

1. Rationing Reforms: Ration Card Portability Good, but DBT Better

Context:

- With wage-flow stopped, and unable to get ration in the cities, most migrant workers have had to rely on food distribution by government and NGOs.
- So, the Supreme Court has asked the Centre to see if temporarily shifting to a ‘one nation, one ration card’ system is possible.

What is ‘One Nation One Ration Card’ scheme?

- This Scheme allows **Portability of food Security Benefits** will be available across the country. This means poor migrant workers will be able to buy subsidized rice and wheat from any ration shop in the country.
- One Nation One Ration Card (RC) will ensure all beneficiaries especially migrants can access PDS across the nation from any PDS shop of their own choice.
- This scheme of interstate portability is a logical progression to the next level of enabling seamless public services under the PDS, throughout the country.

Significance of the Scheme:

- In ONORC, the fundamental prerequisite is **Deduplication** so that it is ensured that the same person does not figure as a beneficiary in two different locations of the country.
- With the help of the scheme, the government would be able to rightly target the beneficiaries to provide them with the food grains under the PDS.
- The scheme is linked with Aadhaar and biometrics, this removes most possibilities of corruption.
- The government is creating a **Central Data Repository** to get all the details of ration card which are being maintained by states so that the repository acts as a clearing house or a server to do the cross checking on the basis of Aadhaar authentication.
- However, rolling out ration card portability would largely be the states’ domain since both PDS, and identification of beneficiaries are the state governments’ mandate.
- Yet, while ration card portability is being considered, it would perhaps be better, given the Jan Dhan-Aadhaar-Mobile triad, to shift away from physical rations through PDS to direct benefits transfer, which the **Shanta Kumar Committee had recommended in 2015**.

Advantages of Direct Benefit Transfer:

- PDS is an inefficient mode of transfer of subsidies, prone to enormous leakages into the black market, and high waste in costs of transferring subsidies in the form of food

transfers. **So replacing Food with Direct Cash Transfers would Greatly reduce Corruption and leakages.**

- **Better Targeting:** It would enable the poor to access goods currently denied them by a PDS beset by corruption
- Providing subsidies directly to the poor, it is further argued, would both bypass brokers as well as **reduce the waste and Holding Costs of Storing Grains in Government Silos.**
- It would enable people to **buy Better Quality food of Their choice from the open Market** and not be restricted to items sold in the PDS, which are often inferior in quality and limited in range
- Cash transfers would Help **reduce Fiscal Deficit by Curbing Expenditures earmarked for the PDS** that are siphoned off through corruption, as well as avoiding substantially higher costs of transferring food rather than cash.
- This would help wind up the **Inefficient FCI system**, as well as the MSP scheme that has Direct Effects on the Environment.

Source: Financial Express

