	55(34.4)	60(37.5)	160(100)

Source:Field Survey

Note:Figure in parenthesis indicates percentage

The value in the table 1 indicates that 37.5% of the total respondents are highly dissatisfied, 34.4 are dissatisfied and only 28.1% respondents are satisfied with the quality of food grains. This indicates that most of the respondents are dissatisfied with the quality of goods. It is found that nowadays people are more aware about the quality, branding of the product and they want to buy those goods which are of best quality. This is useful to convey that people are not satisfied with quality of goods as majority of the panchayats has shown their dissatisfaction for this statement.

### 2. OPINION REGARDING TIMELY AVAILABILITY OF RATION IN FAIR PRICE SHOP

The view of the respondents regarding timely availability of ration in fair price shops was also measured. The results obtained are shown in table 2. From table 2 it can be inferred that majority of the respondents i.e. 74.3% are of the opinion that they did not get ration at proper time. Only 25.7% respondents of the opinion that they get ration on time. The panchayat wise results also indicate that people are not getting ration on time. The opinion of fair price shop dealers were also taken regarding this problem. Majority of the fair price shop dealers admitted that they are unable to provide ration on time because of delay on the part of government.

**Table 2: Opinion regarding Timely Availability of Ration in Fair Price Shop**

BLOCK	PANCHAYAT	YES	NO	TOTAL
Bamsan	Patnaun	9(22.5)	31(77.5)	40(100)
	Chammed	11(27.5)	29(72.5)	40(100)
Bhoranj	Kharwad	13(32.5)	27(67.5)	40(100)
	Ukhali	8(20)	32(80)	40(100)
Total		41(25.7)	119(74.3)	160(100)

Source:Field Survey

Note:Figure in parenthesis indicates percentage

## CONCLUSION

From the above mentioned facts, it can be concluded that majority of the respondents are not satisfied with the quality of food grains supplied through PDS. Also people face hardship on account of non-availability of ration in fair price shops as and when needed. This shows that PDS despite being the flagship programme of Government of India to provide food security to people is not able to benefit people to its fullest potential. Thus there is a need to revamp PDS at executive as well as bureaucratic level.

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