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HISTORY OF PUBLIC DISTRIBUTION SYSTEM IN INDIA – A STUDY

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ABSTRACT

The Public Distribution System (PDS) is an important delivery channel in the management of the food security system in India. It is an integral part of India's overall food policy. The Public Distribution System (PDS) plays a key role in the food economy of developing countries. In India, the Public Distribution System was introduced by the British in 1939 to meet the food shortages and famine conditions at the beginning of the Second World War. The basic objective of PDS is to ensure that essential commodities especially food items like rice, wheat, dhal, sugar, oil etc are made available to people at reasonable prices.

Every country in the world facing food shortage settles down sometime or other, problems of food distribution in a way depends on local conditions. All countries tend to introduce different systems for rationing the supplies available among the non-producers. No other country of comparable size in the world as India has attempted to solve the food distribution problem, especially as Tamil Nadu state has done in India. In fact, the Public Distribution System in Tamil Nadu has been a huge success and proved to be a model to other states in India.

In spite of its inadequacy in poverty eradication, lack of low standard of literacy, and its large number of small holdings, the erstwhile Madras state was able to attempt such an experiment largely because of its efficient system of village officers-a hereditary system which stretching back for hundreds, possibly thousands of years.¹

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The government is committed to reduce hunger and malnutrition and for this purpose it offers services to people through various agencies like PDS. PDS has been covering all sections of urban and rural people irrespective of income; it is interesting to note that even the rich can buy few items like sugar and tea from ration shops because such items cost much less than in the open market.²

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HISTORY OF PUBLIC DISTRIBUTION SYSTEM

In India the origin of PDS could be traced back to the Second World War. The dawn of independence led to a great emphasis on the need for an uninterrupted supply of essential goods everywhere so that none would die of hunger. Undoubtedly, deficiency in food grain supply did exist in the country even before this period, which was met out from imports, as deficit then was only marginal. However, the import of the food grains became difficult during and even after the times of war. This resulted in rising prices of foodgrains.³

These two significant developments compelled the government to resort to control of food grains in the country. Statutory wheat price was fixed for the first time in 1941 as a first step in this direction. And subsequently in 1942, the emphasis was also shifted to producing more rice because of its continued reduced supply from Burma, which was conquered by Japan.

The administration of control was vested initially in the provincial governments. However, the third Price Control Conference held in 1941 favoured central government's interference in the whole issue. Accordingly, a Wheat Commissioner was appointed for India to advise Provincial Administration on regulating the supply and distribution of wheat. The next conference that took place in 1942 recommended for effecting an All-India distribution plan through permit system. The fifth and sixth conferences again in 1943 favoured an effective check on location and movement of stocks and centralized purchase by a single agency.

These arrangements, however, could not provide a foolproof system. Consequently, the first and second 'All India Food Conferences' were convened in December 1942 and February 1943 respectively. It was planned through these conferences to "secure the maximum social welfare in the distribution of wheat available, which involves mutual give and take and a willingness to bear sacrifices for the good of India as a whole"⁴. But suitable measures for policy were not suggested to put the plan successfully into operation.

Based on these guidelines, the Madras government introduced in 1943 a scheme for the distribution of rice.⁵ Bombay followed with the introduction of formal rationing in 1943. Later on, other states also introduced

this system. The main beneficiaries of the system were the employees of central and state governments and the industrial labourers.⁶

FOOD RATIONING IN THE PROVINCE

If a family was short of its requirements, particularly in the matter of food, people would not ordinarily think of eating to their hearts content, leaving the children and the weaker members to die of starvation. The available quantity would be shared by all the members and all of them would feel satisfied over the distribution, though their needs might not have been fully met. Rationing is only an extension of this principle under which all families living in a country or area, where shortage is noticed or threatened, share what is available, for the common good of all concerned.

The main object of food rationing is thus to bring an equitable distribution of the available supplies, though in the process, the consumption is brought under control and to some extent also reduced. Briefly, the rationing provides yardstick for measuring consumption, ensures an equitable distribution, prevents exhaustion of a commodity in short supply, releases surplus quantities for deficit areas, controls prices and restores confidence in the people.⁷

PUBLIC DISTRIBUTION SYSTEM IN INDIA

The Public food distribution system in India dates from the Second World War. During and after the Bengal Famine in 1943, in which between 1.5 and 3 million People died, the need was felt by the colonial government to develop a comprehensive food policy for the country.⁸ The nature of the policy of state intervention is largely determined by the causes and conditions responsible for its emergence and growth. The growth of PDS has been due to shortage of commodities from time to time. The emergence of PDS has been more in response to some specific critical situation rather than to conscious public policy. The major causes of the origin of this policy are as follows:

1. Drought, famine and war conditions
2. Inflation
3. Market fluctuation

4. Poverty and
5. Lack of distributive justice.
6. Quality Control

In order to avoid the deterioration in the quality of food materials, the institution of a separate inspectorate was also planned.⁹ The British Government imposed the burdens of Second World War on India. There was a popular opposition to the mobilization of the war efforts. This anti-war climate came to be exploited by hoarders and black marketeers. As war advanced, the prices of food grains steadily rose.

From September 1939 to September 1942, the British Government convened Six Price Control Conferences. Thus, price control came to be introduced in India in 1941. Also, controlled distribution of food grains became necessary after the fall of Burma, in March 1942 the most important supplier of rice to India. The importance of linking price control, with a control on distribution of food grains, was stressed by the Fifth Price Control meeting held in April 1942. The British Government issued an order in respect of the food grains on May 21, 1942.

This order originally covered major food grains (wheat, rice and barley), but subsequently the coverage was extended to pulses and millets. From 28th May 1942, the distribution programme in wheat and grams were prohibited as anti-speculative measures with the permission of the Central Government or an authorized office throughout British India. The attitude of the British Government to the Quit India Movement as well as the Japanese threat of invasion of India worsened the food situation from December, 1942. The Government of India established the Food Department with a view to integrating all the activities regarding the Purchase, Distribution and Movement of food grains.

It must be noted that, until 1940, there was an insignificant rise in prices. It was after March 1941 the upward trend of prices started. By 1942, wheat prices almost doubled and by 1943, the price index increased. This period in Indian history was characterized by intermingling of economic and political issues. The arrest of national leaders in August 1942 created very strongly an anti British feeling among people which was fully exploited by the hoarders, black marketeers and profiteers. The public felt that the official purchases and exports led to the rising of prices. In evil of hoarding, people favoured decontrol and the same was tried in

January 1943. Contrary to the expectations, the prices soared up immediately after the decontrol. Hence, the disastrous free trade policy was soon abandoned in July 1943.

In July 1943, the First Foodgrains Policy Committee, under the chairmanship of Dr. Theodore Gregory was appointed and was entrusted with the task of recommending a sound and effective food administration policy for the subsequent years. Its recommendations emphasized the need for increased supply, improved procurement machinery, execution of rationing, statutory price control, overhauling of the administrative machinery and a closer co-operation between the centre, provinces and Princely states. The Foodgrain Enquiry Committee recommended the need for price stabilization, control over trade of food grains and its "Progressive Socialisation". The Committee was of the opinion that full control of food grain market was neither desirable nor feasible. Instead, the Committee suggested open market purchases of the wholesale trade and regular imports of rice and wheat to meet local consumption requirements.¹⁰

CONCLUSION

No country can neglect the importance of Public Distribution System. It is essential for all people of the country. But it essential for the middle class and the people in the lowest strata of the society. Goods are distributed at the controlled price but in times of scarcity, the availability of the essential commodities is ensured. Nowadays this system which helped the political parties and the administrative institutions in various aspects, welfare and relief measures are rooted through this PDS. This system helps the authorities to reach the society at the grass root level. Price of the goods are made feasible to all the people.

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