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NCERT ECONOMY

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NCERT CONDENSED / SUMMARISED CLASS 9 ECONOMY

Chapter 1 - The Story of Village Palampur

Chapter 2 - People as Resource

Chapter 3 - Poverty as a Challenge

Chapter 4 - Food Security in India



Chapter 1 - The Story of Village Palampur

As per the previous 3 years' examinations, special emphasis has been laid upon the following topics from this chapter.

- Organisation of Production
- Change in the Traditional Activities
- Fanning in Palampur

Village Palampur

- Palampur is a small village. About 450 families live here. It is 3 km away from Raiganj – a big village.
- Shahpur is the nearest town to the village.

Main Production Activities

- Farming is the main production activity in the village Palampur.
- Most of the people are dependent on farming for their livelihood.
- Non-farming activities such as dairy, small-scale manufacturing (e.g., activities of weavers and potters, etc.), transport, etc., are carried out on a limited scale.

Factors of Production (or Requirements for Production of Goods and Services)

- Land, labour and capital are the basic requirements for the production of goods and services which are popularly known as factors of production.
- Land includes all free gifts of nature, e.g., soil, water, forests, minerals, etc.
- Labour means human effort which of course includes physical as well as mental labour.
- Physical capital is the third requirement for production.
- Physical capital includes fixed capital (e.g. tools, machines, building, etc.) and raw materials such as seeds for the farmer, yarn for the weaver.

Important Changes in Farm Activities



- Land area under cultivation is virtually fixed. However, some wastelands in India had been converted into cultivable land after 1960.
- Over the years, there have been important changes in the way of farming, which have allowed the farmers to produce more crops from the same amount of land. These changes include:

Multiple cropping farming

Use of modern farming methods.

- Due to these changes (in the late 1960s) productivity of land has increased substantially which is known as Green Revolution. Farmers of Punjab, Haryana and Western Uttar Pradesh were the first to try out the modern farming methods in India.
- **Labour:** After land, labour is the basic factor of production. Small farmers provide their own labour, whereas medium and large farmers make use of hired labour to work on their fields.
- **Capital:** After land and labour, capital is another basic factor of production. All categories of farmers (e.g., small, medium and large) require capital. Small farmers borrow from big farmers or the village moneylenders or the traders who supply them various inputs for cultivation.

Modern farming requires a great deal of capital.

Sale of Surplus Farm Products

- Farmers produce crops on their lands by using the three factors of production, viz. land, labour and capital. They retain a part of produce for self-consumption and sell the surplus in the nearby market.
- That part of farm produce which is sold in the market is called marketable surplus. Small farmers have little surplus output. It is the medium and big farmers only who have substantial surplus produce for selling in the market.

Non-farming activities

- Out of every 100 workers in the rural areas in India, only 24 are engaged in non-farming activities. There is a variety of non-farming activities in the villages. Dairy, small scale manufacturing, transport, etc., fall under this category.



Chapter 2 - People as Resource

According to the previous 3 years examinations, the following concepts are most important from this chapter and should be focussed upon.

- Various Aspects of Human Resource Development
- The Role of Education
- Unemployment and Forms of Unemployment in India.

Human beings perform many activities which can be grouped into economic and non- economic.

- **Economic Activities:** Economic activities refer to those activities of human which are undertaken for a monetary gain or to satisfy his/her wants. The activities of workers, farmers, shopkeepers, manufacturers, doctors, lawyers, taxi drivers, etc. fall under this category.
- **Non-Economic Activities:** Non-economic activities are ones that are not undertaken for any monetary gain. These are also called unpaid activities, e.g., Puja-paath, housekeeping, helping the poor or disabled, etc.
- **Classification of Economic Activities:** Various economic activities can be classified into three main sectors, that is, primary sector, secondary sector and tertiary sector. The primary sector includes activities like agriculture, forestry, animal husbandry, fishing, poultry, farming and mining. In this sector, goods are produced by exploiting nature. In the secondary sector, manufacturing (small and large) and construction activities are included. The tertiary sector (also called service sector) provides various types of services like transport, education, banking, insurance, health, tourism, etc.
- **Market Activities and Non-Market Activities:** Economic activities, i.e., production of goods and services can be classified into market activities and non-market activities.
- **Market activities** are performed for remuneration. **Non-market activities** are the activities carried out for self-consumption.
- **Activities of Women:** Women generally look after domestic affairs like cooking of food, washing of clothes, cleaning of utensils, housekeeping and looking after children.

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- **Human Capital:** Human capital is the stock of skill and productive knowledge embodied in human beings. Population (human beings) become human capital when it is provided with better education, training and health care facilities.
- **People as a Resource:** People as a resource is a way of referring to a country's workforce in terms of their existing skills and abilities.
- **Human Capital Formation:** When the existing human resource is further developed by spending on making the workforce more educated and healthy, it is called Human Capital Formation.
- **Quality of Population:** The quality of population depends upon the literacy rate, life expectancy and skills formation acquired by the people of the country.
- **Role of Education:** Education is the most important component of Human Resource Development. In view of its contribution towards the growth of the society, government expenditure on education as a percentage of GDP rose from 0.64% in 1951-52 to 3.98% in 2002-03. However, our national goal is 6% of GDP
- **Health:** Health is another very important component of Human Resource Development. The efficiency of workers largely depends on their health.
- There has been a considerable improvement in the country's health standard. For instance, the life expectancy at the time of birth in India rose from 37.2 years in 1951 to 63.9 years in 2001. Similarly, the infant mortality rate has come down from 147 to 70 during the same time period.
- **Unemployment:** Unemployment is said to exist when people who are willing to work at the prevailing wage rates cannot find jobs. When we talk of unemployed people, we refer to those in the age group of 15-59 years. Children below 15 years of age and the old people above 60 are not considered while counting the number of unemployed.

Nature of Unemployment in India: Seasonal unemployment occurs when people fail to get work during some months of the year (that is, during off-season). Farm labourers usually face this kind of problem, i Disguised unemployment is another kind of unemployment found in rural areas. Such kind of problem arises due to excessive pressure of population on agriculture. Disguised unemployment refers to a situation wherein the number of workers

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in a job is more than actually required to do the job. The extra number of workers are disguisedly unemployed.

Consequences of Unemployment:

- Unemployment leads to wastage of manpower resource.
- Unemployment tends to increase the economic overload that is the dependence of the unemployed on the working population.
- Unemployment may lead to an increase in social unrest and tension.

Chapter 3 - Poverty as a Challenge

Poverty is the most difficult challenge faced by independent India. Poverty is a condition in which a person lacks the financial resources and essentials things to enjoy minimum standards of life. Poor people can be landless labourers in villages, jhuggi and slum dwellers in cities and towns, daily wage workers at construction sites, child , workers in dhabas or even beggars. India has the largest single concentration of the poor in the world, where every fourth person is poor.

Two Typical Cases Of Poverty

The following two cases show the many dimensions of poverty, including lack of proper food, shelter, healthcare, education as well as clean water and sanitation. They also show lack of a regular means of livelihood.

Urban Case

- Ram Saran is a daily wage labourer in a flour mill near Ranchi in Jharkhand. He earns around Rs. 1500 per month when employed. He supports his family of 6 persons, besides sending some money to his elderly parents. His wife and son also work, but none of his 4 children can attend school. The family lives in a one-room rented house on the outer areas of the city; The children are undernourished, have very few clothes or footwear and no access to healthcare.

Rural Case

- Lakha Singh is a landless labourer in a small village near Meerut in Uttar Pradesh. By doing odd jobs for farmers, he earns Rs. 50 per day. Sometimes, he gets some foodgrain or



other items instead of cash. He is not literate and his family of 8 people lives in a kuchha hut near the edge of the village. They have no access to healthcare, cannot afford new clothes or even soap or oil.

Poverty Analysis by Social Scientists

Social scientists, analyze poverty from many aspects besides levels of income and consumption.

- These aspects are
- Poor level of literacy
- Malnutrition leading to poor resistance to disease
- Lack of access to healthcare
- Lack of job opportunities
- Lack of access to sanitation and safe drinking water and so on.

Indicators for Poverty

The most commonly used indicators for poverty analysis are social exclusion and vulnerability.

Social Exclusion

- A social exclusion means living in a poor surrounding with poor people, excluded from enjoying Social equality of better off people in the better surrounding. Social exclusion can be a cause as well as a result of poverty which leads to exclusion of individuals or groups from facilities, benefits and opportunities that others enjoy.
- In India, the caste system is based on social exclusion. People belonging to certain caste were prevented from enjoying equal facilities, benefits and opportunities. This caused more poverty than the lower income.

Vulnerability

- Vulnerability to poverty is a measure, which describes the greater probability of certain communities e.g. members of a backward caste or individuals e.g. widow, physically handicapped person of becoming or remaining poor in the coming time.
- Vulnerability is determined by various options available to different communities in terms of assets, education, job, health, etc and analyse their ability to face various risks like



natural disasters. The group which face greater risk at the time of natural calamity are called vulnerable groups.

Poverty Line

- Poverty line is an imaginary line used by any country to determine its poverty. It is considered appropriate by a country according to its existing social norms. It varies from time to time, place to place and country to country.
- The most common method of determining poverty is income or consumption levels i.e. people will be considered poor if their income or consumption level falls below a given 'minimum level' (poverty line) necessary to fulfil the basic needs.

Poverty Line Estimation in India

- In India, a subsistence level or minimum level of food requirement (as determined by its calorific value), clothing, footwear, fuel, lighting, -educational and medical requirements, etc are determined for estimating the poverty line. Since in rural and urban areas, the nature of work and the prices of goods are different, the calorific requirement and expenditure per capita are also different.

Poverty line defined by the government as follows

- The money value required for buying these calorie requirements (given in the last column) in terms of foodgrains and other items is revised periodically based on rise in prices of these goods. In urban areas, the prices of essential items is higher when compared to the rural areas and so, the poverty line is higher despite having low calorific requirement per day.

Organisations Involved in Estimating Poverty Line

- Surveys for determining poverty line are carried out by the National Sample Survey Organisation (NSSO). It is an organisation under the Ministry of Statistics and Programme Implementation of the Government of India. It conducts surveys at the interval of 5 years. It is the largest organisation in India conducting regular socio- economic surveys. It was established in 1950.
- For determining the poverty line in various countries and for their comparison, international organisations like the World



Bank use a uniform standard method. As per this method, the poverty line is level of minimum availability of the equivalent of \$1 per person per day.

Poverty Trends In India

- There is a decline in poverty ratios in India from about 45% in 1994 to 21.9% in 2012. If the trend of declining poverty ratios in India continues at this rate, then the poverty line may reduce 20% in the next few years.

Group Vulnerable to Poverty

- Poverty among social groups and economic categories varies widely in India. Social vulnerable groups are the households of the Scheduled Castes (SCs) and Scheduled Tribes (STs). Economically vulnerable groups comprise rural landless labour households and urban casual labour households.
- However, during the last few years, all these groups except the Scheduled Tribes group, have witnessed a decline in poverty.
- In the year 2011-12, the proportions (as determined by NSSO) were as given below
- Source Reports of Employment and Unemployment among Social Groups in India NSSO. Ministry of Statistics and Programme Implementation, Government of India.
- There is a great difference within poor families. It is observed that female infants, women and elderly members are not given equal access to resources available to the family. So, they are also called poorest of the poor.

Story of Sivaraman

- Family of Sivaraman, a rural landless labourer has been cited as an example of such a family. There are 8 members in the family and both he and the wife work. His children do not attend school due to poverty. Only his son gets milk sometimes and they find difficulty in managing even two meals in a day.
- The story portrays the sufferings of Sivaraman who works as an agricultural labourer, that too for just 5-6 months in a year. The sufferings and inequality within the family for women and children »are even more. Girls are not sent to school and not even given milk to drink, while the youngest child, who



is a son gets milk to drink sometimes and his parents also plan for his education.

Inter-State Disparities

- The proportion of poor people is not the same in every state. Recent estimates show while the all India HCR was 21.9% in 2011-12, states like Madhya Pradesh, Assam, Uttar Pradesh, Bihar and Orissa had all India poverty level.
- Bihar and Odisha continue to be the two poorest states with poverty ratios of 33.7% and 37.6% respectively. Alongwith rural poverty, urban poverty is also high in Odisha, Madhya Pradesh, Bihar and Uttar Pradesh.
- In states like Kerala, Jammu and Kashmir, Andhra Pradesh, Tamil Nadu, Gujarat, West Bengal, there is a significant decline in poverty. The states successful in reducing poverty have adopted different methods for doing so.

Some examples are

- Punjab and Haryana had high agricultural growth rates due to the effects of the Green Revolution.
- Kerala has developed its human resources by investing more in education.
- West Bengal has reduced poverty by implementing land reforms.
- Public distribution of foodgrains at subsidised prices in Andhra Pradesh and Tamil Nadu has helped in poverty reduction.
- Jammu and Kashmir have generated wide-ranging economic activities all across the state and converted potential in various sectors into employment opportunities.

Global Poverty Scenario

- Although extreme economic poverty has reduced in the world from 43% in 1990 to 22% in 2008 (as per the World Bank), still there are vast regional differences. These are stated below
- Proportion of people living under poverty in different countries is defined by the international poverty line (means population below \$1 a day).



- In South-East Asia and China, there is a decline in poverty due to rapid economic growth and massive investment in human resource development.
- In Latin America and the Caribbean, the poverty ratio has not changed significantly since 1981.
- In Sub-Saharan Africa, poverty has increased since 1981 due to successive droughts and other reasons. However, it declined from 51% in 1981 to 47% in 2008.

Economic Growth It is a term which defines an increase in real output of a country.

The Millennium Development Goals of the United Nations (formulated in the year 2000) call for reducing the proportion of people living on less than \$1 a day to half the 1990 level by 2015.

Causes of Poverty

Poverty continues in India for a variety of reasons.

These are

- Historically, there was a low level of economic development under the British colonial administration prior to 1947. They discouraged traditional handicrafts and also industrial development, reducing job opportunities and income growth.
- The low level of economic development persisted for many years after independence and due to population increase, per capita income growth was low, increasing poverty.
- The Green Revolution improved opportunities in agriculture, only in certain areas of the country.
- The growth in the population increased the number of job seekers, who had to be content with low paying jobs in urban areas, leading to poverty spreading to towns and cities.
- Sociocultural (i.e. traditions) and economic factors lead to extra expenditure, which ultimately increases poverty.
- There is an unequal distribution of land and other resources, that is why there are large income inequalities also.
- Land reforms have not been properly implemented and lack of adequate land resources is also a reason for many people to be poor.
- Small farmers borrow money for seeds, fertilisers and pesticides, etc and later on fail to pay landing in debt trap. This high level of indebtedness is both the cause and effect of poverty.



Anti-Poverty Measures

- Removal of poverty has been one of the major objectives of Indian developmental strategy.
- The current anti-poverty strategy of the government is based on the following two objectives

Promotion of Economic Growth

- Government has promoted economic growth during the last few years. Economic growth was low till the 1980s but has increased significantly since then, causing significant poverty reduction. The high economic growth helps in a significant reduction of poverty. There is strong linkage between economic growth and poverty reduction.
- Economic growth widens opportunities and provides the resources needed to invest in human development.
- High economic growth encourages people to send their children (including the girl child) to school with hope of better economic returns from investing in education.
- Proof may not take direct advantage of economic growth. Due to lack of growth in the agricultural sector, the large number of people remain poor in rural areas.

Targeted Anti-Poverty Programmes

- Government introduced targeted anti-poverty programmes starting from 1990. The results of these programmes have been mixed due to lack of proper implementation and improper targeting. Also, some schemes overlap others. Thus, the benefits of these schemes are not fully reaching the deserving poor.
- So, now the government is emphasising more on proper monitoring of all these programmes.
- **Millennium Development Goals** These are eight international development goals that were officially established following the Millennium Summit of the United Nations in 2000, following the adoption of the United Nations Millennium Declaration. One of these was to reduce by 50% the proportion of people living on less than US \$1 a day by the year 2015.

The Challenges to Poverty Reduction

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- Poverty reduction is still a major challenge in India, due to the wide differences between regions as well as rural and urban areas. Further, poverty should include not only the matter of the adequate amount of food but other factors like education, healthcare, shelter, job security, gender, equality, dignity and so on.
- These give us the concept of human poverty. Poverty reduction is expected to be lower in the next 10-15 years.
- In addition to anti-poverty measures, the government should focus on the following to reduce poverty.

Higher economic growth.

- Universal free elementary education.
- The decrease in population growth.
- Empowerment of women and weaker sections.

Chapter 4 - Food Security in India

Food security refers to availability, accessibility and affordability of food to all people at all times. Food security depends, on the Public Distribution System (PDS) and government vigilance and time to time action, when this security is threatened.

Meaning Of Food Security

- Food security means availability of adequate supply of basic foodstuffs at all times. The 1995 World Food Summit declared, "Food security at the individual, household,
- regional, national and global levels exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life". The declaration further recognises that "poverty eradication is essential to improve access to food".

Food security has the following dimensions

- Availability of Food It means food production within the country, food imports and the previous years stock stored in government granaries.
- Accessibility of Food It means food is within reach of every person.



- Affordability of Food It implies that an individual has enough money to buy sufficient, safe and nutritious food to meet one's dietary needs.
- The above dimensions conclude that food security is ensured in a country only if Enough food is available for all the persons.
- All persons have the capacity to buy food of acceptable quality.
- There is no barrier on access to food.
- Necessity Of Food Security
- Food security is needed in a country to ensure food at all times. It is needed to ensure that no person in a country dies of hunger.

Effect of Natural Calamity on Food Security

- Most of the time, the poorest section of society might be food insecure. But persons above the poverty line might also be food insecure when the country faces a national disaster/calamity like earthquake, drought, flood, tsunami, widespread failure of crops causing famine, etc.-
- Total production of foodgrains decreases due to a natural calamity. It creates a shortage of food in the affected areas. The price of the food products goes up due to this shortage. At high prices, some people cannot afford to buy food.
- If such calamity happens in a very wide area or is stretched over a longer time period, it may cause a situation of starvation. Massive starvation might take a turn of famine. Thus, natural calamity affects food security adversely.

Famine and Starvation

- A famine is characterised by widespread deaths due to starvation and epidemics caused by forced use of impure water or decaying food and loss of body resistance due to weakening from starvation.
- Most devastating famine in India was the famine of Bengal in 1943. Thirty lakh people died in it. The price of rice, the staple diet of the people in the region, increased sharply.

People Affected by Famine

- No famine has occurred in India since independence. But today also, there are places like Kalahandi and Kashipur in



Odisha where famine-like condition still prevails. Starvation deaths are also reported in Baran district of Rajasthan, Palamau in Jharkhand and other remote areas.

Food Insecure People

- Food and nutrition insecurity has affected the large section in India. But the most affected people in the rural areas are landless agricultural labourers, traditional artisans and petty self-employed workers. In urban areas the most affected are beggars and homeless people, casual labourers people employed in ill-paid occupations and construction migrant and other seasonal workers.
- Further, many pregnant and nursing mothers and also children under the age of 5 years are food insecure people. The second National Health and Family Survey (NHFS) conducted during 1998-99. estimated that approximately 11 crore women and children in India are food insecure.

Food Insecure Regions

- Economically backward states with high level of poverty, tribal and remote areas, regions more prone to natural disasters (like Eastern and South-eastern parts of Uttar Pradesh, Bihar, Odisha, Jharkhand, West Bengal, Chhattisgarh, Maharashtra and parts of Madhya Pradesh) consist the largest number of food insecure people.

Hunger

- Food insecurity also has an important aspect of hunger. To create food security, current hunger should be removed and the risk of future hunger should be reduced. Hunger has two dimensions i.e. chronic and seasonal.
- **National Health and Family Survey (NHFS) 1998-95** A large-scale, multi-round survey conducted in a representative sample of households throughout India. Three rounds of the survey have been conducted since the first survey in 1992-93 and this was the second.
- Survey provided essential data on health and family welfare needed by the Ministry of Health and Family Welfare and other agencies for policy and programme purposes as well as information on important emerging health and family welfare issues.



There are two types of hunger. These are as follows

Chronic Hunger

- It is a consequence of a diet regularly deficient in quantity and quality this is caused due to lack of income to buy food for survival. Chronic hunger has reduced in rural areas from 2.3% of households in 1983 to 0.7% in 1999 – 2000. In urban areas, it has reduced from 0.8% to 0.3% during the same period.

Seasonal Hunger

- It is related to seasonal cycles of food growing and harvesting. It affects landless agricultural labourers in rural areas the most. In urban areas, casual construction workers suffer from this during the time when they do not get work. The proportion of households experiencing seasonal hunger in rural areas has reduced significantly from 16.2% in 1983 to 2.6% in 1999-2000. In urban areas, it has reduced from 5.6% to only 0.6% during the reference period.
- Note Malnutrition is a condition that results from eating a diet in which certain nutrients are lacking or in wrong proportions.
- Measures for Self-Sufficiency in Food grains.
- India is aiming at self-sufficiency in food grains since independence. India has adopted all measures to achieve self-sufficiency in food grains. The 'Green Revolution' during the late 1960s and early 1970s helped significantly to achieve this, although the success varied from region to region.
- During this period, High Yielding Varieties (HYVs) of wheat and rice were introduced in many states. The highest rate of growth was achieved in Punjab and Uttar Pradesh, where food grain production jumped from 7.23 million tonnes in 1964-65 to reach an all-time high of 78.9 million tonnes in 2012-13.

Production of food grains in Uttarakhand, Jharkhand, Assam, Tamil Nadu has dropped. West Bengal and Uttar Pradesh, on the other hand, recorded significant increases in rice yield in 2012-13. Indira Gandhi, the then Prime Minister of India, officially recorded the impressive progress of the Green Revolution in agriculture by releasing a special stamp entitled 'Wheat Revolution' in July 1968.



Food Corporation of India (FCI) This was set-up under the Food Corporation's Act 1964, in order to support operations for safeguarding the farmers, distribution of foodgrains throughout the country through PDS and maintaining satisfactory level of operational and buffer stocks.

Minimum Support Price (MSP) This is the price at which the government (through the Food Corporation of India) purchases crops from the farmers. Presently, there are 27 crops being purchased with such prices including varieties of cereals, pulses, oilseeds, fibre crops and others.

Food Security In India

- Green Revolution was started in early 70s. Since then, our country has avoided famine even during adverse weather conditions. India has become self-sufficient in food grains during the last 30 years due to the variety of crops grown. Food grains availability even in adverse conditions has been ensured by the government through a food security system consisting of maintaining a buffer stock of food grains, along with a Public Distribution System (PDS) for food grains and other essential items.

Buffer Stock

- It is the stock of food grains (wheat and rice) procured by the government. Government purchases wheat and rice from farmers through the Food Corporation of India (FCI) states having surplus production.
- Farmers are paid a Minimum Support Price (MSP) for their crops. The MSP is announced at the beginning of the sowing season to give an incentive to the farmers to grow more. These purchased food grains are stored in granaries as a buffer stock.
- This stock is maintained to distribute food grains through the PDS in the areas of the country where production is less. It is provided, to the poorer sections of society at subsidised prices, i.e. lower than the market price which is known as the issue price. The buffer stock also helps to resolve the problem of food shortage due to a calamity or in adverse weather conditions.



Programmes For Food Security In India

- In mid-1970s, National Sample Survey Organisation (NSSO) reported the high incidence of poverty level. Due to this, three important food intervention programmes were introduced.

They are

- **Public Distribution System (PDS) for foodgrains**
- **Integrated Child Development Services (ICDS)**
- **Food-For Work (FfW) programme.**

Public Distribution System (PDS) Through government regulated ration shops, the food procured by the FCI is distributed among the poorer sections of the society. This is called the Public Distribution System (PDS). Ration shops are now present in most localities, villages, towns and cities. There are about 5.5 lakh ration shops all over the country.

Ration shops are also known as fair price shops. They keep stock of foodgrains, sugar, kerosene oil for cooking. These items are sold to people at a price lower than the market price. Any family with a ration card can buy a stipulated amount of these items (e.g. 35 kg of grains, 5 litres of kerosene, 5 kg of sugar, etc) every month from the nearby ration shop. The ration cards are of three kinds, colour-coded for easy recognition

- **Antyodaya card for the poorest of the poor.**
- **BPL card for families below the poverty line.**
- **APL card for all others.**
- **Rationing**

It is a term given to government controlled distribution of resources and scarce goods or services. It restricts how much people are allowed to buy or consume at a particular time within a particular period. Rationing in India was introduced in 1940s against the backdrop of the Bengal famine. Later, it was revived in the wake of an acute food shortage during 1960s prior to the Green Revolution.

Current Status of Public Distribution System

- In the beginning, the PDS coverage was universal with no discrimination between the poor and non-poor. In 1992, a Revamped Public Distribution System (RPDS) was started in 1,700 blocks of the country to provide the benefits of PDS in



remote and backward areas. In 1997, a Targeted Public Distribution System (TPDS) was introduced to target the 'poor in all areas', with a lower issue price for foodgrains for them compared to the price paid by non-poor people. Further in year 2000, two special schemes Antyodaya Anna Yojana (AAY) and Annapura Scheme (APS) were launched.

- Antyodaya Anna Yojana (AAY) for the 'poorest of poor'. AAY was launched in December 2000. Under the scheme, 1 crore of the poorest among the BPL families covered under the Targeted Public Distribution System (TPDS) were identified.
- Poor families were identified by the respective state rural development departments through a Below Poverty, Line (BPL) survey. 25 kg of foodgrains were made available to each eligible family at a highly subsidised+ rate of Rs. 2 per kg for wheat and ? 3 per kg for rice. This quantity was increased from 25 kg to 35 kg from April 2002.
- Annapurna Scheme (APS) for the 'indigent senior citizen'. It provides 10 kg of foodgrains free of cost per month to senior citizens who are not receiving any pension or have any other source of income or having a family to support them, i.e. they are destitute.

Following are some remarkable achievements of PDS

- PDS has helped government to stabilise foodgrain prices, so that it is available to consumers at affordable rates.
- It has helped in avoiding widespread hunger and famine by supplying food from surplus regions to deficit ones.
- It also helped in increasing foodgrain production, besides providing income security to farmers in some areas.

Criticisms of PDS

The implementation of the PDS still needs to be improved, because of the following reasons

- Buffer stocks are much higher than the rules.
- In some FCI godowns, grains are getting damaged or eaten by rats and still instances of hunger are prevalent.
- High level of buffer stock of 65.3 million tonnes of wheat and rice in 2014 was much more than the minimum level of buffer norms. The excess stock of foodgrains bought from farmers at



high, prices leads to high carrying costs for the government, besides leading to deterioration and wastage.

- Pressure exerted by leading food grain producing states to increase the buying cost has increased MSP. The rising MSP has increased the maintenance cost of procured food grains, storage cost and transportation cost.
- Buying of food grains is concentrated in a few prosperous states like Punjab, Haryana Western Uttar Pradesh, Andhra Pradesh and to a lesser extent in West Bengal.
- High MSPs have made farmers to cultivate wheat and rice more resulting in depletion of the water table, as they require more water to grow. This has also led to soil degradation, endangering future sustainability of agricultural development in the regions where these are grown.

Malpractices in PDS

- PDS has also become ineffective in many regions of the country because dealers running the ration shops are indulged in malpractices
- Malpractices indulged into by the dealers include
- Diverting the grains to open market to get a better margin.
- Selling poor quality grains at ration shops.
- Irregular opening of the shops and so on.
- Malpractices have resulted in consumers of Bihar, Uttar Pradesh, Madhya Pradesh and Odisha buying much less foodgrains than the national average from the ration shops. In the Southern states, where the shops are run by cooperatives, the consumers purchase much more than the national average.
- Since the introduction of Targeted Distribution System (TPDS), with three levels of prices for three different income level families, the Above Poverty Line (APL) families do not have much incentive to buy foodgrains from the ration shops. The prices for these families are not significantly lower than market prices.

Subsidy

- It is a payment that a government makes to a producer to supplement the market price of a commodity. Subsidy helps in keeping consumer prices low while maintaining a higher income for domestic producers.



Integrated Child Development Services (ICDS)

- In 1975, it was introduced on an experimental basis. Its aim is to provide children upto 6 years of age supplementary nutrition, immunisation, health, check-up, referral services, pre-school non-formal education as well as nutrition and health education for their mothers.

Food-For-Work (FFW) Programme

- The main objective of the Food for Work Programme is generation of supplementary wage employment. It is open to all rural people who are in need of unskilled work wage employment.

National Food For Work Programme

- National Food for Work Programme was launched on 14th November, 2004 in 150 most backward districts of the country with the objective of intensifying the generation of supplementary wage employment.
- Programme is open to all rural poor who are in need of wage employment and desire to do manual unskilled work. It is implemented as a 100% centrally sponsored scheme and the foodgrains are provided to the states free of cost. The Collector is the nodal officer at the district level and has the overall responsibility of planning, implementation, coordination, monitoring and supervision.
- The programme from 2005 has since been subsumed in NREGA.

Poverty Alleviation Programmes (PAPs)

- Over the last few years, several other Poverty Alleviation Programmes (PAPs), were launched mostly in rural areas. Some of – them have also been restructured.
- Some of these programmes have explicit food components. Others are employment programmes, which improve food security by increasing the income of the poor. For example, Rural Wage Employment Programme, Employment Guarantee Scheme, Sampurna Grameen Rozgar Yojana and Mid-day-Meal.

Role Of Cooperatives In Food Security

Notes

- Role played by cooperatives in food security of India is important especially in the Southern and Western parts of the country. The cooperative societies set-up shops to sell low priced goods to poor people. For example, out of all fair price shops running in Tamil Nadu, around 94% are being run by the cooperatives.
- Examples shown below are success stories of cooperatives in order to contribute in food security of India
- In Delhi, Mother Dairy is making progress in the provision of milk and vegetables to the consumers at a controlled rate decided by the Government of Delhi.
- Amul is another success story of cooperatives in milk and milk products from Gujarat. It has brought about the White Revolution in the country.
- In Maharashtra, Academy of Development Science (ADS) has facilitated a network of NGOs for setting up grain banks in different regions. ADS organises training and capacity building programmes on food security for NGOs. The ADS Grain Bank programme is acknowledged as a successful and innovative food security intervention.

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