

**UGC Sponsored Minor Research Project sectioned to
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Project Title**

**“THE PUBLIC DISTRIBUTION SYSTEM AND ERADICATION OF
POVERTY- A CASE STUDY OF TUMKUR DISTRICT”**

Executive Summary of the Project

Public Distribution System:

The origin of the Public Distribution System in India is a very old concept. We can see this concept in ‘Arthashastra of koutilya. It recommends effective public action through food subsidies as the basic remedy for famine. The suggested measures included distribution of seed and food from the royal store on concessional terms and food for work programmers for building forts, irrigation work etc.

Several committees and commissions have been setup to look into the importance of public of Public Distribution System in India. Notable amongst these are food grains policy committee (under Theodore Gregory 1943) Food Grains Policy Committee 1947 (under Purushottamdas Thakurdas) Food Grains procurement committee 1950 (under Thirumala Rao) food grains enquiry committee 1957 (under Ashok Mehta) food grains policy committee 1966 (under B. Venkatappaiah) study team on fair price shops 1966 (under V.M. Dandekar) National Commission on agriculture 1975, recently government of India constituted Justice Wadhawa committee to study this system.

The public distribution of food grains after Indian Independence was retained as a deliberate social policy, when it embarked on the parts of planned economic development in 1951. It was infact, an important component of the policy of growth with justice. In the first five year plan, the system, which was essentially urban based till then was extended to all such rural areas which suffered from chronic food shortages. It was also decided to have two variations of the system, statutory rationing areas, where food grains availability was supposed to be only through the ration shops and non statutory rationing areas, where such shops would only supplement the open market availability.

Creation of Food Corporation of India and agricultural prices commission in 1965 consolidated the position of PDS. PDS was continued as a deliberate social policy of the government. FCI is the principal agency through which, food procurement and distribution policies are implemented. Its main aims are to ensure that the primary producer gets the minimum price set by the government and to protect the consumer from the speculative trade. It handles all purchase, storage, movement, distribution and sale of food grains on behalf of the central government.

The new phase of PDS was mentioned in the fourth five year plan of the nation. It started that the PDS is needed on a regular basis for the country to provide help to the rural people and to some extent for generating a downward pressure on the open market prices.

Besides this there are several factors which were contributed to strengthen the PDS system in India. They are may be the unprecedented drought in 1973, the world wide inflation in 1974. In October 1974 the department of civil supplies and co-operation were engaged more actively in the PDS. The basic needs of weaker and vulnerable sections were identified and measures were taken for priority distribution of certain essential items to them.

The planning commission incorporated in its Fifth Five Year Plan draft, a policy of dual pricing in respect of certain mass consumption goods like food grains, sugar, cloth, edible oil, etc. The rationale of the dual pricing policy was to protect weaker sections of the society from the bad impact of rising prices. Launching of the 20 point program in July 1975 involved the PDS with a high level of procurement operation and distribution of essential commodities. Thus the emergence of PDS in India has been more in response to some critical situations (war, famine, drought and other natural calamities). In other words, the PDS in India started and gained momentum during the period of shortages of commodities which were caused by natural or man-made calamities. On 1st July 1979, the national production-cum-distribution scheme (NPCDS) was launched on a massive scale to procure and distribute thirteen essential commodities. Under this scheme, a vital link has been established between production, procurement and distribution.

The Revamped Public Distribution System in India

Our Former Prime Minister Shri. P.V. Narasimha Rao launched this scheme on 1st January 1992 at Barmer (Rajasthan) and it has been further extended to 1,698 blocks of the country. This scheme was covering tribal, hilly and arid areas having poor infrastructure. Rice and wheat are allocated to states/union territories at prices lower by Rs. 50 per quintal than the issue price for normal PDS. It was stipulated that retail price of food grain from RPDS shouldn't be higher than the central price by more than 25 paise per kg. The scheme now covers 2,496 blocks in the country which also have Employment Assurance Scheme (EAS) and Targeted Public Distribution System (TPDS).

Targeted Public Distribution System (TPDS).

In June 1997 central government initiated this scheme to directly target the subsidy to the poor. This scheme is meant to serve families below poverty line (BPL). Under this scheme, the states are required to identify these families and provide them 10 kg of food grains per family per month at 50 percent of the FCI economic cost. However, the quantity of food grains increased from 10 kg to 20 kg from April 2000 under this scheme. Supply of grain to the states for this purpose is guaranteed by the central government in addition, workers under Employment Assurance Scheme/Jawahar Rojzar Yojana would also receive food coupons to be exchanged at Fair price Shops for grains at the rate of 1 kg. per man a day. The states are free to provide higher quotas/price subsidies by adding from their own resources. The off take by APL card holders was negligible except in Himachal Pradesh, Tamil Nadu and West Bengal.

Brief objectives of the project

The following are the main objectives of the present study

- a) To ensure equitable distribution of essential commodity especially to vulnerable sections of society at fair prices.
- b) To examine economic development of the poor by introducing PDS system.
- c) To know the welfare measures are introduced by the central and state Governments through PDS system.
- d) To study the public distribution practices and their efficiency in Tumkur district.

- e) To assess the impact of PDS system on the standard of living of the people in the study area.
- f) To examine the practical difficulties and problems of the people in getting essential food items and to offer suggestions to overcome them.

Hypothesis:

1. Public Distribution System plays an important role in the socio – economic development of the weaker section of the society.
2. Most of the people are not aware the benefits of the Public Distribution System.
3. Many ineligible families get the BPL & AAY cards in the illegal manner.

This research study was conducted on the basis of the field survey. For this Sira and Tumkur taluks of Tumkur district have been selected to get random sampling every part of the study area, All the hoblies of the two taluks are taken into account. Three grama panchayats have been selected from each panhayats will get one village for this research. 13 respondent will be sira and 12 respondents in Tumkur selected from every selected village. Sira taluk comprises 6 hoblies, 18 grama panchayats are selected, so 18 villages will be considered of these 18 Panchayats. There will be 234 respondents, Tumkur taluk also comprises 6 hoblies, 18 grama panchayats will be taken. Each panchayat gets 1 village, so 12 respondents will be selected. Total No of respondents in Tumkur taluk will be 216, total respondents will be selected for this research are 450. For collect the data the structured questionnaires were prepared. The data was collected from the card holders, the FPD retailers and the Food Department staff.

Need for Public Distribution System in India

One of the major objectives of planning in India has been to provide “National Minimum Level of living” to its people. This requires provision of not only the needed quantum of food grains and other essential items. We cannot expect that the market mechanism provides these requirements of essential items of mass consumption on an equitable basis at reasonable prices. It can be best understood by the reasons given below:

India is a vast and developing country has to resolve the problems of higher production and fair distribution of goods and services particularly the commodities of mass consumption. Proper and fair distribution of commodities is not only required for attaining distributive social justice but also on humanitarian grounds.

The main object of PDS is fair and equitable distribution of available quantities of essential commodities at reasonable prices. The success of PDS depends to a great extent, on effective price control of these items. For this purpose the prices of rationed goods should be fixed at a rate which is not only below the open market rate, but it should be such that even the lowest income group population in the country can afford to levy their minimum requirements.

Price stability has been and is still one of the most important objectives of the Indian economy. Fluctuations in prices of essential commodities affect both consumer and producers. When prices fall producers would suffer for cannot adjust either their cost of production or supply to the market. Similarly, rising prices affect consumers due to the inelastic demand of essential goods with their almost fixed incomes. The negative effect of price rise will be more severely felt by the poorer sections of society, the public distribution policy aims at regulating prices to safeguard consumers, particularly the poor low income bracket consumers. In fact, it is inflation which renders PDS necessary therefore “PDS has been used as an important instrument for containing the tendency of price rise and to check inflation by supplying food grains and essential commodities at fair and reasonable prices in general and to the poor and vulnerable sections of the society in particular”

India is a country where about one-third of its population lives below the poverty line or below subsistence level. The purchasing power of these people is so low that they have to make daily purchase for their daily needs. If the supply line does not flow regularly, they are in danger of unsatisfied hunger and acute deprivation of essential articles. Therefore, a continuous flow of supply line of essential articles at fair prices in the Indian context is all the more necessary.

There is a problem of distributive social justice which is a corollary of poverty and economic inequalities. In fact, poverty and economic inequalities are closely related. The studies conducted by Ojha and Bhat (1960-62) Ahmed Bhattacharya (1963-64) and NCAER (1964-65) all indicate that the degree of inequality in the distribution of disposable income was quite serious in India. There is a substantial evidence that the gap between rich and poor in India is getting wider. According to a study "the bottom 20 percent of the population had only over 17 percent of total disposable income while the top 20 percent of the population had a share of 48 percent in it"

Generally, private traders undertake distribution activity with the sole motive of profit. Therefore, it is not expected of them to assume the responsibility for securing social and distributive justice for different segments of society. Under the circumstances government with its commitment to the ideals of a welfare state, is expected to "ensure that fruits of economic growth, increased production and productivity reach all sections of society through just and equitable distribution" thus the PDS is an important public policy instrument for attaining the goal of social and distributive justice.

Public Distribution System in India

Our founder fathers of our constitution while framing the constitution substituted many valuable things in our constitution for strengthening socio-economic political equality and to assure the dignity of the individual. If we look in to the preamble, We can see these phrases "----- to secure to all its citizens, justice, social, economic and political" and "equality of status and opportunity and to promote among them all fraternity assuring the dignity of the individual and the unity and the integrity of the nation" Article 38 of the constitution asserted that state to secure a social order for the promotion of welfare of the people.

- 1) The state shall strive to promote the welfare of the people by securing and protecting as effectively.
- 2) The state shall in particular, strive to minimize the inequalities in income and endeavor to eliminate inequalities in status. Facilities and opportunities, not only amongst individuals but also amongst groups of people residing in different areas or engaged in different vocations.
- 3) Article 39 directs the states to follow certain principles or policies.

The state shall in particular, direct its policies towards securing

- a) That the citizens, men and women equally, have the right to an adequate means of livelihood
- b) That the ownership and control of the community are so distributed as best to subserve the common good.

Article 21 provides that “no person shall be deprived of his life or personal liberty except according to procedure established by law” ‘Life’ in art.21. is not merely the physical act of breathing. It has a much wider meaning which includes right to live with human dignity. Thus, the bare necessities, the minimum and basic requirements which are essential and unavoidable for a person is the core concept of right to life.

On April 16, 2001 the People Union for Civil Liberties (PUCL) submitted the writ petition to the Supreme Court asking three major questions.

- A. Starvation deaths in a natural phenomenon while there is a surplus stock of food grains in the government godown. Does the right to life mean that people who are starving and who are too poor to buy food grains free of cost by the state from the surplus stock lying with the state particularly when it is reported that a large part of it is lying unused and rotting?
- B. Does not the right to life under Article 21 include the right to food?

On July 23, 2001 the apex court said: “In our opinion what is of utmost importance is to see that food is provided to the aged, destitute men who are in danger of starvation, pregnant and lactating women and destitute children, especially in cases where they or members of their family do not have sufficient funds to provide food for them. In case of famine, there may be shortage food, but here the situation is that amongst plenty there is scarcity. Plenty of food is available but distribution of the same amongst the very poor and the destitute is scarce and non-existent leading to mal-nourishment. Starvation and other related problems”.

On September 3, 2001 the court directed the 16 states and Union territories that had not identified families below the poverty line (BPL) must do so within two weeks.

On November 28, 2001, the Court issued directions to eight of the major schemes calling on them to identify the needy and to provide them with grain and other

services by early 2002 for example for the Targeted Public Distribution System (TPDS), the states are directed to complete the identification of BPL families, issuing of cards and commencement of distribution of 25 kgs of grain per family per month latest by 1st January 2002.

The essential Commodities Act 1955

The essential Commodities Act was enacted by the central government in 1955 to control and regulate trade and prices of commodities declared essential under the act. The act empowers the central and state government concurrently to control production, supply and distribution of certain commodities in view of raising prices. The measures that can be taken under the provision of the Act includes among others, licensing, distribution and improvising stock limits. The government also have the power to fix price limits and selling the particular commodities above the limit will attract penalties.

Section 3 of this Act explains the powers to control production, supply, distribution, etc of essential commodities.

Section 3(1) of the Act explains that the central Government is of opinion that it is necessary or expedient so to do for maintaining or increasing supplies of any essential commodity or for securing their equitable distribution and availability of fair prices, or for securing any essential commodity for the defence of India or the efficient conduct of military operations, it may by order, provide for regulating or prohibiting the production, supply and distribution thereof an trade and commerce therein.

Sub section (2) of the section 3 explains regarding regulates the production, storage, transport, distribution, disposal acquisition and use of consumption of any essential commodities by issue the licenses and permits by competent authority.

Section 6A deals about confiscation of food grains, edible oil seeds and edible oils. The collector of the district or the presidency-town in which such essential commodity is seized and whether or not a prosecution is instituted for the contravention of such order, the collector, if satisfied that there has been a contravention of the order, may order confiscation of

- a. The essential commodity so seized

- b. Any package, covering or receptacle in which such essential commodity is found and
- c. Any animal, vehicle, vessel or other conveyance used in carrying such essential commodity.

Section 6 B deals about the issue of show-cause notice before confiscation of food grains.

Section 7(1) specifies offences which include violations with respect to maintaining records, books, filing returns and so on. Such offences are punishable with a three months and a year of imprisonment and shall also be liable to fine.

Section 7(1) & (2) applies for major offences and embraces a large part of violations where punishment can extend up to seven years of imprisonment and shall also be liable to fine.

7(b) and (c) deals that any property including any animal, vehicle, vessel, any package or essential commodity in respect of which the order has been contravened shall be forfeited to the government.

Section 8 explains that any person who attempts to contravene or abets a contravention of any order made under section 3 shall be deemed to have contravened that order.

Sub section II of section 9 says that if a person makes any statement as in any book, account, record, declaration, return or other document which is required by any such order to maintain or furnish, he shall be punishable with imprisonment for a term which may extend to five years or with fine or with both.

The central government has now said that it wants to make offences under the Act non-bailable. Kirti Parekh, an advocate who is a well versed in this Act says "This means that only the court can grant bail under this Act, not the police. Major offences under this Act are non-bailable as criminal procedure code says offences attracting a jail term beyond three years are non-bailable. There is a judgment in case of Prithviraj Shinde V state of Maharashtra in this connection.

National Food Security Act, 2013 (NFSA)

The Parliament enacted the National Food Security Act (NFSA) in 2013 (Central Act No.20 of 2013) for food and nutritional security in human life cycle approach by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity and for matters connected to the food security.

Clause 2 of this Act explained that the food grains which is procured by the central government and state governments through minimum support price operations. The food grains allocation must be under the targeted Public Distribution System, other welfare schemes, including calamity relief and such other schemes.

This act provides the provisions for food security. Clause 3(1) of this Act explains that every person belonging to priority households, identified under sub-section (1) of section 10, shall be entitled to receive five kilograms of food grains per person per month at subsidized prices specified in schedule 1 from the state government under the targeted Public Distribution System. Provided that the households covered under Antyodaya Anna Yojana shall, to such extent as may be specified by the central government for each state in the said scheme, be entitled to thirty-five kilograms of food grains per house hold per month. The act also explains that the subsidized prices shall extend upto seventy five percent of the rural population and upto fifty percent of the urban population.

The act provides in the section 9 that the percentage coverage under the targeted Public Distribution System in rural and urban areas for each state shall be determined by the central government and the total number of persons to be covered in such rural and urban areas of the state shall be calculated on the basis of the population estimates as per the census of which the relevant figures have been published. The act also directs the state governments to identify the eligible households in accordance with the guidelines framed under this section and also the act suggests that the state government shall continue to receive the allocation of food grains from the central government under the existing targeted Public Distribution System, till the identification of such households is complete. The state government must place the list of the identified eligible households in the public domain and

display it prominently. The act also directs the state governments to adopt the application of information and communication technology tools including end to end computerization in order to ensure transparent recording of transactions to all levels and to prevent diversion in sub-section (b) of the section 12. The government while issuing the license of fair price shops, it must give preference to public institutions or public bodies such as Panchayats, self-help groups, co-operatives etc. the act paved the way for women empowerment by giving the provision in section 13. It explains that women of eighteen years of age or above to be head of household for purpose of issue of ration cards. Section 15 explains that the state government shall appoint or designate district grievance redressal officer for expeditions and effective redressal of grievances of the aggrieved persons in matters relating to distribution of entitled food grains. Section 16 explains that every state government shall, by notification, constitute a state food commission for the purpose of monitoring and review of implementation of this act. It consists a chair person, five other members and a member secretary, and there shall be at least two women, whether chairperson member or member-secretary. Provided that there shall be one person belonging to the scheduled castes and one person belonging to the scheduled tribes, whether chairperson, member or member-secretary.

PUBLIC DISTRIBUTION SYSTEM IN INDIA

The large majority of India's population does not have regular and assured access to adequate quantities of food. Hunger and malnutrition are widespread and there are areas of the country where deaths by starvation occur every year. Average cereal consumption per capita is low in India and has declined since the 1950s. While government interventions have succeeded, to a large extent, in averting large-scale famines in independent India, the problem of chronic hunger persists. The need to evolve a comprehensive food policy was felt for the first time after the Bengal famine of 1943. The report given by the food policy committee in 1944 afterwards acted as the watershed in the evolution of the food policy in India. The policy was changed from protecting the consumers against any sharp increase in the prices of food grains to assuring farmers a fair price for their produce. In other words the policy would induce farmers to increase investments in agriculture which in turn would help in accelerating the growth of domestic production of food grains. The Public Distribution

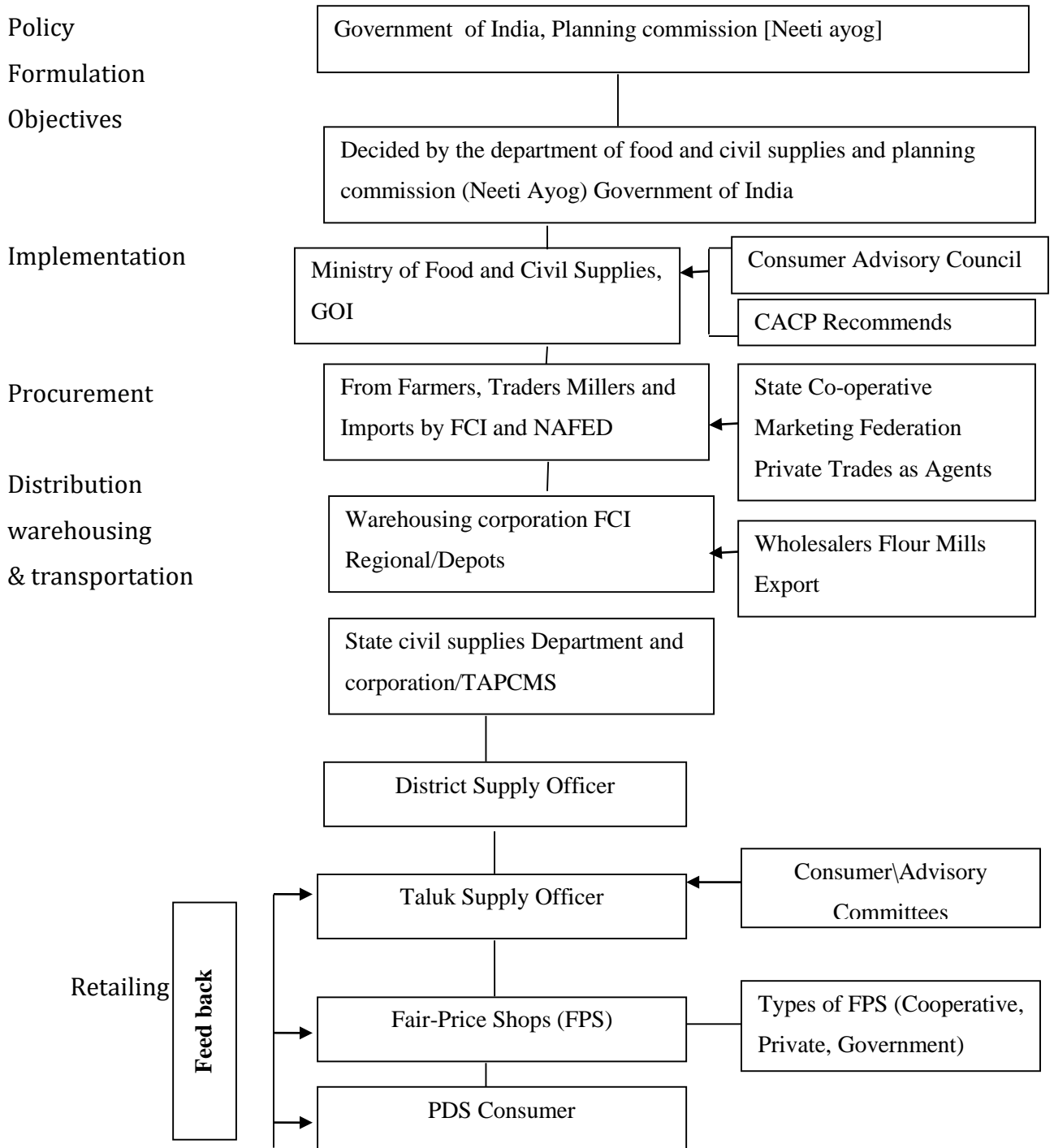
System through a network of fair price shops has been another component of the policy to safeguard the interest of consumers. Particularly more vulnerable sections of the country. The third component of the food policy has been that of holding adequate stocks of food grains as a measure of food security in the country not only to impart inter seasonal stability to food prices but also to meet any emergent situation that may arise due to crop failure, floods etc. In this chapter an effort is made to analyse the system of public distribution in India.

There are four major forms of intervention by the government in food grain markets in India. First there is a system of public procurement of food grain and of support prices for major food grains and other selected commodities. Second state manages food stock through storage and buffer-stock operation. Third, there is a state guided system of delivery of cheap food, Known as the Public Distribution System or PDS fourth, the government intervenes in trade, there are legal controls on hoarding and other aspects of inter-trade and restrictions on sale, direct interventions in food grains markets in the form of procurement and distribution, are undertaken by food corporation of India(FCI) on behalf of the central government. The responsibility for implementation, monitoring and for enforcement of legal provisions relating to public delivery, however, rests with the state governments.



Organizational structure and working of PDS

Figure
Organization structure of PDS in India

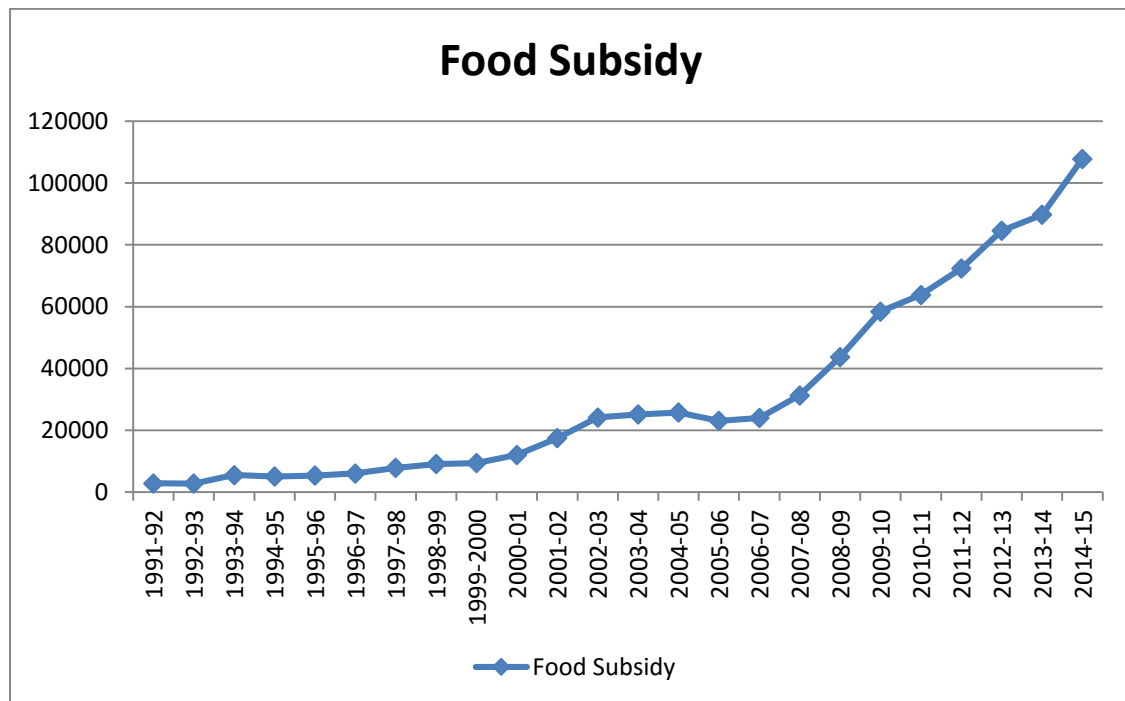


Source, Bapna, 1990 p.113 and Manu Gautam 2006 P.68

Food Subsidy in India

Subsidies in Indian agriculture have increased significantly in the post-reforms period. Food subsidies increased from Rs. 2,850 crore in 1991-92 to about Rs. 107823.75 in 2014-15 (This figures upto 9 January, 2015) an increase of over 24 times in 21 years. As a result, its share in total central government subsidies under non-plan expenditure increased from 23.3% to 33.7% between 1991-92 and 2011-12. As a percentage of agriculture GDP the food subsidy increased from 1.8% to 5.8% during 1991-92 and 2010-11. Food subsidy, which increased at an annual compound growth rate of about 17.8% during the 1990s remained stable between 2002-03 and 2006-07 mainly due to low off take of food grains and marginal increases in procurement prices. However, there has been a significant increase in food subsidy during the last few years.

Major Subsidies in India



Antyodaya Anna Yojana (AAY) in India

In order to make the Targeted Public Distribution System (TPDS) more focused and targeted towards the poorest of the poor BPL families. The Government of India launched this program in 2002. 38000 beneficiaries were identified under this scheme. This section of the population can be called as 'hungry' people. AAY contemplates identification of one crore poorest of the poor families from amongst the BPL families covered under TPDS within the states and providing them food grains at highly subsidized rate of Rs. 2.0 per kilogram for wheat and Rs. 3.0 per kilogram for rice. The states/UTs are required to bear the distribution cost, including margin to dealers and retailers as well as transportation cost, thus, the entire food subsidy is being passed on to the consumers under the scheme. The estimated annual allocation of food grains for Antyodaya families was 30 lakh tones, involving a subsidy of Rs. 2,315 crore at the beginning. The scheme has been expanded during 2003-04, 2004-05, 2005-06 covering additional 50 lakh households each time to be identified from BPL families thus the total coverage under AAY was raised to 2.50 crore families. The identification of AAY families within the target of AAY families given to each State/UT Governments has identified and ration cards issued under AAY by the state governments/UTs.

The public distribution system insulates the beneficiaries from inflation and price volatility and ensures access to food grains even in remote areas. But at the same time it leads to large leakages and diversions of subsidized food grain. There have been complaints of sub-standard quality of food grains distributed under this mechanism and at times there is adulteration of food grains. The parliament enacted the National Food Security Act (NFSA) though this act provides food security to the downtrodden people, this is criticized by many organizations due to various reasons. The National Commission for the protection of child rights (NCPCR) has criticized the act for not to protect the children under the age of two years. Many activists say that for the bulk of the beneficiary population of the poor, just five kg. per month per person is insufficient and have to buy the rest of the ration from the open market. While the Indian council of medical research norms recommended that an adult requires 14 kgs of food grain per month and children 7 kgs. Also there is an absence of entitlements to pulses and oil in the PDS which does not effectively solve the problem of malnutrition. The National Food security act 2013 is the positive step for national food

security if the Government is able to overcome corruption and reduce leakage and wastage by involving the local bodies. In this regard Karnataka stood first place by giving the FPD licence to the cooperative societies and local bodies. Government of Karnataka has decided not to issue the FPD licence to the individuals.

THE PUBLIC DISTRIBUTION SYSTEM IN KARNATAKA

Karnataka is situated in the Deccan plateau and is bordered by the Arabian Sea in the West, Goa to the North-West, Maharashtra to the North, Andhra Pradesh and Telangana in the East, Tamil Nadu to the South-East and Kerala to the South-West. It is situated at the angle where the Western Ghats and Eastern Ghats of South India coverage into the Nilgiri hills. Karnataka is located 11°30' North and 18°30' North Latitudes and 74° East and 78°30' East longitude.

Karnataka has a total land area of 1,91,791 km² and accounts for 5.83% of the total area of the country. Geographically it is seventh largest state. The population of this state is 6,11,30,704. Out of which the males constitute to about 3,10,57742 and females about 3,00,72,962. The literacy of the state is 75.60%. it occupies ninth place in terms of population. The population density which stands at 319 persons per km² is lower than the all India average of 382. The state has been divided into four revenue divisions, 49 sub-divisions, 30 districts and 177 taluks for administrative purposes.

Public Distribution System in Karnataka

Public Distribution System in Karnataka is one of the important schemes to achieve the philosophy of social justice and economic equality in the state. The Ministry of food, civil supplies and consumer affairs is looking after the Public Distribution System in the state. Under the Ministry, the Secretary Food Civil Supplies and Consumer affairs is formulating the policies to strengthen the Public Distribution System in the state. The Commissioner Food, civil supplies and Consumer Affairs takes the sole responsibility to look after the fair distribution of Ration Cards to the below poverty families (BPL) as well as food grains in the state. At the district level the respective Deputy commissioner under the assistance of Joint Director/Deputy Director of the Food Civil Supplies and Consumer Affairs Department look

after the distribution system in the district. In the taluks the respective Tahsildars Supervise the distribution system under the assistance of food Shirastedars and food Inspectors, Recently government of Karnataka upgraded the post of Deputy Director to Joint Director in the districts which have Municipal Corporations.

Targeted Public Distribution System in Karnataka

The PDS was revamped as targeted Public Distribution System (TPDS) in 1997 in order to target the system towards the poor. The State Government identifies the poor and makes arrangements for the delivery of food grains in a transparent and accountable manner to the poor through the FPSs. Based on the planning commission's criterion, the GOI has identified 31.29 lakh families in Karnataka as BPL families. The state government has accepted the planning commission's estimates for the AAY families, but has not agreed with the BPL estimates. The state government has given additional subsidy in the form of EBPL to 64.00 lakh families.

Ration Card System in Karnataka

Before 2000 the power to issue of ration cards with the Deputy Directors, Rationing officers in the informal rationing areas except Bangalore Rationing area and the Tahsildars in the taluks. The government found that this may cause lot of hardship to identify the genuine applicants and the government decided to decentralize the power to issue the ration cards. The power has been given to Food Inspector to issue all kinds of Ration cards in Government's order No FCS 06 DRA 2000 dated 01.02.2000. the applications for issue of new ration card shall be issued to the concerned Food Inspectors on daily basis. These shall be verified by the Food Inspector by conducting a local enquiry and prepare his report in the prescribed format.

In this order there were three types of ration cards

- a. Green cards for the families below the poverty line
- b. Saffron cards for the families above the poverty line wanting ratios from Public Distribution System.

- c. White cards (Honorary Ration Cards) for the families who do not require ration.

In 2005, the Government of Karnataka conducted house to house survey to find out BPL families. The task of issuing computerized cards with bio-metric indicators and photographs were given to a private agency. It was found that the number of BPL families in the state were more than the number of families as estimated by the planning commission for the state. Hence, a massive drive to identify the additional families in the state has been undertaken in January 2011. The additional cards issued by the private agency have been identified through linking Electricity Revenue Register (RR) number to the urban ration cards and the Gram Panchayat household number was facilitated by the National Informatics center (NIC). Consequently, more than 12 lakh cards in urban areas and more than 26 lakh cards in rural areas were identified and cancelled.

Fair price Depots in Karnataka

Public Distribution System in Karnataka is functioning through Fair price shop level. 'Fair price Depot' means as explained in the Karnataka essential commodities (Public Distribution System) control order 1992 is a depot which is authorized to distribute the essential commodities under Public Distribution System to the ration card holders. The allocated quota of food grains to the state is transported to the state's godowns by the Food Corporation of India (FCI). The subsequent distribution of the food grains is the responsibility of the state government. The state government has identified agencies for lifting the distribution from FCI wholesale godowns to the taluk godowns in the state. The State government has two agencies. The Karnataka Food and Civil supplies Corporation Ltd. (KFCSC) which is a government organization and the Taluk Agricultural Product Cooperative Marketing Societies (TAPCMS).

KFCSC Limited is a government of Karnataka Undertaking established under the Companies Act on September 7th 1973 with the primary objective of procurement, lifting and distributing foodgrains under the Public Distribution System (PDS) and implementing various other schemes of the government.

Public Distribution System in Tumkur District

The maximum number of population in the district is engaged in agriculture and its allied activities. As discussed above the actual annual rainfall vary from taluk to taluk in the districts. In 2013 Chikkanayakanahalli received 423.3mm of rain whereas Tumkur taluk received 754.4mm of rain. One of the significant problems of the district is the untimely raining. This will adverse impact on the agricultural crops in the district. There is no irrigated facilities in the district. The farmers are depending upon the borewells for their agricultural activities, by using this borewell water, most of the farmers may not get the water in their borewells, because of this fact many farmers coming to suicide, another impact of this bore well water is for example in Pavagada taluk underground water is mixed with fluoride. This is not only good for human consumption but also agricultural crops. According to 2011 census the total percentage of the scheduled caste and schedule tribe population is 29.4% of the total district population. In rural area of the district the percentage of marginal workers is 89.7% in 2013-14, apart from that the male marginal workers is 87.4% and female is 90.8%. in urban area the percentage is 84.5%, apart from that the male percent is 85.2% and female is 83.5%.

The percentage of agricultural labourers in 2013-14 is 30.80% in the rural area, from that 20.74% is male agricultural labourers and 45.51 is female percentage. Hence the above discussed factors are contributed to provide sufficient material and other necessary products to the people of the district is inevitable.

Assessment the public distribution system in Karnataka

Karnataka could be the pioneer state to strengthen the public distribution system. The state government led by Sri Ramakrishna Hegde introduced the PDS system in 1985 by issuing the Green cards to the below poverty line families. At that time there were two types of ration cards

1. Green cards, 2. Saffron cards.

Green cards for BPL families, saffron cards for APL families. The power of issue the card is with the taluk Tahsildards. Deputy Directors Rationing officers is found to be causing lot of hardship to the genuine applicants and at the same time it diffuses responsibility. Hence, later in 2000 the state government by its notification No FCS06 DRA 2000 Date: 01-02-2000

introduced the three types of ration cards. 1. Green cards, 2. Saffron cards and 3. White cards. Green cards for BPL families, saffron cards for APL families and white cards (Honorary Ration cards) for the families who do not require PDS rations

APL category

No PDS foodgrains is given to the APL category. As per the government policy food grains will be distributed to the APL card holders after meeting the requirement of BPL and extra BPL families.

Extra BPL

EBPL is the category which as per norms laid by the central government is APL. However, they have been identified as EBPL by the state and are getting the same benefits as BPL beneficiaries. Before 1st April 2014 the system of BPL and EBPL was in force. At that time there were 78.37 lakh BPL card holders in the state. Whereas as per central government figures the state should have 31.29 lakh BPL families. Therefore, the surplus card holders i.e. 47.09 lakh fall under the Extra BPL category. In order to meet the needs of the increased number of families under BPL category, the state has introduced this new category namely EBPL and for catering the food grains to this category. The state government has stopped the distribution of food grains to APL card holders and this food grains utilized to feed the EBPL category.

Overall, and in comparison with other states, Karnataka's PDS has been a relatively well-functioning one. Yet, leakage remains a major issue in the PDS system in Karnataka, estimated as 46.4% of the off take in 2011-12 (Gulari and Saini 2015:7) large quantities of rice, wheat, sugar and other commodities are diverted every year, which drastically reduce effectiveness of the PDS (Balasubramaniam committee report 2011) computerization of the PDS was conceived as a direct response to leakage. The initial idea was that of constructing a database of all the households entitled to the PDS. In this way, assignation of ration cards would have proceeded correctly, preventing "bogus cards" from being generated. The next passage was that of enforcing a targeted system, by linking the database to households records in the ration shops. This ideas is at the basis of the current digital infrastructure, developed by the National Informatics Centre (NIC) Karnataka. The Karnataka IT system illustrates intelligent monitoring mechanisms and reveals that IT-based measures can be

taken to strengthen the PDS. But several conditions need to be satisfied. First, substantial commitment to technical intervention is required, especially to prevent machine failure at the ration shop level. Technical problems need to be taken very seriously, which Karnataka is already doing. Second, the idea of holistic monitoring-already present in Karnataka's system design-should be effectively implemented into practice.

CONCLUSIONS AND SUGGESTIONS

The public distribution system in India has been playing a vital role as poverty eradication in India. The PDS is one of the instruments for improving food security at the household level in India. The commodities which are supplied at below market price to consumers. The national sample survey organization (NSSO) in its 55th round in 1999-2000 collected information on purchase of rice, wheat, sugar and kerosene made in fair price shop. According to 1999-2000 data, the PDS is accessible to about 30 percent of Indian rural households for rice and only 17 percent for wheat.

There are three principal reasons put forth regarding why the PDS does not deliver food subsidies efficiently. There are a) Targeting errors i.e. income transfers to non- target groups, b) excessive cost of procurement, storage and distribution relative to the private sector. C) Leakage or fraud, i.e. illegal diversions of subsidized grain to the open market.

From the analysis of respondents from 450 card holders, 10 gram panchayat PDOs, 5 food inspectors, 3 food department officers, 15 FPD owners and 10 gram Panhayat members. The following facts have been emerged.

1. Ineffective use of the grievance redress mechanism

Out of 450 card holders, only 20 respondents (4.45 percent) recorded that they are using the helpline. It clearly indicates, that very low level of awareness among the users of PDS on the available grievance redress mechanisms. More than 95 percent of the respondents are unaware about the food and civil supplies toll-free number, there is an urgent need to display the citizens' charter, toll-free number and other information such as phone numbers of the FPD owner, concerned food inspector or the food sherestadar.

2. Strengthening the PDS shop-level Vigilance committees.

The national food security Act (NFSA) in its chapter 13 outlines disclosure/transparency and participation of users via social audits and setting up of vigilance committees at every level of governance. In our present study out of 450

respondents only, 16 respondents (3.55 percent) recorded that the FPD level vigilance committees meeting has been conducted regularly. 234 respondents constituted 52 percent complained that the FPD level vigilance committee meeting has not been conducted. 200 respondents (44.4 percent) recorded that they have no idea about the vigilance committee meetings. Therefore it is evident to know that the role of vigilance committees should be made transparent, accountable and responsible. Wide publicity must be given on the role of these committees and the food and civil supplies department must ensure to display the names of members and other particulars in the FPDS.

3. There should be positive role of panchayats.

The role and responsibilities of the panchayats (PRIs) and urban local bodies (ULBs) under the constitution to its people on food security, as per their obligations under the respective acts (73rd and 74th constitutional amendment Acts) and respective schedules (11th and 12th), which propound the spirit of local solutions to local problems in our study, we can confidently say that panchayat members are not properly involving in the affairs of the public distribution system out of 450 respondents there are only 167 respondents recorded that the panchayat members are actively involving in the PDS system. Remaining more than 60 percent of the respondents reported as dissatisfied with the involvement of the panchayat members. These 60 percent respondents reported that panchayat members are not properly involving in the affairs of PDS. We may conclude that panchayat members should actively involve in the public distribution system for its strengthening.

4. Building transparency at every level.

In order to strengthen the PDS system be made accountable and reviewed periodically for sustainability. The first level of transparency. The information board needs to be designed in a practical way as to hold all information that is necessary to be able to update continuously. The ICT driven transparency model could be very good example for PDS to emulate, as twelfth plan has set aside dedicated budget for computerization of PDS in mission mode. In this respect Karnataka is the champion that it has already initiated the ICT initiatives in the public distribution system but still we have observed in our survey the N numbers of difficulties in the ICT initiatives. For example the government introduced the point of sale (POS) in all the FPS. But in many rural areas as we know there is an electricity

problem. The batteries which are being used in the POS. there is no sufficient charge in those batteries so the FPD retailers are using their manual weighing machines. Therefore the government must take the initiatives to solve these type of difficulties.

5. The multi-purpose use of the BPL ration Cards:

One of the important difficulties in distribution of ration cards is the multi-purpose use of the PBL cards. The government introduced many welfare schemes such as the Bhagyalakshmi Scheme, student's scholarship, education, extending loans to the poor. Housing, hospitals and etc. It is mandatory to have a BPL card to avail the benefits in all these schemes. It is important to know that noted hospitals like Jayadeva Heart foundation, Nimhans, Kidwai, institute of oncology and other important hospitals in the state. The BPL card holders have been charged the low amount whereas non BPL card holders charged very huge amount for their medical treatment. Most of the people for this reason wanted to get the BPL cards. These ineligible people give the bribe to the mediators and get the BPL cards in the illegal way. In this study, in Chinnenahally Village one APL card holder complained that some rich people gave Rs 1500 to 2000 per card to the mediators for getting the BPL cards. So government must take the appropriate decision that not to insist on the compulsory production of ration card for avail the benefits in various welfare schemes other than subsidized food. The government may formulate the separate guidelines for those needy people to get benefits in the health and other departments.

6. There is an urgent need to re-organize the food and civil supplies department.

The state food and civil supplies department is suffering from the shortage of staff. In each taluk there is one food shirestedar, two food inspectors and one second divisional assistant. If we go through the job chart of the food Shirestedar and food inspector, the work load is very huge. They have to conduct cursory, detailed and intensive inspections of FPS, retail kerosene points and wholesale points. Each staff should conduct 30-40 cursory inspections, 5 detailed inspection and intensive inspection of the FPS. They must inspection LPG points, commercial establishments, hotels, restaurants, petrol Bunks in their Jurisdiction. They have to attend to the complaints from public regarding distribution of PDS items. Spot verification of applications filed for issue of new ration cards identify the bogus cards. Collection of levy as per the target given by the deputy commissioners and recently

government has introduced the computerization of ration cards under this scheme there is a necessary to get the biometric of the concerned food inspector in the computer center for getting the new ration card.

Conducting the survey for identify the BPL, AAY, and APL beneficiary is very difficult task, due to the shortage of staff. The department relay upon the other department officials such as revenue, RDPR, Anganwadi, and urban development department staffs. These other department officials have their own departmental difficulties. So they may not give prime importance to the food department work, for this reason the identification of BPL family survey may not be given fruitful results. This is how the ineligible families are included in the BPL list. Hence the government have to reorganize the food department. It is suggested that there should be one Food Inspector for each revenue hobli and one Assistant Director post has to be established at the taluk level.

Adequate infrastructure be provided including computers for quick address of the public complaints.

7. Enhancement of the retail margin of the FPS dealers.

The profit margin on various essential items given to the dealers is very low and not all enough to meet their day to day expenses. It is one of the chief reasons for their malpractices. Presently Rs 36 has been given per quintal of Rice and wheat, Rs 30 per quintal of sugar, Rs 100 per barrel kerosene. It has been learnt that the central government enhanced the retail margin from Rs.36 to Rs.70 per quintal rice and wheat. The central government will give 50 percent and the remaining 50 percent share will be given by the state government. This amount will be given to the FPS retailers' retrospectively. It is necessary to enhance the profit margin to the FPS dealer without disturbing the price structure of essential items earmarked for the poor. Instead of giving retail margin the government can fix the consolidated remuneration to the FPS dealers and fix the responsibility on them for fair distribution of essential items.

8. Need to avoid corruption

There are set amounts that the corruption is very wider spread and institutionalized. It is not true that each and every officer is involved to the same extent. There are several

honest people as well, or people as well, or people who feel that they are forced to participate in the system of money collection but who do not like it very much. At the time of field survey many people complained that in gram panchayat Bio-metric center the computer operator demanded Rs.100/- for getting the biometric of the card holders. But the prescribed fee is Rs 50 many card holders complained that the FPS retailers are demanding Rs.55 to 60 instead of Rs 40.50 per BPL food grains. It is not an exaggeration to say that large amount of the PDS Kerosene has been diverted to the black markets. So it is necessary to curb the corrupt officials, retailers and wholesale nominees to strengthen the public distribution system.

The public distribution system is a universal coverage system with preferential treatment to the poor. The dramatic reduction of PDS leakages in Karnataka can be attributed to a range of reforms. The fixed distribution schedule, broad coverage, clear entitlements and low issue prices have helped to create strong public pressure for a well functioning of PDS. Better management practices have been fostered: Computerization and handing over the management of PDS outlets to cooperatives of various types. But still we have reached only short goal. The actors in the PDS system such as food department officers and officials, wholesale nominees, FPS and kerosene retailers and transport contractors must change their attitude and they must do work for the welfare of the poor section of the society. The government must strengthen the vigilance committees, the grievance redressal mechanism, builds transparency and accountability among officers and officials of the department and mercilessly punish under the provisions of law whoever violated the rules and regulation and supports the black marketers.





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