

**A Study on the Effectiveness of Public Distribution System
In Rural Tamilnadu**

Submitted to

The Planning Commission
Government of India, New Delhi

Submitted by

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December-2004

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Executive Summary

PDS is considered as principal instrument in the hands of State Governments for providing safety net to the poor against the spiraling rise in prices of essential commodities. In this regard Tamil Nadu sets a model in implementing the PDS as universal system. Here the involvement of the Cooperative Societies is noteworthy, since they cover more than 93 per cent of the FPS in Tamil Nadu. Further, the involvement of women SHGs in the distribution network ensures safety, transparency, and accessibility and above all reduced the transaction cost. Hence, this channel of distribution can be promoted.

It was found in this study that problems like leakages, poor quality, under weighing, non-availability of controlled as well as non-controlled articles during certain times, non-availability of ration cards, bogus cards, etc., affect the efficiency of the system. Ensuring the availability of essential articles as per allotment as and when required by the cardholders, increased margin to cooperatives, and better salary to employees, reduction in the number of cards to be handled by a FPS, maintaining and updating the Notice Boards at every FPS, formation of vigilance committees at every FPS level and providing more role to women SHGs are the viable options put by the sample respondents to strengthen the PDS, which cannot be ignored.

Further the continuance of Universal System will help to provide safety net to the poor against spiraling market prices of essential commodities. Though primarily employee of the PDS retail outlet should be made responsible for eradicating the problem of bogus cards, effective coordination between local bodies, revenue authorities and lead and link societies will alone be able to eradicate this problem.

Chapter - 1

The Design and Execution of the Study

1.1 Introduction

Public Distribution System (PDS) is a poverty alleviation programme and contributes towards the social welfare of the people. Essential commodities like rice, wheat, sugar, kerosene and the like are supplied to the people under the PDS at reasonable prices. PDS is a boon to the people living below the poverty line. PDS is the primary social welfare and antipoverty programme of the Government of India. Revamped Public Distribution System (RPDS) has been initiated by the Government of India from the year 1992 in order to serve and provide essential commodities to the people living in remote, backward and hilly areas. Government introduced Targeted Public Distribution System (TPDS) in the year 1997. Central Government and State Governments have been actively involved in steering the operations for the success of the PDS.

It is not possible to neglect the PDS in India, because majority of the Indian population are living in rural areas and their standard of living is also poor and they cannot afford to pay the prevailing market prices for the essential commodities. Central Government has provided Rs. 6066 Crore for food subsidy in the Union Budget for the year 1996-97. This has increased over the years and stood at Rs. 21,200 crores in 2002-03.

Tamil Nadu sets a model in implementing the PDS as universal system for the cause of eradicating poverty and improving standard of living of the people living below the poverty line. Timely supply of essential commodities is the basic element for the success of the PDS. Infrastructure i.e., Fair Price Shops (FPS), godown facilities and employees are other requisites of the PDS.

The involvement of the Cooperative Societies is noteworthy for the success of the PDS in Tamil Nadu. The total family cards under the PDS in Tamil Nadu are 13230193 as on 30th June 2004. There are 21662 full time FPS run by cooperatives. More than 93 per cent of the fair price shops of Tamil Nadu are managed by cooperatives. It shows the extensive involvement of the Cooperative Societies in serving the rural people by taking steps to supply essential commodities in the right time at affordable prices. In addition to the regular and fulltime FPS, Department of Cooperation has established part time FPS in villages. It helps the villagers to purchase the essential commodities in the nearby places. There are 4673 part time FPS, 549 women shops and 36 mobile FPS functioning in Tamil Nadu.

Cooperative societies have become accelerator for the success of the PDS in Tamil Nadu. To procure essential commodities and supply them to the public, an established and organized agency becomes essential. The Food Corporation of India procures essential commodities on behalf of the Central Government. The TNCSC procures essential commodities on behalf of Government of Tamil Nadu. The lead societies viz., consumer cooperatives and marketing cooperatives procure the essential commodities (rice, wheat, sugar, palm oil) from the civil supplies corporation and deliver to the FPS. The procurement and delivery of essential commodities is performed in every taluk by the lead societies. Kerosene is procured from the private dealers and it is supplied in the FPS. The FPSs are the agents at the field level to distribute the articles to the ultimate beneficiaries in right time. The Cooperatives have become organized agency for the supply of essential commodities to the public in Tamil Nadu. In the procurement stage as well as in the supply stage, the role of cooperatives is the felt need of the hour. Cooperative Societies are actively involved and participated in ensuring food security in Tamil Nadu.

1.2 Statement of the Problem

Number of research studies by individuals, institutions and government agencies have been conducted on the subject PDS. Planning Commission in the “Mid-term appraisal of Ninth Five Year Plan (1997-2000) has also pointed out various areas covered by researchers on PDS. The Planning Commission’s Report says that ‘with a net work of more than 4,00,000’ FPS, the PDS in India are perhaps the largest distribution machinery of its type in the world. PDS is said to distribute each year commodities worth Rs. 15,000 Crore to about 16 crore families. The huge network can play a more meaningful role if only the system is able to translate into micro level and macro level self-sufficiency by ensuring availability of food grains for the poor households.

The above statement by the Planning Commission has lot of meanings and expresses a desire to know the utility and implementation process of PDS scheme. Current study is undertaken to answer some of questions raised by the Planning Commission on PDS, such as:-

- 1) Its failure (PDS) to serve the population below poverty line
- 2) Its urban bias and neglect of rural areas
- 3) Lack of transparent and accountable arrangements for delivery
- 4) Diversion of PDS Commodities to the open market, and
- 5) The effectiveness of delivery machinery (coordination, accountability and supervision)

To find a solution to the above problems of PDS, as raised by the Planning Commission, present study is devoted.

1.3 Review of Literature

Numbers of studies have been done on PDS in India. Important studies are presented here.

P.S.George (1974) has attempted to analyze public distribution of food grains and their income distribution effects in Kerala. He has tried to

estimate the possible impact of rationing on incomes of the consumers using the relationship. The results for Kerala suggest that the system is economically viable. Further, ration rice, according to this study, accounted for a major share of rice consumption of consumers belonging to low-income groups.

The criteria of identifying target groups differed across studies. Rajkrishna suggested that the beneficiaries of the distribution system could be arrived at by deducting from the total population (1) the number of income-tax assesses, and (2) cultivators households multiplied by five which is the average size of the family.

For Raj Purothit (1978) the urban dwellers and rural poor should be included under target groups. The Sixth Five-Year Plan identified 50.8 per cent of rural population and 38 per cent of urban population as target groups. However, in practice each State has followed its own criteria. For instance, Gujarat excludes, (1) households whose annual income exceed Rs. 8,000, (2) dealers registered under Sales Tax Act, and (3) agriculturist households, who are having more than 1/9 of ceiling of land. The remaining population would be considered as target group.

Subba Rao (1980) has attempted to estimate food requirement for the State of Andhra Pradesh under certain assumptions. While working out these estimates he has assumed a supply level of 12 ozs. (340 grams) per consumption unit. He concluded that ultimately the benefit of public distribution is zero or negligible.

Gupta basing on certain assumption has projected food grains requirements for PDS up to 1980, for all India, such projections are assumed to help policy makers in their procurement efforts.

G.Suryanarayana undertook a study on "PDS in India – with reference to Andhra Pradesh" during 1985. The major finding of the study

was urban people were getting more benefits through PDS than rural and tribal people.

A detailed study was published on “Food security and Targeted PDS in U.P”. The study was undertaken by Ravi Srivastaava and was published in March 2000. The study was carried among 2250 households across 120 villages found that multiplicities of agencies, poor coordination and low administrative accountability have combined to cripple the delivery machinery.

The Tata Economic Consultancy Service conducted a study in 2000 to know how much PDS supplies were diverted from the system. At the national level it was found that there was the diversion of 36 per cent of wheat supplies, 31 per cent of rice and 23 per cent of sugar. In the case of rice in Bihar and Assam the extent of diversion was as high as 65 per cent. In the case of wheat the diversion was estimated to 10 per cent in Nagaland and 69 per cent in Punjab. The report found no correlation between the frequencies of the use of Enforcement Acts and extent of diversion. In Northern Region U.P has more diversion of rice and sugar despite a higher number of raids and convictions.

NIRD’s study on leakages in PDS (2003) found that not drawing and partial drawing of quota was substantially contributed for leakages.

Though number of studies has been conducted on PDS, the effectiveness of PDS has not been studied and measured quantitatively. Present study will remove this gap and will show how for the rural population have been benefited in PDS in terms of the objectives of PDS.

1.4 Objectives of the Study

The objectives of the present study are:

1. To study the socio-economic conditions of rural population brought under PDS

2. To study the problems relating to the implementations of the PDS
3. To study the benefits derived out of PDS
4. To offer suggestions to improve the working of PDS.

1.5 Hypothesis to be tested

The hypotheses to be tested in the study are:

1. People below poverty line do not have income to purchase PDS goods
2. Measures and weights are not accurate in PDS articles
3. Very old stocks are allowed for PDS
4. Majority cardholders do not use sugar
5. Monitoring of the scheme is ineffective
6. PDS has created overall benefits to poor people.

1.6 Methodology and Sampling

Present study is empirical in nature and will be studied using primary data. The following Methodology and Sampling are followed.

Survey method was followed for this study. By following multi-stage random sampling three districts viz., one backward, one moderate, and one developed were selected (Nagapattinam, Dindigul, and Coimbatore). In the second stage two blocks from each districts were selected for this study. In the third stage four villages from each block were selected. From each village 100 respondents (50 weaker section and 50 non weaker section) was selected using simple random sampling. The sampling frame is as follows

Total Number of Districts:	3
Total Number of Blocks :	$3 \times 2 = 6$
Total number of villages :	$6 \times 4 = 24$
Total sample respondents :	$24 \times 100 = 2400$
Weaker section :	1200
Non-weaker section :	1200

1.7 Tools for Data Collection

A pre-tested interview schedule covering all aspects of PDS was administered among the respondents to elicit the needed information.

1.8 Relevance of the Study

PDS is an important planning scheme and greater importance is given to this scheme as heavy expenditure is made on this. This study has greater relevance because, the Government, Policy Makers and the Planning Commission should know: -

1. Whether the PDS scheme has reached right beneficiaries?
2. Whether the implementation of the scheme is done as per the norms lay down?
3. Whether the women SHGs are effective in running PDS?
4. Whether to continue or discontinue the universal system of PDS?
5. What are all the malpractices that exist in this scheme?
6. What are the problems faced by the rural poor in availing the benefits of the scheme? and
7. What is the role of cooperative societies in running PDS?

1.9 Major Variables used For Data Collection

The important dependent variables used for the study are effectiveness of PDS. Effectiveness denotes the fruitfulness of this scheme –whether the benefits of PDS have reached the right people without any hurdles.

The other variable is independent variables. The independent variables used in this study are sex, age, educational status, marital status, exposure to mass media, contact with change agents, and membership with cooperatives, age of membership, membership in cultural, social and political organizations and occupation of the respondents.

1.10 Definition of Concepts used

Important concepts used in this study are:-

1) Consumer Forum

Consumer Forums are organized either by consumers or by government to redress the problems of the consumers.

2) Consumerism

Processes through which consumers seek redress, and remedy for their dissatisfaction and frustration, with the help of organized efforts.

3) Consumer Protection

Taking measures, which contribute directly to give the consumer the assurance that he will have the opportunity to buy goods of suitable quality as required by him and to get the required service.

4) Cooperatives

Registered bodies under the respective State Cooperative Societies Act & Rules.

5) Effectiveness of PDS

The fruitfulness of the PDS scheme – whether it has reached the right people and whether the right people are using the scheme to their fuller satisfaction or not.

6) Fair Price Shops / Ration Shops

Shops organized by government solely to distribute PDS article and managed by states civil supplies department/ corporation / cooperatives / women groups.

7) Lead Societies and Link Societies

For the purpose of PDS the Cooperative Marketing Societies and Cooperative Wholesale Consumer Stores are acting as lead societies and they procure and distribute the rationed articles to the link societies. The Primary Agricultural Cooperative Banks are acting as link societies. Both lead societies and link societies are running FPS to distribute the rationed articles to the cardholders.

8) *Public Distribution System (PDS)*

PDS is a poverty alleviation programme and contributes towards the social welfare of the people. Essential commodities like rice, wheat, palm oil, kerosene, sugar, etc., are distributed at a lower price, which has government's contributions of subsidy.

9) *Revamped PDS*

The scheme launched in January 1, 1992 covering 2496 development blocks in the Country, which have employment assurance scheme. The retail price of food grains under RPDS should not be higher than the central issue price by more than 25 paise per kg.

10) *Targeted Public Distribution System (TPDS)*

This scheme was launched on June 1, 1997. The TPDS is to confer benefits on the landless agricultural labours, marginal farmers, rural artisans, and craftsman in rural areas. It includes slum dwellers and persons earning their livelihood on daily basis. Special cards were issued to the families below poverty line.

11) *Rationed Goods*

Goods that are meant for PDS as notified by the government from time to time.

12) *Weaker Sections*

People below the poverty line and especially coming under the category of SC & ST

1.11 Chapter Scheme

The study has four chapters as noted below.

- 1) The Design and Execution of the Study
- 2) Public Distribution System in Tamilnadu – An analysis
- 3) Effectiveness of PDS
- 4) Major Findings, Conclusion and Suggestions of the Study

Public Distribution System in Tamilnadu – An Analysis

2.1 Socio-Economic Profile of Tamilnadu

Tamilnadu lies on the southern tip of the country and is located in the North Latitude between 8° 5' and 13° 35' and East Longitude between 76° 15' and 80° 20'. The State is bounded by Kerala on the west, Andhra Pradesh and Karnataka on the North, Bay of Bengal on the east and Indian Ocean in the south. For administrative convenience, the State is divided into 30 districts, 385 blocks, 201 taluks, and 16317 revenue villages.

In the case of rural Tamilnadu, though the share of rural population have come down over the years from 73.31 in 1961 to 56.14 per cent in 2000-01, the size of rural population is at 3.49 crores out of the State population 6.21 crores in 2000-01. As the spatial temporal distribution of rainfall was not good during past several years the performance of agriculture was tardy. In addition to this, the storage position in major reservoir was not good and Cauvery water dispute added fuel to this fire. This resulted in many socio-economic problems like unemployment and poverty, lack of social and economic infrastructure and asymmetry in the distribution of resources. Incidence of poverty in rural Tamilnadu was at 29.16 per cent as per Union Planning Commission in 1999-2000. With this background the functioning of PDS is discussed in this chapter.

2.2 PDS in India

Public Distribution System is considered as principal instrument in the hands of government for providing safety net to the poor and the downtrodden. The system serves triple objectives namely protecting the poor, enhancing the nutritional status and generates a moderate influence on market prices. The focus and coverage of PDS have changed widely over the years. Initially during world war civilian consumption was restricted so as

to divert food items to meet the food requirement of defense forces. Subsequently frequent occurrence of drought throughout the country made the planners to think on food shortages. In order to overcome this shortage ration system was came in to existence. FPS was opened to distribute the items of mass consumption in urban areas. Thereafter, it was extended to rural areas. From the year 1992 Revamped PDS was introduced in those areas where Drought Prone Area Programme and Dessert Development Programme were in operation. Under this system people were allowed to purchase essential items from the FPS at relatively much lower subsidized rates. After, the Chief Ministers Conference held in July 1996, a revised scheme known as Targeted PDS was introduced countrywide with a network of 4.74 lakh FPS. Under this system two-tier subsidized pricing system by classifying the cardholders is followed. Cardholders are classified as Above Poverty Line (APL) and Below Poverty Line (BPL). The BPL families are entitled to receive the essential commodities at a price, which is very closer to the economic cost. BPL families are identified based on the methodology given by Lakdawala Exert Group on estimates of poverty. The TPDS was further liberalized in December 2000, and was renamed as Antyodaya Anna Scheme. Under this scheme the poor was further classified as the 'Poorest Among the Poor' and other living 'BPL'.

2.3 Goals of PDS

The goal of PDS does not restrict itself with the distribution of rationed articles. Making available adequate quantities of essential articles at all times, in places accessible to all, at prices affordable to all and protection of the weaker section of the population from the vicious spiral of rising prices is the broad spectrum of PDS. More specifically, the goals of PDS are:

- Make goods available to consumers, especially the disadvantaged / vulnerable sections of society at fair prices;

- Rectify the existing imbalances between the supply and demand for consumer goods; Check and prevent hoarding and black marketing in essential commodities;
- Ensure social justice in distribution of basic necessities of life;
- Even out fluctuations in prices and availability of mass consumption goods; and
- Support poverty-alleviation programmes, particularly, rural employment programmes, (SGRY/SGSY/IRDP/ Mid day meals, ICDS, DWCRA, SHGs and Food for Work and educational feeding programmes).

2.4 PDS in Tamilnadu

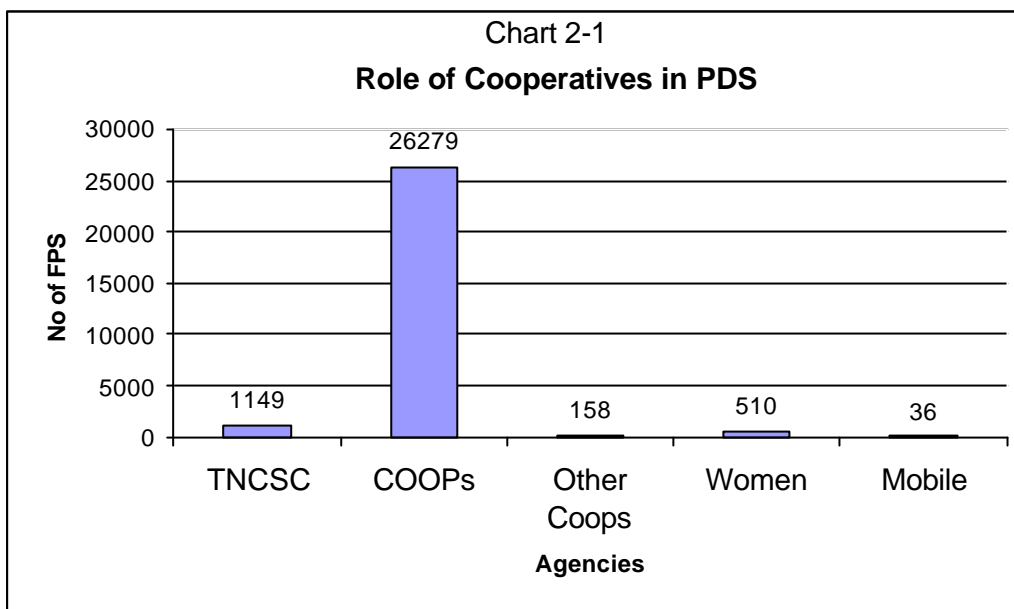
The Government of Tamilnadu is implementing PDS since the year 1964. The scheme Village Shop Programme was introduced by the State with the intention to have one shop for one village in order to feed essential articles to rural public. Subsequently the scheme was converted into PDS with the intention of providing essential commodities to the public both in rural and urban areas at concession rate. Since the introduction of TPDS from 1.6.1997 the universal PDS is in operation in Tamil Nadu with the Antyodaya Anna Yojana and the expanded Antyodaya Anna Yojana schemes. Under the universal PDS there is no discrimination of families on APL and BPL lines based on income.

2.5 PDS Network

The unique feature of PDS in this State is Tamilnadu Civil Supplies Corporation, Cooperatives and women SHGs govern the entire network. No private dealer is allowed to run FPS. Also, the Government guidelines show that no family cardholder is to travel more than 2 kms to reach FPS.

Further, Cooperatives have been given an important role in the implementation in PDS. For example, as on 30.03.2004, there were 28132

FPS including mobile FPS for the people in remote hilly area functioning in the state (Table –2.1). This shows that majority of the FPS are run by cooperatives. In the context of PDS, cooperatives are classified as Lead societies and Link societies.



The Lead societies are cooperative wholesale stores and cooperative marketing societies, who act as whole seller in procuring essential commodities from different sources and supply to Link societies that is PACBs and LAMPs. At present in Tamil Nadu, there are 86 Lead societies functioning and they run 2598 FPS. There were 4540 Link societies and they run 16438 FPS. Apart from that 434 large-scale societies directly lifting the commodities to run 2626 FPS (Table – 2.2). The district wise analysis shows that the number of FPS was high in Villupuram (1846 FPS), which is followed by Coimbatore (1641 FPS), and Velur (1613 FPS). This is because the number of Full-time FPS run by cooperatives and women was high in villupuram. Interestingly 353 Full time and 157 Part time women FPS are also in operation in the State as a whole. In addition to this there are 36 mobile FPS are run so as to help the cardholders in remote villages / hilly areas.

2.6 Family Cards in circulation

Distribution of the essential commodities is regulated by the family card system. Irrespective of income status of the family, option based family cards have been issued in the year 1998 to all families. Separate family cards have been issued to those who opted to purchase rice and other essential commodities. Normally a full-time FPS shall have the minimum of 800 cards and maximum of 1000 cards in Municipal Corporation and Municipal areas. Full-time FPS in other areas shall have minimum of 500 cards and maximum of 800 cards. As on 1.04.2004 there were 1.52 lakh family cards in circulation in the State (Table-2.3) District-wise analysis of family cards in circulation showed that the number of cards in circulation was high in Coimbatore district (7.46 per cent), which was followed by Chennai North (5.06 per cent) and Vellore (4.99 per cent) districts (As per 2000-2001 census Coimbatore tops the list of districts with largest population at 4.224 million, followed by Chennai with 2.16 million). Further the magnitude of bogus cards that were in circulation could also be found in the table. During the years 2001-2003, 386614 cards, i.e., more that 2 per cent of the cards in circulation, were found as bogus cards. The number of bogus cards found was high in Coimbatore, which was followed by Chennai North.

2.7 Distribution System

The Tamil Nadu Civil Supplies Corporation procures and stocks the essential commodities in advance in a network of owned and hired buffer and operational godowns right up to taluk level. The shop personnel move the stocks from the taluk level operational godowns to the FPS as per allocation made to them by district level authorities every month. At FPS level, the entitlement of rice and sugar is linked to the number of members in each family and that of kerosene is based on the number of LPG cylinders and the nature of the area-rural, urban and hilly. Besides, kakhi color cards were issued to police personnel for drawing kerosene only. For

example rice is supplied to the cardholders in one or two installments every month as mentioned in the Table 2-4. Based on the number of cards in circulation, entitlement and past off take, it is estimated that 200000 MT of rice, 5000 MT of wheat, 25500 MT of sugar and 73000 KL of kerosene are needed every month for distribution in this State through FPS. In addition, 25000 M.T. rice per month is required for the welfare schemes.

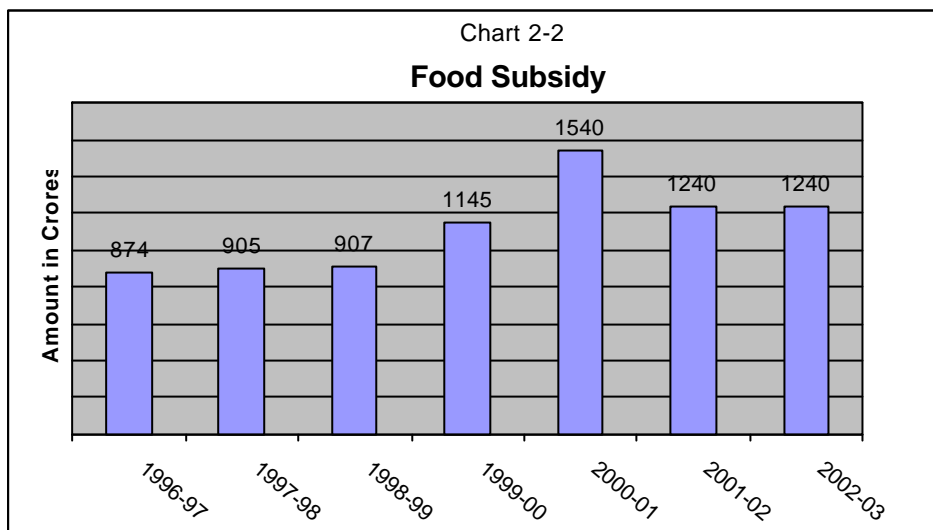
2.8 Price

Inflation is a cold-hearted enemy of social balance and therefore the importance of holding the price line needs no emphasis. Undue price rise erode into the real wages of labour class and benefit the renter class. Since the States have very little say in the national monetary policy, their role essentially revolves around demand management, curtailing non-developmental expenditure and containing fiscal deficit of the budget. With regard to PDS State Government intension is to control the prices of essential commodities of mass consumption. In this study it was found that price is the important factor, which attracts cardholders to purchase PDS articles. Government also to provide safety net to the poor and the downtrodden by subsidizing the price of the PDS articles at much lower than the market price. For example over the years the difference between State average open market price and the PDS issue price of rice was more than Rs.6. Contrary to this, annual off-take of rice has come down over the years from 2413006 M.Ts to 2995978 M.Ts (Table – 2.5) Paripasu Food subsidy incurred by the State has increased from Rs.874 crores to Rs.1240 crores during the same period (Table – 2.6 & Chart 2-2).

2.9 Status of functioning of PDS in study areas

For the purpose of this study, three districts have been selected namely Coimbatore, Dindigul and Nagapattinam. All the three districts represent three different development scenarios. Coimbatore is famous for its industrial development, while Nagapattinam is known for its coastal

wealth and tourism. Dindigul district is drought – hit and has a poor groundwater status. With regard to the percentage of rural population to total population as per 2001 census, it was 33.97 per cent in Coimbatore, 64.98 per cent in Dindigul, while it was 77.85 per cent in Nagapattinam. The density of population is high in Nagapattinam (507), which is followed by Coimbatore (470) and Dindigul (291).



2.10 Coverage of FPS and Cardholders

As far as coverage of cardholders is concerned, Coimbatore stood first by covering 1215632 cards, which is followed by Dindigul (470417) and Nagapattinam (350540). Average cards covered by a FPS are also high in Coimbatore (736), which is followed by Dindigul (624) and Nagapattinam (569). Again Coimbatore stands first among the sample districts in the coverage of number of FPS, which is followed by Dindigul and Nagapattinam. This is because the number of shops run by TNCSC and SHG is high in Coimbatore district. The credit goes to the Tamilnadu Women Development Corporation and NGO's for their active support to the SHGs to run PDS. In this study also it was found that FPS run by SHGs are active compared to others in distributing the essential articles.

Also, another feature of PDS in Coimbatore district is there are four mobile shops (Table 2.7).

2.11 Commodities handled

Generally rice, sugar, wheat, kerosene, maida and iodinated salt are the commonly distributed items in FPS in Tamilnadu. Also, State Government distributes Ooty tea through FPS so as to protect the interest of the small tea growers of Ooty. Hence, the scope of PDS covers not only the consumption but also the production of essential goods. The progress of FPS in sample districts shows that, though the number of family cards is comparatively less in Nagapattinam district the distribution of rice, wheat is high. This might be due to the severe drought during past several years. In the case of kerosene, it seems the consumption is high in Coimbatore, which may be due to its urban character. Further, against allotment, there is deficit in the distribution in all commodities; particularly it has been high in rice (Table 2.8, Table 2.9, Table 2.10). Officials opined that distribution is made based on entitlement as per the cards in circulation, past distribution level and stock in hand at FPS level. Hence, the difference would in no way affect the cardholders. But the response of the respondents is different, which is discussed in the Chapter – 3.

2.12 Conclusion

The Government of Tamilnadu took all efforts to ensure the availability, accessibility and affordability of essential commodities to the poor. Hence, universal PDS is in operation in this State and the Cooperatives are given much importance in the distribution system. Further, the involvement of women SHGs in the distribution network ensures safety, transparency, and accessibility and above all reduced the transaction cost. Hence, this channel of distribution can be promoted.

Chapter - 3

Effectiveness of Public Distribution System

3.1 Introduction

Public Distribution System has been in existence in India since the inter – war period. It had its origin with focus on distribution of food grains in urban scarcity areas when the country passed through critical food shortages. Now PDS is evolved as the important poverty alleviation programme in India. At all India level with a network of about 4.63 lakh FPS covering 1992 lakh ration card holders are handling 15 per cent of the total availability of food grains in the country as a whole (Government of Tamilnadu 2001-2002). This is perhaps the largest distribution network of its kind in the world. Further the focuses of PDS are also changing over the years (Box –1) from merely distribution of food grains to serving as safety net to the poor and the downtrodden.

However, very often PDS is criticized for its ineffectiveness and inefficiency in achieving its objectives. Poor quality of goods supplied (NIRD: 2003), under weight (Raj Kumar Grover: 2003) leakage of PDS articles to open market (Singh: 1981) non-availability of commodities easily (Indian Institute of Public Opinion: 1991) etc. Hence, it becomes necessary to assess the effectiveness of PDS from users perspective.

The effectiveness of PDS is measured based on the responses given by the respondents of this study. The respondents of the study are categorized into weaker sections and non-weaker sections. Apart from the personal interview Focus Group Discussions (FGD) were also conducted to substantiate the opinions of the respondents.

Box - 1

Five Year Plan	PDS: Coverage and Shift in Emphasis
I	Distribution of food grains through statutory rationing system in cities and towns having above 50000 population and highly deficit areas and for other areas a non-statutory ration system
II	Besides food grains, coverage of other essential commodities
III	Public procurement and distribution system for price stabilization and introduction of institutional changes in private trade through inclusion of consumer cooperatives.
IV	Extension of PDS to rural areas and distribution of other goods of mass consumption with the help of cooperatives.
V	Focus on the poor and PDS was linked to prices, income and wage policy
VI	Distribution of food grains to the disadvantaged groups
VII	Inclusion of PDS as one of the Minimum Needs Programme
VIII	Intensification of PDS in rural / disadvantaged areas covering several mass consumption articles (salt, pulses, soaps, tea, etc.) besides the mandatory commodities (rice, wheat, sugar, edible oil, kerosene and soft coke) and development of infrastructure
IX	Inclusion of nutrition security as one of food security
X	Transparency and Management of PDS by ensuring proper supply, computerized billing and maintenance of records for inspection.

Source: Government of Tamilnadu, Tamilnadu an Economic Appraisal 2001-02, p-146.

3.2 Sex-wise distribution of the respondents

The purpose of this analysis is to identify the relative role of male and female in purchasing the commodities from the FPS. The established fact is

that female members largely influence the purchasing behavior of the family. This is also true in the case of FPS.

The present study found that more than 59 percent of the respondents were female. The district wise and category wise analysis shows that in all districts, the percentage of the female respondents were more in the case of the weaker sections (Table 3.1). In the FGD, they opined that:

Everyday while returning to home after our work we use to go to PDS Centre to purchase rice for supper. The daily wages are the source of our purchase. If no work no wage and no food.

Source: FGD conducted among respondents of Panchampatti, Dindigul district on 10.09.2003.

Hence, the 'hypothesis people below poverty line do not have income to purchase PDS goods' is proved.

3.3 Age-wise distribution of the respondents

Age is the important factor, which also decides the purchasing behavior of an individual and establishes the relationship with the market. In the study, it was found that majority of the respondents in both the categories were in the age group of 35 to 50 years. It shows that the middle age group has been maintaining the relationship with FPS. One of the reasons for this trend is that in many of the villages, a supervisory committee consisting of persons belongs to different political parties/associations is formed to oversee the functions of PDS. In majority of the cases these groups consist of middle age groups. (Table 3.2)

3.4 Educational Status wise distribution of the respondents

Education as a key social factor plays a dominant role in molding the behavior of the respondents. This study found that majority of the respondents in all the sample districts were literate and diploma level education was found very common (Table.3.3) and it was high in Coimbatore.

Further, the respondents with no formal education were high among weaker section than non-weaker section. The district-wise analysis shows

that respondents with no formal education were high in Dindigul than other districts.

3.5 Marital status of the respondents

The size of the family decides the quantum of essential and non-essential commodities required for consumption (Table 3.4). Based on the size of the family the entitlement is fixed and allotment of rice, kerosene, sugar and other controlled articles is made to FPS. It was found in the study that Family cards are not only viewed as essential requirement for purchase of essential articles but also to avail benefits under various Government schemes and programmes. Even the respondents with joint family had family cards separately for each family. Hence, majority of the respondents were married.

3.6 Exposure to Mass Media

Mass media like Newspapers, Magazines, Radio and TV play a predominant role in disseminating information to the mass. Exposure to mass media helps an individual to increase his level of awareness on the socio-economic life. Further, news on PDS are always attractive to the mass media as FPS are always looked as rice, kerosene and sugar distribution centres of Government. Hence, any decision taken by the policymakers on PDS immediately reach to the nook and corner of the country. In this study it was found that majority of the respondents have access to more than one source of media. This helped respondents to have higher level of awareness on the PDS. (Table. 3.5) The reasons are:

1. Every village panchayats is having common TV for the use of the public.
2. FM Radio has made easy access to information for the respondents of Coimbatore and Dindigul Districts.
3. As majority of the respondents were literates, they have easy access to information.

3.7 Contacts with Change Agents

The Government Departments and Non-Governmental Organizations, as change agents, have relatively contributed for the development of the village economy in Tamil Nadu. Especially in case of NGOs their number has been increased during recent times in Tamil Nadu and have been playing a significant role not only in the development of village, but also managing FPS through Self Help Groups. The number of FPS run by the Self-Help Groups in Tamil Nadu is already discussed in Chapter 2.

In this study it was found that majority of the respondent had established contact with both Government Department and NGOs (Table 3.6). Also interestingly the FPS run by SHGs have been effective in distribution and reduced the transaction costs. However, there are also instances, where SHGs failed to effectively manage the FPS.

In the FGD, they said that:

Women have free access to FPS as women SHGs run it. Also we sell non-controlled items to compete the local shops.

Source: FGD conducted among respondents of Panchampatti, Dindigul district on 10.09.2003.

3.8 Membership with Cooperatives

In Tamil Nadu, there are 4589 Primary Agricultural Cooperative Banks (PACBs) and 181 Primary Agriculture and Rural Development Banks (PCARDBs) functioning. They not only cater the banking needs of members but also render other services for the development of the village economy. At all India level 100 per cent of the villages are covered by PACS and more than 75 per cent of the households enjoy the services directly. In Tamilnadu also, the coverage of rural households by PACBs is on par with the national average. With regard to PDS, in Tamilnadu Cooperatives have been actively involved either as lead societies or as link societies.

Though it has been widely felt that FPS have brought more problems to PACBs by way of affecting their profitability, Government has entrusted the running more number of FPS with the PACBs. Also, PACBs godowns are used for running PFS. This has developed close relationship between members of PACBs with their FPS. In majority of the cases they are same. It was found that majority of the respondents had membership with PACBs and PCARDBS (Table 3.7).

3.9 Age of Membership

The age of membership explains the relationship of the members with Cooperatives. Long duration of membership means better relationship with the Cooperatives. In this study, it was found that majority of the respondents in all categories in all districts have membership with PACB for about more than five years (Table3.8). In this study, it was also found that members of PACB played key role in deciding the place for locating a FPS. They also help the salesman to manage the crowd during rice distribution. The respondents opined that this sort of relationship was high when there was democratic management in Cooperatives.

In the FGD, they said

We established a committee of members headed by a member of Board of PACB as a supervisory committee of FPS at village level. The role of this committee was effective in running FPS till the tenure of the Board.

Source: FGD conducted among the respondents of Thayampalayam, Coimbatore district dated 21.11.2003.

3.10 Membership in Cultural, Social and Political Organizations

Membership of an individual with cultural, social and political organization enhances his level of awareness on the economy as a whole. Almost all villages, it was found that there was more than one association/organization attracting individuals for membership. Widely it was found that majority of the respondents were having membership with political parties. (Table 3.9) The respondents opined that by virtue of their

membership with this organization they enjoyed position in the Board of PACBs or in running FPS.

3.11 Occupation of the respondents

Occupation decides the income level of the individual and ultimately his purchasing behavior. As far as Tamil Nadu is concerned, during the last several years due to monsoon failure both the production and productivity in agriculture have been severely affected. Hence, income status of the respondents were not separately discussed as there were already classified as weaker sections and non – weaker sections.

As far as, the occupation of the respondents is concerned majority of the respondents in the weaker sections category were agricultural coolies, while majority of the respondents in the non-weaker section category were farmers. Interestingly, it was found that Government servants, employees in private organizations, small entrepreneurs, village traders and moneylenders also have been the customers of FPS Centres as PDS in Tamilnadu is universal in nature. In majority of the cases they come to FPS for the purchase of sugar and wheat. Also, they give their cards to the needy people for the purchase of rice intern they take the sugar. Though reasons are varied, the low price of commodities supplied by the FPS was the main reason. (Table3.10). Above all, due to failure of monsoon, even the large-scale farmers depend on FPS for rice.

In the FGD, they said

We were named as rice bowl of Tamil Nadu, now our bowls look FPS for rice.

Source: FGD conducted among respondents of Kathanchavadi, Nagapattinam District on 27.12,2003.

3.12 Purchasing behavior of the respondents

It was found that majority of the respondents depend FPS for controlled articles. (Table 3.11) Non-controlled business of FPS was not attractive to rural consumers. It was due to:

- 1) Non-availability of all non-controlled commodities under one roof
- 2) Non-availability of price discounts which is available in private shops
- 3) Location of the FPS is not at the middle of village and above all
- 4) Non-availability of new stocks.

This trend compelled rural consumers to depend private shops for non-controlled articles. But they demand that non-controlled articles also to be sold through FPS.

Further, the reasons for selecting private agencies by the respondents were correct rate and weight, quality, better customer relationship, availability of varieties of commodities, credit facilities, display of the articles and nearness.

3.13 Availability of Goods in time

India achieved self-sufficiency in food production, but that does not guarantee food security to the poor. A long-term policy on food security need not be over emphasized, as major portion of an individual income goes for purchasing food articles. For example, at the all- India level the people spend on an average about 63 per cent of their total expenditure on food in the rural areas and about 55 per cent in the urban areas. Of the expenditure incurred on all food items the expenditure on food grains accounts for 45 per cent in the rural areas and about 32 per cent in the urban areas. The bottom 30 - 40 per cent of the population spends over 70 per cent of the total expenditure on food. Of their expenditure on food, the bottom 30-40 per cent of the population spend about 50 per cent on food grains in the

rural areas and over 40 per cent in the urban areas ([http:// Planning commission/nic.in/Plans](http://Planningcommission/nic.in/Plans)).

Both the Centre and State Governments have been taking serious efforts in providing essential commodities in time to the customers. In this regard the strategy followed in Tamilnadu is:

- 1) Making available adequate quantity of essential commodities of acceptable quality at all times,
- 2) Ensuring equitable distribution of the available essential commodities to all sections of the population at easily accessible places, and
- 3) Ensuring that the prices are affordable to all sections of the society.

Monitoring prices, market intervention, procurement, buffer stocking and distribution of essential commodities through PDS are the functions of the State Government arising out of the above strategies (Government of Tamilnadu: 2004, pp-46-47).

But during the study, majority of the respondents opined that goods were not available in time in all FPS (Table 3.12). The reasons found during the study are:

- 1) In very many cases the location of FPS is at the headquarter of PACB, which is normally away from the villages
- 2) Allotment of goods is not made according to the entitlements but it is made according to the distribution of goods and opening stock at FPS level
- 3) All the goods are not made available always
- 4) Lack of organic relationship between lead societies and link societies leads to improper stocking of goods, and
- 5) Above all the FPS is opened upto 6 pm in all working days, whereas the workers who return to their homes after 6 pm lack the opportunity to purchase their entitlements. It was found that by

denying the opportunity to work, respondents had to avail the benefits under PDS.

3.14 Satisfaction over the quantity and quality of goods available

Universal coverage is the hallmark of PDS in Tamilnadu. Though many items have been listed as essential commodities in the Essential Commodities Act, as most of them are freely available in the open market, Government took efforts to distribute rice (stable food of the people in the State), wheat, sugar, and kerosene (commonly found short supply) through FPS. But it was widely opined by the respondents that the goods supplied were inferior in quality and under weighment. Nearly seventy per cent of the respondents were not satisfied over the goods supplied. Dissatisfaction is high among the respondents belong to weaker sections in general and among the respondents belonging to weak sections of Coimbatore and Dindigul districts in particular. In the case of Nagapattinam district, the dissatisfaction is high among the respondents belonging to non-weaker sections, than their counterparts as the monsoon failure made them also to depend FPS for food articles (Table 3-13).

3.15 Reasons for not purchasing commodities during certain times

As already stated full entitlement as per the requirements of cards are not allotted to the FPS for distribution. Only about 90 per cent of the entitlement is allotted. The major reason quoted by the officials was that the cardholders did not lift all the goods. In this study an attempt is made to find out the causes for the not purchasing the commodities by the cardholders. The reasons found are (1) Lack of Information on the availability of goods, (2) Lack of good quality, (3) Lack of income during the time, Irregular supply, (4) Under-weighment, (5) Non-availability of non-controlled articles, and (6) Lack of customer relations (Table 3-14). Among these reasons lack of information on the availability of goods was the major reason quoted by the majority of the respondents in general (24.2 per cent),

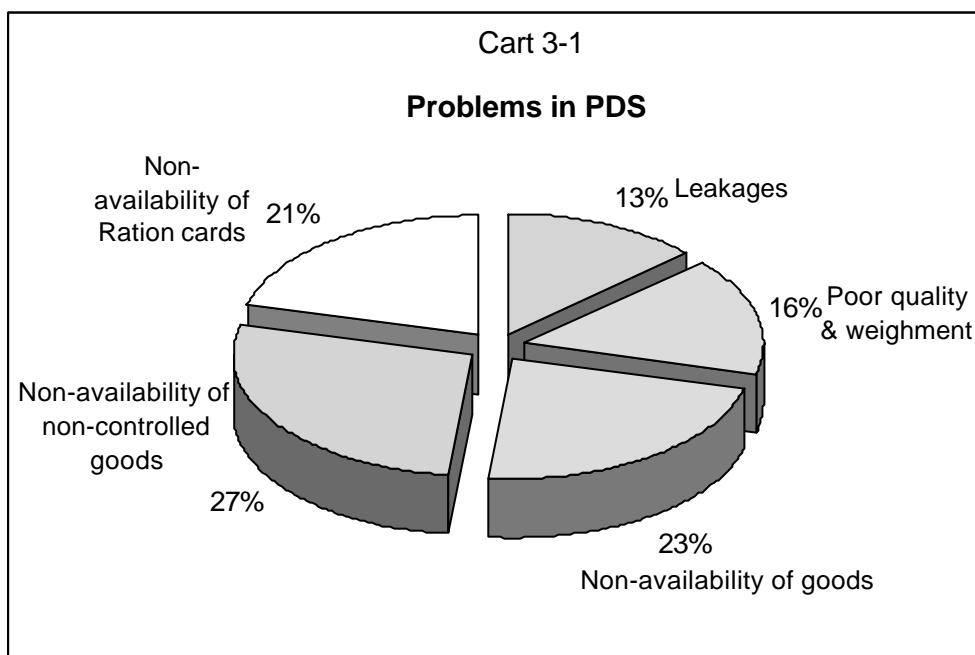
and majority of the respondents belong to weaker sections in Dindigul (31 per cent) and Nagapattinam (47.3) districts. On the other hand non-availability of non-controlled articles was the major reason quoted by majority of respondents belong to non-weaker sections in Coimbatore (27 per cent) and Nagapattinam (40.7 per cent). For majority of the respondents in non-weaker sections category in Dindigul district (44 per cent) and weaker sections category in Coimbatore (33.5 per cent) lack of good quality was the major reason for not lifting the PDS articles. Further, the hypothesis 'very old stocks are allowed for PDS' is proved.

3.16 Problems in PDS

As per the survey conducted by ORG-MARG commissioned by CAG for assessing the perception of beneficiaries about the PDS, generally there was dissatisfaction among the cardholders. They reported problems of inability to obtain ration cards, charging of higher price, infrequent opening of the FPS, frequent stock-out situations, under-weighing by the FPS owners, inferior quality of food grains supplied through the PDS, non-awareness of their entitlement, and non-existence of grievance-redress channel, etc. (NIRD: 2003, p-18). This study also found that the cardholders were facing the problems like (1) leakage, (2) under-weighment, (3) poor quality, (4) non-availability of controlled and (5) non-controlled articles. In general non-availability of non-controlled articles was the major problems for majority of the respondents (27.5 per cent), which is followed by non-availability of essential goods (22.6 per cent), though category wise responses are different. This might be due to the facts that at village level consumers are cheated in non-controlled articles trade by local merchants (Table 3-15).

The respondents' category wise analysis gives different picture. For example for the majority of respondents in weaker sections category (27.3 per cent) non-availability of ration cards and for non-weaker sections

respondents non-availability of non-controlled articles was the problem in Coimbatore district. Though the same problem continues in Dindigul district, the respondent category is different. Whereas the for the majority of the respondents in non-weaker sections category (28 per cent) leakage was the problem, while for the majority of the respondents (45.3 per cent) in weaker sections category non-availability of non-controlled articles was the problem. Further, the hypothesis 'measures and weights are not accurate in PDS' is proved.



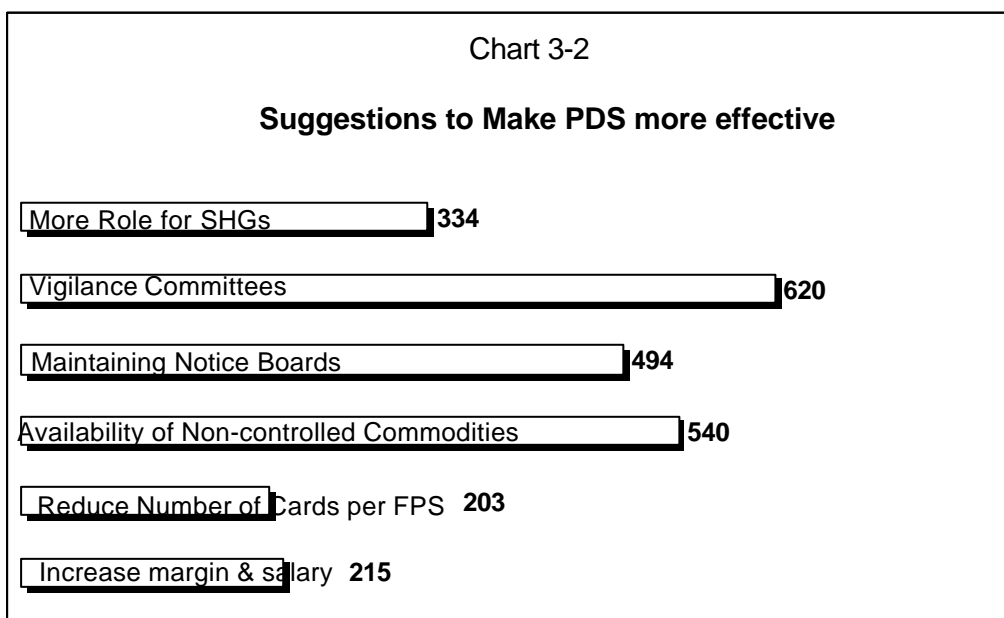
3.17 Opinions to make PDS more effective

The objectives of PDS are laudable. They explain the Governments interest in making the PDS more user friendly and safety net for the poor against spiraling rise of market prices. However, foregoing analysis shows that there are certain weaknesses in the system, which needs urgent attention of all the stakeholders. In this regard the suggestions given by the sample respondents are given in table 3.16.

1) Increase the margin to society and salary to salesmen

About 9 per cent of the respondents in the entire category felt that the margin available to cooperatives for running FPS and salary paid to employees must be increased. However, they were not aware exact margin and salary available to societies and employees, respectively (Table 3-17, Table 3-18). This suggestion might have come in their mind due to the increasing leakages of PDS articles to the open market. Also, no one can deny the fact that the FPS salesmen are poorly paid. Further, their educational qualifications ranges between matriculations to post-graduation. However, some employees have got higher salary as they had wage settlement during the period of Board of Management.

On the other hand the officials of Revenue Department, Cooperation Department, Local Bodies, etc check the functioning of FPS periodically. But even after all these checks and inspections malpractices have become common phenomenon. Hence, the sample respondents felt that increase in salary to salesmen and margin to the societies would arrest this problem to certain extent.



2) Reduce the number of cards per FPS

As per the guidelines prescribed by the Government, a cardholder should not travel more than 2 kms to reach FPS and the maximum number of cards per shop will be 1000 at Municipal Corporation level and 800 at village level. District Collectors are empowered to open additional FPS even these guidelines are not satisfied. During the study the sample respondents (8.4 per cent) opined that the number of cards handled by the FPS should be reduced from the present level of 800, so as to enable the salesmen to plan the requirements and distribute the cardholders with out any delay. When one salesmen is made responsible for distributing large number of card holders he could not distribute more than one article at a time and it seems that even in some notice boards of FPS bearing the words like 'today kerosene only distributed', even though stocks of the other articles are available.

3) Availability of non-controlled articles

Though the respondents felt the importance of FPS in distributing the rationed articles and control the prices in the open market about 22.5 per cent of them opined that non-controlled articles also should be made available in FPS. The reasons they quote are within the purview of the objectives of the PDS. They are viz.,

- a) To make the non-controlled articles available to the rural consumers at fair price, as they are priced slightly higher than the MRP in rural areas.
- b) To put check to the price rise in the local market
- c) To increase the business viability of FPS

4) Notice Boards

Name of the FPS, stock position of different commodities, working hours of FPS, cardholders' details and allotment, higher officials phone numbers for compliance, scale of supply, area allotted, etc., are to be

displayed though notice boards at every FPS. But during the field study it was found that notice board was least cared by the personnel concerned and are poorly maintained. Hence, the respondents (20.6 per cent) felt that notice board should be kept updated daily.

5) Vigilance committees

There is separate administrative and supervisory wing is in operation for food administration at State level. The Commissioner of Civil Supplies and Consumer Protection is in overall charge. He is assisted by an Additional Commissioner of Civil Supplies and Consumer Protection, one Joint Commissioner, three Deputy Commissioners, a District Supply Officer in each District and one Taluk Supply Officer in each Taluk. Allocation of commodities to FPS is done by the District Supply Officers. The District Supply Officers and Taluk Supply Officers also inspect the shops and monitor the lifting and stock position.

Above all to improve the efficiency of the PDS, advisory committees have been constituted at Village Panchayat, Revenue Divisions, and District levels with officials concerned, people's representatives and voluntary consumer organizations as members. Above all a separate supervisory wing is functioning under the Registrar of Cooperative Societies to inspect the PDS (Table -3-19 & Table 3-20). But majority of the (25.7 per cent) sample respondents of this study opined that they were unaware on the functioning of these committees. Statistically also the hypothesis 'monitoring of the scheme is ineffective' is proved. They suggest that FPS level vigilance committees are to be created consisting of officials, cardholders and consumer organizations so as to make the functioning of FPS more efficiently.

6) More roles for SHGs

Women SHGs have been showing keen interest in running FPS, as it directly affect their food security and felt that 'PDS has crated overall

benefits to the poor people'. Hence, the hypothesis is proved. Further, it was found that FPS run by SHGs are away from any political or social problems. Infact they draw support and patronage from the villagers for running FPS. The other benefits accrued out their business are:

- 1) Low transaction cost
- 2) Free from complaints of under weighment
- 3) Easy access to women members
- 4) Availability of non-controlled articles like other village shops, and above all
- 5) Extended working hours for the facility of the villagers.

Hence, for about 13.9 per cent of the respondents opined that more roles must be given for women SHGs to run FPS.

3.18 Conclusion

At Government level all efforts are taken to make the system more effective and ensure the availability, affordability and accessibility of PDS articles to the poor. But the responses of sample respondents of this study showed different picture and unearthed that PDS is suffering from problems like leakages, poor quality and under weighment, non-availability of controlled as well as non-controlled articles, and non-availability of ration cards. As the main objective of PDS is to provide safety net to the poor against spiraling rise in price, the selling of non-controlled articles through FPS is not away from the scope of PDS. Above all non-controlled articles trade will strengthen the business viability of FPS. Further, increased margin to cooperatives, and better salary to employees, reduction in the number of cards to be handled by a FPS, maintaining and updating the Notice Boards at every FPS, formation of vigilance committees at every FPS level and providing more role to women SHGs are the viable options put by the sample respondents for policy making to strengthen the PDS, which cannot be ignored.

Chapter-4

Major Findings, Conclusions and Suggestions

This chapter presents the major findings of the present study, conclusions and suggestions to make the PDS more effective.

4.1. Major Findings

Major findings of the study are listed below:

- 1) Universal coverage is the hallmark of PDS in Tamil Nadu. Only the Government owned Tamil Nadu Civil Supplies Corporation, Cooperatives and women SHGs alone are involved in running FPS. More than 93 percent of FPS is run by cooperatives.
- 2) Villupuram district has the largest number of FPS, which was followed by Coimbatore district, and Chennai North.
- 3) More than 2 percent of cards in circulation were found bogus during the years 2001-2003 and the problem was high in Coimbatore district, which was followed by Chennai North.
- 4) The difference between State's average open market price and PDS issue price of rice was more Rs.6 over the years, in contradiction to this annual off-take of rice has come down while food subsidy incurred by the State has increased from Rs.874 crores to 1240 crores.
- 5) While compared to Dindigul and Nagapattinam, the coverage of cardholders and FPS was high in Coimbatore district.
- 6) The distribution pattern of PDS articles shows that the distribution of rice and wheat was high in Nagapattinam district while kerosene was high in Coimbatore district.
- 7) In all the commodities, in all the sample districts, there was difference between commodities allotted and distributed; particularly the difference was high in rice.
- 8) The district wise and respondents' category wise analysis showed that in all sample districts, the percentage of female respondents was high.

- 9) Middle age groups have close relationship with FPS.
- 10) The study found that majority of the respondents in the entire sample districts were literates and diploma level education (technical) was found high in Coimbatore district.
- 11) The study found that majority of the sample respondents was married. Further, family cards were viewed beyond PDS requirements.
- 12) It was found that sample respondents in all sample districts had higher level of exposure to mass media.
- 13) It was found that sample respondents had higher level of contacts with change agents, especially NGOs.
- 14) It was found that majority of the respondents, in all categories, in all districts had membership with PACB for more than 5years.
- 15) It was found that by virtue of their participation in cultural, social and political organizations, sample respondents enjoyed position in the Board of Management of PACB or in running FPS.
- 16) It was found that all sections of people have used PDS articles and the lower price was the motivating factor.
- 17) Non-controlled articles sold currently at FPS were not attractive to rural consumers.
- 18) Majority of the sample respondents of the all sample districts felt that goods were not available in time in all FPS.
- 19) It was found that dissatisfaction over the quality and quantity of goods available were high among the respondents belonging to weaker sections in general and among the weaker sections of Dindigul and Coimbatore districts in particular.
- 20) It was found that lack of information on the availability of goods was the major reason among the sample respondents for not purchasing commodities during certain times.

- 21) It was found that non-availability of non-controlled articles, which was followed by non-availability of controlled articles were the major problems faced by sample respondents.
- 22) Increasing the margin to the society and the salary to the employees, reducing the number of family cards to be handled by FPS, maintaining and updating notice boards, forming vigilance committees, providing more role of SHGs in running FPS and above all, providing non-controlled articles were the major suggestions given by sample respondents to make the PDS more effective.

4.2 Conclusion

Universal coverage is the hallmark of PDS in Tamil Nadu. State Government is making all efforts to make the PDS more effective by ensuring the availability, affordability and accessibility of PDS articles to the poor. The network of PDS consists of 28132 FPS covering 1.52 lakh family cards. Here, Cooperatives have been given more role in running FPS. The emerging role of SHGs in PDS is widely appreciated. Moreover, they enjoy the participation and involvement of entire village in running FPS. Hence, FPS run by SHGs are found cost effective and trouble free.

The difference between State's average, open market price and PDS issue price of rice was more than Rs.6, but at the same time, off-take of PDS have come down, in contradiction to this food subsidy incurred by state have increased over the years. Sample districts wise analysis shows that the problems of bogus cards were high in Coimbatore district. There were differences between allotment and disbursement of PDS articles.

The participation of women and middle-aged respondents were found high in all sample districts. Lack of information on the non-availability of ration-articles was major reason for not lifting articles during certain times. The non-controlled articles available at FPS were not attractive, as they lack competitive advantage; sample respondents opined

that non-availability of non-controlled articles was the major problem. Hence, irrespective of category of respondents opined that to control the open market price, non-controlled articles too should be supplied through FPS, in addition to making available the entitlements of individual consumers for their purchase. Further, this is the major suggestion given by the sample respondents to make PDS more effective. This shows that to make the system more viable and effective, the participation of people is important. In this context the best practices of some women SHGs may be emulated and the role of local bodies in running FPS may be strengthened. Above all the present system of universal system of PDS should be continued as it has control over the market prices of essential commodities.

4.3 Suggestions

The following suggestions are made to make the PDS more effective based on the findings of this study.

1) More Role for Women SHGs to run FPS

The role of women SHGs were widely appreciated not only in micro credit but also in running the FPS. The reasons quoted were for business viability of FPS as well as attracting the participation of users of PDS. At the same time women SHGs need training to handle the system more effectively. By giving proper training they may be involved widely in running the FPS.

2) Vigilance Committees

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 particulars of officers' incharge of the committees. In this study it was found that the round the clock control room established specially for monitoring PDS at the office of the Joint Registrar of Cooperative Societies, Dindigul district have given positive results. These

facilities available at district headquarters should be made known to the public.

3) Role of FPS

The role of FPS cannot be restricted with the distribution of rationed articles alone, both in the context of business viability as well as safeguarding the poor against spiraling price of essential commodities. Hence, FPS should concentrate on non-controlled articles also. At the same time they should be competitive enough in attracting the consumers.

4) Distribution of Family cards

Family cards are used not only for purchasing requirements at FPS but also as an identity card for the family. The problems of bogus cards as well as not-issuing the cards to genuine cases were widely reported during the study. This problem should be viewed seriously.

5) Role of Cooperatives in PDS

FPS has brought more problems to cooperatives in some cases, while they were the salary providers to employees of cooperatives in some cases. This aspect needs a separate study to define the role of cooperatives in PDS as well as to make use of cooperative network to make the PDS more effective.

6) Bogus Cards

It was found that, 386614 bogus cards were detected during raids during the years 2001-2003. Effective coordination between local bodies, revenue authorities and lead and link societies will alone be able to solve this problem. Above all the employee of the PDS retail outlet should be made responsible for eradicating the problem of bogus cards. As the maximum number of cards per ration shops is 1000, the PDS retail outlet personnel could early detect and prevent bogus cards. Also the support of local PDS Vigilance Committees may also be used in connection.

* * * * *

Table 2-1

Fair Price Shops in Tamilnadu
(As on 31.03.2004)

Name of the District	No. of Fair Price Shops Run by TNCSC		No. of Fair Price Shops Run by CO-OPERATIVES		No. of Fair Price Shops Run by OTHERS		Women FPS		Mobile Shops	Total		GRAND TOTAL
	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time		Full time	Part time	
Chennai North	215	0	436	3	10	0	0	0		661	3	664 (2.4)
Chennai South	125	0	462	2	3	0	0	0		590	2	592 (2.1)
Kancheepuram	30	0	804	418	2	0	29	19		865	437	1302 (4.7)
Thiruvallur	7	0	711	179	1	0	0	6		719	185	904 (3.2)
Vellore	41	0	1141	413	0	0	15	0	3	1200	413	1613 (5.7)
Thiruvannamalai	3	0	1054	232	0	0	3	8	1	1061	240	1301 (4.6)
Villupuram	0	0	1555	260	0	0	28	0	3	1586	260	1846 (6.6)
Cuddalore	0	0	1112	134	3	1	8	0		1123	135	1258 (4.5)
Dharmapuri	29	1	415	210	0	0	0	10	1	445	221	666 (2.4)
Salem	0	0	1038	185	0	0	10	0	5	1053	185	1238 (4.4)
Namakkal	36	0	547	133	0	0	6	0		589	133	722 (2.6)
Erode	14	0	900	217	0	0	41	0	2	957	217	1174 (4.2)
Coimbatore	62	0	1212	256	30	0	0	76	5	1309	332	1641 (5.8)
Nilgiris	23	0	243	24	34	0	29	0	8	337	24	361 (1.3)
Karur	2	0	336	125	0	0	14	0		352	125	477 (1.7)
Perambalur	3	0	433	159	0	0	1	7		437	166	603 (2.1)
Trichy	19	0	797	158	0	0	1	6	1	818	164	982 (3.5)
Thanjavur	0	0	853	170	1	0	14	0		868	170	1038 (3.7)
Thiruvarur	0	0	566	63	0	0	5	0		571	63	634 (2.3)
Nagapattinam	0	0	565	33	17	0	22	0		604	33	637 (2.3)
Pudukottai	17	0	667	182	0	0	9	1		693	183	876 (3.1)
Dindigul	16	0	633	125	0	0	10	1	2	661	126	787 (2.8)
Theni	0	0	372	34	1	0	13	0		386	34	420 (1.5)
Madurai	28	0	930	95	3	0	16	1		977	96	1073 (3.8)
Sivagangai	19	0	583	24	5	0	1	0		608	24	632 (2.3)
Virudhunagar	25	0	626	118	0	0	12	0		663	118	781 (2.8)
Ramanathapuram	19	0	477	31	0	0	17	0	2	515	31	546 (1.9)
Toothukudi	76	6	607	116	0	0	0	3		683	125	808 (2.9)
Tirunelveli	156	44	752	197	5	2	22	0	3	938	243	1181 (4.2)
Kanyakumari	98	7	426	48	36	4	27	0		587	59	646 (2.3)
Krishnagiri	28	0	454	228	0	0	0	19		482	247	729 (2.6)
TOTAL	1091	58	21707	4572	151	7	353	157	36	23338	4794	28132

Source: Short notes issued by the Office of the Registrar of Cooperative Societies,
Chennai

Table – 2-2

**Classification of Cooperative Societies running FPS
(As on 36.06.2004)**

Sl No	Particulars	No. of Shops run by Lead Societies		Shops run by Link Societies												Self Lifting Societies		Total No. of SACT ops	Total No. of Societies		
				CWS		CMS		PACB		P.Stores		LAMPS		Others						No.	Shops
				No	Shops	No	Shops	No	Shops	No	Shops	No	Shops	No	Shops						
1.	CWS	29	1758	-	-	21	96	2303	8221	81	292	-	-	21	79	5	706	11152	34		
2.	CMS	49	728	3	31	6	32	1905	6292 1	103	336	9	73	14	123	31	387	8641	114		
3.	P.Store	5	86	-	-	-	-	1	8	25	60	-	-	1	5	181	823	982	587		
4.	PACB	3	26	-	-	-	-	23	103	24	48	-	-	-	-	192	625	802	4589		
5.	LAMP S	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	47	47	18		
6.	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17	38	38	319		
	Total	86	2598	3	31	27	128	4232	1526 3	233	736	9	73	36	207	434	2626	21662	5661		

Source: As in Table 2-1

Table 2-3

Family Cards In Circulation In Tamil Nadu

Name of the District	Bogus cards detected during 2001-2003	New cards issued during 2001-2003	Cards in Circulation As on 1.4.2004	Percentage to total cards
ChennaiNorth	36885	12821	772150	5.06
ChennaiSouth	27798	10712	733453	4.81
Kancheepuram	4999	2414	453692	2.97
Thiruvallur	6312	734	360790	2.38
Vellore	15135	4251	761290	4.99
Thiruvannamalai	14306	3819	513911	3.37
Villupuram	6707	855	711176	4.66
Cuddalore	10334	544	526414	3.45
Dharmapuri	8832	1263	289873	1.90
Salem	23994	2404	746123	4.89
Namakkal	32874	4362	407841	2.67
Erode	12444	2537	750866	4.92
Coimbatore	15232	8271	1137481	7.46
Nilgiris	8767	1682	209171	1.37
Karur	2705	1499	261766	1.72
Perambalur	9569	749	304068	1.99
Trichy	35142	3417	600849	3.94
Thanjavur	7673	1104	527465	3.46
Thiruvarur	3836	1376	273955	1.79
Nagapattinam	12570	5243	331829	2.18
Pudukottai	4883	2814	316095	2.07
Dindigul	6150	117	454865	2.98
Theni	3077	4152	286650	1.88
Madurai	15423	6123	709156	4.65
Sivagangai	2825	256	291875	1.91
Virudhunagar	11614	1454	441861	2.89
Ramanathapuram	2930	425	292830	1.92
Toothukudi	15788	556	378325	2.48
Tirunelveli	17408	12205	662980	4.35
Kanyakumari	10422	4809	425264	2.79
Krishnagiri			320858	2.10
TOTAL	386614	102969	15254922	100

Source: As in Table 2-1

Table 2-4

Distribution of Rice

No. of members in the family	Maximum Quantity issued (per month)
One Adult (one unit)	12 Kgs.
One Adult + One Child (1 + ½ Units)	14 Kgs.
Two Adults or One Adult & 2 Children (2 units)	16 Kgs.
Two Adults and One Child or One Adult with 3 Children (2 + ½ Units)	18 Kgs.
Three Adults and above (3 Units and above)	20 Kgs.

Source: Government of Tamilnadu, Policy Note 2004-05,p56

Table 2-5

Off take and Open Market Prices

Year	State Average Open Market Price		PDS issue price		Annual PDS Off-take (in M.Ts)	Difference	
	Common	Fine & Superfine	Common	Fine & Superfine		Common	Fine & Superfine
1996-97	8.44	9.93	2.00	3.75	2413006 (-)	6.44	6.18
1997-98	8.53	9.50	2.00	3.75	2218618 (8.05)	6.53	5.75
1998-99	9.09	10.44	2.00	3.75	2147784 (3.19)	7.09	6.69
1999-2000	10.10	11.45	2.00	3.75	2208013 (2.80)	8.10	7.7
2000-2001	10.55	11.60	3.50	3.50	2116477 (4.19)	8.05	8.1
2001-2002	10.36	11.38	3.50	3.50	2153428 (1.74)	6.86	7.88
2002-2003	10.69	12.02	3.50	3.50	2220515 (3.12)	7.19	8.52
2003-2004	11.79	12.41	3.50	3.50	2005978 (9.66)	8.29	8.91

Source: As in Table 2-1

Table 2-6

Details of Food Subsidy

Year	Amount in Crores	Growth Rate
1996-1997	874.00	42.11
1997-1998	905.00	3.55
1998-1999	907.00	0.22
1999-2000	1145.00	26.24
2000-2001	1540.00	34.49
2001-2002	1240.00	19.48
2002-2003	1240.00	0

Source: As in Table 2-1.

Table 2-7

Details of Number of Shops in Sample Districts

Shops	Coimbatore		Dindigul		Nagapattinam	
	Cards	Shops	Cards	Shops	Cards	Shops
Main Shops	1037596	1209 (858)	426651	635 (672)	312659	535 (584)
Part time Shops	68052	269 (253)	34333	118 (291)	18875	40 (472)
Women Retail outlets	2002	4 (500)	--	--	3145	7 (450)
Mobile shops	972	4 (243)	----	--	-	-
TNCSC	70765	62 (1141)	18917	16 (1182)	-	-
SHG Shops	43526	113 (385)	5282	9 (587)	9157	22 (416)
Total	1222913	1661 (736)	485183	778 (624)	343856	604 (569)

Source: Short notes issued by the Office of Joint Registrar of Cooperatives of concerned districts.

Table 2-8
Allotment and Distributions of PDS Commodities in Coimbatore District
 (Qty in MT)

Year	Rice			Sugar			Wheat			Kerosene		
	TA	TD	DF	TA	TD	DF	TA	TD	DF	TA	TD	DF
2000-01	58177	56044	2133	16886	16148	638	2425	1278	1147	47581	44558	3023
2001-02	72875	72778	97	20264	18559	1705	1623	276	1347	53549	49002	4547
2002-03	63794	59960	3834	18390	14704	3686	3440	878	2562	45838	45886	150

Source: Short notes issued by the Office of the Joint Registrar of Cooperative Societies, Coimbatore.

Note: TA - Total Allotment TD – Total Distribution DF - Difference

Table 2-9
Allotment and Distribution of PDS Commodities in Dindigul District
 (Qty in MT)

Year	Rice			Sugar			Wheat			Kerosene		
	TA	TD	DF	TA	TD	DF	TA	TD	DF	TA	TD	DF
2000-01	64797	55127	9670	9652	8321	1331	1566	618	948	23084	22662	422
2001-02	72375	66867	5508	9741	8026	1715	461	199	262	21389	20446	943
2002-03	55365	48186	7179	8339	5692	2647	770	525	245	14498	18138	360

Source: Short notes issued by the Office of the Joint Registrar of Cooperative Societies, Dindigul.

Note: TA - Total Allotment TD – Total Distribution DF - Difference

Table 2-10
Allotment and Distribution of PDS shops in Nagapattinam District
 (Qty in MT)

Year	Rice			Sugar			Wheat			Kerosene		
	TA	TD	DF	TA	TD	DF	TA	TD	DF	TA	TD	DF
2000-01	55708	53250	2458	2769	2618	151	2719	2603	116	10905	10595	310
2001-02	59482	55889	3593	3451	3110	341	3068	2888	180	11661	11204	457
2002-03	61851	59544	2307	4596	3577	1009	3498	3201	297	11373	11342	31

Source: Short notes issued by the Office of the Joint Registrar of Cooperative Societies, Nagapattinam.

Note: TA - Total Allotment TD – Total Distribution DF - Difference

Table-3.1
Sex – wise distribution of respondents

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
Male	25 (6.2)	269 (67.3)	78 (19.5)	298 (74.5)	96 (24)	199 (49.8)	199 (16.6)	766 (63.8)	965 (40.2)
Female	375 (93.8)	131 (32.7)	322 (80.5)	102 (25.5)	304 (76)	201 (50.2)	1001 (83.4)	434 (36.2)	1435 (59.8)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: Compiled from Respondents Schedule

Note: CBE – Coimbatore, DGL- Dindigul, NGM - Nagapattinam

Table 3-2

Age– wise distribution of respondents

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
Up to 35	5 (1.3)	38 (9.5)	17 (4.3)	21 (5.3)	32 (8.0)	39 (9.8)	54 (4.5)	98 (8.2)	152 (6.3)
35 – 50	363 (90.7)	256 (64)	206 (51.5)	296 (74)	198 (49.5)	306 (76.5)	767 (64)	858 (71.5)	1625 (67.7)
Above 50	32 (8.0)	106 (26.5)	177 (44.2)	83 (20.7)	170 (42.5)	55 (13.7)	379 (31.5)	244 (20.3)	623 (26)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table 3-3

Educational status – wise distribution of respondents

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
No formal Education	21 (5.1)	96 (24)	233 (58.3)	19 (4.7)	167 (41.8)	28 (7)	421 (35.5)	143 (11.9)	564 (23.5)
Primary	102 (25.5)	152 (38)	39 (9.8)	15 (3.7)	105 (26.3)	30 (7.5)	246 (20.5)	189 (15.7)	435 (18.2)
Secondary	37 (9.3)	79 (19.8)	31 (7.6)	36 (9)	21 (5.3)	11 (2.8)	89 (7.4)	126 (10.6)	215 (8.9)
College	1 (0.3)	3 (0.8)	4 (1)	199 (49.8)	12 (3)	205 (51.2)	17 (1.4)	407 (33.9)	424 (17.6)
Diploma	238 (59.5)	61 (15.2)	90 (22.5)	118 (29.5)	91 (22.6)	121 (30.2)	419 (34.6)	308 (25.6)	727 (30.3)
Others	1 (0.3)	9 (2.2)	3 (0.8)	13 (3.3)	4 (1)	5 (1.3)	8 (0.6)	27 (2.3)	35 (1.5)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table 3-4
Marital status of the respondents

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
Married	391 (97.7)	387 (96.7)	399 (99.7)	400 (100)	400 (100)	374 (93.5)	1190 (99.2)	1161 (96.7)	2351 (98)
Unmarried	9 (2.3)	13 (3.3)	1 (0.3)	--	--	26 (6.5)	10 (0.8)	39 (3.3)	49 (2)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table 3-5
Exposure to Mass Media

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
News Papers / Magazines	1 (0.3)	--	--	2 (0.5)	10 (2.5)	1 (0.2)	11 (0.8)	3 (0.3)	14 (0.5)
Radio	1 (0.3)	21 (5.3)	--	--	--	--	1 (0.3)	21 (1.7)	22 (0.9)
TV	7 (1.7)	13 (3.2)	9 (2.2)	--	19 (4.7)	4 (1)	35 (2.9)	17 (1.5)	52 (2.3)
More than one source	391 (97.7)	366 (91.5)	391 (97.8)	398 (99.5)	371 (92.8)	395 (98.8)	1153 (96)	1159 (96.5)	2312 (96.3)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table 3-6
Contact with Change Agents

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
Government Departments	--	9 (2.3)	--	--	21 (5.2)	8 (2)	21 (1.8)	17 (1.4)	38 (1.6)
NGOs	76 (19)	90 (22.5)	3 (0.7)	8 (2)	4 (1)	--	83 (6.9)	98 (8.1)	181 (7.5)
Both	324 (81)	301 (75.2)	397 (99.3)	392 (98)	375 (93.8)	392 (98)	1096 (91.3)	1085 (90.5)	2181 (90.9)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table 3-7
Membership with Cooperatives

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
PACB	331 (82.7)	2 (0.5)	325 (81.2)	10 (2.5)	259 (64.7)	33 (8.3)	915 (76.3)	15 (1.3)	930 (38.7)
PCARDB	38 (9.5)	2 (0.5)	24 (6)	66 (16.5)	8 (2)	56 (14.7)	70 (5.8)	154 (12.8)	224 (9.3)
Both	31 (7.8)	396 (99)	51 (12.8)	324 (81)	133 (33.3)	311 (77)	215 (17.9)	1031 (85.9)	1246 (52)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table 3-8
Age of Membership

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
Less than 3 years	63 (15.8)	72 (18)	88 (22)	112 (28)	89 (22.2)	141 (35.2)	240 (20)	325 (27.1)	565 (23.5)
3- 5 years	114 (28.5)	115 (28.7)	107 (26.7)	142 (35.5)	109 (27.2)	102 (25.5)	330 (27.5)	359 (29.9)	689 (28.7)
More than 5 years	223 (55.7)	213 (53.3)	205 (51.3)	146 (36.5)	202 (50.6)	157 (39.3)	630 (52.5)	516 (43)	1146 (47.8)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table 3-9
Membership in Cultural / Social / Political Organizations

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
Cultural Organizations	42 (10.5)	39 (9.7)	56 (14)	49 (12.3)	52 (13)	41 (1.2)	150 (12.5)	129 (10.7)	279 (11.6)
Caste Associations	97 (24.2)	65 (16.3)	92 (23)	63 (15.7)	89 (22.2)	72 (18)	278 (23.1)	200 (16.6)	478 (19.9)
Political Associations	261 (65.3)	296 (74)	252 (63)	288 (72)	259 (64.8)	287 (71.8)	772 (64.4)	871 (72.7)	1643 (68.5)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table 3-10
Occupation of the Respondents

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
Agriculture	148 (37)	28 (7)	139 (34.7)	199 (49.9)	175 (43.7)	215 (53.7)	462 (38.5)	442 (36.8)	904 (37.6)
Agri coolies	189 (47.3)	--	176 (44)	--	186 (46.6)	--	551 (45.9)	--	551 (23.9)
Dairy	63 (15.7)	95 (23.7)	85 (21.3)	118 (29.5)	39 (9.7)	125 (31.3)	187 (15.6)	338 (28.3)	525 (20.8)
Sheep rearing	--	9 (2.2)	--	16 (4)	--	19 (4.8)	--	44 (3.7)	44 (1.8)
Government servants	--	11 (2.8)	--	18 (4.5)	--	12 (3)	--	41 (3.4)	41 (1.8)
Employees in Private Organizations	--	20 (5)	--	23 (5.7)	--	15 (3.7)	--	58 (4.8)	58 (2.4)
Micro Entrepreneurs	--	212 (53)	--	15 (3.7)	--	4 (1)	--	231 (19.3)	231 (9.8)
Village traders	--	10 (2.5)	--	11 (2.7)	--	6 (1.5)	--	27 (2.2)	27 (1.1)
Money lenders	--	15 (3.8)	--	--	--	4 (1)	--	19 (1.5)	19 (0.8)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table 3.11
Purchasing Behavior of Respondents

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
Controlled	218 (54.5)	190 (47.5)	205 (51.2)	194 (48.5)	209 (52.2)	184 (46)	632 (52.6)	568 (47.3)	1200 (50)
Non - Controlled	2 (0.5)	10 (2.5)	5 (1.3)	6 (1.5)	9 (2.5)	5 (1.3)	16 (1.4)	21 (1.8)	37 (1.5)
Both	180 (45)	200 (50)	190 (47.5)	200 (50)	182 (45.3)	211 (52.7)	552 (46)	611 (50.9)	1163 (48.5)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table 3-12
Availability of Goods in Time in PDS

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
Available	126 (31.5)	254 (63.5)	107 (26.8)	226 (56.5)	112 (28)	211 (53)	345 (28.7)	691 (57.6)	1036 (43.1)
Not – available	274 (68.5)	146 (36.5)	293 (73.2)	174 (43.5)	288 (72)	189 (47)	855 (71.3)	509 (42.4)	1364 (56.9)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table 3-13
Satisfaction over the goods available

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
Satisfied	106 (26.5)	141 (35.2)	131 (32.8)	192 (48)	89 (22.3)	79 (19.8)	326 (27.2)	412 (34.3)	738 (30.7)
Not – Satisfied	294 (73.5)	259 (64.8)	269 (67.2)	208 (52)	311 (77.7)	321 (80.2)	874 (72.8)	788 (65.7)	1662 (69.3)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table 3-14
Reasons for not purchasing commodities in certain times

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
Lack of Information on the availability of goods	16 (4)	101 (25.2)	124 (31)	91 (22.7)	189 (47.3)	59 (14.8)	329 (27.5)	251 (20.9)	580 (24.2)
Lack of good quality	134 (33.5)	96 (24)	27 (6.7)	176 (44)	13 (3.2)	89 (22.3)	174 (14.5)	361 (30.2)	535 (22.3)
Lack of income during the time	49 (12.2)	--	102 (25.5)	--	178 (44.5)	22 (5.5)	329 (27.5)	22 (1.8)	351 (14.6)
Irregular supply	12 (3)	5 (1.3)	20 (5)	--	--	25 (6.2)	32 (2.6)	30 (2.5)	62 (2.5)
Under-weighment	14 (3.5)	-	--	12 (3)	20 (5)	--	34 (2.8)	12 (1)	46 (1.9)
Non-availability of non-controlled articles	58 (14.5)	108 (27)	82 (20.5)	121 (30.3)	--	163 (40.7)	140 (11.6)	392 (32.6)	532 (22.2)
Lack of customer relations	117 (29.2)	90 (22.5)	45 (11.3)	--	--	42 (10.5)	162 (13.5)	132 (11)	294 (12.3)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table 3-15
Problems in PDS

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
Leakages	35 (8.7)	54 (13.5)	--	99 (24.7)	18 (4.5)	112 (28)	53 (4.5)	265 (22.2)	318 (13.2)
Poor quality and weight	69 (17.2)	111 (27.7)	16 (4)	90 (22.5)	--	95 (23.8)	85 (7)	296 (24.5)	381 (15.9)
Non-availability of goods	101 (25.3)	40 (10)	126 (31.5)	62 (15.5)	138 (34.5)	76 (19)	365 (30.4)	178 (14.8)	543 (22.6)
Non-availability of non-controlled goods	86 (21.5)	150 (37.5)	176 (44)	45 (11.3)	181 (45.3)	22 (5.5)	443 (36.9)	217 (18)	660 (27.5)
Non-availability of ration cards	109 (27.3)	45 (11.3)	82 (20.5)	104 (26)	63 (15.7)	95 (23.7)	254 (21.2)	244 (20.5)	498 (20.8)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table 3-16
Suggestions to make PDS more effective

(Figures in Numbers)

Particulars	CBE		DGL		NGM		Total		Grand Total
	W	NW	W	NW	W	NW	W	NW	
Increase the margin and Salary	74 (18.5)	28 (7.0)	30 (7.5)	48 (12.0)	35 (8.7)	--	139 (11.6)	76 (6.3)	215 (8.9)
Reduce number of cards per FPS	18 (4.5)	37 (9.3)	44 (11.0)	72 (18.0)	--	32 (8.0)	62 (5.1)	141 (11.7)	203 (8.4)
Availability of Non-controlled articles	41 (10.3)	30 (7.5)	219 (54.8)	210 (52.5)	16 (4.0)	24 (6.0)	276 (23.0)	264 (23.0)	540 (22.5)
Notice Boards	198 (49.5)	211 (52.7)	47 (11.7)	--	17 (4.3)	21 (5.3)	262 (22)	232 (19.3)	494 (20.6)
Vigilance committees	--	51 (12.7)	32 (8)	70 (12.5)	236 (59.0)	225 (56.2)	268 (22.2)	346 (29.0)	614 (25.7)
More SHGs	69 (17.2)	43 (10.8)	28 (7.0)	--	96 (24.0)	98 (24.5)	193 (16.0)	141 (11.7)	334 (13.9)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	1200 (100)	1200 (100)	2400 (100)

Source: As in Table. 3.1 Note: As in note 3.1

Table -17

Revision of Salaries Granted to the Salesmen of the Fair Price shops

S. No	Government order No.and date	Effective date	Amt.of salary fixed. (Rs.)
1.	G.O. No 668 Cooperation dated 16.11.78	-	100
2.	G.O.Ms.No. 691 F and CP Department dated 28.8.81	1.5.81	150
3.	G.O.Ms.No.199 Cooperation Department dated 12.4.85	12.4.85	200
4.	G.O.No. 260 CF and CP Department dated 4.12.88	1.8.88	250
5.	G.O.Ms.No.378 CF&CP Deptt.Dated 2.5.90	1.3.90	350
6.	Regitstrar's Circular Rc. 35685/92 PDSG2 dated 27.2.92	1.3.92	500
7.	G.O.Ms. No. 372 CF & CP Deptt. Dated 19.1.94	1.4.93	600
8.	G.O. Ms. No.3 CF & CP Deptt Dated 6.1.94	1.4.94	600
9.	G.O.Ms. No.3 CF & CP Deptt. Dated 16.6.95 as amended in G.O. Ms. No. 63 C.F & CP Deptt. Dated 14.3.96	1.9.96	1. For salesmen who have completed 5 yers of service Rs.430-10-450-15 525 2. Others Rs.800/-
10.	G.O.Ms.No.170 CF & CP Deptt. Dated 11.9.96	1.9.96	1. For Salesmen who have not completed 5 years of service Rs.900/- Packers Rs.800
11.	G.O. Ms.No. 238 CF & CP Deptt. Dated 11.9.96	1.9.96	1. For Salesman who have completed 5 years of service Rs.1250-25-1325-45-1640. 2. For salesmen who have not completed 5 years of service Rs.1300/- 3. Packers Rs.1150/-

Table 3-18
Retail Margins

S. No	Commodity	Purchase Price (Rs)	Selling Price (Rs.)	Margin (Rs.)	Date of effect	Sharing of margin between Lead and link socy.	
						For Lead Society	For link society
1.	Rice	305.00	350.00	45.00	19.7.2000	18.00	27.00 +Empty gunnies
	ITDP/HAD P areas	305.00	350.00	45.00	19.7.2000	18.00	27.00 + Empty gunnies
2.	Sugar	1337.45	1350.00	12.55	1.4.94	10.55	2.00 + Empty gunnies
3.	Wheat	710.00	750.00	40.00	24.7.2002	16.00	24.00 + Empty gunnies
4.	Palmolein Losse Pouch (100 Litres per pouch)	1810.00 2185.00	1950.00 2325.00	140.00 140.00	7.6.200 7.6.200	70.00 70.00	70.00 70.00
5.	Kerosene (for 200 lts)	1601.69	1680	72.00 (per barrel) Retail Trans Port Margin Rs.19.68	26.3.200	Entire margin will go to the self lifting society which lifts kerosene from the dealers directly	
6.	Rava	1254.29	1280.00	25.71	13.4.2000	13.76	13.75 +Empty gunnies

Table 3-19
Staff for supervision of Fair Price shops

	Category of Officers	Field	Office
i.	Joint Registrar of Coop. Societies	2	-
ii.	Deputy Registrar	35	2
iii.	Cooperative Sub Registrars	391	32
iv.	Senior Inspector of Cooperative Societies	72	31
v.	Junior Inspector of Coop. Societies	-	21
	Total	500	86

Table 3-20
Target for Departmental Officers for Inspection of Fair Price shops

S.No	Designation	Target* Per Month	No.of officers	Target for all Officers
1.	Joint Registrar (PDS) Chennai	45	2	90
2.	Regional Joint Registrar	10	29	290
3.	Joint Registrar / Special Officer, of Lead Societies	10	10	100
4.	Deputy Registrar/ Special Officer, of Lead Societies	25	22	550
5.	Deputy Registrar (PDS) Chennai	60	5	300
6.	Deputy Registrar (PDS) Chennai (I.V)	10	2	20
7.	Deputy Registrar (PDS) Districts.	50	28	1400
8.	Circle Deputy Registrars	10	63	630
9.	Cooperative Sub Registrars/Special Officer of Le3ad Societies	30	54	1620
10.	Cooperative Sub Registrar (PDS), Chennai. (i) Regular Inspection (ii) Cursory Inspection	15 25	40 40	600 1000
11.	Coop. Sub Registrar (PDS)/Senior Inspector (PDS) Districts.	25	413	10325
	Total		708	16925

Source: As in table 2-1

Note: Job chart is As per G.O (R.T) No. 393, C.F & C.P Dept (J.2) Dated –
3.12.2003.

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