

# Welfare State and Public Policy in India: A Study of Public Distribution System in Raipur, Chhattisgarh

## ABSTRACT OF Thesis

SUBMITTED TO THE  
BABASAHEB BHIMRAO AMBEDKAR UNIVERSITY, LUCKNOW  
(A CENTRAL UNIVERSITY)



FOR THE AWARD OF THE DEGREE OF  
**Doctor of Philosophy**  
IN  
**POLITICAL SCIENCE**

SUBMITTED BY  
*Vimlesh Kumar*

Enrollment No: 491/18

UNDER THE SUPERVISION OF  
*Prof. Shashikant Pandey*

DEPARTMENT OF POLITICAL SCIENCE  
SCHOOL OF AMBEDKAR STUDIES FOR SOCIAL SCIENCES  
BABASAHEB BHIMRAO AMBEDKAR UNIVERSITY

(A CENTRAL UNIVERSITY)  
VIDYA VIHAR, RAEBARELI ROAD, LUCKNOW-226 025  
UTTAR PRADESH, INDIA

**2022**

## ABSTRACT

---

The British Government introduced PDS in India during the onset of World War II. It was Bombay (Now known as Mumbai) where its first ever functioning started. Gradually the scope of the reach enhanced to the 13 different cities and till the year 1946 the reach of PDS system and its functioning crossed to around 771 cities of India. After the end of the World War II, Most of the countries in the year 1943 decided to shun this PDS system. After India gained independence, India decided to re-launch the PDS system again in the year 1950 as, after the end of World War II, the prices of the Cereals touched heights due to skyrocketing prices globally. At the time of Independence, India was lacking in the self-sufficiency of Cereals (including Food grains) and at that time due to a lack of financial liquidity and cash crunch, it was not possible for the country to procure Cereals to fulfil the needs of the whole Indian population at the mass level. Hence, it was the United States of America which introduced the PDS system in India under the PL-480 Act in the year 1956. The PL-480 act was based on United States distribution of foreign food aid. Even after the end of the World War II, the United States of America and USSR (now known as Russia) were engaged in a state of cold war. As part of the strategic and Political strategy both the countries were helping the other countries to cope up with their economic crisis in order to seek their cooperation for their various strategic needs for their own vested interests. The United States supported the ideology of Capitalist political system where as on the other side the USSR was in the support of communist political system. Hence the two countries supported their own ideologies.

As a result to block the USSR move of extending their approach of communist political system beyond their own geographical boundaries ,the United States of America

introduced Marshall plan in 1948 which lasted till the year 1952 and its aim was to provide aid to the western Europe under the aegis of ERP (Europe Recovery Plan) to help the war ravaged countries to cope up with the post war consequences like Poverty, Destruction, Hunger and to help such countries in their re-economic development and infrastructure remodeling through the various remedial measures. Around 12 billion monetary aids was given to Europe and agreed to provide India was with 31 million of Wheat and 0.19 millions of rice to fight the crisis of food shortage and for the distribution of the above mentioned commodity it was necessary to have PDS system. This system continued till the year 1960 but unfortunately it was abruptly stopped due to the Sino-Indian war in 1962 and Indo-Pakistani war in 1965.

In 1965, Food Corporation of India (FCI) came into existence and from the year 1979 PDS system has been completely functional. PDS had contributed in curbing the rise of the prices of the food grains and it ensured access of food to the beneficiaries and gradually with the rise of the national agricultural production in the aftermath of the green revolution, the reach of PDS was extended to the far flung tribal areas where the poverty level was substantially high in the 1970 and 1980s and this system was named as Revamped Public Distribution System. The revamped Public Distribution System (RPDS) came into existence in June, 1992. It was formed with a goal to strengthen and streamline the PDS operations and to enhance its reach to the far flung areas which are inaccessible due to the Droughts, Excessive Snowing, and Hilly, remote or are landlocked. Under this RPDS, the approach was widened and several other programmes like Integrated Tribal Development Projects (ITDP), Drought Prone Area Programme (DPAP), and Desert Development Programme (DDP) in specific Designated Hill areas which were identified in consultation with the state governments for special consideration. For such areas, the food grains were issued to the states at 50 paise below

the CIP (Central Issue Price) and the ceiling of issue quantity was up to 20 Kg per Ration Card. Not only limited to this but, RPDS included mapping of the left-out families and issuing of ration cards to them as well. It also helped in the projection of Infrastructure requirements viz. additional fair price shops, Storage Capacity etc. and the addition of other additional commodities such as Pulses, Tea, Salt, Soap etc. for distribution through PDS outlets. In June 1997, the GOI launched the Targeted Public Distribution System (TPDS) with a special focus on the poor segment of the society. Under this Project, the states had to formulate and implement various infallible arrangements for identification of the poverty stricken strata of the society for delivery and the distribution of the food grains in a transparent and accountable system at the FPS level and this scheme was intended to benefit about 6 Crore poverty stricken segment of people.

The amount of food grains in excess of the initial required quantity for below poverty line families (BPL) was granted to the state as “transitory Allocation” for which 103 lakh tons of food grains was reserved annually. Apart from the TPDS allocation, the states were allocated an additional allocation too. The transitory allocation was intended for the continuous benefit of subsidized food grains to the population who were above the APL as sudden withdrawal of benefits which already existed under PDS for them was not considered desirable. The transitory allocation was already issued at subsidized rates but even after being getting subsidized, the rates of the food grains were higher than the prices for the BPL Quota. Keeping in view the increasing allocation of food grains to the Below poverty line families and to provide the food subsidy, GOI increased the allocation of food grains to BPL families from 10 Kg to 20 Kgs of food grains per family per month at half of the economic cost and the allocation to the above poverty line families at economic cost wef.1-4-2000.

Similarly, Chhattisgarh is greatly benefitting from the PDS. About 80% of the APL (Above Poverty level) families have access to Ration shops during COVID Pandemic even when the economy of not only India but there was a global economic crisis all over. Chhattisgarh was one of the states where people got largely benefitted as, during COVID pandemic when migrant laborers and workers returned from the other states to their home state among nationwide lockdown, Chhattisgarh witnessed an increase the e in purchase of PDS rations by APL families. Under National Food Security Act, Antyodaya Anna the scheme for disabled the come under BPL category and people who take ration at Rs 10 per kg are considered as APL families and people who get ration at Rs 1 per kg come under the BPL category. Around 2.47 Crore people are provided rations under PDS in the state.

### **The Chhattisgarh Model**

- 1. Computerization of Paddy Procurement:* In the Kharif year 2007-08, the whole system of paddy procurement at support price has been computerized. This year 59 new paddy procurement centers have been opened for the convenience of farmers. In the Kharif year 2012-13, paddy has been purchased from farmers through computers in 1975 paddy procurement centers of the state. Information regarding the farmers i.e. name of the farmer, total land was recorded in the system before the start of paddy procurement itself. Computer-generated cheques are provided immediately after the sale of paddy by farmers at procurement centers. Information on procurement on daily basis from farmers is immediately available to the state government due to the computerization of the paddy procurement process. Information of farmer of every district of the state, who has sold their paddy via this software, is available on the website of the Food Department.

2. **Transparency in Public Distribution System:** Following actions are taken by the state government for transparency and effective control in the allotment of ration material, supply to reasonable price shops and distribution of ration material to beneficiaries, the under public distribution system.
3. **PDS Online System:-**Computerization of PDS was started in the year 2007 and till now, whole activity from the state level up to supply centers of Chhattisgarh State Civil Supplies Corporation, has been computerized. All Districts' food offices have been connected to the State head quarter via the internet by computerization of Public distribution system. Database of all 11088 Reasonable price shops was prepared for allocation of ration material and since January' 2008, shop wise ration material is being allotted by the Food Directorate through computerized system of the basis of ration cards registered with shops but at present 123000 Responsible price shops exist.
4. **Rice Festival:** Rice festival has been started by the state government in February 2008 for regular monitoring of the distribution of ration material through the Public distribution ion system. Rice festival is also organized on the first day of Haat-Bazaar. The rice festival is organized on 7th of each month. Ration material the l can be procured by ration card holder on the specified date during this festival.
5. **Call Centre:** Adequate arrangement has been made by the Food Department through the use of information technology to achieve the state government's objective of promoting transparency and public participation in the distribution of ration material under Public distribution system. Call center being operated

by the Food Department since January, 2008. The toll free number is 1800-233-3663 through which any citizen can obtain information of the Public distribution system and other schemes being run by the Food Department and can also register his complaint. A total of 16914 complaints have been registered till now. 16392 complaints have been resolved out of the total complaints received.

**6. Public Participation Website:** Public participation website ([www.cg.nic.in/citizen](http://www.cg.nic.in/citizen)) is a new experiment of the state government. All citizens can register themselves on this website free of cost. After registration, citizens send in complaints and suggestions concerning Food Department through e-mail.

**7. E-Kerosene Scheme:** E-Kerosene scheme has been launched by the state government from August, 2012, to make kerosene allocation and supply process more transparent and accountable. Reasonable price shops, under this scheme, shop wise online allotment is being done on the basis of numbers of ration cards registered with reasonable price shops from the state level. Data base has been prepared of all 98 wholesale kerosene dealers and 11088 reasonable private shop operators of the state including their mobile numbers. Information of kerosene pick up by wholesale dealers from oil depot is given in official server through SMS on registered mobile numbers.

**Some of the related studies are discussed below:**

Vasudha, Chhotray, Anindita, Adhikari & Bahuguna (2018) conducted a study on food security and political circumstances that support state capacity for welfare promotion. With powerful popular mobilizations for the Right to Food around the world, the idea

of governmental responsibility for food security has gained ground; nonetheless, important disparities exist in both the articulation of demands and political responses. The reason consists in the interconnected components of political competitiveness, societal demands, and political enablement of bureaucratic capability. This research adds to the growing literature on the political conditions that allow the state to promote welfare. Tillin, Deshpande & Kailash (2015): *Comparing the Politics of Welfare across States in India*, this book presents an agenda for the study of comparative subnational politics and social policy in India. First and Second chapter links these unusual decisions to the ‘policy frames’ shared by politicians, bureaucrats, and academics alike, that have emerged from long-term patterns of political mobilizations and institutional development despite the different health economics of the two states. Second chapters by Rajeshwari Deshpande that focuses on social security for workers in West Bengal and Maharashtra. Third chapter by Tillin, Saxena and Sisodia addresses the reform of classic subsidy programme, the PDS, in the neighbouring states of Chhattisgarh and Madhya Pradesh which were bifurcated in 2000. The chapter highlights the role of leadership and its relationship with the bureaucracy, to explain the different outcomes in the two states. The next chapter by Rajesh Dev compare the local dynamics of MGNREGA’s implementation in the two ‘tribal’ states of Meghalaya and Jharkhand. Dev compare the implementation of ‘MGNREGA’ in the fifth Scheduled area of Jharkhand where elected Panchayati raj institutions exist to the situation the in Sixth Scheduled areas of Meghalaya where structures to implement the scheme have been grafted on to customary governance institutions. Next chapter by Jerkins and Manor offers a different reading of the implementation of MGNREGA in the regional settings of Rajasthan and Madhya Pradesh and focuses on a programme which has expanded the political capacities of the poor in rural areas. The last chapter focuses on this

question through a comparative study of education policy. RTE Act in the two urban centers of Delhi and Chandigarh. The chapters in this volume offer an exploration of how local political environments shape the context for policy implementation; a critical endeavour in order to appreciate the opportunities and frustrations inherent within India's emergent regime. *Dev & Sharma (2010)* analyzed the performance of food security in terms of availability, access, and absorption or nutrition, as well as the problems and policies associated with it. It has been discovered that all three are interconnected. For example, increasing the availability and accessibility of food can improve the nutritional status of households. Access to food can be improved by greater employment as a result of the expansion of labor-intensive industries and/or the implementation of social security programmes. The issue of malnutrition encompasses a far broader range of issues than the issue of food access. India has malnutrition rates that are nearly twice as high as those in many African countries. This necessitates a multi-disciplinary approach that addresses diet diversity, including micronutrients, women's empowerment, health, education, clean drinking water, hygiene and sanitation, among other things. *Krishnamurthy, Pathania & Tandon (2014)* suggest that The National Food Security Act has commended Chhattisgarh's public distribution reforms as a model for other states to follow. His findings imply that sustained reforms with a political and social will can improve PDS access, but that advances without these characteristics may not be considerable or lasting. *Drèze & Khera (2013)* According to them, estimations of the impact of India's Public Distribution System were made using data from the National Sample Survey conducted in 2009-10 and official poverty lines. According to them, PDS has the potential to bring down a poverty-gap index of rural poverty by 18 to 22 percent at the national level in all of India. The equivalent statistics are far higher in states with a well-functioning public distribution system, for example,

61 to 83 percent in Tamil Nadu and 39 to 57 percent in Chhattisgarh, respectively. Present estimates of the impact of India's Public Distribution System using National Sample Survey data for 2009-10 and official poverty lines. At the all-India level, the PDS is estimated to reduce the poverty-gap index in central poverty by 18 to 22 percent. The corresponding figures are much higher for states with a well-functioning PDS, e.g. 61 to 83 per cent in Tamil Nadu and 39 to 57 per cent in Chhattisgarh.

### **Objectives of the Study**

1. To analyse the awareness of the public distribution system among BPL families in Chhattisgarh.
2. To examine the impact of PDS policies in Chhattisgarh.
3. To analyze the recent schemes under PDS and their performance in Chhattisgarh.
4. To study the role of Local administration in monitoring and implementing the PDS scheme.

### **Research Questions**

1. How has the politics of the state driven the new model of public distribution system?
2. The role of local administration and their experience in the implementation of PDS?
3. Why is there intra-regional variation in the implementation of the programme?

### **Hypothesis**

1. Lack of accountability on the part of implementing agency lead to failure of PDS.

2. The use of modern technology reduces scam and enhance transparency in PDS.

### **Research Methodology**

The present study has followed the empirical method using primary Data. A survey method has been followed for this study. By following purposive sampling two-Panchayats viz., one backward and one developed were selected of Raipur District. Researcher also took the help of secondary sources such as government documents reports and papers released by Government of India and Chhattisgarh and other different national organization bodies on the related topics including books, journals and newspaper readings relevant to the research.

### **Major Findings of the study**

1. As far as findings related to household details of the participants is concerned, it was found that majority of the families have almost 5 to 6 members in the family. Majority of families have Kacha house and belongs to rural area of the Raipur district of the Chhattisgarh. There was no house built under Indira Awas Yojna. Majority of the respondents and villagers are labourers and labour work is only their source of income. Approx. 1% of the people in the villages owned near about 8 Acre of land 99 % of the respondents have land minimum to 1 Acre.
2. As far as the findings related to commodities are concerned it is reflected here that the people get rice at Rs.1 per 1 kg. They get sugar at Rs. 10 per kg and salt 2 kg Per Card at every month. But it can be discussed and reflected here that wheat/ flour, pulses, black Chana etc. is equally important to maintain the

balance diet. Government need to focus on this and should initiate the distribution of these commodities essential for the balanced diet.

3. Findings related to Quota sold in open market or appropriated by someone else has shown that 100% of the respondents responded that it happened sometimes when dealer sold in open market or the commodities been appropriated by someone else.
4. It was revealed by the respondents that majority of them are agreed with the entries. Only 3 of the total respondents responded no for the statement. But in an interview with the respondents they replied that they are not satisfied with the quantity of the rice and sugar. The need at least 45-50 kg of rice for a month, but they receive only 35kg. So it is insufficient for the month. The other reason for dissatisfaction is appropriateness of the ration to someone else.
5. It was found that no respondent have responded that there are missing entries, some entries have been over-written, entries are illegible or other irregularities. But it was revealed from the responses that fake information is entered sometimes by the dealer to maintain the record.
6. As far as findings related to reasons for not getting a full quota of ration is concerned, none of the respondent replied for Lack of information regarding opening of PDS outlet, Lack of cash at the time of availability, not interested to buy the grain from PDS or Dealer refused to give full quota. But sometimes Problems in grain supply is noticed by the respondents and only 1% of the respondent replied for grain out of stock.

7. It was found that 3% of the respondents considered the quality as poor, 6% as average and 91% as good quality of the grain. Thus it can be reflected here that the majority of the respondents are considering the quality of the grain as good.
8. It was found that the PDS outlet in the village of Uparwara remain open for 10-12 days and in champaran it remains open for 10-15 days. It is convenient to all availing the services of the PDS. Few of the respondents have responded that it should stay open during the whole month and cited various reasons for the same.
9. It was found in the study that 100% of the respondents said that they get information regarding the opening of the PDS. As far as the appropriateness of the days is concerned 95% of the respondents responded that it is appropriate but 5% of them have said that due to labor work, problem of money and other personal reasons they did not get ration.
10. The results regarding the attitude of the dealer at the PDS outlet shows that at village Champaran 95% of the respondents responded that the attitude and behavior of the dealer is good and appropriate and at the village Uparwara it was revealed that all the respondents are satisfied with the behavior of the dealer.
11. As far as the findings related to the importance of the PDS for the families is concerned it was reflected that 100% of the respondents considered it very important.
12. The results regarding the Satisfaction with the functioning of the local PDS outlet have revealed that 98% of the respondents are reasonably satisfied with the functioning of the local PDS outlet but 2% are somewhat satisfied.

13. The findings regarding the functioning of Today's PDS and PDS of Five Year back have reflected that 91% of the participants considered it better than the previous, 1% consider same, 4% consider it worse and 4% of them say nothing for the statement.
14. The findings with respect to ensuring that no one sleep hungry have reflected that 100% sleep with proper diet but they have to manage with extra efforts/labour work. The quantity of grain followed in the outlets is not sufficient to meet the needs.

### **Conclusion**

The Public Distribution System (PDS) is a poverty-reduction initiative that adds to people's social wellbeing. Rice, wheat, sugar, kerosene, and other essential goods are provided to the population at inexpensive costs through the PDS. PDS is a blessing for those who live in poverty. The principal social welfare and anti-poverty programme of the Indian government is the Public Distribution System (PDS). The Government of India launched the Revamped Public Distribution System (RPDS) in 1992 to service and distribute critical commodities to people living in distant, backward, and hilly areas. In 1997, the government implemented the Targeted Public Distribution System (TPDS). The federal government and state governments have both been actively involved in guiding the PDS's operations to ensure its success. Chhattisgarh is the first state in India to implement food security act of its' own. Not only provisions for food security have been made in C.G. Food Security Act but provisions for nutrition security has also been made with the objective of increasing protein intake in food for the purpose of balance diet. The public distribution system provides food at a low cost to consumers. 11088 fair price shops were operating in the state till October'2014, out of

which 4115 were being operated by panchayats, 4364 by service cooperative societies, 2412 by women self-help groups, 154 by forest security societies and 43 by urban bodies. There is arrangement for issuing ration cards, to eligible persons under Chhattisgarh Food Security Act, 2012, to provide vital commodities to consumers through Reasonable price shops. Gram panchayats are been given the right to issue Antyodaya, Prathmik and Samanya cards in rural areas and municipal corporation/nagar panchayat in urban areas are been given the similar right in their jurisdiction. In this study researcher took an initiative to analyses the awareness of public distribution system among BPL families in Chhattisgarh. Along with this the impact of PDS policies in Chhattisgarh from is also examined. Various recent schemes under PDS and their performance in Chhattisgarh is discussed. Monitoring and implementing the PDS scheme is also discussed which is very important to understand the overall system of PDS in the country and in a particular state. It can be concluded and discussed here that various recent initiatives have been taken by the government such as Interest-free loans for farmers were introduced by the Govt. Free 5 HP electricity for farmers (recycled from 2008) was taken into consideration. The government will establish a 'Kisaan Kalyan Kosh', or Farmer Welfare Fund, to assist farmers (recycled from 2003 and 2008). On paddy, there is a bonus of Rs.300 per quintal (no bonus in 2009, 2010 and 2011). Paddy receives a minimum support price of Rs.2100 per quintal. Poor people are given one rupee per kilogramme of rice. Farmers can benefit from the 'Fasal Beema guarantee' or Crop Insurance Guarantee Scheme. In the event of crop failure, a policy should be developed to provide immediate compensation. Zones dedicated to agro-forestry (not created). From the 3rd to the 13th of October, around Diwali, they will be offering a paddy bonus of Rs.300 per quintal of paddy purchased from them under the banner of 'Bonus Tihar.' 13 lakh paddy

cultivators will receive a bonus of Rs. 2100 crore, a sum totaling Rs. 2100 crore. PDS is one of the government's largest welfare programmes, assisting farmers in selling their produce at fair prices and assisting the underprivileged sectors of society in purchasing food grains at reasonable prices. Its effectiveness can be improved using technology-based solutions, as evidenced by some states' achievements in this area. Shifting to DBT is another option, although it should be approached with caution. In a study on state finances, the Reserve Bank of India (RBI) encouraged states that are considering switching to cash transfers to proceed with caution. While replacing subsidized PDS supplies with DBT, the Economic Survey 2016-17 also stressed the need for greater vigilance and stronger infrastructure. The best way ahead is to strengthen the existing TPDS system by capacity building and training the implementing authorities, as well as attempts to plug leaks. It can be concluded and suggested here that the main issue in the PDS is the Quantity issue. The quantity of the grain they get is not sufficient. Regardless they have to manage the grain from other sources. Secondly only distributing rice and sugar is not enough to ensure the balanced diet of the people. Govt. has to work on it and should distribute dal chana, gud, milk etc. Majority of the people in both the villages are labourer. Hence it is difficult for them to manage household expenses along with the education of their children. Thus benefits should be given to these people with a sound policy which can uplift their social-economic standard. Another problem is noticed by the researcher that the process of registration for ration card is time consuming. It takes 2-3 months to reach the card to the beneficiary. In, this way the FastTrack process of card preparation should be initiated by the Govt.

---

**The PROS and CONS of PDS and other delivery mechanisms**

Mechanism	PROS	CONS
<b>PDS</b>	<ol style="list-style-type: none"> <li>1. Helps in immunizing against high prices.</li> <li>2. Insulates beneficiaries from inflation &amp; price volatility.</li> <li>3. It ensures that the entitlement is used only for food grains.</li> <li>4. Robust network of FPS ensures access to food grains even in remote areas.</li> </ol>	<ol style="list-style-type: none"> <li>1. Low off-take of food grains from each household.</li> <li>2. High leakage and diversion of subsidized food grains.</li> <li>3. Problem of Adulteration of the food grains.</li> <li>4. Lack of viability of FPS due to low margins.</li> </ol>
<b>Cash transfers</b>	<ol style="list-style-type: none"> <li>1. Cash in the hands of the poor increases their choices.</li> <li>2. Cash may help in relieving financial constraints faced by the poor.</li> <li>3. Administrative costs of cash transfer programmes may be significantly lesser than that of other schemes</li> </ol>	<ol style="list-style-type: none"> <li>1. Cash can be used to buy non-food items.</li> <li>2. Exposure to price volatility and inflation.</li> <li>3. There is poor access to the banks and to the post offices in some areas.</li> </ol>

Mechanism	PROS	CONS
	4. There is enough Potential for making an electronic transfer.	
<b>Food coupons</b>	<ol style="list-style-type: none"> <li>1. Freedom of choice to buy food from anywhere.</li> <li>2. Increases incentive for competitive prices and assured quality of food grains among PDS stores.</li> <li>3. Ration shops get full food grains for the poor, no incentive to turn the poor away.</li> </ol>	<ol style="list-style-type: none"> <li>1. Food coupons being not indexed for inflation; may expose recipients to inflation.</li> <li>2. Hard to administer; there have been known delays in issuing of food coupons and their reimbursing shops.</li> </ol>

The PDS has proven to be India's one of the biggest welfare programmes of the government with an aim to assist the farmers to sell their products at the best prices. It also aims to help the poorest sections of the society to buy food grains at the rates affordable to them. Time to time technology up gradation can help in more effectiveness.

- ❖ The Economic Survey 2016-2017 also laid emphasis for the need of more caution while replacing Subsidized PDS with DBT (Direct Benefit Transfer).
- ❖ It will also help in the strengthening of the present TPDS system with the help of capacity building measures and training of the implementing authorities to plug leakages in the best possible way.

- ❖ To further strengthen it, an increase flow of public participation is required through social audits and participation of self helps Groups (SHG), Non – Government Organizations (NGO), and Cooperatives for ensuring the transparency of the PDS system at the grass root level.
  
- ❖ In order to enhance the nutritional level, bio fortified foods need to be distributed through the PDS that will help in eradicating malnutrition from INDIA. J&K is one of the states which have started the issuance of Bio fortified food to the beneficiaries.