

Understanding the Linkage between poverty, hunger and food security in India: Role of Public Distribution System as a ‘development input’ for poverty alleviation –Problems and Prospects of PDS

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Abstract: *Understanding the linkage between Food security programme and PAP’s (Poverty Alleviation Programmes) is significant without which we will not be able to eradicate hunger and poverty.If we are to reverse the vicious cycle of poverty, a reformed PDS orPublic Distribution System as a social security net needs to be continued while adopting an integrated approach with a specific focus on removal of poverty.It has to be acknowledged that investment for ensuring food security is investment in development and ‘Food’ is really a ‘development input’.While it has to be appreciated that PDS has played a significant role in assuring food security to millions of households,there is an urgent need to revamp the existing PDS and plug the loopholes.*

Keywords: *Public Distribution System or (PDS), food security, BPL or Below Poverty line households, vicious cycle of poverty, Poverty Alleviation*

I. Introduction

Access to adequate food, which is one of the most basic needs of life, is in fact the birthright of every single human being on this earth. On its part, Mother Nature has provided this unique planet of ours with such abundant resources and human beings with such intelligence that the global production can easily feed the entire population of this world. Yet, the way human society has got organised, one fifth of the population of the developing countries i.e. more than a million people suffer from chronic under nutrition and are at the threshold of starvation, that even one or two poor harvests can put them into jaws of death.(FAO 1992). In lay man's language all these millions can be said to be food insecure and others can be said to be enjoying food security.

Understanding the linkage between Hunger, Purchasing Power and Food Insecurity

The specific term "food security" is of recent origin, most of the experts like to define food security as access by all people at all times to enough food for a healthy life. In recent times; inter-relationship between poverty, hunger and food security is gaining international recognition and serious attempts are being made to define and identify people at risk. It has to be appreciated that a country may be food surplus but all its citizens may not be enjoying food security as some may have no purchasing power (FAO 1999). On the other hand, a country may be food deficit but every person may be enjoying food security, with that country being able to import the required quantity of food and each person having either direct access (through the family's income) or indirect access (provided by the welfare State) to required food. Although national food security is important what is more important is the food security for each and every household and to every member of the family within the household. Assuring food security then must be the fundamental objective of the development strategy of countries and the extent of the attainment of this goal should be a major indicator of the success or failure of the developmental process.

It has now been well established that availability of foodgrains is not the real problem; it is prevailing poverty amongst a large number of household that comes in the way of achieving household's food security. There may be abundance of food but it is no help to the poor households if it has no access to that. "There is no assurance of deliverance from hunger unless those charged with the tasks of governing the poor take conscious and deliberate steps to channel that abundance in his direction so that he can absorb the little he needs". (Vanugopal, 1993).

According to the Indian council of agricultural research, India is likely to produce 264.38 million tonnes of food grain, a record production during 13-14(includes Kharif and rabi crops) compared to 257.13 million tonnes in the year 12-13(ICAR Report, 2014) .India has, therefore, achieved self sufficiency in foodgrains production and can legitimately take pride in being able to manage the existing demand for foodgrains with indigenous production. But the fact is that there are millions below poverty line, not being able to consume at least minimum levels of calories even if we keep other nutrients out of consideration for the time being. Many of the households, have, therefore, inadequate access of foodgrains and are food insecure due to

poverty. The root cause of such non-access or food in-security is poverty and one has to understand this in order to appreciate the contradiction between food self sufficiency on the one hand and prevailing hunger and malnutrition on the other. This lack of access or lack of purchasing power has been forcefully brought out by Amartya Sen when he describes it as deprivation due to non-entitlement or "the inability of certain people to command food through the legal means available in the society, including the use of production possibilities, trade opportunities, entitlement vis-a-vis the State and other methods of acquiring food" (Sen, Amartya 1981). He goes on to say that a "person starves either because he does not have the ability to command enough food or because he does not use this ability to avoid starvation." In India, large scale unemployment is a great aggravating factor and in conjunction with rapidly growing population, severely impairs the purchasing power of a large number of households or forces the families to acquire purchasing power at a certain social cost like child labour. This only proves the point, that even in situation when adequate food is available, large number of people are not able to gain access to it-cannot encash their entitlement in the words of Amartya Sen (Sen, Amartya 1981). These can be termed as "poor" households which, on account of their poverty, are unable to effectively register their demand and purchase even the minimum quantity of foodgrains required for the entire family's nutritional well-being. However, while providing a reasonable standard of living to all may take some time, at least adequate food to all individuals has to be quickly assured.

Thus, poverty impairs purchasing power, which results in food insecure households. As a solution to this problem, we need to have an integrated approach to tackle Poverty. Without adequate food, people cannot break the vicious cycle of poverty. A twin fold or two pronged strategy has to be adopted-Immediate food-security through PDS to the most food insecure, the most vulnerable sections of the poor; at the same time raise their purchasing power through productive gainful employment. Meeting the very basic need of access to food is a major challenge to the government in the post-economic reform era. They need the safety net of food subsidy. In this context, public distribution system or PDS assumes importance. What needs to be understood in this context is that while PDS as a social security net needs to be continued; we need to link the PAP's (Poverty elevation programmes) to PDS. We must adopt an integrated approach and a multi-organisational approach which should, inter-alia, include adoption of such appropriate developmental strategies which will encourage economic growth with a specific focus on removal of poverty and reverse the vicious cycle of poverty. Since, at least 30% and up to 75% of total calorie supply in developing countries is cereal based the first step toward food security is to make available cereals for millions of poor people in these countries. (Roy, Sunanda, 92) Only such availability may have prevented the human being from dying of hunger. Once hunger is taken care of through effective PDS, it will, be necessary to make substantial investments in human development so as to improve the health, as also the educational and technological skills of the work force enabling them to participate gainfully in the expanding economy and earn increasingly higher incomes. This is how we can reverse the vicious cycle of poverty. If this does not happen, the poor will be crushed between unemployment on one hand and rising food price on the other. It has to be appreciated and acknowledged that investment for ensuring food security is investment in development and Food' is really a 'development input (Sen, Amartya 1981). Moreover, strengthening of PRI's (Panchayati Raj Institutions) to implement poverty alleviation programmes can go a long way in implementation of PAP's. If the PRIs are stronger, and then the decentralization of the poverty alleviation programme can take place. Thus, to conclude, poverty elevation programmes, in conjunction with the reformed public distribution system, can go a long way in ensuring a very high level of food and nutrition security for poor households in India.

The Indian story; the Historical perspective of food management in India in the Pre and Post Independent India

An extremely important consideration in India is of course, the prevailing poverty. This country's richness till 16th century or so which had earned it the title of the "golden bird" also became its undoing. It attracted invaders repeatedly, culminating in a long spell of British rule. Along with industrial revolution of Britain, India turned into a backyard, a supplier of raw material with sharp decline in workforce engaged in manufacturing. These centuries saw growing poverty and frequent famines, many taking tolls in millions. The last famine before independence in 1943 is known to have resulted in death of around 3.5 million people (Bhatia, 1985). With such a background, when even two square meals were not available to millions of households, the availability of basic cereals itself became an important goal to be achieved when the country became independent.

1. Concept of food security in Ancient India

Kautilya, the great statesman of ancient India, in his exhaustive chronicle on statecraft "Arthashastra" (321-301 BC), has advised the kings that during famine, the king should show favour to his people providing them with seeds and provisions (Bhatia, 1985). The early Mauryas document discovered in Gorakhpur district,

records an order to the Chief Minister to the effect that certain store houses (Katha galani) at Triveni, Mathura, Cancu, Modena and Bhadra are to be opened to cultivators in season of distress (Acharya, 1983).

Occasional famines appear to have occurred in India in some sort of regularity all through-it is said that India faces a major drought once in fifty years. There were 14 famines between 11th and 17th century (Bhatia, 1985). It, however, appears that earlier these famines were localised and it was only after 1860 that famines come to signify general shortage of foodgrains in the country. However, Famine Commission (1880) had observed that each province in British India was surplus in foodgrains and annual surplus, including of Burma (then part of British India, later an independent country Burma and now Myanmar) was 5.16 million tons" (Bhatia, 1970). At that time, annual export of rice and other grains from India was to the tune of one million tons. Situation seems to have changed drastically on the eve of the Second World War and the Bengal Famine is considered as one of the worst famines that resulted in death of around 3.5 million people (Bhatia, 1985). This famine jolted the Government out of its slumber and gave birth to a new era of food management in the country, resulting in introduction of policies of control on price and regulation of the distribution of foodgrains by the State.

2. Food Situation during the British Period- It was really the generation of World War's own compulsions that forced the then British Government to introduce the first structured public distribution of cereals in India through the rationing system-sale of a fixed quantity of ration (rice or wheat) to entitled families (ration card holders) in specified cities/towns. 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.

3. Food Situation at the time of Partition of the Country

Partition of the country in 1947 left India with 82% of the total population of undivided India but only 75% of the cereal production. The surplus province of Punjab was partitioned and West Punjab, which had a well-established network of irrigation canals, went to Pakistan, Sind province, which too was a surplus province also went to Pakistan. These two provinces together used to supply about one million tons of foodgrains to other provinces in undivided India. At the time of independence, thus, the new nation India started its tryst with destiny with lots of handicaps as far as food security was concerned. To sum up, the World War and the exploitative policy of the British coupled with famines, droughts and Partition were responsible for food insecurity in India.

4. Food Situation in Post Independent India –

India, with a vast population and uncertain harvest due to dependence on monsoon rains, has always been vulnerable to famines. The developed countries in the North also face year to year variation and fluctuations in harvests. Their buffer stocks and their ability to purchase, allows them to sail through such fluctuations with no adverse impact on food security. However, in India, dependent as they are on vagaries of the monsoon, even one year of drought can, depress the production very substantially and also dry up the reserves and pipelines stocks. A second successive year of drought not only further depresses the production, but there is hardly anything left in the private or community stocks and the pipelines also get completely dried up. The situation then becomes ripe for a famine. The problem was further compounded earlier due to lack of transportation facilities and even if there were surplus food grains stocks in one part of the country, it would not be possible to transfer huge stocks from such parts to distressed areas. So, famines remained a part of India.

5. Fluctuations in Foodgrains Production & Food Policy in Independent India-

The fluctuations in food grains production have greatly influenced the food policy. Stabilization of production along with its increase and availability of food, therefore, became important goals for Indian agriculture. It is, therefore, necessary to use a part of the bumper production of good years in the subsequent year(s) of lower production by creating buffer stocks during favourable years and using such stocks in the lean years i.e. create Buffer stocks. Buffer stocks also stabilise the intra-year availability, taking care of the lean months.

There are some critics of buffer stocking policy of the Government of India, who argue that these involve huge costs, some inevitable damage to stored grains and, therefore, suggest imports, as an alternative, as and when required. Practical experience has, however, shown that imports can never provide that sort of national food security for a big and populous country like India, which buffer stocks can. In the absence of buffer stocks from which quantities can be immediately released in the market, speculative tendencies will not only have a field day in the domestic market but the country's bargaining power in the international market would be seriously eroded with the result that purchases may have to be made at high prices and on the sellers

terms. The money required will be in foreign exchange whereas cost of buffer is at least in the domestic currency. Finally, in the absence of buffer stocks, the nation is prone to be pressured economically as well as politically-the autonomy of the country may itself be in the danger of being impaired. (Jon Bennet, 1987) Buffer stocks provide food security to nation and also give it the required strength and pride at the global level. It has also been experienced that when India enters the international market for imports, which necessarily have to be substantial, the prices tend to harden. Further, the foodgrains, especially rice, in this part of the world also suffers a decline and even the availability goes down. During 1992, when India had to import, Australia, which is the cheapest and ideal source, indicated their inability to spare any quantities out of their 1991 harvest, which had also gone down by 20 to 25 percent due to poor rains. The developed countries are doing the same, as observed by Jon Bennett "No one in USA starves when drought hits the mid West plains, for the country has mountains of stored grains. And why does Japan still want to produce its own rice at great cost when it can buy any amount of rice any time. The moral is to try and have your own food buffer."(Bennett Jon, 87)

6. Public distribution system in India-evolution, efficacy and need for reforms

Evolution of public distribution of grains in India had its origin in the 'rationing' system introduced by the British during the World War II. 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 reducing the threats of famines from the face of the country. Public distribution of foodgrains was retained as a deliberate social policy by India, when it embarked on the path of a planned economic development in 1951. It was, in fact, an important component of the policy of growth with justice.

Set up in 1964, the FCI procures food-grain from farmers and many State Government owned agencies that also purchases food grains on behalf of the FCI. The food-grain is stored in various warehouses throughout the country and then distributed to the state governments which subsequently sells it in 'fair price shops' to poor families under PDS. The FCI, under instructions from the Government also periodically sells food-grains (wheat and rice) at pre-determined prices in the open market. The idea here is to ensure food-grain supply during poor seasons; to moderate the influence on open market prices; to sell off excess stock; to reduce transportation cost of food-grain; to free storage space for the next season and to save food-grain from deterioration in quality. Another key role of the FCI is to ensure that farmers get the Minimum Support Price (MSP) which is announced by the government every year for wheat and rice.

Creation of Food Corporation of India and Agricultural Prices Commission in 1965 consolidated the position of PDS. Government was now committed to announce a minimum support price for wheat and paddy and procure quantities that could not fetch even such minimum prices in the market. The resultant stocks were to be utilized for maintaining distribution through the PDS and a portion of these were used to create and maintain buffer stocks. In fact, if stocks happened to be inadequate for maintaining a certain level of distribution through PDS, government had to resort to imports to honour its charge to PDS consumers. All through the ups and downs of Indian agriculture, PDS was continued as a deliberate social policy of the government with the objectives of:

- i) Providing foodgrains and other essential items to vulnerable sections of the society at reasonable (subsidised) prices;
- ii) to have a moderating influence on the open market prices of cereals, the distribution of which constitutes a fairly big share of the total marketable surplus; and
- iii) to attempt socialisation in the matter of distribution of essential commodities.

The PDS seeks to provide to the beneficiaries two cereals, rice and wheat and four essential commodities viz. sugar, edible oil, soft coke and kerosene oil. However, state governments, which actually manage the system at the ground level, are exhorted to add other essential commodities like pulses, salt, candles, matchboxes, ordinary clothes, school text books/copies and the like. Making available the six essential commodities (rice, wheat, sugar, edible oil, soft coke and kerosene oil) to the state government is the responsibility of the central government. The public distribution system has recently been targeted towards the poor with differential prices for the poor and non-poor known as Targeted Public Distribution System or TDPS. The PDS in its original form was widely criticised for its failure to serve the below poverty line (BPL) population, its urban bias, negligible coverage in the states with the highest concentration of the rural poor and lack of transparent and accountable arrangements for delivery.

Significance and role of PDS in maintaining food security- In the post-economic reform era, the PDS became a very significant poverty alleviation programme of the government. Though the exact impact of reduction in poverty cannot be assessed what can be said is that it has played a significant role in food security in the post independence era. To sum up the significance-

Significance of PDS –

1. **Role of PDS in preventing Famines**-Its greatest achievement lies in preventing any more famines in India. As recently as during the 1987 drought, considered worst in the century, the PDS helped the country overcome it with dignity and effectiveness. "The result of diet and nutrition survey during the 1987 drought showed that widespread hunger and its consequences experienced earlier in 1960, & 1970 were arrested in 1987". (Nutrition assessment & Analysis NIN, March 1992). The PDS also, no doubt, played a great role by making available rice and wheat at the fixed prices to consumers in all nooks and corners of the country, thereby preventing the spectre of famine in any part of the country.
2. **Banishment of raw hunger and starvation**-The last drought of 1987 was faced with country's own food and other resources and it was ensured that foodgrains were made available in each nook and corner of the country through public distribution system.No part of the country suffered from starvation, even during the worst period of drought. Famines, the extreme form of hunger and starvation, were a regular feature in India's history.However, the food and agriculture policy; the PDS and employment generation programmes and the enterprise and hard work of the Indian farmers saw to it that India was never again ravaged by famines.
3. **Role of PDS in maintaining food security**- The country has, thus, made substantial progress in improving the food security, at least in ensuring that no household is required to face hunger and starvation.
4. **Self Sufficiency in Cereals**-The country has achieved self sufficiency as far as the requirement of cereals is concerned. The food policies, including maintenance of national buffer, have seen to it that year to year fluctuations in the production of cereals are taken care of, without any adverse impact on cereal availability and prices. Import of cereal has become an occasional affair, the last imports having been made in 1988 and 1992. Even when imports are required to be made, these constitute hardly 1.5 percent of the indigenous production.
5. **Improvement in Poverty situation**-There has been a progressive decline in the prevailing poverty in India, which must have left its positive impact on household food security. The number of poor below poverty line has declined from 320.3 million (1994-1995) to 301.7 in 2004-2005. The decline has been observed in both rural and urban areas, although it was substantially higher (51 percent) in urban areas as compared to rural areas (38 percent). (Report of Planning Commission,2014)
6. **Doubled up significance of PDS has been to be able to build up the buffer stocks as well as control the Prices**-The procured grains, mostly rice and wheat, by a public sector enterprise called Food Corporation of India are partly used to maintain a buffer stock and partly distributed through a wide net work of public distribution system (PDS) at fair prices. If market price of foodgrains rises beyond a 'desirable' limit in some years, the government releases grains to the market in a selective manner to control the price.It is this buffer stock that comes in handy to combat famines and droughts.
7. **Role of PDS as a social safety Net**- PDS had changed from the typical rationing system to a social safety system, making available foodgrains at a 'fair price' so that access of households to foodgrain could be improved and such distribution could keep a check on the speculative tendencies in the market.The World Bank in their report of 1991 has observed that "poverty consideration will compel India to sustain publicly sponsored foodgrain procurement, storage and distribution efforts. These programmes are even more important in a period of economic downturn and adjustment, to ensure an adequate safety net".(World bank report,1991)
8. **Provided for stability of Prices**- In fact, without FCI and other procuring agencies ready at thousands of purchase centres to step in and purchase grain if the producer was not getting higher price than the Government announced procurement price, the private trade could never have handled the huge quantities that come to market at harvest time and prices would have crashed, making all the efforts and investment of farmer go waste.Providing a carefully worked out support prices and a structure to guarantee this induced the farmers to produce more and more foodgrains. helped them to maintain the stability and not allow the prices to crash
9. **PDS also supplied grains for the 'food for work' programme**- This distribution network also supplied grains for the "food for work" type programmes taken up on a large scale to fight the drought.Millions of India's poor derive direct or indirect benefits from the very existence of this system and these programmes ensure as an adequate safety net during economic downturn.
10. **PDS reconciles the twin objective of protecting the consumers as well as the producers**-To reconcile the twin objectives of protecting the consumers as well as the producers, government intervened in the market the form of large-scale foodgrains procurement from the farmers in the surplus region at a minimum support price. The increased availability of grains from procurement operations helped to extend the distribution mechanism through PDS to rural areas and initiate the food for work programme that provided employment to the poor. Foodgrain market intervention was thus one of the instruments that tried to ensure that the gains from the green revolution were shared by both producers and consumers.

The shortcomings and problems associated with PDS-

1. Massive pilferage of food –grains and Public Distribution System -This is the greatest irony of the Indian food story. India is an iconic example when it comes to wastage of food grain. Lot of food is allowed to rot in the public godowns or is food to the rats. Even the Supreme Court recently suggested to the government to distribute food stock free to the needy any hungry population instead of letting it rot in the public godowns (storage warehouses). This is the most recent instance of the Supreme Court showing concern over governmental apathy.

2. Wastage of food grain due to Poor storage facility-The public storage facility across the country is terrible. According to government's own estimate over 1.3 mt of food grain (mostly rice and wheat and maize) was wasted in the godowns of the Food Corporation of India (FCI) in a span of 10 years from 1997 to 2007. It was enough to feed 10 million people for one year. Besides, the Indian government had spent about Rs. 259 crore to clean away rotten food grain. India loses an estimated over Rs. 58,000 crore of food grain every year due to wastage. (Report of Ministry of Civil Supplies, 2007)

3. A strong Urban Bias and PDS not benefitting the real poor and tribals or hilly areas -The shortcomings noticed in the functioning of PDS as it is structured presently, range from it being urban biased and pro-rich to its ineffectiveness in reaching the poor. In spite of TPDS, the real poor remain out of reach of BPL families.

4. PDS is not cost effective -The operations of PDS are too costly and the ratio between procurement and transportation is too high and wasteful. It is also mentioned that storage losses are very high.

5. Its marginal impact -Another valid criticism of the PDS is its marginal impact, as far as income transfer to poor households is concerned, with too many or everyone being eligible to draw foodgrains from PDS, the per capita transfer of income is very small. In a study based on National Sample Survey's 42nd round (NSSO, 1990), it has been found that "the value of the subsidy is so little even for those households who make all their purchases of cereals from rationshops. For the bottom 20% of the rural population, the subsidy is no more than Rs. 2.08 per capita per 30 days. With the average family size of 6, the subsidy per family is almost Rs. 12.50 per month. In other words, it is useful to note here, one person day of additional employment per family per month would provide the same income support as provided by the cereals distributed under PDS" (Parikh, 1993).

6. High administrative cost of targeting the really poor - Targeting was a major problem in the TPDS programme. According to Jha and Srinivasan, "the selection of beneficiaries was not transparent and the basis for selection was too complicated for the local officials to administer". It also involves high cost in identifying the poorest among the poor. As TPDS narrowly targets at the household level, it requires very detailed data for these households and a complex and expensive testing process. (Jha and Srinivasan)

7. Diversion of food grain to the open market-One of the problems of PDS is the diversion of food grain to the open market. Various studies show that one-third of the grains supplied to PDS leaked into the open market in the UPDS programme. The leakage level had increased to 41 per cent in the TPDS programme because the price gap between the TPDS and the open market was wider than the price difference between UPDS and the open market price¹⁵. Even the urban poor community is not aware of what they are entitled in the PDS. As a result, the fair price shop owners cheated them. The situation was worse among the rural poor.

8. The problem of purchasing power of the poor- Another problem was the purchasing power of the poor. The food grain is supplied to them once in a fortnight. It is difficult for the families living below poverty line to buy food grains for 2 weeks in one go. Under the TPDS programme, the quota of food grains was increased to 20 kg. The very poor do not have the purchasing power to buy such large quantity of food grains at a time. This resulted in many not availing the PDS and the unutilized food grain was diverted to the open market.

9. Social and Political factors affecting PDS-Apart from the issues of transparency, administrative complications and high cost, social and political factors played a significant role in identifying BPL families. Caste factor played a role in rural areas. In urban areas, the issue of "residency" played a role. Those who are not "residents" but living in the slum are not considered for the food subsidy. They are mainly migrants. Those who are not in favour of the ruling leadership were not included in the list of BPL. In urban areas, those who are not living in dwellings but on the roadside (pavement dweller) are the poorest among the poor but they are excluded from the TPDS because they do not have an address in the city.

10. Problems associated with implementation- Though PDS is a very important poverty alleviation programme directly acting as safety net for the very poor, it suffered from several problems during the implementation. Due to the centralized procurement system, it incurred very high administrative cost. Further, there were problems of wastage and pilferage at every stage of its operation. Finally, the problem of targeting was a major issue, where non-poor are included and many BPL groups like migrants and pavement dwellers are left out of PDS. All these problems led to much lesser benefits reaching the poor. While the PDS has very high

potential to protect the poor from starvation and hunger, problems of its implementation have reduced its actual potential to a great extent.

11. **Problems associated with direct cash transfer mechanism**-One of the suggestion to improve PDS a and to save the cost of distribution and storage was that of giving direct cash transfer to the poor. However, this scheme also suffered from the problem of implementation as the real poor did not get the cash or some got double cash transferred in their name reducing the whole exercise ineffective or futile.

12. **Out of reach of the very poor states**-According to Parikh, a majority of the poorest of the bottom 20 per cent of the households in the north and north-eastern States do not procure any food grains from the PDS. Dutta & Ramaswami⁸ found that 20 per cent of the poor in Maharashtra do not buy food grains from PDS due to lack of access. Ramaswami¹⁴ had calculated the cost of subsidy and found that it costs Rs. 3.14 and Rs. 4.00 to transfer a rupee to the target group of bottom 40 per cent in Andhra Pradesh and Maharashtra respectively. The cost of food subsidy is high because of targeting errors and lapses in implementation. (Parikh, 1993)

13. **The procurement operations have not been equally effective in all parts of the country**- The procurement operations have not been equally effective in all parts of the country. Moreover, hardly 10 to 12 percent of grains can be procured even at the central level. Reference

Need to improve the working of PDS- In India, a country of around 267 million poor people living in poverty as per 2012-13 estimates (Planning Commission Report 12-13); it becomes imperative that the subsidy is utilised in the most cost effective manner so that it helps poor households to attain adequate levels of food security in the true sense and we are also able to break the vicious cycle of poverty forever. While acknowledging the significant role played by PDS in providing security net to the poor and saving them from hunger; we need to find solutions as to how PDS can be made more effective and efficient. Almost all food-managers, experts and even members of the political executive feel that targeting PDS to poor is a fundamental reform that cannot be deferred for too long. We just cannot continue with an ineffective PDS which consumes enormous subsidies annually, but allows it to be available to anybody who wishes to draw on it, irrespective of whether he is poor or rich. Besides, PDS allows quite a bit of diversion and leakage. Part of the subsidy is, therefore, going to the non-poor and even to the FPS dealers, handling contractors and some state functionaries involved in unscrupulous siphoning off and replacement of commodities. Such wastage of this precious and limited subsidy cannot be allowed any longer, and therefore, there is no alternative but to direct the subsidy to the poor and nobody else. Once this is accepted, the mechanism for achieving such focus can be chosen, depending on the situation prevailing in the country. It will also be necessary to ensure that the size of the population to be covered should be such that they all can be effectively accommodated under the newly created safety net, the largeness of the net being limited by the physical (government stocks of foodgrains) and financial (amount available for food subsidy) resources of the country. The present PDS can hardly be described as a safety net.

Various suggestions to improve the existing loopholes and lacunae associated with PDS -

1- **Need for a multi pronged approach to food security**-In our country where food insecurity is quite prevalent a multi-pronged approach has to be adopted. The multi-pronged approach to tackle this problem calls for-

- The families at risk would also needed to be identified
- Such risk needs to be reduced by stimulating employment generation, increasing the skills of both men and women, providing improved and appropriate production technologies etc.
- In the rural areas, access to land and other resources would need to be improved, marketing infrastructure expanded, agriculture diversified to high value products and agro-industries promoted.
- Seasonal variations in food availability to be secured by maintaining required buffer stocks.
- Further, if, as a part of globalisation of economy, domestic cereal prices are allowed to rise and domestic market is integrated with the international market, it will have to be seen whether incomes of the poor are also moving towards international levels.
- Even if this positive development is taking place, short term measures like public distribution of foodgrains, food coupons etc. will have to be continued because Indian consumer with one three hundredth per capita income compared to that of the developed countries cannot be expected to pay the same price for food-grains as those in the developed countries.

2. **Effective redistributive policies through PDS**-Rapid economic growth with steep rise in per capita incomes, backed by effective redistributive policies can go a long way in food security. This year that is, 2014-15 has recorded highest production of wheat and rice. It has to be ensured that this produce is distributed effectively and in such a way so that there is no one who will go hungry to bed.

3- **Need to diversify PDS to other cereals and pulses** A second green revolution in crops other than rice & wheat and in areas other than present ones is the need of the hour. Actually excessive production of one crop increases the burden on the field. There is need to diversify PDS to other cereals and pulses which will not

fulfil the nutritional needs and avoid malnutrition but also help in providing in nitrogen fixation and crop rotation. In a study conducted for PDS in the state of Maharashtra, it was found that though wheat was provided by PDS, the local residents and the tribals wanted Jowar or Sorghum as that was the staple diet of Maharashtra. Thus, local needs must be taken into consideration while implementing PDS. (Newspaper, Maharashtra Times, 5 November 2014, Nagpur Edition)

4. There is need for a more decentralized and democratic model of PDS- The Panchayati Raj should be made the change agents for effective implementation of not only PDS but also other development schemes of the government.

5. Need to have storage houses for grainry- to avoid the decay of grains in the absence of infrastructure immediate steps need to be taken for improving the infrastructure and storage facility for storing grains. Help of the private agencies also needs to be taken to improve the infrastructure.

7. Need for effective utilization of funds - Moreover, at the macro-level, there is a need to co-ordinate a myriad of poverty alleviation programmes of the central government and the State governments. The transfer of central funds to the States for different programmes should be efficient. Currently, such funds and goods like food grains are not fully utilized by the States. There is a need to strengthen the financial management capacity of certain States to use the funds efficiently.

8. Need for creating awareness on the part of beneficiaries- If the beneficiaries could be organised and educated they would then monitor the supplies and sales themselves to ensure that supplies reach the fair price shop in proper quantity and quality and are sold to genuine beneficiaries. The entitled households would also then demand their quota from the FPS owner and would not be turned away by the shopkeeper by saying that whatever quantity had come has been sold away or that the bad quality grains were supplied (in some cases replaced by unscrupulous vested interest).

9. Learning and adopting 'Good Practises' from other countries- Shanta Kumar, working as the chairman of the panel set up to revamp the state run Food Corporation of India, said that the government was thinking about linking cash transfer to conditions such as construction of toilets and this was one of the several options that the government was considering to ensure every beneficiary under the scheme gets government support. For e.g. Brazil has introduced a new norm where there is a conditional cash transfer linked to initiatives such as compulsory school education for children of beneficiaries and vaccination. It was also thinking of storage and transportation to be given to central warehousing corporations, which can manage this with the help of private sector. (Newspaper report, TOI, 18 November, 2014)

9. PDS and other development schemes to be implemented through PRI'S- The PRI'S (Panchayati Raj Institutions) are the most effective tool of democratic decentralisation and development. All the welfare schemes including PDS should be implemented through PRI'S. This will not only ensure the participation of the masses but also increase efficiency and effectiveness of local governance as a whole.

10. Technological Innovations, creative ideas and Management principles to be applied for increasing efficiency- The PDS of India is the biggest management PDS in the world; and by incorporating best management technological innovations, creative ideas and Management principles, we can make it the best managed public distribution in the world. If we can achieve this in practice, then we will be able to wipe out hunger and poverty from the face of the earth.

11. Other significant measures to supplement PDS-

- Maintaining and further increasing the tempo in growth of horticulture, animal husbandry and fisheries sectors. This will serve the twofold purpose of employment as well as skill development
- Special programmes for development of agro and fruit processing industries especially in States/areas with concentration of poverty; so that only dependence on PDS can be reduced. We need to get out of the need for PDS by developing various other economic aspects and skill development.
- Technical education and development of human resources-
- Sharply focused and people-led and implemented employment generation and asset building programmes in rural areas;
- Legislation to safeguard interests of agricultural workers who form the hard core of poor in rural areas;
- Targeting of public distribution system to provide an effective safety net, only for identified poor households;
- Integration of nutrition programme with health and education;
- Higher investment on health care, especially maternal and child care as also on elementary education;
- Better utilisation of existing health and educational facilities through awareness development programmes;
- Sanitation and environmental improvement, essentially through people own efforts;
- Expansion of training and extension in nutrition to achieve optimum use of available and easily producible food stuffs;
- A nutritionally balanced diet is still a far cry for millions of poor families, their present income levels are too low to register their demands on agricultural sector and induce that sector, which still has tremendous untapped potential. This should be the next step after tackling hunger. -i.e providing nutritionally balanced diet.

- Finally, and the most important, an effective population control programme.

To conclude, India appears on the threshold, ready to move on to total food and nutrition security for all. First phase of battle against raw hunger is more or less won. India can legitimately take pride in the fact that inspite of a history of famines and 16 to 18 million people being added to its already huge population, it has developed the capacity to ensure that no household is again required to face famines, widespread hunger and starvation. The battle ahead is still more difficult; it must be waged with greater resolve on the part of everybody concerned, including of course, the affected people themselves. This is going to require strong political will and a larger national character with zero tolerance to corruption to restore the glorious past of the nation and surge on the path of economic development. The most significant contribution of PDS will be when food security through PDS starts acting as a development input; contributing to the overall development of the nation in such a way that we can wipe out poverty for ever from the face of this country..

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