

CHAPTER – I

EXECUTIVE SUMMARY

INTRODUCTION

Public Distribution System (PDS) is a social safety net ensuring the provision of essential commodities to the targeted population at subsidized prices. The PDS at its very inception as an important welfare policy of the government was meant for managing food scarcity and ensuring the affordability of the food grains. The primary objectives of PDS from its origin have been to ensure price stability, food security, rationing in times of scarcity and keep a check on the private trade. PDS policies have been dealt within the successive five-year plans in India. The Twelfth Five Year Plan (2012-17) emphasized expansion of Aadhaar numbers and opening of the bank accounts which allow the possibility of transferring benefits directly to the beneficiaries.

Indian food security system, established by the Government of India under Ministry of Consumer Affairs, Food and Public Distribution is to distribute subsidized food and non-food items to India's poor. The items under the Public Distribution System include flour, rice, kerosene, sugar and other necessities of life at reasonable and fixed prices. The Government distributes these items through network of ration shops (fair price shops). There is different distribution mechanisms used under the scheme. These are based on the categorization of people below and above property line. To enable this facility, ration card is provided to the beneficiaries. By holding this ration card, the beneficiaries will be available with their monthly gains from the ration shops and this was a traditional system.

These ration shops are likely to become a permanent feature of our social life. They are the best and the most successful means to curb unsocial elements and to keep the price within reasonable limits. These shops are gone a long way to stabilize price of articles of daily consumption. However, Public Distribution System has been criticized for its urban bias and failure to save the poorer sections

of the population effectively. The targeted Public Distribution System is costly and gives rise to much corruption in the process of extricating the poor from those who are less needy. The ration shop dealers resort to malpractices. They divert the grains of the open market to get better margin. Some dealers sell poor quality grains to ration shops. Still others open their shops irregularly, and some dealers weigh less and cheat illiterate customers.

Kerala State has the privilege of having the best system of Public Distribution in the whole country. The system is evenly spread over the whole state without any distinction between urban or rural to ensure equitable distribution of the food grains at a fairly low cost to all people especially to the weaker sections of the population. There is a very good network of wholesale and retail outlets for the distribution of rationed articles under the Public Distribution System.

India's prime minister Sri Narendra Modi has announced a nation-wide lockdown and government of India initiated and implemented the lockdown since 25th March 2020 initially for 21 days then extended it for another 19 days until 3rd May 2020 and again extended it for 14 more days until 17th May 2020 and again till 31st May 2020 with some relaxation to slow down the spread of COVID-19. This project report is an attempt to analyze the effectiveness of Covid 19 on public distribution system.

The COVID-19 pandemic has caused the whole world to face an economic crisis and hence putting people even more at risk of food insecurity; supply chain setup has been disrupted severely due to numerous transport restrictions. There is a need for various components of government machinery to work in complete synergy for aligning services, making provision for supplies and arranging means of delivery to the citizens. This review gives an understanding about the food security situation in India, problem faced by the citizens, in particular the poor and vulnerable population, small and marginal farmers during the COVID-19 pandemic. It also analyses the steps taken by the government of India to address the food security challenges during COVID-19.

As former international food policy research institute (IFPRI) director general

Shenggen Fan, writes, COVID-19 is a health crisis, but it could also lead to a food security crisis if proper measures are not taken.¹ More than 180 countries have been affected by COVID-19. The global economy is almost certainly in recession due to this pandemic.² There has been a drastic disruption in the supply chain and logistics both for producer and consumers as evidenced by closed borders, national lockdown, and travel restrictions. According to a report by the United Nations Conference on Trade and Development, COVID-19 pandemic could cut the global investment by 40%.³ As businesses close to prevent the transmission, financial and job losses are one of the most important concerns. According to UN Department of Economic and Social Affairs, in the worst-case scenario, the world economy could contract by 0.9% in 2020.⁴ This human crisis demands coordinated, decisive, inclusive and innovative policy action from the world's leading economies.