

PUBLIC DISTRIBUTION SYSTEM IN WEST BENGAL: A CRITICAL APPRAISAL

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ABSTRACT

A civilised society cannot in the 21st century allow any of its citizens to die of starvation or go hungry for prolonged periods. The country is today concerned that in spite of the fact that the Food Corporation of India (FCI) godowns are overflowing with grain, adequate food is not being consumed by the vulnerable sections of society. There are two aspects to this problem. One is the issue of having enough purchasing power or income to buy food and the other is the access to food (physical availability of food). Thus in remote, inaccessible and backward regions both job opportunities and access to food may be constrained. In such situations, food-for-work and related schemes are necessary. West Bengal has a history of great famines prevailed over the state in the colonial period. But, after many years of Independence the news of starvation deaths are rolling on the air frequently in our state. In this situation Public distribution system (PDS) is the most effective tool of any government to ensure food for all the people of the state. Since it was first inaugurated the PDS has evolved time to time. In West Bengal public distribution system has done a commendable job but there are some loopholes which are weakening the system.

Keywords: public distribution system, targeted public distribution system, purchasing power, fair price shop, food security bill, food security act, ration card, minimum support price, food depots.

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Introduction:

amar sontan jeno thake dudhe-bhate' "Let my children have enough rice and milk for their meals"- (Roy, 1752) the eternal demand of a mother was disturbed throughout the country across the time and West Bengal is not an exception also. West Bengal has a long history of acute famines in the colonial period such as notorious famine of 1770 and of 1943. After Independence the hunger regime changes its nature frequently and became hidden in many cases. The central and state governments have taken many schemes to overcome the situation of hunger. Public distribution system (PDS) is one of them. Public Distribution System acts as an important social safety measure not only in our state but also in the whole country. PDS is now running in the state with a network of more than 20264 fair price shops in 20 districts and serving near about 2 crore families. In this study an attempt has been made to find out the loopholes of PDS in the state and make some recommendations by which it can be minimized and make the system more helpful to the vulnerable section of our society.

Study area: The area of this study is the state of West Bengal, located in the eastern part of India, extending between the latitudes 21°38' N to 27°10' N and longitudes 85°50' E to 89°50' E. The total geographical area of the state is 87759.42 sq. km. and it is mainly an agrarian state with a population of 9,13,47,736. Except some region of north and west the maximum area of the state is under Indo-Gangetic alluvial plain.

Objectives: The basic objectives of the study are to

1. Evaluate the existing system of public distribution of West Bengal.
2. Get a spatio-temporal image of achievements by public distribution system in West Bengal.
3. Make some valued recommendations by which the public distribution system can be more effective.

Data base and Methodology: For this study various secondary database were used from different State Government departments of West Bengal like Department of Food and Supplies, Department of Planning and Department of Statistics and Programme Implementation. Besides, some database also collected from Central Government Department like Department of

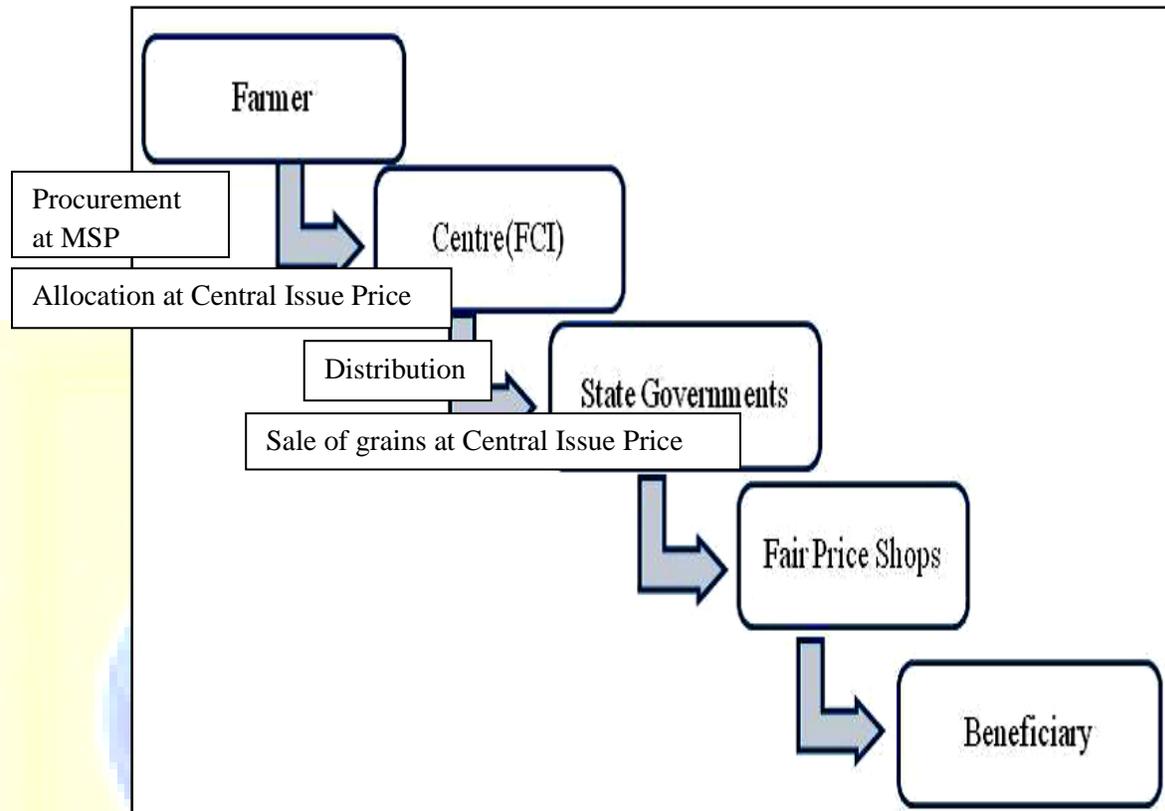
Statistics. Mainly descriptive methodology has been taken in the study. Different statistical methods and cartographic techniques have been used. Spatial mapping has been done by GIS based software (Arc GIS version 10.2.3) to portray a spatial image of the state in respect of infrastructural outlay of public distribution system.

Historical background of Public Distribution System: The concept of Public Distribution System in the country was evolved around 1942 due to shortage of food grains during 2nd World War and Government intervention in distribution of food started. This intervention of Government in distribution of food grains in the food scarcity period and, thereafter, continued in major cities, towns and certain food deficit areas. In West Bengal public distribution system started in 1944 at Kolkata as statutory rationing. Policy of Public Distribution System or Rationing System has undergone several changes with every lap of Five Year Planning period in the country. The Seventh Five Year Plan assigned to it a crucial role by bringing the entire population under Public Distribution System and became a permanent feature in the country's economy. In 1997 Targeted Public Distribution System (TPDS) started. Recently 'The Food Security Act, 2013' has been passed in parliament and PDS changes once again its nature.

Organization and Functioning of Public Distribution System: Public Distribution System in West Bengal has been operated by the Food and Supplies Department. There are two types of rationing system prevailing in the state, one is Statutory Rationing and another is Modified Rationing.

- Statutory Rationing: This is called Urban Public Distribution System (UPDS) also. Kolkata municipality, Haltu Union and North Dum Dum Municipality (North 24 parganas), Jagacha Union in the district of Howrah, the Siliguri township of the district of Darjeeling and the Industrial complex of Durgapur, Raniganj, Asansol, Burnpur, Kulti, Barakar, Dissergarh and Chittaranjan in the district of Burdwan are in the area of statutory rationing.

- Modified Rationing: Rest of the area, which are not covered under UPDS are in the jurisdiction of modified rationing. This system started after the starting of UPDS in West Bengal.

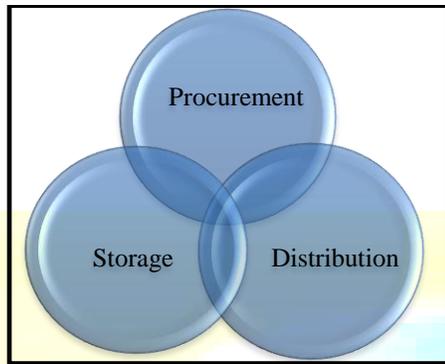
Fig.1: Functioning of the Public Distribution System

Source: Sakshi Balani, 2013

The existing Targeted Public Distribution System (TPDS) operates through a multi-level process in which the centre and states share responsibilities. The centre and state is responsible for procuring or buying food grains, such as wheat and rice, from farmers at a minimum support price. Central Government also allocates the grains to each state on the basis of total number of beneficiaries in each state; state governments are responsible for identifying eligible households. The centre transports the grains to the central depots in each state. After that, each state government delivered the allocated food grains from these depots to each ration shop. The ration shop is the end point at which beneficiaries buy their

food grains entitlement. Public Distribution System is always comprises of three major segments i.e. Procurement, Storage and Distribution.

Fig. 2: Major Segments of Public Distribution System

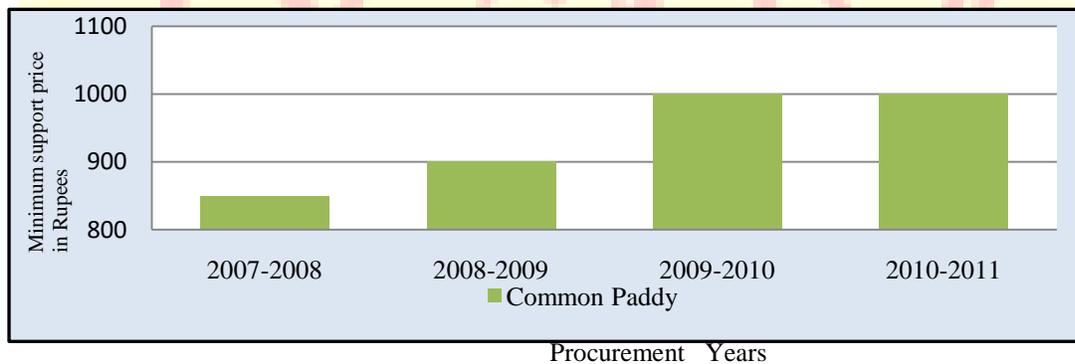


Source: Compiled by the Author

Procurement: Procurement is a very important part of Public Distribution System. Government generally procure paddy from the farmers directly by different Government organizations like BENFED, NAFED etc. through the rice mills located different parts of the state. Commission for Agricultural Costs and Prices (CACP) of Central Government

announces MSP just before every crop season for the farmers and State Government also announces some bonus but, it has been observed that in spite of this system farmer has to sell their product to the moneylenders in low prices. Fig. 3 shows the MSP of common and Grade-‘A’ paddy for last four years. PDS is very much dependent on procured rice and wheat, though in West Bengal generally paddy has been procured from the farmers.

Fig 3: Minimum Support Price for Paddy in Rupees in West Bengal, 2007-08 to 2010-11

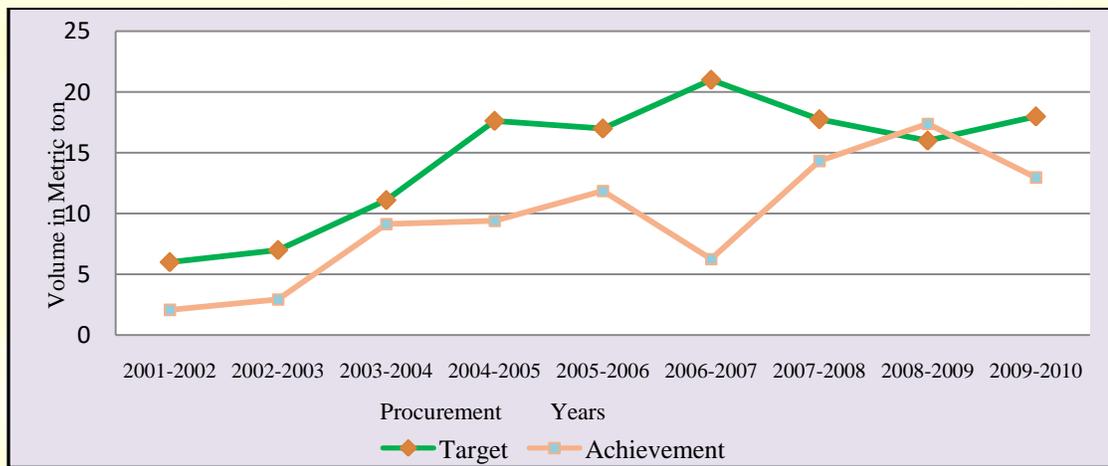


Data source: Government of West Bengal.

Government also procures rice directly from the rice mills through a levy system. Figure 4 shows the details of target-achievement gap then one can easily found that except the

year of 2008-09 Government never achieved the target line of procurement. In 2006-07 there is a huge gap between target and achievement. So Government has to be very much aware about procurement and shall configure the loopholes which are obstructing the challenge of procurement.

Fig. 4: Target Achievement Gap of Procurement of Rice in West Bengal, 2000-01-2009-10



Data source:

Government of West Bengal.

Storage: The second important part of the PDS is storage. Procured rice or paddy has to be kept in secure and well shaded godowns by which it can be used in PDS. For this purpose Government created godowns in all districts of West Bengal. Except this Government also hire some private godowns every year to store the procured grains. Recently State Government has taken a plan of building godowns in every block of the state under various Central Government scheme. It has been observed that due to shortage of godowns Government has to procure lesser in volume every year.

Table 1: Changes in Number and Capacity of Government and Private Godowns in West Bengal, 2007-08 to 2010-11

Fin	No. of	Capacity of	No. of	Capacity
ancial	Government	government	Private	of Private

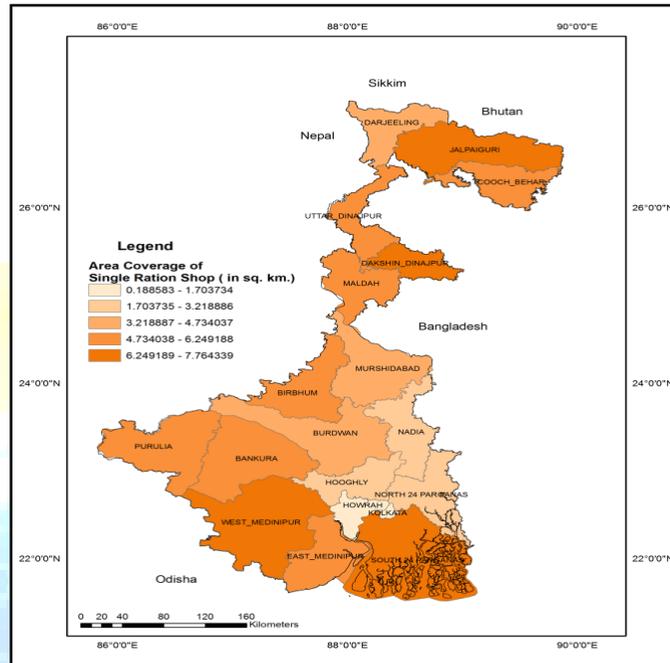
Year	godowns	godowns (in MT)	godowns	Godowns (in MT)
200 7-2008	49	47826	75	133,848
200 8-2009	50	50,000	98	290,500
200 9-2010	50	50,000	122	292,475
201 0 -2011	50	50,000	120	290,500

Source:

Government of West Bengal. Table 1 shows the present scenario of Government and private godowns across the state. Besides, Government has some food depots where food grains have been stored for Public Distribution System. Among these food depots five are near of Kolkata and two in North Bengal. From these depots cereals are distributed to the district dealers for PDS. If we compare between the capacity and number of godowns of Government and Private sector then we will observe that there are huge differences. Government has to take necessary action by which this kind of storage problem can sought out and procure as much as higher volume of food grains for PDS.

Distribution: The last but the most important part of Public Distribution System is distribution of essential commodities to the people. Government generally FPS is shops with a specific license from the Food and Supplies Department, Government of West Bengal and sells only the commodities of PDS. In West distributes commodities to the people through a network of Fair Price Shops (FPS) across the states. In West Bengal there are 20264 FPS in 2011 across the states. In time of distribution there are number of different categories of consumers and as per the category the scheme also changes. Generally in our state now there are four categories of card holder in PDS i.e. APL (Above Poverty Level), BPL (Below Poverty Level), AAY (*Antyodaya Anna Yojana*), AP (Annapurna). Map 1 shows the average area covered by a ration shop in the districts. This map depicts that in South 24 Parganas, Jalpaiguri, West Midnapur districts a ration shop has to cover more than five square km. of area but in Howrah, Kolkata, Hooghly districts the coverage is less than three square km.

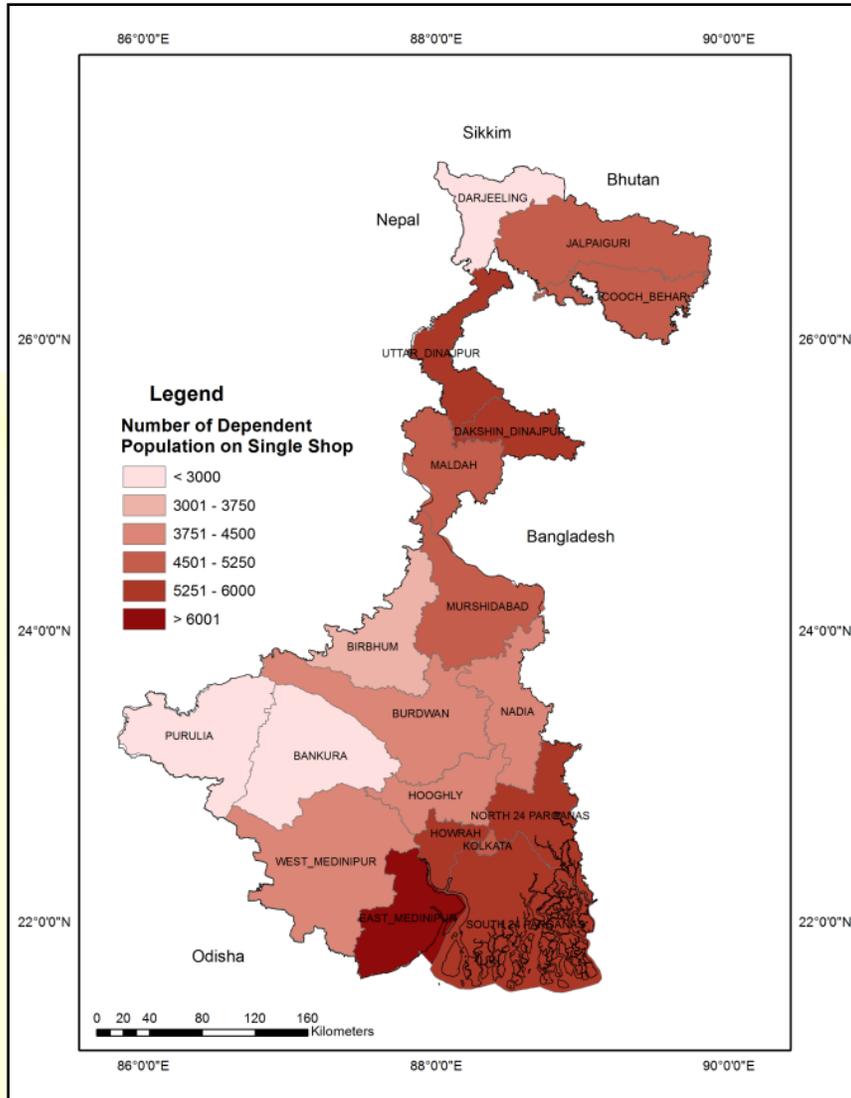
Map 1: Average Area Coverage by a Ration Shop in the Districts of West Bengal, 2011



Data Source: Government of West Bengal

In the map 2 population dependency on a ration shop has been portrayed. From this map the fact is clear that in South 24 Parganas, Purba Midnapur, North and South Dinajpur, Jalpaiguri more than 4500 population dependent on a ration shop, on the other hand in the district of Puruliya, Bankura, Darjeeling the number of dependent population is less than 3500.

Map 2: Population dependent on a ration shop in the districts of West Bengal, 2011



Data Source: Government of West Bengal

Categories of Entitlements:

Above Poverty Level: APL card holders are those who are above poverty level as per the Government survey and get a small volume of food grains in subsidized price from state Government. Central Government don't allocate any fund for this category.

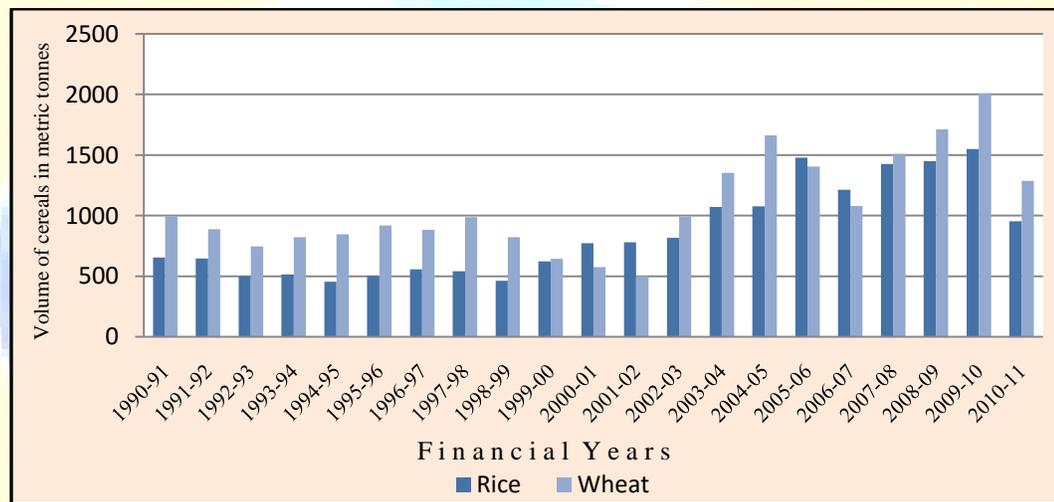
Below Poverty Level: This category of people actually gets the subsidized grains and other commodities in rationing system. They get thirty five kg. of food grains in every month.

Antyodaya Anna Yojana: : In order to make Targeted Public Distribution System (TPDS) more focused and targeted towards the poorest of the poor category of population, the 'Antyodaya

Anna Yojana (AAY) was launched in December, 2000. AAY card holders generally get 35 kgs of food grains per month per household at a subsidised price.

Annapurna Scheme: The Ministry of Rural Development launched the scheme in 2000-01. Indigent senior citizens of 65 years of age or above who are eligible for old age pension under the National Old Age Pension Scheme (NOAPS) but are not getting the pension are covered. 10 kgs. of food grains per person per month are supplied free of cost under the scheme.

Fig. 5: Distribution of Cereals under Public Distribution System in West Bengal, 1990-91-2010-2011



Data source: Government of

West Bengal

Special scheme: After 2011 State government introduced a new scheme of giving rice at Rs. 02.00/kg in the closed tea garden areas of Darjeeling and Jalpaiguri, *Jungle Mahal* areas i.e. in the western part of our state comprises of some parts of West Midnapur, Purulia, Bankura.

PDS in light of ‘The National Food Security Act, 2013’: The National Food Security act was introduced in Parliament on 10th September, 2013 as ‘An Act to provide 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 therewith or incidental thereto.’ (The Gazette of India, Dated 10/09/2013)

This act clearly ordered that every person belonging to priority households (seventy five per cent of the rural population and up to fifty per cent of the urban population identified by the State

Government) shall be entitled to receive five kilograms of food grains per person per month at subsidised prices from the State Government under the Targeted Public Distribution System. The households covered under 'Antyodaya Anna Yojana' shall be entitled to thirty-five kilograms of food grains per household per month at the prices specified. If we compare the PDS schemes between prior to Food Security Act and after the act, then we will find that there is a huge shift from the past. New act will no longer serve the entire section of the population. So, the State Government have to take some initiatives which can achieve a complete coverage.

Table 2: Comparison of schemes introduced before and after 'The Food Security Act, 2013'

Act	Before The Food Security Act			P rice in Rupees	After The Food Security Act			Pri ce in Rupees
PL	Rice	250 gm. (per head per week)	0	8.30/kg	Pri ority household	Rice/ Wheat/ Coarse grain	5 kg/person /mon th	Rice- 03.00/kg Wheat- 02.00/kg Coarse grain- 01.00/kg
	Wheat	500 gm. (per head per week)	0					
PL	Rice- Wheat	35 kg food grains (per family per month)	R ice- 05.65/kg W heat- 0	4.15/kg	A	Rice/ Wheat/ Coarse grain	35 kg / Household / month	Rice- 03.00/kg Wheat- 02.00/kg Coarse grain- 01.00/kg
	Sugar	500 gm. (per head per month)	1					
AY	Rice- Wheat	35 kg food grains (per family per month)	0	2.00/kg	AY	Rice/ Wheat/ Coarse grain	35 kg / Household / month	Rice- 03.00/kg Wheat- 02.00/kg Coarse grain- 01.00/kg
	Sugar	500 gm. (per head per month)	1					
P	Rice- Wheat	10 kg food grains (per family per month)	F ree					

Source: Compiled

from Different Sources.

- **Food security allowance:** In case of non-supply of the entitled quantities of food grains or meals to entitled persons, such persons shall be entitled to receive such food security allowance from the concerned State Government to be paid to each person, within such time and manner as may be prescribed by the Central Government.

But, after all the efforts made in the act is it possible for a person to live with dignity in five kgs. of food grains throughout the month. There are some problems also in terms of targeting the priority segment of the society as there are no such proper guide lines from the central government.

Major Findings: In this study an attempt has been made to find out the overall problems related with PDS. The major loopholes in the public distribution system in West Bengal are related to three major pillars of PDS i.e. Procurement, Storage, Distribution.

1. **Procurement Related Loopholes:** There are some problems related to procurement, the entry point of PDS.

- **Unsatisfactory MSP:** Every year farmers did not get the expected Minimum Support Price (MSP) from the Government. So, they have to sell their products to someone else.

- **Frequency of collection point:** Government collection points in procurement system are not very frequent. So, farmers have to go very far to sell his product which is not cost efficient. In remote areas there are absence of collection point is also observed.

- **Target-achievement gap:** If we look at figure 4 then we will find that there are target-achievement gap in every crop year. So, Government agencies are not so much efficient in procurement process.

- **Improper monetary transaction:** The rural farmers are not very much aware of banking system. But, in Government procurement they have to go under various banking formalities to get their money. So, the farmers avoid the Government process.

2. **Storage Related Loopholes:**

- **Leakage:** A study done at the Indian Statistical Institute (Dutta & Ramaswami: 2001) using NSS data for 1993-94 estimated both the extent of leakage as well as the economic inefficiency of the public food procurement system relative to the open market. The study shows that only 56 to 58.5% of the total food subsidy (Centre and State combined) reaches the PDS consumers. Leakages can range from 15% to 28% of the subsidy.

- **Shortage of godowns:** In our state there are storage problem also. Government do not have enough godowns to store the procured food grains in well condition. Table 3 shows the poor storage condition in the state. In every year Government agencies hire private godowns for storing and which is not economically feasible.

3. Distribution related loopholes:

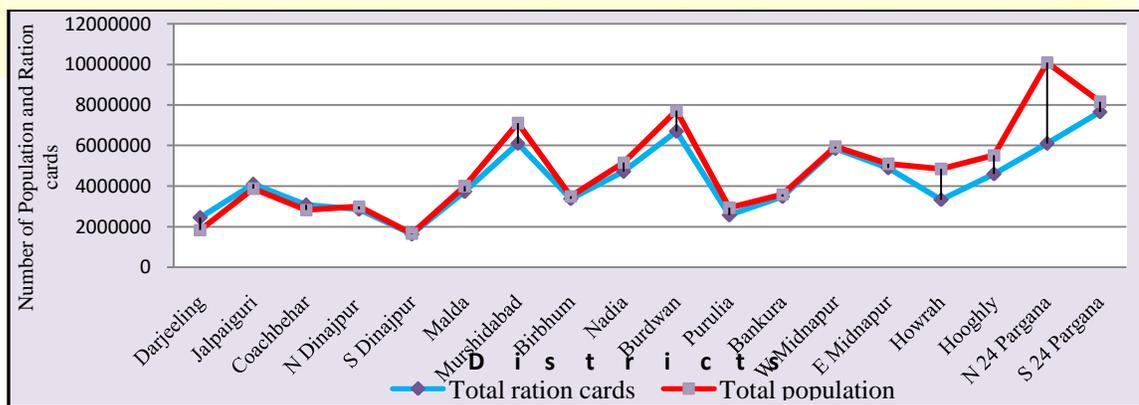
- **Wrong targeting of households:** Due to some popular politics Government also miss target the households. Actually needy one does not get a BPL card for PDS.

- **Absence of Fair Price Shops in remote areas:** The number of Fair Price Shops is uneven in distribution across the state. Especially in the remote areas there are lacks of number of FPS operating.

- **Irregularity of opening of shops:** Though is a proper guideline of opening and closing of FPS, but the dealer do not maintain the regulation and operates the FPS as per their interest.

- **Ghosts ration cards:** Figure 6 shows that in some districts of West Bengal there are excess number of ration cards than the total population indicating the ghost card scenario.

Fig 6: Number of Distributed Ration Cards vis-à-vis Population in the Districts of West Bengal under Modified Rationing, 2011



Data source: Government of West Bengal

- **Ignoring the food habit:** Government generally allocate food grains in PDS universally ignoring the regional food habit. For this reason people don't want to buy those food grains which are not in their food habit. In example, in rural part of Burdwan district the people generally don't eat 'Roti' made of wheat, but they have to buy wheat in PDS. So, they sold the subsidized wheat in open market and the real aims of PDS go in vain.

Critical appreciation: In the past, utility and effectiveness of PDS has generally been evaluated in monetary terms. Most of the researchers, for example Radhakrishna (1991) and Srivastava and Sen(1997), are of the view that PDS is an inefficient way of subsidizing access of food to the poor. Suryanarayana (2000) has criticized the evaluation of the PDS in terms of monetary benefit to the household. He argues that the value of PDS is more as an instrument of food and nutrition security even though the restructuring of the PDS was done on the basis of poverty criteria. Table 7 shows some technology based reforms which can benefited the system and the people, the direct stake holders of PDS. In our West Bengal there are also some organizational and operational problems regarding the Public Distribution System but it has to be admit that the system is serving more than nine Crore population of our state continuously. If Government pay more attentions to this gigantic operation, it can be more effective to serve the vulnerable society of our state. Some changes have to be made to make the system more effective. Recently ration card digitization is going on throughout the state to bring the system under surveillance and identify the fake ration cards. This kind of initiative will surely bring the transparency in the system.

Recommendations: The Way Forward

- There should be greater decentralisation of operations relating to PDS. States should be free to procure cereals themselves, buy it from private traders or from FCI, and maintain buffer stocks.
- Government should arrange more storage facility for procured food grains so that the food grains can be kept for future in safe.
- State Government have to be more careful during the surveys from which they can mark the actual BPL or the *Antyodaya* families to get the subsidy.

- In the long run the food subsidy should be confined to the population below the poverty line. However, for the present, while excess stocks of food grains exist in FCI godowns, cereals can be supplied under PDS to the APL population at a concessional rate as a temporary measure.
- The beneficiaries should be permitted to buy rations from PDS at more frequent intervals, at least on a weekly basis.
- It may be more efficient to supply subsidized food grains to the public through the system of food stamps or food credit cards (smart cards).
- More Fair Price Shops (FPS) should be opened specially in the remote areas.
- The commodity supplied in the PDS should be region specific in terms of food habit of the area.
- Government shall introduce multi level vigilance committee for the dealers or the stockists and stop the malpractice.
- Government shall organize mass awareness campaign to aware the public about the schemes and entitlement of public distribution system.
- Application of information and communication technology tools including end-to-end computerisation in order to ensure transparent recording of transactions at all levels, and to prevent diversion.
- Under the system of food stamps, instead of issuing ration cards, the state could issue a subsidy entitlement card (SEC). The SEC should show the number of members in a poor family, their age etc, and indicate their entitlement level for food stamps. There could, in principle, be different levels of entitlement based on age. All adult members from a poor family could be entitled to "A" number of food stamps per month while the entitlement for a child could be "B" number of food stamps.

Conclusion: It is now widely recognized that dramatic changes in food consumption patterns have taken place in India in the post green revolution period (Meenakshi: 2001). In order to ensure better targeting of the food subsidy major reforms are required in the pattern of marketing of food grains in the state. This happens to be the most opportune time to undertake such a reform as part of the National Food Policy. V.M Rao (2000) says that while the Public Distribution System is for the benefit of the poor, it is not targeted on the poor and has shown

little concern to extend its reach to areas where food distress is widespread among the poor. A food security system should have a dependable provision to ensure that the poor have the capacity to pay for the food grains made available to them. So, a well-planned, well-operated and transparent PDS can really help the vulnerable section of our society to live with dignity. In this study the need of the hour has been identified and recommendations also been made to create greater effectiveness and coverage of PDS. To sum up, it would be appropriate to emphasize that whereas the coverage of the PDS is wide and it is able to help large sections of the poor, yet the fact of the matter is that it provides only a temporary relief. For the purpose of providing enduring food subsidy to the poor, it has been suggested that it would be more appropriate to emphasise strategies, which reduce poverty. The role of rapid economic growth with larger employment generation assumes crucial importance.

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