

5. Outdated Census Data Deprives over 10 Crores of PDS

Prelims Syllabus: Economy

Mains Syllabus: GS-III Indian Economy and Issues Relating to Planning, Mobilization of Resources, Growth, Development and Employment.

Why in News?

- Over 10 crore people have been excluded from the Public Distribution System (PDS) because outdated 2011 census data is being used to calculate State-wise National Food Security Act (NFSA) coverage.
- With the 2021 census process being delayed due to the COVID-19 pandemic, any proposed revision of PDS coverage using that data could now take several years.

Highlights:

- National Food Security Act (NFSA), 2013 gives legal entitlement to 67% of the population (75% in rural areas and 50% in urban areas) to receive highly subsidized food grains under the Public Distribution System.
- Coverage under the Act is based on the population figures of Census, 2011.
- Under the Act, food grain is allocated @ 5 kg per person per month for priority house holds category and @ 35 kg per family per month for Antodya anna Yojna (AAY) families at a highly subsidized prices of Rs. 1/-, Rs. 2/- and Rs. 3/- per kg for nutri-cereals, wheat and rice respectively.
- In 2013, State-wise ratios were worked out for rural and urban areas, using National Sample Survey data, in such a manner that everyone below a given national “per-capita expenditure benchmark” is covered, meaning that PDS coverage should be higher in poorer States.

Population Missed the PDS Coverage:

- Under the NFSA, the PDS is supposed to cover 75% of the population in rural areas and 50% of the population in urban areas, which works out to 67% of the total population, using the rural-urban population ratio in 2011.
- India’s population was about 121 crore in 2011 and so PDS covered approximately 80 crore people. However, applying the 67% ratio to a projected population of 137 crore for 2020, PDS coverage today should be around 92 crore.

Out in the cold

An estimated 2.8 crore people may have been left out of the Public Distribution System in Uttar Pradesh, the most in any State. The table lists the five States which may have the highest under-coverage under PDS:

State	Coverage (2011 population)	Coverage (2020 population)	Estimated under coverage
Uttar Pradesh	15.21	18.06	2.80
Bihar	8.71	10.48	1.77
Madhya Pradesh	5.46	6.42	0.90
Rajasthan	4.47	5.25	0.79
Maharashtra	7	7.66	0.66
India	81.35	92.19	10.84

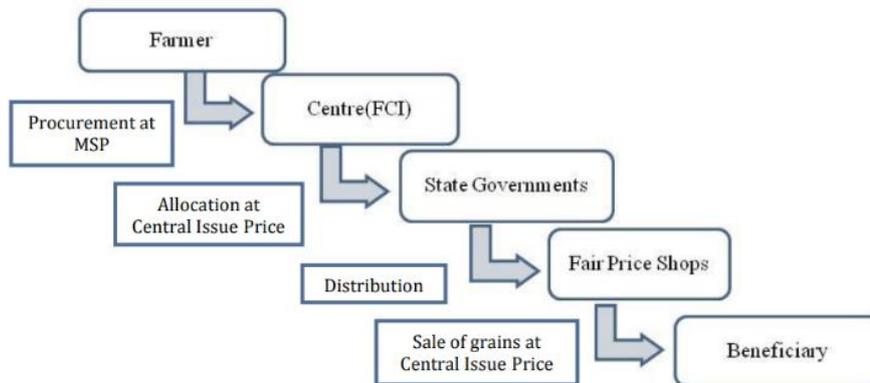
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- The biggest gaps are in Uttar Pradesh (2.8 crore) followed by Bihar (1.8 crore) people. State-specific birth and death rates from 2016 were used to calculate the population growth rate and projected population estimates.
- Many State governments are reluctant to issue new ration cards beyond the numbers that will be provided for by the Central quota, making it difficult to reduce exclusion errors in the PDS.
- This is because the State government stopped issuing new ration cards several years ago to avoid exceeding the numbers provided for by the Central government.

Public Distribution System:

- It is a government-sponsored chain of shops entrusted with the work of distributing basic food and non-food commodities to the needy sections of the society at very cheap prices.
- Wheat, rice, kerosene, sugar, etc. are a few major commodities distributed by the public distribution system.
- Food Corporation of India, a government entity, manages the public distribution system.
- **Concerns:** The system is often blamed for its inefficiency and rural-urban bias.
- It has not been able to fulfill the objective for which it was formed. Moreover, it has frequently been criticized for instances of corruption and black marketing.

How PDS System Functions?



- The Central and State Governments share responsibilities in order to provide food grains to the identified beneficiaries.
- The centre procures food grains from farmers at a minimum support price (MSP) and sells it to states at central issue prices. It is responsible for transporting the grains to godowns in each state.
- States bear the responsibility of transporting food grains from these godowns to each fair price shop (ration shop), where the beneficiary buys the food grains at the lower central issue price. Many states further subsidise the price of food grains before selling it to Beneficiaries.