ONE NATION, ONE RATION CARD: A STEP TOWARDS ENSURING ‘RIGHT TO FOOD FOR ALL

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The pandemic exposed the poor governance of the Public Distribution System in the country and how despite continuous improvement of the rationing scheme in the country, a huge part of the vulnerable and marginalised population remains excluded from the subsidised ration program. Covid19 highlighted the need for subsidised food accessibility for the migrant population in the country and the government realised the need for country wide roll-out of Integrated Management of PDS as “One Nation-One Ration Card” program. The ambitious “One Nation- One Ration card” program of the current government is a measure to ensure that ration card holders are able to access their entitled quota of subsidised food grains from any ePoS-enabled fair price shop of their choice anywhere in the country by using the existing ration card. This paper attempts to analyse the working of PDS in India and its evolution over the years. It also shares insights on the challenges in TPDS and measures taken by the government to curb leakages; and finally concludes with systemic gaps that might impose restrictions on smooth implementation of the “One Nation- One Ration card” program in the country.
Newspapers reported the death of 11-year-old Santoshi in Jharkhand. Although the government claimed the death was due to illness, the family of the child said the reason was starvation. They went on to say that they had not been getting ration for six months before her death as their ration card was not linked to Aadhar card.

A person dying of hunger is unthinkable for a large section of society and political establishments in the present scenario, but recent starvation death reports in newspapers and social platforms reiterate the fact that accessibility of food for all is still a dream in India. There is a direct relationship between food consumption levels and poverty. India has witnessed tremendous growth in the last two decades. With a stable government and inclusive policies, India is in the reckoning by most developing and developed nations. In spite of food grain production having almost doubled in the last two decades, India ranks at 102 out of 117 qualifying countries in the Global Hunger Index. With a score of 30.3, India suffers from a level of hunger that is ‘serious’. As per “State of the World Children Report 2019” published by UNICEF, India reported 8,82,000 child mortality deaths (highest in the world) from 2018 to 2019” (Keeley, 2019). Stunting under age 5 children in India stands at 38%. Every 2nd woman in India is reported to be anaemic.

Since Independence, the Indian government has been introducing policies and programs to ensure food for all. Initiation of rationing in India ages back to the 1940s Bengal Famine which claimed the life of over 3 million people who died of starvation. The Public Distribution system (PDS) in its present form was first introduced in 1945 and later revised in

1 https://www.indiafoodbanking.org/hunger
The PDS has been modified over the years to provide food security to people. The National Food Security Act (NFSA) which was passed in Sep 2013 ensures right to food as an entitlement to 3/4\textsuperscript{th} of the country’s rural population and half of its urban population. Beside ensuring subsidised food grains the NFSA has brought under its purview “maternity benefits and nutrition for children aged six months to 14 years as a legal entitlement” (Puri, 2017). There are four major programs under the NFSA which ensures food and nutritional security: the Targeted Public Distribution System (TPDS), the Integrated Child Development Services (ICDS), the Mid Day Meal (MDM) programme and the Indira Gandhi Matritva Sahyog Yojana (IGMSY). While TPDS aims to provide food grains to approximately 813.4 million Indians under NFSA, the ICDS and MDM programmes ensure free meals to all children aged six months to 14 years at the anganwadis (childcare centres) and schools, respectively. The IGMSY programme intends to provide all pregnant and lactating mothers a maternity benefit of INR 6000.

Covid19 saw India facing unprecedented crises in its public health system which has now prolonged and gripped each of the Indian state with mounting economic pressure which has resulted in increased poverty and other social issues. The lockdowns resulted in rising unemployment and coupled with lack of social protection policies and programs, resulted in mass reverse migration that the country had never witnessed before.
people returned back to their villages from the metros and other urban cities. In the absence of any strategic plan, both at the central as well as state level, the reverse migration resulted in huge administrative pressure which ultimately led to the migrants being exposed to unthinkable human suffering. These migrants didn’t have ration cards in the states they were residing and it prompted the government to roll out the “One Nation- One Ration card” as a succour from hunger and destitution.

**Public Distribution System**

“India’s Public Distribution System (PDS) is the largest distribution network of its kind in the world” (Balani, 2013).

![PDS Functioning in India. Source: Functioning of the Public Distribution System; Sakshi Balani 2013](image)

Before the 1960s, distribution through PDS was generally dependent on imports of food grains as the country was yet to achieve food sufficiency. After the green revolution in India, it was expanded in the 1960s as a response to food shortages of the time. Subsequently, the government set up the Agriculture Prices Commission and Food Corporation of India to improve domestic procurement and storage of food grains for PDS. By the 1970s, PDS evolved into a scheme for distribution of subsidised food not only in India but all over the world. “In the 1990s, the scheme was revamped to improve access of food grains to people in hilly and inaccessible
areas, and to target the poor” (Balani, 2013).

In 1997, the Targeted Public Distribution System (TPDS) was launched, with special focus on the poor. The TPDS aimed to provide subsidised food and fuel to the poor through a network of ration shops. “The PDS is a joint program run by central and state government, the central government plays role in procurement of foodgrains, storage and allocation to the state governments through central pools and the state governments play a role in identifying eligible beneficiaries and distributing these entitlements through fair price shop” (P, 2016). The commodities distributed under the PDS include wheat, rice, sugar and kerosene. “Some States/UTs also distribute additional items of mass consumption through the PDS outlets such as pulses, edible oils, iodized salt, spices, etc” (Distribution, 2019).

Ration cards are the official document issued by state governments in India to households that are eligible to purchase subsidized food grain from the Public Distribution System. Beneficiaries under the PDS are divided in three categories – Below poverty Line (BPL), Above Poverty line ( APL) and Antyodaya Anna Yojana (AAY) for the poorest among the BPL families comprising (i) landless agricultural labourers, (ii) marginal farmers, (iii) rural artisans/craftsmen such as potters and tanners, (iv) slum dwellers, (v) persons earning their livelihood on a daily basis in the informal sector such as porters, rickshaw pullers, cobblers, (vi) destitute, (vii) households headed by widows or terminally ill 4 persons, disabled persons, persons aged 60 years or more with no assured means of subsistence, and (viii) all primitive tribal households)

“Additionally, it is important to note that many states/UTs had expanded the coverage of their TPDS by introducing
‘State BPL’ categories that covered households that were poor but did not meet the Central Government’s BPL ‘cut-off’ (Puri, 2017).

**Challenges in existing PDS**

- Inaccurate identification of households: This is referred to as an error of inclusion and exclusion. The error of inclusion means including the non-poor in the poor category and the error of exclusion implies including the poor in the nonpoor category. According to a study by Mahamalik & Sahu (2011), “out of the total ration cards distributed only 32.2 percent were allotted to the ‘consumption poor’” and the remaining 67.8 percent to the ‘consumption non-poor’ households. Around 68.8 percent of total BPL cards and 58.2 percent of AAY cards were distributed among the non-poor households (Mahima Ghabru, 2017). Inaccurate identification of beneficiaries implies that food grains do not reach the entitled population.

- Food Subsidy burden: The food subsidy burden has increased manifold over the years. This increase in the subsidy can be attributed to hike in Minimum Support Price (MSP) over the years, accumulation of large stocks of food grains, high economic cost of foodgrains, and other welfare schemes.

The table below clearly shows that food subsidy increased by 11.6% from 2015-16 to 2018-19.

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*All figures in crores
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Storage Capacity: Over time, increased food grain production and procurement has led to acute storage problems. FCI’s storage capacity increased from 5.9 million tonnes in 2007-08 to 33.2 million tonnes in 2011-12 and 40.5 in 2018-19. However, it has been unable to handle the foodgrain stock. Eg. The storage capacity of FCI increased by 21% from 2017-18 to 2018-19 while the growth of stocks in the central pool has been more than 107 % for the same duration. This often results in wastage of foodgrain as these are stored in the open.

Non-viability of fair price shops: Efficient functioning of Fair Price Shops (FPS) is a must for success of PDS. There were 5.34 lakh fair price shops reported to be in operation in the country, in 2019. But, in reality, “only 39 percent of the FPS generate a positive net income over variable costs and 8.3 percent earn income sufficient enough to run the FPS (Planning Commission, 2005).

Problems plaguing the FPS are: i) dealers get low rates of commission and hence resort to malpractices ii) neither do ration shops open on a daily basis nor do they keep regular hours of opening, iii) beneficiaries have to wait for hours in long queues to get their rightful entitlements iv) despite having sufficient stock with them, dealers may declare “No Stock” thus depriving the beneficiaries of their due entitlement. Most importantly, grains are diverted to the open market by the dealers to make it profitable.

Leakages: Leakages are the most severe lacuna of PDS that pose a serious threat to the efficient functioning of the system. Leakage is defined as the difference between off-take of grains by the state and actual consumption by the beneficiaries (Gulati & Saini,
The main reasons identified for leakages include:

- **Ghost cards**: Ration cards are made in the name of people who do not exist and hence grains are diverted for black marketing.

- **Shadow ownership**: Ration cards are made for the eligible beneficiaries but the entitlements are received by non-beneficiaries on their behalf without the knowledge of the beneficiaries.

- **Diversion of food grains into open market by FPS owners**.

“The PDS in the country is highly leaky to the extent that out of every 4 rupees spent on PDS, only 1 rupee reaches the poor. 57 percent of grains do not reach the intended beneficiaries”. (Planning Commission, Performance Evaluation of Targeted Public Distribution System, 2005)

To eliminate leakages and to ensure that eligible households receive their entitlements under the TPDS, the following measures have been taken by this Department:

**Modernization of Targeted Public Distribution System (TPDS)** - With an objective to introduce best practices, transparency in TPDS operations and for achieving rightful targeting of food subsidy, the government implemented a Plan Scheme on ‘End to-End Computerization of TPDS Operations’ in collaboration with all the States/UTs under the 12th Five Year Plan (2012-17). The validity of scheme was extended till March, 2020. This was implemented by the Department of Food and Public Distribution with a view to addressing challenges such as leakages and diversion of food grains, inclusion/exclusion errors, fake and bogus ration cards, lack of transparency, weak grievance redressal etc. The major components of the scheme included –
i. Digitization of ration cards/beneficiary data – Completed in all States/UTs. Details of almost 23.4 crore ration cards covering nearly 80 crore beneficiaries are available on the respective State/UT portals.

ii. Aadhaar seeding of ration cards – Seeding of Aadhaar numbers has been completed for nearly 87% ration cards (at least one member of household), whereas nearly 82% beneficiaries are also seeded with Aadhaar.

iii. Online allocation of foodgrains up to FPS level – Implemented in all States/UTs except UTs of Chandigarh and Puducherry which have adopted Direct Benefit Transfer (DBT) scheme.

iv. Computerisation of Supply Chain Management for food grains – Implemented in 28 States/UTs and computerization is in full-swing in remaining States/UTs.

v. Online grievance/toll free helplines and transparency portals – Online Grievance Registration system/Toll-free helpline numbers are available in all States/UTs.

vi. Automation of Fair Price Shops – More than 4.67 lakh out of a total of 5.34 lakh (87%) FPSs in the country have operational electronic Point of Sale (ePoS) devices.

**Integrated Management of PDS and One Nation-One Ration Card**

As a follow-up to modernisation of TPDS, ‘Integrated Management of PDS’ (IM-PDS) was launched in April, 2018 for nation-wide portability of ration card of beneficiaries covered under NFSA, to enable them access to foodgrains from any FPS of their choice in the country by using their existing ration card, after biometric/Aadhaar authentication on a ePoS device. Besides, the scheme also includes setting up of central data repository, national de-duplication, data analytics, etc.

The government of India proposed the nationwide roll out of the IM-PDS under
“One nation, one Ration card” on 1st of June 2020. This program aims to bring the entire country under its fold by 2021 and benefit 81 crore beneficiaries across the country. The scheme was much needed given that internal migration in India is huge. 2011 census data indicates that 45.36 crore people or 37% of the total population of India are migrants out of which migration for work and employment accounted for 10.22 per cent, which is about 4.3 crore.

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Although the program has been operational since 2018 but there has not been much progress till date. While the digitalisation of the PDS process has paved the way for smooth implementation of the program however there’s a long for proper execution of the program.

**Current Progress under the under “One nation, one Ration card” Program**

**The program till date has:**

- 24 states and union territories for the “One nation, one Ration card” program.
- Out of the 23 crore ration card holders, only 2013 Ration cards have been ported till date.
- Out of 81 crore targeted beneficiaries only 15,094 beneficiaries have been benefitted.
- Only 2041 transactions have been done and just 214 quintal of wheat and 223 quintals of rice has been distributed.

Challenges for smooth implementation of the program

- Internet accessibility: Internet accessibility is the key for the efficient execution of the program. Many states like Chhattisgarh complained about poor internet accessibility especially in rural areas.
• Accessibility to ePoS devices: More than 67,000 of total 5.34 lakh FPSs in the country do not have electronic Point of Sale (ePoS) devices.

• Opposition from states like West Bengal, Tamil Nadu, Assam, Odisha and Chhattisgarh and the complete lack of unanimity\(^3\).

• Different states have different types of ration distributed under the PDS program which may not be possible under the “One nation one Ration card” program.

• The government officials claim that food grain distribution is also a political issue and each state wants its own scheme instead of getting integrated into one single central scheme.

• Beneficiary identification still remains a challenge even in the new program.

**Conclusion:**

“One nation, one Ration card” seems to solve the issue of inaccessibility of subsidised ration for all its targeted beneficiaries, especially migrant workers and address the leakages in the existing TPDS in the country. However, the current achievements and progress made under the program are much below expectations towards the government’s mission to ensure “food security to all”. Again, the systemic gaps pertaining to internet accessibility, identification of beneficiaries, PDS being a political agenda and etc, act as resistance in smooth execution of the program.

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