

General Studies-3; Topic: Public Distribution System- objectives, functioning, limitations, revamping;

PDS Reforms

1) Introduction

- India's public distribution system (PDS) is the largest food security programme in the world, which covers nearly 60% of the population.
- Many States have initiated 'reforms' in the PDS from compulsory biometric authentication to direct benefit transfer (DBT) and Computerized Fair Price Shops.

2) Positives

- Biometric authentication helps in curbing leakages and weeding out ghost beneficiaries.
- Lead to substantial savings in the food subsidy bill.
- Savings in the subsidy bill can contribute to check fiscal deficit and allow the state to do a lot more for its citizens.
- The accessibility and availability of food will help in alleviating poverty.
- Digitization is the path towards Minimum government and maximum governance.

3) Recent Changes

- PDS has often been criticised for its structure, corruption and leakages, and inclusion and exclusion errors in identifying the beneficiaries.
- Odisha, Tamil Nadu, Rajasthan, Chhattisgarh, Madhya Pradesh, Telangana and Gujarat have intensified reforms in PDS using technology and ensuring community participation.
- It includes computerisation of off take of grains, recording of procurement, storage and distribution and installation of PoS machines in fair price shops.
- The Jharkhand government made Aadhaar-based biometric authentication compulsory for PDS users.
- It cancelled ration cards not linked with Aadhaar.
- Many of the cancelled ration cards actually belonged to families that had been unable to link their card with Aadhaar.
- The monthly PDS rations of 5 kg per person were restricted to those whose individual names had been linked with Aadhaar in the ration-cards database.
- So if a family has five members, but only three are listed in the database, so the family gets only 15 kg of rice per month instead of 25 kg.

4) Consequences

- Due to compulsory biometric authentication, vulnerable groups such as widows and the elderly, found themselves excluded from the PDS.
- Inconvenience due to connectivity and biometric failures.
- The mass-cancellation of Aadhaar-less ration cards, without verification and without even informing the victims, was seen as inhuman.
- The main problem with DBT is that it consumes more time for travelling to banks, pragra Kendras (common service centres) and ration shops to get their money and then use it to buy rice at the ration shop.

- At every step, there are long queues, and for many people the bank or pragra kendra is also far away.
- For people with mobility problems, like the elderly or disabled, this entire process is a nightmare.
- Elderly persons with rough fingerprints are deprived of food rations.

5) Concerns / Challenges

- Inadequate infrastructure to transfer money to beneficiaries.
- The density of fair price shops (FPS) is still lower in many states.
- Wastage and losses resulting from poor handling and storage of grains.
- PoS machines are ineffective in preventing quantity fraud.
- There is no clarity on which account is selected for DBT when a household has several bank accounts.
- Internet dependence is inherent to Aadhaar authentication. But even in State capitals there are network failures.
- Beneficiaries often do not receive their full entitlement due to the wilful diversion of grains by FPS owners or non-availability of grains.
- Risk of exclusion error due to either incorrect mapping of ration card to Aadhaar details or deactivation of Aadhaar numbers.

6) Way Forward

- Participation of gram panchayats, SHGs, cooperatives and NGOs in PDS outlets will ensure participatory management and transparency.
- A strong grievance redressal mechanism is needed.
- The unintended omissions could be minimised by strengthening the identification mechanism.
- Efforts are needed to widen the distribution network (FPS) to remote corners to enhance access.
- Minimising wastage and losses through continued research and improvements in logistics throughout the distribution chain.
- Appropriate choice of food including bio-fortified food, if distributed, can help in addressing micronutrient deficiencies such as vitamin A and anaemia.
- Improving internet penetration in rural areas (through Bharat Net programme), electricity availability, POS sale machines and launching comprehensive awareness drive are needed.