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**Food and Nutrition Security, Enhanced Resilience Programme (FaNS) - India**

**INCREASING EFFECTIVENESS OF SUBSIDIZED FOOD GRAIN  
DISTRIBUTION PROGRAM IN INDIA:**

**A PILOT SURVEY ON NON-AVAILABILITY OF FOOD COUPONS  
AMONG VULNERABLE POPULATION IN CHHATARPUR DISTRICT IN  
MADHYA PRADESH**

***SUMMARY OF THE BASELINE REPORT***

**Abstract:**

The world's largest subsidized food grain distribution program in India, known as Targeted Public Distribution system (TPDS) has over 800 million beneficiaries. TPDS is established by the Government of India under Ministry of Consumer Affairs, Food and Public Distribution and are managed jointly by State governments in India. Now the TPDS scheme for all states is being computerized with the help of National Informatics Center. However, due to ineffective monitoring and validation of identification of the beneficiaries in a digitalized system, it has often been plagued with exclusion of eligible beneficiaries (known as exclusion errors) and inclusion of ineligible and non-existent beneficiaries (inclusion errors), This leads to non-availability of food coupons to vulnerable population leading to hunger and malnutrition.

GIZ in collaboration with MSSN conducted a pilot survey to two blocks in Chhatarpur district, Madhya Pradesh to identify wrongfully excluded beneficiaries and the reasons for their exclusion. The findings of the conducted survey show, among the total number of 3788 households, 516 households (consisting of 2589 people) did **not have Food Coupons but believed to be TPDS-entitled and wrongfully excluded**. 1930 households declared to be in possession of Food Coupons. 78.5% of the wrongfully excluded beneficiaries belong to Other Backward caste (OBC), in spite of the fact that SC and ST are the vulnerable caste groups in India. As OBC is a big caste group with high variability in income, they can only be eligible for TPDS benefits through **Occupational Identity as per TPDS criteria**. Amongst the 516 affected households 56.8% declare to be entitled to TPDS-services under the priority group of 'landless laborers' and 22.7% under 'construction workers'. 243 households did not get any positive response from the respective administrative body. Non-response of responsible administrative bodies, followed by a lack of knowledge and missing documents plays strongly into wrongful exclusion. The survey did not assess mechanisms of **wrongful inclusion** due to lack of survey-participants. Awareness about the compulsory of Vigilance Committees for monitoring the performance of Fair Price shops was almost absent, and the quality of food grains also varied widely.

## ABBREVIATIONS

TPDS	Targeted Public Distribution System (TPDS). This scheme is one of the largest scheme for subsidized food grain distribution (mainly coarse grains: rice, wheat, sugar and kerosene oil) .It is distributed through Department of Food & Public Consumers Affairs.
BPL	Below Poverty Line (The BPL households were determined on the basis of population projections of the registrar general of India and the state wise poverty estimates of the planning commission. It includes the really poor and vulnerable sections of the society like landless agricultural laborers, marginal farmers, rural artisans/craftsmen etc.)
AAY	Antyodaya Anna Yojana (It was launched to give more focused and providing the meals at a highly subsidized rate to those people from BPL families, who sleeps without two square meals a day.)
APL	Above Poverty Line (People live above nationally designated poverty threshold.)
NFSA	National Food Security Act (Government has notified this act on 10.09.2013 to provide food and nutritional security in human life cycle approach by ensuring access to adequate quantity of quality food at affordable prices to people to live a life with dignity.)
ISSC	Integrated Social Security Card (An integrated social security programme implemented by Madhya Pradesh, to bring under a single umbrella all social sector schemes from different departments.)
MSSN	Mahila Shram Sewa Nyas (It is a Civil Society Organization that focuses on the empowerment of women workers in the unorganized sector.)
FPS	Fair Price Shop (Is a shop, licensed to distribute staple food grains with a subsidized rate within the state.)
GP	Gram Panchayat (Is the cornerstone of a decentralized governance in India of the Panchayati-raj system at the village or small town level and has a Sarpanch (Head) as its elected head.)
OBC	Other Backward Class (Castes which are socially and educationally disadvantaged as per the notified list of the Constitution of India.)
SC	Schedule Caste
ST	Schedule Tribes
UIDAI	Unique Identification Authority of India (Is a statutory authority established under the provisions of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (“Aadhaar Act 2016”) on 12.07.2016 by the Government of India, under the Ministry of Electronics and Information Technology.)
Ola-Pala	Under this scheme TPDS services provided to drought affected area in Madhya Pradesh.

## INTRODUCTION

The Targeted Public Distribution System (TPDS) has been the core mechanism to alleviate hunger and promote food security in India in the form of distribution of subsidized food-grains for vulnerable population groups in India. The primary policy objective of the Department of Food & Public Distribution is to ensure food security for the country through timely and efficient procurement and distribution of food grains. This large scale program, which is the biggest in the world, has changed its form over the years. While in the past, the *Public Distribution System* (PDS) represented a rather universal distribution scheme, in 1997, the government introduced TPDS predominantly aimed at supporting those living Below Poverty Line (BPL) (NCAER 2015: 1ff). However, the initial objective has remained the same namely to provide subsidized food grains to those who cannot afford the market priced subsistence supplies. In 2013, the distribution of subsidized food grains underwent a paradigm shift from a mere welfare scheme to a rights based approach through the introduction of *National Food Security Act* (NFSA 2013) (NCAER 2015: 1ff). Registering an outreach to 810 million people in 2015 and with access to the whole length and breadth of the country, the scheme is one of the largest distribution systems.



The Act further stipulates that 75% of the rural households and 50 % of the urban households must be covered in this provision. In other words, on an average, it is mandatory to provide subsidized food grains to a minimum of two-thirds of the total households in the country. Nevertheless, TPDS has often been criticized particularly for the programme's inability to reach its major target group, the priority households, leakages of food-grains within the system and its inability to provide quality food grains (ibid. p. 6). Further, there are no

standardized parameters on eligibility with beneficiaries belonging to BPL, AAY (Antordya Anna Yojna, a special priority group belonging to poorest of the poor) and some APL (Above property low who are landless, have marginal occupations etc) categories. However, studies conducted clearly demonstrate, that mechanisms of rightful inclusion and exclusion are not in place due to non-identification of eligible

beneficiaries and administrative issues. On the contrary, the efficiency of TPDS is hampered due to errors of inclusion and exclusion (NCAER 2015: 73; Panigrahi 2014: 13ff; Khera 2008: 54)

This has resulted into eligible households TPDS services being excluded from availing subsidized food-grains making them even more vulnerable to hunger and poverty.

In Madhya Pradesh, in order to get the food coupon under MP state Rules of NFSA 2013, a family must possess the following three documents: *Integrated Social Security Card – ISSC slip (Samagra ID) to be obtained as per the procedure laid down by MP government, Aadhar Card provided by the central government through UIDAI. And Identity Card proving that the family belongs to any one of the 24 categories listed by Government of Madhya Pradesh (GoMP).*



To strengthen the efficiency of TPDS in the state of Madhya Pradesh<sup>1</sup>, the *Gesellschaft für Internationale Zusammenarbeit (GIZ)* in cooperation with Mahila Shram Sewa Nyas (MSSN) has undertaken a project in two blocks of Chhatarpur District in Madhya Pradesh state. As part of this project, MSSN has conducted a baseline survey to assess the ground realities of the process of implementation of NFSA in Chhatarpur District, Madhya Pradesh<sup>2</sup>. For this purpose, a Situation Assessment on the following two aspects was accomplished: (1) Error of Wrongful Exclusion of households, (2) Error of Wrongful Inclusion of households. The objective of the project is to identify the reasons and characteristics of wrongful exclusion and to develop best practices for rectifying inclusion as well as exclusion errors and improving the quality of services at the beneficiary level.

## METHODOLOGY

The Study is based on a survey which covers five randomly selected Gram Panchayats in the two blocks *Nowgong* and *Bijawar* of Chhatarpur District in the state of Madhya Pradesh.<sup>3</sup> Respondents were selected from all twelve villages of the respective Gram Panchayats which in total count 3788 households

<sup>1</sup> GIZ holds an Implementation Agreement with the Ministry of Food and Consumer Protection to assist the State Government of Madhya Pradesh in implementing the NFSA.

<sup>2</sup> GIZ which is assisting GoMP in digitization and improving the functioning of the TPDS system, have entered into an agreement with MSSN, a grassroots based organization working with women workers in the informal sector both in urban and rural areas in MP, to conduct a pilot project in order to identify and develop best practices of rectifying inclusion as well as exclusion errors.

<sup>3</sup> The selected villages are covered by the GIZ-MSSN project. However, the overall project area consists of a total number of 50 Gram Panchayats under which approximately 100 villages fall.

consisting of 19,298 individuals.<sup>4</sup> The survey covers 2446 households. However, 1342 households did not participate in the survey, for various reasons.

- Some households neither possessed any Food Coupons nor did they think they were entitled to them. These households are not included in the survey.
- Also, some households refused to participate fearing to lose their entitlements.
- Another group excluded from the study are those absent during the conduction of the survey.

Quantitative methods were applied to identify the volume of wrongfully excluded households. The identification of households claiming to be eligible but had not obtained Food Coupons (*Group One*) was done on the basis of self-declaration, as Group One signed up voluntarily. To cover the households which are included in PDS (*Group Two*), a door-to door survey was accomplished. In order to understand inclusion and exclusion mechanisms, two different sets of questionnaires were distributed to (1) those, who were not in possession of Food Coupons but claimed to be eligible, and (2) those who were in possession of Food Coupons. While questions on demographic details were the same for both forms, Group One received specified questions on why they did not have any Food Coupons, whether they had been registered previously, and if any efforts had been made to get back into the TPDS-system. Specified questions for Group Two focused on the base of their assets and basis of their eligibility. However, as mentioned earlier, some households refused to provide any information and are thus not part of the survey.

In addition, qualitative interviews, focus-group discussions and case-studies served to gain a contextual understanding of Inclusion-/ Exclusion Errors, functioning/ non-functioning of Vigilance Committees (*Satarkata Samithis*), the quality of food grains and the accessibility of Fair Price Shops (FPS).

## FINDINGS

Within the following section, the survey findings have been discussed. *First*, Errors of Inclusion and Exclusion will be elaborated on. *Second*, the quality of food grains from the Fair Price Shops will be looked at and the progress of reactivating vigilance committees at village level will be assessed. This analysis mainly focuses on the characteristics and reasons for exclusion from TPDS.

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<sup>4</sup> Taken from Census 2011

## Errors of Exclusion, Errors of Inclusion

The findings of the conducted survey show, among the total number of 3788 households, 516 households did not have Food Coupons but believed to be TPDS-entitled and wrongfully excluded. 1930 households declared to be in possession of Food Coupons and were willing to participate in the survey, while 1342 households did not participate in the survey for various reasons (see above). However, we could not identify the households who were wrongfully included and did not belong to the eligibility criteria as most of these households refused to participate in the survey.

**TABLE 1: DISTRIBUTION OF HOUSEHOLDS IN RESEARCH ARE**

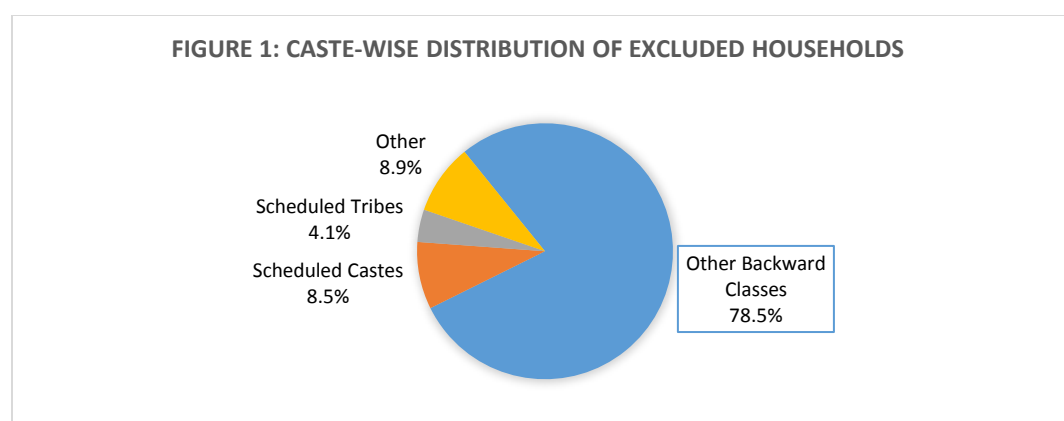
Identified Categories in Survey	No of households
Households that <i>did not</i> have Food Coupons, and believed that they are entitled to them and need them	516
Households that <i>did have</i> food coupons and participated in the survey	1930
Households that did not participate in survey (for various reasons like absence; not eligible, not wanting to participate)	1342
<b>Total</b>	<b>3788</b>

## Mechanisms of Exclusion

The 516 households claiming to be wrongfully excluded from TPDS-system consist of 2589 people upon which 52.7 % are male and 47.3% are female. Regarding the educational level of the affected people, 31% are illiterate, 21% have studied up to Junior Secondary School (class 5-8). Only 2% are graduates or post-graduates (finished college education).

Upon the two blocks in which the survey was conducted, Nowgang bears 70.3% of the total number of households claiming to wrongfully excluded and Bijawar 29.6%. The most affected Gram Panchayat (GP) is that of Kurahal in Nowgang block. This is particularly interesting as GP Kurahal is bigger than GP Sahariya and is closer to the district head-quarters. Accordingly, the distance of the GP to the District Head Quarters did not determine the number of claimant households or potentially excluded households. As

the study reveals, the key parameter is that of caste (Fig1). 78.5% belong to Other Backward Classes (OBC) whereas 8.5% belong to Scheduled Castes (SC) and 4.1% belong to Scheduled Tribes (ST). With 78.5% Other Backward Classes (OBC) clearly represents the biggest number of households claiming to be wrongfully excluded. Although Scheduled Castes (SC) and Scheduled Tribes (ST) are the most vulnerable and excluded caste groups in India, however in this study, the majority of the excluded eligible beneficiaries belonged to OBC.

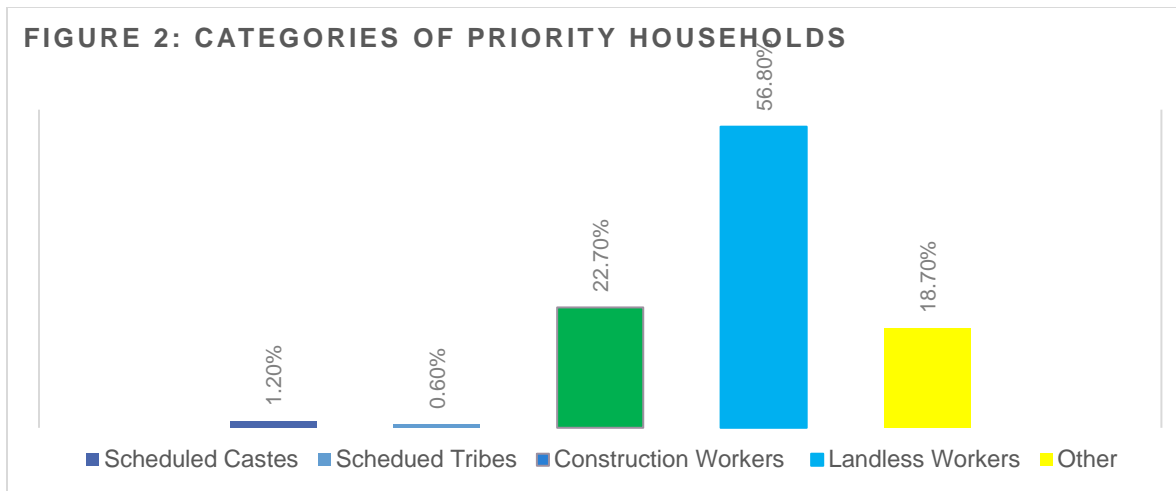


A main problem appears to be the identification of OBC-households for TPDS entitlement. While the location of Scheduled Tribes (ST) and Scheduled Castes (SC) is clearly demarcated as they generally have segregated locations within the village or have SC/ST villages where majority of the households belong to these castes. They are therefore, easily identifiable and generally enlisted in the TPDS beneficiary list. However, eligible OBC households are more difficult to single out. Since they entail all economic classes ranging from very poor to well-off, those registered under OBC need to apply for Food-Coupons on the basis of their *Occupational Identity*.<sup>5</sup> Survey-data gives evidence that the highest proportion of priority households is among the disadvantaged occupational categories held by OBC-registered households. Amongst the 516 affected households 56.8% declare to be entitled to TPDS-services under the priority group of 'landless laborers' and 22.7% under 'construction workers' (Fig 2). Overall, this accounts for nearly 80% of the total amount of claimants or excluded households.

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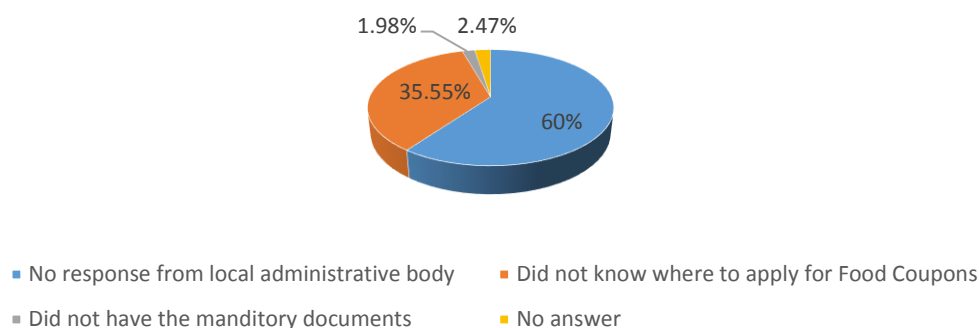
<sup>5</sup>Out of the 24 categories of priority households that the government has stipulated as eligible for Food Coupons, some are based on caste identity, some on occupational identity, and some are based on age and physical disability





Out of the total number of 1.282 OBC registered households in the over-all survey, 405 households, nearly 50%, do not have Food Coupons. 243 households have tried to enforce their entitlements however, they did not get any positive response from the respective administrative body. The nature of follow-up mainly included going to District Administration office, getting necessary forms filled, standing in queue and form submission. However, none of them approached redressal grievance committee or called the toll-free number for complaints. One of the reason for inaction of the government officials could be that they feel the target of 75% of rural population being part of TPDS is already completed and they would not be able to process new applications. However, this 75% cap is mainly applicable at the state level and not at gram-panchayat level. Further, the wrongfully included categories including the ola-pala (drought affected) beneficiaries are also often not removed from the list after completion of three months. 162 households did not make any efforts to get their Occupation Card or Food-Coupon. Asked why they did not try to get any Food Coupons, 144 households replied they did not know where to apply, 8 households answered they did not have the mandatory documents for application (Fig 3).

**FIGURE 3: REASONS FOR EXCLUSION OF ELIGIBLE OBC-HOUSEHOLDS FROM TPDS-SERVICES**



Another exclusion mechanism is the removal of households from the list of entitled beneficiaries. Out of 516 households claiming to be wrongfully excluded, 78 households declared they had been holding Food-Coupons earlier however, lost their eligibility. Amongst the 78 households, 38 stated that their BPL and AYY cards had been cancelled. Regarding the time of cancellation it is most likely the removal was due to a BPL-survey conducted in Chhatarpur in 2015. On the basis of a conducted BPL-survey the responsible administration has been removing households from the BPL list to address the issue of wrongful inclusion. Yet, as the survey reveals, not all households removed from the list were wrongfully included.

Moreover, Madhya Pradesh has defined the amount of agricultural land owned by the respective household as one major indicator of entitlements: Owning  $\leq 3$  hectares of land defines a household as *eligible beneficiary*. Holding  $> 3$  hectares of land will rightfully exclude a household from the list of eligible beneficiaries. A comparison of data shows, that out of 38 households which have been removed from the list of entitlements, 26 are landless. Among the remaining 12 households which do own land, only seven households (18.4%) hold  $> 3$  hectares of agricultural land. This implies, the government has not yet been able to tackle the problem of wrongful inclusion in an efficient manner (Table 2

**TABLE 2: LAND HOLDING PATTERNS OF EXCLUDED HOUSEHOLDS**

Reasons for removal of households from entitlement-list	No of landless households	No of households holding $\leq$ 3 hectares of land	No of households holding $>$ 3 hectares of Land	Total
Cancellation of BPL/AYY Card	26	5	7	38
Separation from Joint Family	13	1	0	14
Other	0	1	0	1
Don't know	5	3	2	26
<b>Total</b>				<b>79</b>

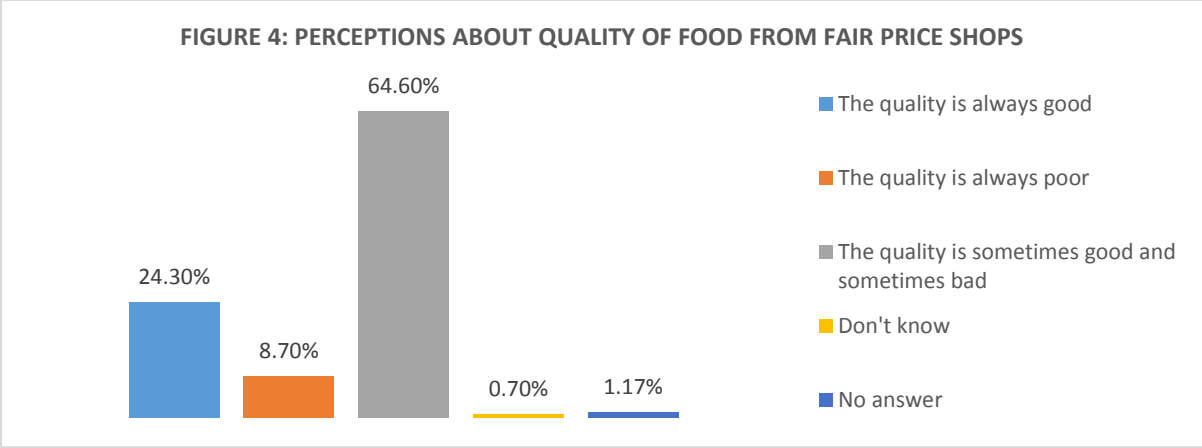
### Mechanisms of Wrongful Inclusion

While the Baseline Study has shed light on the mechanisms of wrongful exclusion, the reasons for wrong inclusion stay rather blurry. This is due to the sensitive topic of leakages of food-grain among the non-eligible population for TPDS services. Often, Food Coupon holders feared to lose their status as TPDS-beneficiaries and thus refused to participate in the survey.

Yet, what the survey reveals is the long-term inclusion of time-limited entitlements within the frame of *Ola Pala*. *Ola Pala* is a scheme which provides TPDS-services to drought affected households during the three months of aridity. However, instead of being removed from the entitlement-list when weather conditions normalize, the respective households remain beneficiaries and thus can be regarded as *wrongfully included*. Among the total number of 1930 households holding Food Coupons *and* participating in the survey, 311 households declared to get Food Coupons on the basis of the *Ola Pala* scheme. As such, they were entitled to TPDS-services outside three month time-frame of drought-season. We do not have data on the other sources of wrongful inclusion in the TPDS entitlements.

### Quality of Food Grains and Progress of Set-Up of Vigilance Committees

Regarding the survey outcomes on the quality of food grains at Fair Price Shops, no distinct answer was given. The distribution below shows that the quality of staple food from Fair Price Shops varies (Fig 4).



Under NFSA 2013, the set-up of Vigilance Committees at Panchayat-level became mandatory in order to monitor the functioning of Fair Price Shops by the community. The survey-outcome reveals, among the total number of excluded households in the sample villages, awareness about the committees is almost absent: Out of 516 households, 99.4% declared not to know about Vigilance Committees. 100% declared, that there was no activity of the Vigilance Committee in the Gram Panchayats.

**Summary**

The conducted survey has examined **the categories of eligible yet excluded households**. The largest proportion of excluded households is among OBC-households who are eligible beneficiaries on the basis of their occupational identity. Further, **reasons for wrongful exclusion** from TPDS-services have been identified. It is shown, that the non-response of responsible administrative bodies plays strongly into wrongful exclusion, followed by a lack of knowledge on where to apply for Food Coupons. Another problem is missing documents needed for application. Moreover, the wrongful removal of eligible households from the BPL-list represents a major cause for wrongful exclusion. The survey did not assess mechanisms of **wrongful inclusion** due to a lack of survey-participants. However, **the long-term inclusion of Ola-Pala beneficiaries** can also be regarded as **inclusion error**. As part of the survey, **the quality of food staples from Fair Price Shops** has also been taken into account, as well as the actual **implementation of Vigilance Committees**. According to the survey findings,



the food quality varies strongly. Awareness about the compulsory of Vigilance Committees was almost absent, nor was any activity in the sample villages reported.



Generally it can be stated, that the survey-findings are in line with a whole research-corpus on TPDS-services. In spite of NFSA, the proportion of wrongful exclusion seems to be a major problem in regard to the distribution of subsidised food (NCAER 2015: 73ff, Drèze and Khera 2015: 42). The programme's inability

to reach *priority households* is a core problem (Panigrahi 2014: 18). Households which come under priority category in terms of their occupational identity, represent the biggest proportion of excluded beneficiaries (NCAER 2015: 24ff). This is mostly applicable for OBC-households (ibid. p. 21). As has been outlined above, a main problem in targeting the right people seems to be the identification of eligible beneficiaries outside ST and SC categories. Examining the various reasons for wrongful exclusion, again the survey-findings go in line with results of previous reports. The non-response of official bodies to eligible Food Coupon applicants is quite generally ascribed to the inefficient and intransparent system (Food, Civil Supply and Consumer Affairs Department 2014: 5). Although no data was gathered on wrongful inclusion, research-literature suggests, that the numbers of leakages in Madhya Pradesh are high (Drèze and Khera 2015: 40). As observed throughout states (e.g. Uttar Pradesh, Bihar) the inscription on the BPL-list is a matter of power-positions. Most often are TPDS-entitled households belong to upper caste households with close relations to the local Gram Panchayats (NCAER 2015: 76, 91). The rating of food quality from Fair Price Shops is generally worse than in the case of our sample villages. However, the non-existence of Vigilant Committees is again common throughout the literature (NCEAR 2015: 90)

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