

Efficiency of Public Distribution System and Consumption pattern of BPL Family in Tuticorin district

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Abstract

This article studies the effectiveness of PDS and its impact on BPL families. Public Distribution System aims at protecting the vulnerable sections of the society by encompassing them in the distribution network. PDS is mainly to provide service to the vulnerable society by ensuring food substance at affordable price. The persistent weaknesses observed in FCI operations are a clear symptom of over-centralization. Another problem with the PDS, is the amount of leakages of food grains and other commodities in the form of losses in the transport and storage and diversions to the free market. This kind of problem arises in a wide variety of contexts. The PDS is not equipped with the proper storage and transportation facilities. The government should provide transportation to depot holder for taking ration from the district/regional stores to the FPSs so that there can be check on the corrupt activities while transportation. The state govt. should construct more storage godowns with involvement of local bodies. Late arrival of food grains at FPS is an important constraint in the timely distribution of PDS grains. The doorstep delivery to retail outlets must be done in a transparent manner, the FPS-wise information on delivery and receipt should be computerized at the block level for onward transmission and monitoring.

Keywords: Below Poverty Line (BPL), Food Corporation (FC), Fair Price Shop (FPS), Public Distribution System (PDS).

INTRODUCTION:

Poverty alleviation and eradication of hunger are the two vital objectives of rural development programmes in India. Public Distribution System is one of the programmes for poverty alleviation and hunger mitigation. It is a social safety net, which can be understood by the fact that aggregate availability of foodgrains is not enough to ensure the ability to acquire foodgrains. Public Distribution System aims at protecting the vulnerable sections of the society by encompassing them in the distribution network. PDS is mainly to provide service to the vulnerable society by ensuring food substance at affordable price. Government of India provide subsidy to the food substance to enhance the right to have food. The QQP (Quality, Quantity and Price) management is important for an effective public distribution system. The government should evolve a mechanism to deal with this aspect. The PDS aims at eradication of rural poverty and inequality by providing justice to poor (Pattanaik, 1997). The service of Public Distribution System is one of the crucial variables mediating the relationship between aggregate food availability and the individual entitlements. Generally, the

successful containment of PDS is to be in adequate quota, correct weight and measures and the availability of commodities to the vulnerable society.

REVIEW OF LITERATURE:

Examination of the more important studies only has been attempted here, especially in the backdrop of the present study of the effectiveness of the public distribution system.

1. Government of India (2005) reported that the two pivotal issues that relate to the implementation of TPDS are; a) evolving a method for the identification of the poor that minimizes errors and economizes resources; and b) instituting a delivery system that is effective and efficient. The forgoing analysis suggests that corrective measures are required in both these areas for realization of the objectives of TPDS.
2. Sabina Alkire and Suman Sheth (2008) in their study, pointed out the Indian Government has already undertaken initiatives to identify families that are poor in many dimensions at the same times. Among them, in 2002 the rural families were categorized as living below poverty line (BPL) on the basis of 13 kinds of deprivation. As in previous BPL (1992, 1997, 2002) the rural families identified as BPL were eligible for government support such as subsidized food, or electricity and schemes to construct houses and self employed activities.

NEED AND IMPORTANCE OF THE STUDY:

Human beings can survive with economic, social, and political deprivation but not with biological deprivation such as food and water. Food security means food is available at all time, all persons have means of access to it, it is nutritionally adequate, in terms of quality, quantity and variety and is acceptable within the given culture. Only when all these are considered, food is secure (FAO 1996). Thus effective Public Distribution System is essential to ensure the availability of food to all, especially to the poor population sector. The public distribution system is mainly to provide food substances to the people below the poverty line. This study highlights the real problems of PDS on its functions.

STATEMENT OF THE PROBLEM:

In India 273 million people are chronically hungry people due to insufficient food for them. This series of event in India have brought the question of food security into sharp focus (UNDP 1999). It follows that food security should be a major focus of policies concerned with well-being in this society still in India over 400 million people are poor and hungry (FAO 1999). Government of India provides many schemes to eradicate hunger but hunger exist due to rise in food commodity prices. The Planning Commission's report says that ' with a network of more than 4,00,000 FPS, the PDS in India can play a more meaningful role only if it translate into micro level and macro level self-sufficiency by ensuring availability of food grains for the poor households. This statement by Planning Commission has lot of meanings and expresses a desire to know the utility and implementation process of PDS scheme. This current study is undertaken to know some questions like

its failure to serve the BPL families, lack of transparent and accountable arrangements for delivery, diversion of PDS commodities to the open market.

OBJECTIVES OF THE STUDY:

- ✎ To analyse the service quality of PDS to the BPL family.
- ✎ To evaluate the problem and prospects of PDS.

HYPOTHESIS:

1. The behavior of staff in PDS is not influenced by the residential area.
2. Family position of the cardholders does not impact the perception on the availability of PDS commodities.
3. The perceptions of cardholders on quality, availability, quantity and price of PDS commodities have no significant difference with the occupation of the cardholders

RESEARCH METHODOLOGY:**Research design and Methodology:**

The data collected from 446 respondents in Urban and Rural area of Tuticorin district in Tamil Nadu. The data were selected by using stratified sampling method. It also covers 15 ration shops, both Fair price shop and Cooperative Societies in Tuticorin urban and rural area, which was selected by using random sampling method. The data were collected by using a well framed questionnaire which contains three parts. The first part covers the demographic profile of the respondents. The second part of the schedule includes the awareness of PDS service among the respondents. The third part of the schedule includes the factors influence the efficiency of Ration shops and its functions. A pilot study was conducted between 100 respondents. Based on the feedback on the pilot study, certain modifications, additions and deletions were carried out. The final draft was prepared to collect the data. The collected data were processed with the help of appropriate SPSS statistical tools. Cross tabs, Chi-Square test, t- test, Rank test, and Factor analysis are used to test the significance of the result. Improper PDS is not the main cause for the starvation and hunger death which is the main limitations of the study.

RESULTS AND DISCUSSION:

The effectiveness of Public distribution system was analyzed and discussed to know the effectiveness of this system in Tuticorin. This study helps to enhance the system and to reduce hunger death with effective PDS network. This analysis includes the respondent's perception on PDS, Consumer satisfaction and problems in PDS. To know the service quality of the PDS the perception towards staff behavior and availability of commodities is analysed.

PERCEPTION TOWARDS STAFF BEHAVIOR

Reside nt area		No opinio n	Friendl y	Politel y	Hardl y	Total	Chi-Square Tests			
Urban	Responden ts	17	2	87	158	264		Value	D f	Asym p. Sig. (2-sided)
	Resident area	6.4%	.8%	33.0%	59.8%	100.0 %	Pearson Chi-Square	207.483 ^a	5	.000*
	Behavior of Staff	100.0 %	4.3%	56.1%	87.7%	59.2%	Likelihood Ratio	252.946	5	.000
Rural	Responden ts	0	94	68	20	182	Linear-by-Linear Association	1.657	1	.198
	Resident area	.0%	51.6%	37.4%	11.0%	100.0 %	No of Valid Cases	446		
	Behavior of Staff	.0%	95.7%	43.9%	12.3%	40.8%				
Total	Responden ts	17	96	155	178	446				
	Resident area	3.8%	21.5%	34.8%	39.9%	100.0 %				
	Behavior of Staff	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %				

Source: Primary Data * 5% Significance level

The finding of this table reveals the P value at 5% level of significance. The null hypothesis is rejected, since its P value is less than 0.05. It is concluded that the opinion regarding the staff behavior in PDS varies in respect to the residential area. The mean value of the analyses shows that the cardholders' opinion on PDS Staff behavior based on their residential area. Most of the cardholders in urban area (59.8%) say the staff behavior is hard. Further 33% of the respondents have opinion regarding staff as polite. Least of the urban cardholders 0.8% say PDS staffs are friendly. Almost 17 cardholders have no opinion regarding the PDS staff. Rural cardholders are (40.8%), in it 51.6% of the cardholders have friendly opinion about the PDS staff. About 37.4% of the cardholders say PDS staff behavior is polite to them. Only 11% of the cardholders say PDS staff behavior is hard. The residential areas of the cardholders have different opinion regarding the PDS staff.

AVAILABILITY OF COMMODITY

The Public Distribution System is a positive intervention of state for public policy. The main purpose of PDS is to make essential commodities available on a regular basis to the vulnerable society. Generally, the PDS services are categorized as adequate quota, no favourism and nepotism, no manipulation. Table 5 indicates the influence of independent variables on the availability of commodity.

Dependent variable : Availability of commodity

Independent variables : Adequate quota, No favourism & nepotism , No manipulation.

Table 5
Regression on the PDS Commodities and services

Co-efficient						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.448	.092		4.846	.000
2	Adequate quota	.248	.023	.443	10.90	.000
3					2	
4	No favourism and	.215	.032	.300	6.711	.000
5	nepotism					
	No manipulation	.041	.038	.044	1.091	.276
6						
7	Multiple R value 0.660					
	R ² -.435					
	F Statistic (3, 442) - 113.486					
a. Dependent Variable: Availability of commodity						

A regression analysis is conducted to comprehend the impact of adequate quota, no favourism and nepotism and no manipulation in PDS factors on the availability of commodities. In this study the PDS factors on the availability of commodity was put as the dependent variable. The equation which emerged after the process is as follows. Table 5 summarizes the determinants of the equation.

$$Y_1 = 0.448 + 0.25X_1 + 0.22X_2 + 0.041X_3$$

Y_1 = Availability of commodity.

X_1 = Adequate quota.

X_2 = No favourism and nepotism.

X_3 = No manipulation.

Determinants of factors on the PDS affecting the availability of commodity (N=446)

Variables	Dependent variable: Availability of Commodity		
Independent Variables	Beta	Simple r	t- Value
Adequate Quota	0.248	0.000**	10.902
No favourism and nepotism	0.215	0.000**	6.711
No manipulation	0.041	0.276**	1.091
Multiple R = 0.66			
R Square = 0.43			

** Significant at 0.01 level

The value of multiple R is 0.66 and the value of R square is 0.43 in the equation. It states that 43% of the availability of commodity can be controlled by these factors. 43% is a significant value that explains the causes of this factor on public distribution system, which has been taken into consideration. The rest 57% can be attributed to so many other factors in PDS functions. It indicates

that moderate contribution to availability of commodity and three independent variables namely adequate quota, no favourism and nepotism and no manipulation are positively correlated with each other. So the relation of adequate quota with availability of commodity indicates that valuable estimation on quota with availability of commodity have a high impact on the efficiency of public distribution system. Besides this, availability of commodities not gets affected by two factors of PDS process namely no favourism and nepotism, no manipulation.

PERCEPTION ON THE AVAILABILITY OF COMMODITIES

Null hypothesis: Family position of the cardholders does not impact the perception on the availability of PDS commodities.

Factors	Family position	N	Mean	Std. Deviation	t value	P value
Availability of Rice	BPL family	393	3.78	.619	8.023	.000*
	Non BPL family	53	2.74	1.953		
Availability of Wheat	BPL family	393	3.30	.643	5.755	.000*
	Non BPL family	53	2.57	1.824		
Availability of Sugar	BPL family	393	2.47	.963	6.686	.000*
	Non BPL family	53	1.49	1.219		
Availability of Kerosene	BPL family	393	1.20	.426	11.217	.000*
	Non BPL family	53	.45	.637		
Availability of Grocery	BPL family	393	1.51	.799	5.402	.000*
	Non BPL family	53	.89	.751		

*Significant at 5% level

In Table 5 the family status of the respondents and their perception about availability of PDS commodities is explained. Mean value for the availability of rice is 3.78 (with S.D 0.619) for the BPL family cardholders, which is higher than Non BPL family. It implies that the BPL family cardholders have satisfactory perception on availability of rice. Similarly for the availability of wheat, sugar, kerosene and grocery the mean value is high for BPL family cardholders. It clearly implies that the BPL family cardholders have satisfactory perception on the availability of PDS commodities. Hence, it can be concluded that the family status of the cardholders has an impact on the perception on the availability of PDS commodities.

PERCEPTION ON QUALITY, AVAILABILITY, QUANTITY AND PRICING OF PDS

Null hypothesis: The perceptions of cardholders on quality, availability, quantity and price of PDS commodities have no significant difference with the occupation of the cardholders

Factor	Occupation	N	Mean	Std. Deviation	F value	P value
Perception on Quality, Availability, Quantity and Price of PDS Commodities	Daily wages	89	1.85	.716	1.624	0.106*
	Farmer	56	1.82	.431		
	Government employee	9	2.00	.000		
	Private employee	59	1.70	.633		
	Business	44	1.88	.885		
	Housewife	187	1.88	.465		
	Retired person	2	3.00	1.414		
	Total	446	1.85	.560		

*Significant level at 5%

From the above analysis it can be noted that the total mean on the perception of PDS commodity is 1.85 with the standard deviation 0.560. The mean value is high for retired persons (3.00 with S.D 1.414). It implies that, retired persons have high satisfactory perception on quality, quantity, availability and price of PDS commodities than others. It is followed by the mean value 2.00 for government employees. Similarly, the perception on influential factors in PDS commodities has different mean value according to the occupation of the respondents. It has also been proved by the P value that the perception of cardholders on quality, quantity, availability and price of PDS commodities have no difference with the occupation of the cardholders.

FINDINGS:

1. The study reveals the respondents opinion on PDS staff behavior based on their residential area. Most of the cardholders in urban area (59.8%) say the staff behavior is hard. Rural respondents 40.8%, in it 51.6% of the respondents have friendly behaviour about the PDS staff. The residential areas of the cardholders have different opinion regarding the PDS staff.
2. A regression analysis is conducted to comprehend the impact of adequate quota, no manipulation, no favourism and nepotism in PDS factors on the availability of commodities. In this study the PDS factors on the availability of commodity was put as the dependent variable. The value of multiple R is 0.66 and the value of R square is 0.43 in the equation. It states that 43% of the availability of commodity can be controlled by these factors. 43% is a significant value that explains the causes of this factor on public distribution system, which has been taken into consideration. The rest 57% can be attributed to so many other factors in PDS functions. It indicates that moderate contribution to availability of commodity and three independent variables namely adequate quota, no favourism and nepotism and no manipulation are positively correlated with each other.
3. In this study the family position of the respondents and their perception on availability of PDS commodities is explained. Mean value for the availability of Rice is 3.78 (with S.D 0.619) for the BPL family cardholders, which is higher than Non BPL family. It implies that the BPL family cardholders have satisfactory perception on availability of rice. Similarly for the

availability of Wheat, Sugar, Kerosene and Grocery the mean value is high for BPL family cardholders. It clearly implies that the BPL family cardholders have satisfactory perception on the availability of PDS commodities. Hence, it can be concluded that the family position of the cardholders has impact on the perception on the availability of PDS commodities.

4. From the above analysis it can be noted that the total mean on the perception of PDS commodity is 1.85 with the standard deviation 0.560. The mean value is high for the retired persons (3.00 with S.D 1.414). It implies that, retired persons have high satisfactory perception on quality, quantity, availability and price of PDS commodities than others. It is followed by the mean value 2.00 for the government employees respectively. Similarly, the perception on influential factors in PDS commodities has different mean value according to the occupation of the respondents. It has also been proved by the P value that the perception of cardholders on quality, quantity, availability and price of PDS commodities have no difference with the occupation of the cardholders.

RECOMMENDATIONS/SUGGESTIONS:

PDS in the country facilitates the supply of food grains to the poor at a subsidized price. The objective of the Public Distribution System in India is to guarantee for the low income population a desirable per capita consumption of food. The following reforms may help in improving the situation confronted with PDS in India and ease of use for the poor:

- ✎ Careful attention need to be paid to 'E' mistakes (exclusion of deserving persons) and 'I' mistakes (inclusion of non-deserving persons) while selecting beneficiaries of BPL, AAY. Particularly for latter scheme.
- ✎ The proportion of population with food insecurity should be identified with the planning commission's poverty ratio. The Planning Commission should make appropriate adjustments in the method of identifying the BPL families. Local bodies like Municipalities and panchayats should not be involved in the process of identification of BPL families. Effectiveness of PDS affects due to inappropriate identification of BPL families. It is a critical factor for the success of PDS function.
- ✎ The PDS is not equipped with the proper storage and transportation facilities. There are various private agencies engaged in the process of transportation. Besides, the FCI and SFCs do not have proper storage facilities. The government should provide transportation to depot holder for taking ration from the district/ regional stores to the FPSs so that there can be check on the corrupt activities while transportation. The state govt. should construct more storage godowns with involvement of local bodies. It helps to ensure the availability of commodities in PDS to the actual beneficiaries.
- ✎ Based on the fact that most of the BPL households are regular buyers of rice, wheat, and kerosene, provided they have prior information about arrival of these items, we

recommend the distribution of rice, wheat, and kerosene by the exact quantity allotted at the right price. Also, based on the fact that there is irregular distribution of these items, combined with the prevailing low (and often lower) market price per unit of rice and wheat, we recommend the ensuring of regularity in withdrawal of these items by the FPS Dealers for distribution among the households without any time lag.

CONCLUSION:

Despite massive subsidies given by the Central and State governments towards food distribution to the poor, most of these subsidies failed to serve the public, especially Below Poverty Line. Most of the respondents prefer kerosene in PDS due to subsidized and low price compared to open market price. Kerosene is the main source for cooking in Tamil Nadu BPL families. The result shows that the respondents' perception towards satisfaction on PDS depends upon their urban and rural area. The Urban respondents are highly satisfied about the PDS function. The management of PDS preferred to be urban for its distribution of commodities. Less preference has given to village and rural areas, where the BPL populations are much higher than urban. Finally, there are some problems of PDS, like assessments for identification of BPL and APL families, irregular distribution of commodities, improper distribution throughout the month and the absence of the installment system. The assessment of BPL and APL families should be reassessed according to the present economic and purchasing power of the consumers.

SCOPE FOR FURTHER STUDIES:

PDS have a wide scope for many more studies regarding problems in transportation and storage, problems of FCI and the problems in implementing the scheme. The present study has not analyzed the problems of warehousing and logistics.

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