

# **Impact of Antyodaya Anna Yojana (AAY) on the Food Security of the Poorest of the Poor in Rural Areas – A Study Maharashtra, Uttar Pradesh and Jharkhand**

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## **ABSTRACT**

One of the Public Distribution System schemes namely ‘Antyodaya Anna yojana’ (AAY) has been implemented in India from the end of the year 2000. This scheme ensures ‘food security’, to create a hunger free India and to reform and improve the Public Distribution System so as to serve the poorest of the poor in rural and urban areas. Various reports and estimates reported around 5% of population of the country are unable to get two square meals a day throughout the year. This scheme proposed to cover poorest of the poor by supply of food grains free of cost and other important commodities on subsidized rates. Over a period of time, the performance of the scheme has been improved due to evolving various monitoring mechanism and other vigilance committees. Even though, the criticism of the various civil society organizations and reports of press on the status of implementation of the scheme by the different states brings out number of problems in the identification of beneficiaries and distribution of benefits. In this context, a study on the impact of the AAY programme on the food security of the poorest of the poor was conducted to bring out various untouched issues on the status of implementation, ability of the distributing agencies, problems faced by the implementing agencies and beneficiaries. The study was carried out in the states of Maharashtra, Uttar Pradesh and Jharkhand in India. This article brings field realities of the functioning of the scheme.

**Keywords:** Antyodaya Anna Yojana, Public Distribution System, Purchasing Power, BPL price, Civil Society Organizations, Poorest of the Poor, Inclusion and Exclusion Errors, Food Security.

## **Study Background**

Antyodaya Anna Yojana was launched on 25<sup>th</sup> December, 2000. This scheme reflects the commitment of the Government of India to ensure food security, to create a hunger free India and to reform and improve the Public Distribution System so as to serve the poorest of the poor in rural and urban areas. It is estimated that 5% of population are unable to get two square meals a day on a sustained basis throughout the year. Their purchasing power is so low that they are not in a position to buy food grains round the year even at BPL price. It is this 5% of population (5 crores of people or 1 crore families) which constitutes the target group of Antyodaya Anna Yojana. From the inception, the scheme was expanded to three times and at present; the target group has been increased to 2.5 crores families. Identification of 2.5 crore families out of the number of BPL families is the responsibility of the state governments and they would be provided food grains at the rate of 35 Kg per family per month. The food grains have to be issued by the Government of India @ ₹ 2/- per Kg for wheat and ₹ 3/- per Kg for rice. The Government of India suggests that in view of abject poverty of this group of beneficiaries, the State Government may ensure that the end retail price is retained at ₹ 2/- per Kg for wheat and ₹ 3/- per Kg. for rice. The criticism of the various civil society organizations and reports of press on the status of implementation of the scheme by the different states brings out number of problems at the identification of beneficiaries and distribution of benefits. In this context, a study on the impact of the AAY programme on the food security of the poorest of the poor was conducted to bring out various untouched issues on the status of implementation, ability of the distributing agencies, problems faced by the implementing agencies and beneficiaries. The study was carried out in the states of Maharashtra, Uttar Pradesh and Jharkhand in India

## **Study Hypothesis**

*The programme is sensitive towards food security of the poorest of the poor.*

The above hypothesis was tested based on the field data and is accepted because the data shows that AAY helps to meet out the more than 75% of the food requirements of the beneficiaries.

## **Issues for the Study**

The present study looked into the following issues

- Process of Implementation, distribution and their impact
- Identification of problems related to Quantity and Quality of Supply, suitability of time and venue and other socio-economic issues of distributional aspects.

- Effect on the programme in view of increased BPL card holders
- Effort to identify hindrances of middle-men and black market in the delivery mechanism
- Beneficiary satisfaction and views on the strengthening of programme implementation and delivery
- Verification on BPL status of the beneficiaries.
- Identification of inclusion and exclusion errors in beneficiary's selection.
- Ability of purchasing by the beneficiary even under subsidized rates.
- Period of food security and insecurity.

### **Study Objectives**

- To analyze the impact of AAY in the light of increased number of BPL card holders.
- To analyze overall impact of AAY on the food security of poorest of the poor in the rural areas.
- To identify successful factors for strengthening of programme delivery.

### **Methodology and Sampling**

The study was conducted in three states namely Maharashtra, Uttar Pradesh and Jharkhand. Purposive sampling technique was used to identify the study districts and lower level study units. In each state one district, two blocks from each district were selected on random. In order to carry out in-depth impact analysis, from each block two to three AAY distribution centers were selected. A minimum of 10% and maximum of 100 beneficiaries were selected by using systematic random sampling technique. List of AAY beneficiaries in each PDS distribution centre was collected, based on the number of beneficiaries in each centre, maximum of 100 respondents were selected. For example, in Maharashtra five centers were studied, each centre was having AAY beneficiaries ranging from 150 to 200, around 20 beneficiaries were selected for interview. Only Antiyodhaya BPL card beneficiaries included for the study. Suitable interview schedule covering all the issues mentioned above was developed for the study. Adequate care was given while preparing the study tool with focus to collect required data to fulfill the objectives. Data also collected from the officials of programme implementing agency, NGOs and CBOs, etc. Focus group discussions and observational techniques were also used. People's responses regarding awareness on their entitlements and other provisions of the schemes enquired. Eligible non-beneficiaries also contacted for their views on their difficulties in getting or not getting the BPL cards and scheme benefits.

## **Major findings**

### ***Beneficiaries Personal Profile, income and expenditure***

- Among the study respondents, 79.6% are males. In all the three states majority respondents are males only. Since the AAY focused to cover aged, widows and single member families majority respondents belong to the age group of 40s and 50s.
- The study population consists of 80% Hindus and 20% Muslim. In all the three states, majority respondents are Hindus. Regarding the marital status around 72% are married. High level of illiteracy among study population exists in the study regions. The occupational status reveals around 83 are agriculture casual labourers. They earn adequate livelihood only during agriculture season.
- Annual family income of the study area reflects that 33.6% are having income between ₹ 12000-15000, and remaining are having annual income of below ₹ 12000/.

### ***Perceptions of Beneficiaries on functioning of PDS***

- Eighty three% respondents agreed on payment of money for obtaining ration cards and they paid to the officials of the revenue department.
- Around 80% of respondents have access of distribution centre in their own habitations; only 20% respondents have to move nearby main village to get PDS benefits. All the respondents buy wheat and rice in every month from PDS. Around 83% beneficiaries purchase Kerosene, 77% purchase cooking oil and 84% buy edible levy sugar from the PDS system on subsidized rates.
- Around 36% replied positively on the prevalence of gender discrimination and suppression by rich against poor but remaining 64% responded negatively.

### ***Quantity, Quality and adequacy of the Materials under PDS***

- Majority respondents expressed quantity is not sufficient for family consumption. Among the beneficiaries expressed inadequacy, around 77.3% buy additional requirements from open market and around 23% adjust with available quantity of food grains supplied by the PDS. Higher percentage of people (49.3%) responded that whole year they face food inadequacy due to less income and more number of children. Followed by, 34.6% face food inadequacy during October – December; 13% replied January – March.
- Majority respondents, i.e. 56 opined that the quality of materials under PDS is good, 22% feel satisfactory and another 22 expressed materials are of

poor quality. Overall response gives positive reply for good quality.

- It is reported that, 73% have not verified or cross checked the entries of ration card and PDS supply register, only around 27% made verification and around 14% found mismatch of entries in the records, personal verification by the investigators also confirmed the mismatch of entries in many cases in all the three states.

### ***Prevalence of Middlemen***

- Seventy one% responded about middlemen involvement is very high in all the three states in functioning of PDS. It is due to the political interference, to help kith and kin of PDS functionaries; local traders also interfere and indulge the system for high variation of commodity prices in the open market.
- According to data 71.6% responded that middlemen involvement is very high in all the three states in the functioning of PDS. It is due to local politicians' interference to help their kith and kin to control over PDS supply which is one of the important factors of local influence to keep people within their clutches.
- Local traders also hinder the civil supplies for making benefit on through illegal trade of PDS goods because of prevailing high variation of commodity prices in the open market. About the responses on the black marketing of PDS goods, 46.6% agreed that subsidized PDS goods are sold in the open market. But, more than 50% of the respondents not noticed about this issue. It does not mean that majority people deny about the sale of PDS goods in the open market.
- Another 56 Percent respondents expressed local traders encourage and instigate the PDS functionaries to involve in black marketing to make money; it is understood from the views of respondents, PDS goods are sold upto Rs. 15 per kg of rice or wheat. Around 36% respondents confirmed that, the goods are sold for the price range from ₹ 10-15.
- All the respondents use foodgrains for their own consumption but only 22% sell some of the materials like sugar, kerosene and cooking oil. These commodities help to fetch some money to buy essential commodities like groceries, dhal, salt etc.
- The BPL survey was conducted during the year 1994 was the latest one, therefore, newly emerged families and families which are became BPL from APL category due to natural shocks have not included in the present Public Distribution System. Quantity of supply of foodgrains by the Government of India is based on the Planning Commission BPL data; but the State

Government gives additional BPL cards to the new families of the BPL category which mismatch the demand and supply in the PDS system. There are inclusion errors of APL category who get BPL cards by political influence or local power structure. There are bogus cards in the name of died members or migrated families, etc., around 41% study population agreed about the existence of inclusion and exclusion errors.

- There are 88.6% purchase all the items and quantity entitled for them. But there are 11.3 are not able to purchase because of non-availability of money or if the products are inferior quality or denial by PDS shop.

### **Suggestions to Strengthen the PDS System in the Study Area**

Following suggestions have been made based on field findings to make implementation of PDS more effective:

- Majority study beneficiaries in the study regions have given their views on close monitoring of transport system during transporting materials from Food Corporation India (FCI) godown to distribution centres. Strengthening of monitoring system through consumers' participation and placing monitoring reports in the public domain for transparent process was supported by 88%. All the respondents expressed to increase the quantity of food grains under PDS. There are around 47% suggested to supply should be in different spells which help to buy maximum quantity based on the availability of money. Sixty Nine percentage of study population suggested to update Below Poverty Line (BPL) status in order to avoid inclusion and exclusion errors in the scheme.
- All the respondents were opined to form a task force committee with representation of local volunteers and civil society organisation to trace and facilitate to punish the offenders. Sixty two% people advocated to build good quality storage facilities to protect precious materials and supply at consumable standard.
- Attempts to include more commodities under food subsidy cover should be insisted. Sugar supply through PDS draws well-to-do families to the system.
- Kerosene oil is also a commodity supplied through PDS and is intended for the poor. But there occurs large scale illicit diversion of this item and benefits meant for the poor are cornered by others. Subsidised kerosene is used for adulteration with diesel. Subsidy on kerosene should be gradually phased out and alternate avenues of marketing it needs to be explored.
- The coverage of Targeted Public Distribution System (TPDS) and food subsidy should be restricted to the population below poverty line. For others

who have the purchasing power, it would do merely to ensure availability of grains at stable price in the market - no need for food subsidy to this population.

- The beneficiaries have to be allowed to buy the PDS materials any day in a month subject to their time availability and money.
- The timing of the PDS centres have to be changed according to the convenience of the customers, preferably in the evening. Hence, beneficiaries may not lose their one day wage.
- Proper announcement has to be made about the distribution of materials.
- People committees to be constituted and empowered to make stock verification.
- PDS functionaries have to make entries appropriately and people have to be educated to have the habit of verification at every purchase.
- Erring functionaries have to be seriously punished to prevent further malpractices in the distribution system.
- BPL survey has to be conducted periodically for updating the BPL status to avoid inclusion and exclusion errors.
- Sales of PDS goods in the open market to be seriously viewed and legally punished.

## Conclusion

The Public Distribution System (PDS) has, over the years, become an important instrument of Government's policy for regulating the open market prices of essential commodities and for ensuring food security at the household level. Under the PDS the Central Government has assumed responsibility for procurement and supply of six essential commodities viz. wheat, rice, levy sugar, imported edible oils, kerosene. With a network of more than 400,000 Fair Price Shops (FPS), the Public Distribution System (PDS) in India is perhaps the largest distribution machinery of its type in the world. PDS is said to distribute each year commodities worth more than ₹ 15,000 crore to about 16 crore families. This huge network can play a more meaningful role only if it ensures the availability of food to the poor households.

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