Universal Public Distribution System - Need

What is the issue?

- With the huge burden of rising COVID-19 cases, certainly, it will take a long time for economy to get back to “normal”.
- So, among others interventions, it is essential that food support in the form of free/subsidised grains is made available to all without any disruptions.

Why is food support crucial?

- With, rising COVID-19 cases, the health system is crumbling on the one hand.
- On the other, the economic crisis is continuing.
- Unemployment is high and it will take a while for lost livelihoods to be rebuilt.
- This is especially given the fact that India was already facing an economic slowdown.
- There were high levels of inequality as well.
- So given these, food support becomes absolutely essential.

Are the measures taken so far effective?

- In the last week of March 2020, the government made an announcement in this regard.
- It said it would provide 5kg of foodgrains and 1 kg of pulses for free to all those who are beneficiaries under the National Food Security Act (NFSA) for 3 months.
- This was announced as part of the Rs. 1.70-lakh crore relief package under the Pradhan Mantri Garib Kalyan Yojana (PMGKY).
- Soon, it became obvious that many were not part of the NFSA.
- So, the government, in May 2020, almost 2 months after the lockdown was initiated, announced an expansion move.
- This was to cover an additional 8 crore individuals for 2 months.
- It was to ensure that migrants are included under the Atmanirbhar Bharat Abhiyan package.
- This meant each State being given foodgrains to the tune of 10% more than what they normally get under the NFSA.
- But many States were already covering more beneficiaries than what was

allotted to them by the NFSA.
- Also, some States even made additional temporary provisions for these 2 months.
- So, the interventions made by the central government became inadequate in real terms.

What are the demands made?

- A universal Public Distribution System (PDS) will ensure that nobody is excluded.
- Also, the food support announced as part of the PMGKY and Atmanirbhar package should be extended for a longer period.
- Notably, around 10 States have written to the Ministry to extend the time for 3 more months.
- But the government seems to be indicating that all problems of exclusion will be resolved once the One Nation One Ration Card (ONOC) scheme is expanded across the country.
- This is supposed to be achieved by March 2021. It has been announced that ONOC is currently operational in 20 States.

Will ONOC be a true solution?

- Portability across States is an important and valid concern to be addressed.
- This will help migrant workers access their entitlements.
- However, the ONOC has a number of problems in the way it has been conceived, being Aadhaar-based.
- The experience of biometric authentication using electronic point of sale (ePoS) machines so far has not been encouraging.
- The system has resulted in exclusion of some of the most marginalised.
- This is because of multiple reasons including network issues, authentication failure and so on.
- But even besides this, the ONOC may not be a solution to the immediate crisis of hunger that continues in the aftermath of the lockdown.
- Despite ONOC being operational in some states, lakhs of migrants were stranded in different places without access to food following the lockdown.

What is the real problem now?

- The real issue is of growing food stocks along with widespread hunger.
- Including unmilled paddy, foodgrain stock in the Food Corporation of India has now risen to almost 100 million MTs.
- Notably, the buffer stock norms is 41 million MTs.
- This will increase even more as there is another week of procurement open

in the rabi marketing season.
- There will be another round of procurement of kharif crop in a few months.
- [Notably, 49.9 million MTs of rice was the procurement during the kharif marketing season in 2019-20.]

What seems to be the government plan?

- The government seems to be hoping to get rid of grain through the Open Market Sale Scheme (OMSS).
- With OMSS, it sells the grains at prices lower than the procurement cost but much higher than the issue prices under PDS.
- By doing so, the fiscal consequences can be contained.
- But earlier experiences with the OMSS do not offer much hope that this plan would be successful.
- In the period 2017-18 to 2020-21 (up to first week of June 2020), only 16.6 million tonnes of rice and wheat have been sold under the OMSS.
- The quantity sold each year was less than the quantity offered.
- Moreover, one-third of all sales was to State governments (almost all the rice) thereby shifting the subsidy burden to State governments.
- If not OMSS to private buyers, the only other options left are to either export them or let the grain go waste.

How will a universal PDS help here?

- A universalised PDS giving 10kg of foodgrains per person per month for another 4 months requires about 47 million tonnes in total.
- This is assuming that nearly 85% of the population actually utilises their rations.
- It can be safely assumed that the rich will automatically self-select themselves out of the system.
- This is only indicative, and the actual requirements would most likely be lower.
- Given this, it is highly uncertain why the PDS is not being universalised immediately especially when food stocks are at such a historic high.
- To ensure that people do not go hungry, it is absolutely essential for the government to intervene and offer a workable food support.

Source: The Hindu



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