



## An analytical study on effectiveness of Public Distribution System in Uttar Pradesh

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**Abstract:** The goal of inclusive development and poverty eradication cannot be achieved until everyone has access to safe, nutritious food. Food distribution subsidies are an important part of India's social safety net for vulnerable and low-income citizens. As a result, the purpose of this study is to identify the problems with Uttar Pradesh's public distribution system and to provide recommendations for solutions. According to the study, the government's efforts are insufficient since this system is facing several obstacles, including rising corruption, the appearance of ghost cards, and the erroneous inclusion of non-poverty.

**Keywords:** Public distribution system, food security, Rationing, challenges, etc.

### 1. Introduction:

According to the Planning Commission, 2002-2007, there are 5.15 million fair price stores (also known as ration shops) in the TPDS, making it the world's biggest ration delivery system. 1951 was the year when India decided to keep public distribution in place as a means of promoting social equality. Deve Gowda initiated a "poor in all areas" distribution scheme in January 1997. People may get food grains, fuel, and other necessities from their local ration stores at a reduced price as part of this scheme (FPSs). The major goal of the program is to aid society's most marginalized members. This resulted in two kinds of recipients: those who were above and below the poverty line (BPL). India's poorest program, the TPDS, was replaced by the Antyodaya Anna Yojana (AAY) in 2000, which covers one million BPL families. In order to participate in the TPDS, each government must ensure that all households are qualified, acquire and deliver food grains. It is a state-managed program, yet it falls within the purview of the Federal government. 5.15 lakh local ration shops provide food grains to 6.52 million BPL households (including 2.43 million AAY families) and about 11.52 million APL families. India's parliament approved the "Food Security Act" on September 10th, 2013, to ensure that the poorest families have access to enough quality food at reasonable prices so that they may lead a good life (The Gazette of India, 2013). This



method may be able to serve up to 75% of rural residents and 50% of city dwellers. In comparison to priority families, AAY households get 35 kilos of food grains per month at a lower price [The Gazette of India, 2013].

Concerns about food grain diversion and black-market sales in the TPDS are pervasive, despite overwhelming support for alleviating food insecurity in the country. The Kotedars establish the black market price for food grains, which is higher than the FPS price. Because of its failure to satisfy the requirements of the poorest sectors of the population, as well as its urban bias, the state's tiny coverage and a lack of transparent and accountable delivery systems, TPDS has received a great deal of criticism in the past. By giving ration cards to BPL households and selling necessary items via TPDS fair price stores at particularly discounted rates starting of June 1997, the government aimed to simplify public distribution during the 9th five-year plan period (1997-2002). For every Rs 3.65 invested by the government on the public distribution system in 2005, just Rs 1 reached the beneficiaries. However, in 2007-2008 food grain leakage dropped from a record high of 54% in 2004-2005 and 2007-2008[Khera, 2011b] to only 44%. This is an enormous improvement over the year before. At between 50% and 75%, an independent evaluation conducted in 2005 for the Planning Commission by Program Evaluation Organization (PEO) revealed a high leakage rate of subsidized grains in Uttar Pradesh, with leakage at FPS levels of 25% to 50% as well as leakage through ghost cards, which were found to be even higher. the federal government has sought to incorporate ICT into the public distribution system as a method of mitigating this issue (PDS). ICT was supposed to play a crucial role in TPDS, improving the delivery system and increasing the knowledge of the public delivery system among the poor. In 2009, the government of Uttar Pradesh made an innovative move that included establishing a Toll-Free helpline for PDS, SMS-based information on food grain offtake and digitization of ration cards.

Protecting the poor from the growing prices of basic commodities is viewed as a fundamental role for state-run public distribution systems (PDS). Efforts are being made by the government to relieve poverty and enhance the lives of its residents. A blessing in disguise for those who are just scraping by. The People Distribution System (PDS) provides low-cost access to staples including wheat, rice, sugar, and kerosene for the general public (PDS).



As a result of the country's extreme poverty, the PDS must be implemented in all states. In the United States, one in five people cannot afford to pay the current market price for critical food products. The federal government estimates that food subsidies would be about Rs 1.15 lakh crore (\$1.15 billion) in 2020-21 fiscal year. Providing food subsidies to the poorest and most vulnerable people is justified by the government's role in ensuring their well-being and nutritional status (Sharma, 2012). A look of the state's public distribution systems in Uttar Pradesh..

## **2. Literature Review:**

The public distribution systems (PDS) of Uttar Pradesh (UP), India's most populous state, were found to be commonly regarded as ineffective by Gupta A. and Mishra D. (2018). As a result of the most recent changes to this illness, experts have dubbed it "reviving." Since the 68th National Sample Survey Office (NSSO) Consumer Expenditure Survey (CES) was conducted, the Public Distribution System (PDS) has seen a significant increase in accessibility, utilization and effectiveness (PDS). Research shows that consumers in lower socioeconomic groups and areas eat a bigger percentage of PDS goods in their food and calorie consumption than those in higher socioeconomic categories and places. This has resulted in large and beneficial contributions to the food security of those who are most in need. It's been steadily decreasing as the bulk of non-rights poor people don't buy food and claim "kerosene alone." Corruption and inadequate profit margins compel ration dealers to raise prices or sell some of their PDS allotment on the open market.

PDS alterations in Uttar Pradesh's Sonbhadra District are the focus of an examination conducted by Gupta, Amit, and Saxena, Anupama (2015). Uttar Pradesh's government made many decisions in 2009 to improve the distribution of PDS rations in light of widespread usage, illicit markets, and corruption of PDS rations (for monitoring the delivery system under PDS). To test whether SMS-based PDS monitoring enhanced the distribution system or not, it was studied.

All people must have access to enough nutritious foods at all times, according to the study's authors. Through study, an understanding of the factors that affect household food security in India is being developed. A theoretical model approach and a thorough literature analysis were used to reveal many elements that affect family food security (HFS). People's age and



gender, as well as their education, occupations and family's financial status, were shown to have a role in predicting their HFS level. It was hindered by the paucity of evidence-based contributions. As a result, it is imperative that the theoretical framework be tested and the impacts of antecedents be examined in the future.

Food insecurity among India's undernourished people is being addressed with the Targeted Public Distribution System (TPDS) (2021), which has been described as a significant food safety net program (FNG). Food security is a major component of the National Food Security Act, which depends significantly on the TPDS program. Digitization of the TPDS was one of the most recent improvements. Digital technology was used to enhance the TPDS in 29 states. The study's objectives included assessing the TPDS as well as the food and nutrition security of the city's urban population. A reasonable price A constant food supply was maintained thanks to frequent shop operations, however misclassification of the targeted families prohibited the delivery of food grains at lower rates. Families that utilized TPDS programs saw an improvement in nutritional security.

### **3.1 Research Objectives:**

1. To study the evolution of public distribution system in Uttar Pradesh and the benefits derived out of it.
2. To examine the problems related to public distribution system and to offer suggestions for further improvement.

### **3.2 Research Design:**

Using a descriptive study approach, we explain the advantages and disadvantages of Uttar Pradesh's public distribution system.

### **3.3 Data Collection, Sample Size and Sampling Technique:**

The core data for this study was gathered via the distribution of a structured questionnaire to 100 recipients of the Food Distribution System. A simple sampling strategy was used to accomplish this. The secondary data was gathered from official government websites, government publications, and other sources.

### **4.1 Evolution of Public Distribution system:**

World War II rationing in the United Kingdom had a direct influence on the allocation of public food supplies. Food shortages in India prompted the concept of giving emergency

supplies after the country's independence. The food distribution system was established as a way of guaranteeing price stability, supplying basic items to the poor, restricting essential commodities, and combating hoarding (Swaminathan, 2002). After the Green Revolution, it became simpler for the poorest people to get their hands on food, since the number of food grains increased. Additionally, it's a goal to increase food delivery in rural and mountainous locations. In 1992, there was a significant upgrading to the Public Distribution System. This system, which included the Desert Development Program, the Drought Prone Area Program, and the Information Technology Program, encompassed more than 1775 blocks (Integrated Tribal Development Program). PDS products are made accessible to as many people as possible with this system's "area strategy" in mind."

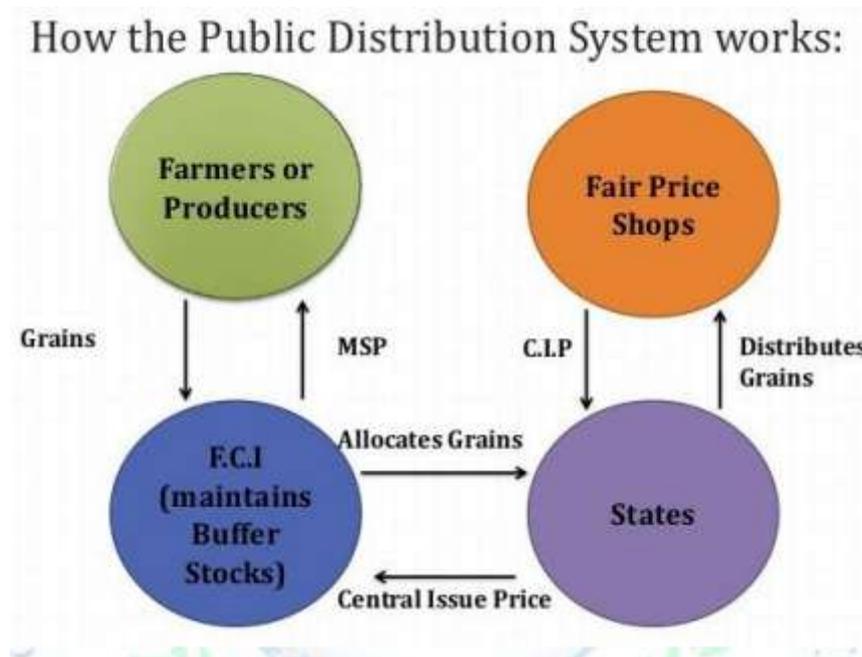


Fig. 1 (Source: Pandey, S., & Joshi, D. (2021))

In 1997, the Indian government established the Targeted Public Distribution System (TPDS) in order to provide food subsidies to as many poor individuals as feasible (Targeted Public Distribution System). In accordance with the recommendations of the Lakdawala Committee, each state's administration acknowledged the existence of the poor inside its borders. Due to the low prices offered by Fair Price Shops, food grains such as rice and wheat are distributed to these beneficiaries. All states and territories received food grains according to their historical consumption patterns. Food grains were given to families below the poverty limit,



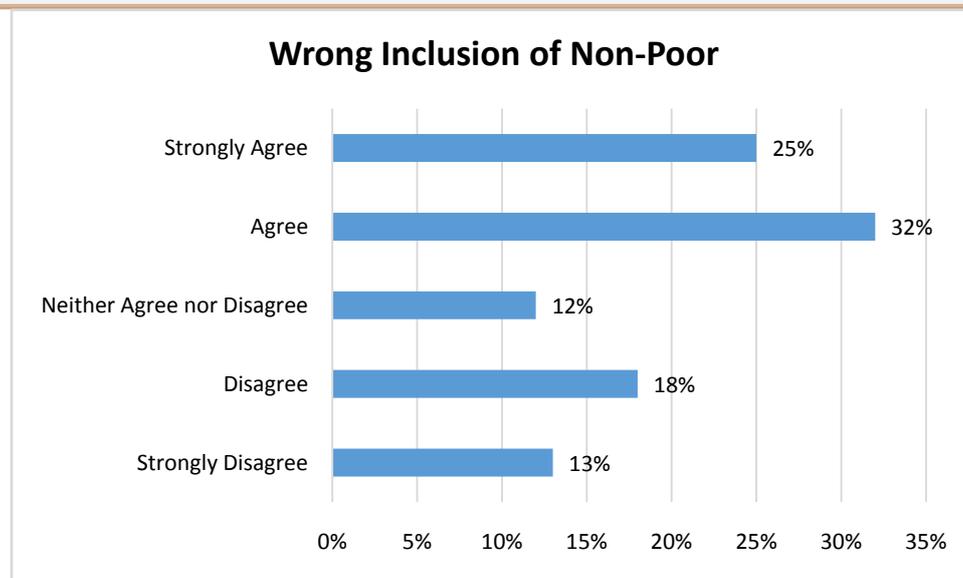
while those over the poverty line were not given a monthly allotment under the TPDS. An APL household was given 10 kilograms of food grains per month in 2000, whilst the allocation of food grains to the general population was quadrupled to 20 kilograms per family per month. (Indian Government, 2005) For example, shipping costs, wholesalers' and retailers' margins, and so on were all included in the final retail price.

The Antodaya Anna Yojana (AAY) was created in 2000 to support persons who were living below the poverty line. According to Kishore and Chakrabarti, planned food assistance was delivered to 10 million of the country's poorest families (2015). 2 Rupees for wheat, 3 Rupees for rice. The Public Distribution System (PDS) designates FPSs as nodes where beneficiaries may obtain PDS items at reduced prices (PDS).

It was the beginning of a new era for food distribution when the National Food Security Act was signed into law in 2013. As a result of the new program, food grains were made affordable to over half of the urban population and about seventy percent of the rural population. Two-thirds of the population received food grain subsidies as a result of this policy. Ration cards may only be issued to households where the primary breadwinner is a woman who is at least 18 years old (NFSA, 2013). At least 35 kilograms of grain per family for the AAY family and 5 kilos per person for the Priority Household (PHH) are currently subsidized under the NFSA (GOI, 2020-21).

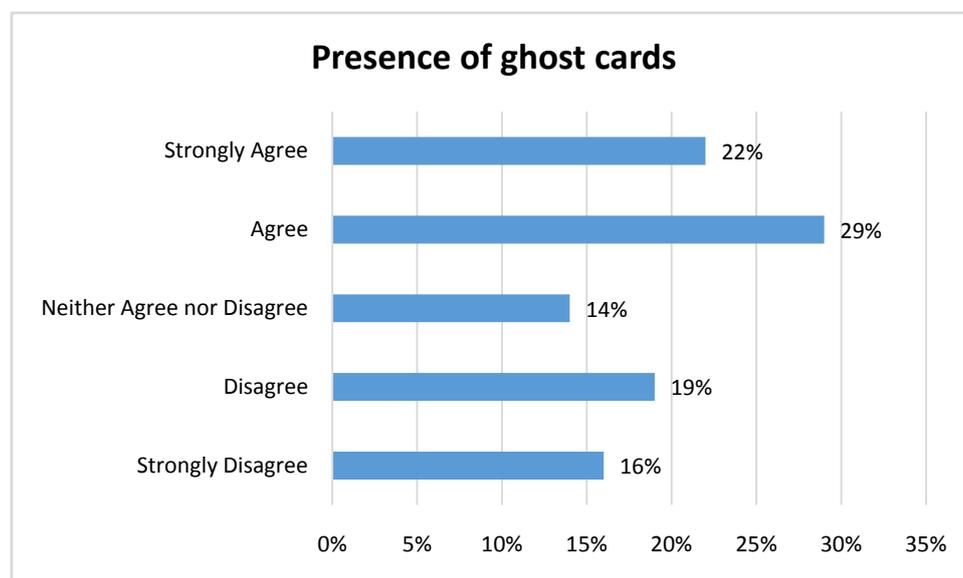
#### **4.2 Challenges faced by Public Distribution System:**

The Indian Public Distribution System (PDS) has long failed to meet its ideal aim because of insufficient service network design, cost structure, resource utilization, and corruption (Jha et al. 2013).



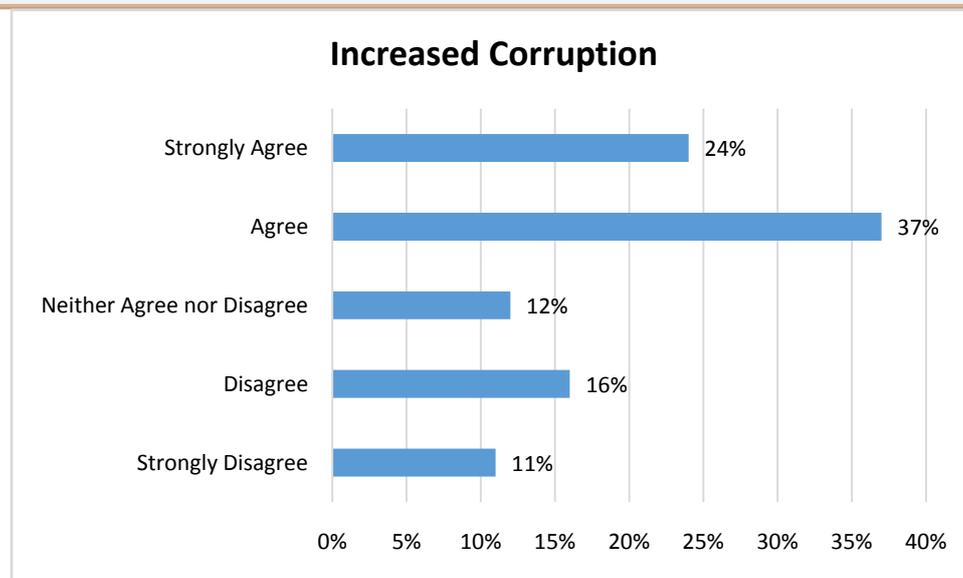
**Fig. 2 Wrong Inclusion of Non-Poor**

At 32 percent, the majority agrees with this statement, reinforced by 25 percent who strongly agree, according to Figure 2. 12% of those polled said they were unsure of their position on this. However, 18% of respondents disagree with this, and the remaining 13% strongly disagree with it..



**Fig. 3 Presence of Ghost Cards**

An additional hurdle to distributing food to individuals is the existence or absence of "ghost cards," which is endorsed by 22% of respondents who strongly agree to this statement. 14% of those polled said they were undecided. However, this is disputed by 19% of those polled, with another 16% strongly disagreeing.



**Fig. 4 Increased Corruption**

Figure 4 shows that 327 of the respondents believe that the Public Distribution System (PDS) is experiencing a problem of rising corruption, which is reinforced by 24% of respondents who strongly agree to this. One-fifth of those polled agreed or disagreed with this statement. However, this is not the view of 16 percent of those polled, and 11 percent of those polled strongly disagree.

#### **4.3 Public Distribution System Improvements:**

The error of incorrect inclusion was reduced but the error of incorrect exclusion was raised as a result of the use of TPDS. The problems of identifying target demographics based on income are something that must be addressed (Swaminathan and Misra, 2001). Political will and backing from all state governments are essential for a successful food security system (Swaminathan, 2002).

#### **5. Conclusions:**

It may be inferred from the above data and debate that the government of Uttar Pradesh is working hard to enhance the public distribution system. However, the government's efforts aren't enough since the system is plagued by corruption, the existence of ghost cards, and the erroneous inclusion of non-poverty, among other issues. To address these difficulties, the government must implement a mechanism that facilitates the distribution of food to people in need. This may be done through improving storage facilities and transportation networks, as



well as better targeting recipients and eliminating leakage and corruption, as part of a well-planned distribution scheme.

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