

Perception Of Fair Price Shop Dealers Towards The Working Of Public Distribution System In Punjab

¹Rupinder Sampla, ²Dr. Amarjit Singh Sidhu
Assistant Professor¹
Professor and Coordinator, University Business School²
¹Department of Commerce
¹Lyallpur Khalsa College, Jalandhar, Punjab, India

Abstract: The study aims to investigate the perception of Fair Price Shop Dealers towards working of Public Distribution System in Punjab. This is an empirical study. A well structured research schedule was used to collect data from 200 fair price shop dealers using convenient random sampling technique. Exploratory Factor Analysis has been applied to identify the factors and sample adequacy is checked with the help of Kaiser Meyer Oklin, Bartlett test of sphericity and correlation matrix. The study identified four factors which are affecting fair price shop dealers' perception about the quality of PDS. The present study will be useful for food and civil supplies department, policy makers and government while framing their social security related policies and procedures for the vulnerable section of the society.

Keywords: *Quality of public distribution system, fair price shop dealers, Factor Analysis and Punjab*

1.0 INTRODUCTION

Public Distribution System and Food Security go hand in hand. Both are justifying their presence on each other. PDS ensures food security in the country. Food security includes two aspects. Firstly, having enough purchasing power or income of beneficiaries to buy food and secondly, is the access to food. The significance of food security has recently gained both global and domestic centre of attention because the idea and its implementation cover strategies going away from food crop production. Food security will only be accessed when the poor, vulnerable and marginal worker, chiefly women, under nourished children and those existing in the marginal areas have safe and sound access to the food they want.

The nature has provided sufficient required food for all organisms. But the challenge and reality is wide- spread hunger in many parts of the world. The published

data highlights one billion people suffer from hunger and around 800 million malnourished. The Red Cross Society has highlighted the data for children dying under the age of 5 due to malnutrition were 6 million worldwide (Bhattacharya et al., 1991). After independence since 1947, the food security was shifted from individual households to state and central governments (Ahluwalia, 1993). World Development Report (1986) defined food security as “access by all the people at all times to enough food for an active, healthy life”. Food and Agriculture Organization (FAO, 1983) defined food security as “ensuring that all people at all times have both physical and economic access to basic food they need”.

Public Distribution System (PDS) is the most important medium through which central and state governments ensures food security. PDS comprises of distribution of essential commodities to the public at large through vast network of Fair Price Shops (FPSs). The essential commodities comprises of wheat, rice, sugar and kerosene oil (Swaminathan and Mishra, 2001). PDS of India falls under the Ministry of Consumer Affairs and Public Distribution and managed jointly with state governments for providing subsidized food to BPL families. The Public Distribution System (PDS) is a direct state intervention in national distribution system of goods (Bhandari, 2002). According to Ruddar Dutt, “Public Distribution System helps in ensuring supply of essential consumer goods of mass consumption to people at reasonable prices particular to weaker section of society.” Moreover, public distribution system has a permanent feature to protect the vulnerable sections of the society by controlling prices and distribution of essential commodities (Suryanarayana, 1993).

Public Distribution system is the distribution of essential commodities, namely, wheat, rice, sugar, pulses and kerosene oil to a large number of BPL families through a network of Fair Price Shops (FPSs). Fair Price Shop is a medium of delivering PDS items available to the ultimate beneficiaries. The efficiency and success of public distribution system to a greater extent depends on the working of Fair Price Shops as the fair price shops are at the centre of the functioning of PDS both in rural and urban areas. Thus, access to the PDS ration items depends on a variety of factors, among

which management of food grains and organization of fair price shops are of crucial significance.

In Punjab, Fair price shop dealers had expressed their dissatisfaction with role played by state government, absence of important commodities, low commission, intervention of political parties in the functioning of FPSs and lack of storage space for food grains at FPSs. Dealers of fair price shops were found to be dissatisfied with low margin of profit. This paper deals with the working of FPSs and the associated facts. The facts and information analyzed are based on the data collected through a separate research schedule designed for FPS dealers. 200 fair price shop dealers from the sample of 4 districts were surveyed.

2.0 LITERATURE REVIEW

Singh (1973) evaluated fair price shops by adopting an empirical method. The study found that dealers of fair price shops were dissatisfied with low margin of profit. Two situations were envisaged under the circumstances; the dealers due to their dissatisfaction either engaged themselves in malpractices to earn extra income or they were honest enough to lead the life of austerity. Both these situations required correction from the government to streamline the whole gamut of issues involving PDS.

Siddappa (1992) in his research entitled “PDS: A case study of Gulbarga District in Karnataka” approached the FPS owners and scanned the working of FPS in rural regions. The study analyzed the kind of reaction FPS owners hold towards the policy, inspected the earnings of the dealers, expenses and savings made by the FPS dealers. Despite the population ratio drifted towards the FPSs, fair allocation of vital commodities has not been guaranteed.

Shankar (1997) has commented on RPDS regarding who and in what proportion has benefited from the system. The study observed that “the fair price shop dealers were getting wheat at Rs 374.50 per quintal whereas they are supposed to sell it to the beneficiaries at the rate of Rs 377 per quintal. The FPS dealers were unanimous in reporting that they just cannot afford to sell at the stipulated prices since they have to pay Rs 10 per bag or drum of kerosene to the inspector, Rs 5 per bag to the clerk and Rs 2 per bag to the porter.

Singh et al. (2010) in the study titled “Public Distribution System, Food Security and Poverty Alleviation Programmes – A Case of Bihar” observed that the food grains have to be lifted from the godowns for storage and then it is transported to the Fair price shops. A very meagre amount is paid to the fair price shop owner and they make up their loss by indulging themselves into corrupt practices. Therefore, the Government should undertake to transport the food grains or the transporter should be paid adequate sum to defray the actual expenses of the transport.

GOI (2016) reported about the leakages from the TPDS and which ranged from 40 to 50 per cent, even going up to 70.00 percent in some states. The study states that the Shanta Kumar Committee (GOI, 2015) recommended that the GOI should defer the implementation of the National Food Security Act in states that have not set up end-to-end computerisation, have not put up the beneficiaries online, and have not set up vigilance committees to check malpractices from the PDS. In addition, the Committee

Ghuman and Dhiman (2016) analyzed that majority of dealers complained that sometimes beneficiaries abuse and threaten them. The dealers of rural areas were not happy with the behaviour of state government officials and employees, whereas the situation was better of the dealers of urban areas. The Fair Price Shop dealers both in rural and urban areas admitted that inadequate commission was the main problem in providing better services to the beneficiaries. Most of the dealers suggested to increase the commission or to fix salary.

3.0 RESEARCH DESIGN

3.1 RATIONALE OF THE STUDY

The research paper in question is a part of large study carried out for the Ph.D work on the title “Working of Public Distribution System in Punjab state of India”. Moreover, the review of literature reveals that much research has not been carried-out in this area in developing countries in general and India in particular. Taking these facts into consideration the present study was planned. The research on Working of Public Distribution System had begun in India with differences in the cultural, social, political and economic areas about five decade ago. Most of the research work in India dealt with descriptive, theoretical, and conceptual context, or generally in an action research

framework to introduce some desirable change in the plan of work system. However, specific studies are lacking with the help of which one can understand factor influencing and affecting Working of Public Distribution System. Furthermore, it is not easy to best conceptualize the PDS concepts and elements. This study examines what Fair Shop Dealers' perceive about their quality of Working of Public Distribution System in Punjab state of India.

3.2 OBJECTIVES OF THE STUDY

The major objective of this study is to identify the factors that affecting the perception of Fair Price shop Dealers' towards the working of Public Distribution System in Punjab.

3.3 DATA BASE AND RESEARCH METHODOLOGY

To achieve the above said objective standardized methodology has been followed to identify the Factors affecting perception of Fair Price Shop Dealers towards the working of Public Distribution System in Punjab. The research schedule has been used. Factor Analysis is used in order to analyze collected data. The researchers developed a research schedule by consulting various experts and research studies related to the working of PDS. A set of statements were retained as per the requirements of the study. The questionnaire was refined with the help of three steps. Content validity was examined through a group of experts. These experts were managers of food and civil suppliers and food agencies, depot holders and officials of PDS and academicians.

3.4 UNIVERSE OF THE STUDY

The universe of the study is state of Punjab which happens to be situated on the India-Pak border. Four district were selected, namely, Amritsar, Jalandhar, Kapurthala and Ludhiana. These four districts represent, the three regions of Punjab, namely Majha, Doaba and Malwa. Further, a sample of 200 FPS dealers was taken by selecting 50 respondents from each city which happen to be districts headquarters also. Convenient cum Random Sampling has been used for the selection of 200 respondents for this purpose.

4.0 Public Distribution System and Working of Fair Price Shops

This section describes the profile of the Fair Price Shops (FPSs) dealers, general functioning, information regarding entitlements and prices according to FPSs' dealers.

This section also deals with the profits/earnings of FPSs' dealers, their perceptions, suggestions and facts regarding the functioning of FPSs.

4.1 Demographic Characteristics of Fair Price Dealers

Gender, Age, Caste and Educational levels of the FPS dealers is summarized in the Table 1.1. Table shows that majority i.e. 52.50 per cent of Fair Price Dealers were male.

As far as age distribution is concerned, majority of them were from 41-50 years and 31-40 years age groups i.e. 37.50 per cent and 32.50 per cent. Further, 17.50 were in the age group of 20-30 years and 6.50 per cent and 6 per cent were in the age group to 51-60 years and above 61 years respectively.

In case of Caste of Fair Price Dealers, majority of dealers (51.00 per cent) belonged to general category, followed by SC/ST (26.00 per cent) and OBC (23.00 per cent). All the selected FPS dealers were educated. It is clear from the Table 1.1 that majority (43.50 per cent) of them were educated up to secondary level while 22.50 per cent of FPSs' dealers have education up to senior secondary level. However, 17.50 per cent FPS dealers were educated up to graduation and only 3.00 per cent were post graduate. It is surprising to note that a few of them were educated only up to middle standard. The present study is based on 200 FPSs dealers out of which 71.00 per cent belong to urban area and 29.00 per cent dealers were from rural area.

Table 1.1
Demographic Characteristics of Fair Price Dealers

Demographic Characteristics of Fair Price Dealers	Categories	Frequency	Percentage
Gender wise Distribution of Fair Price Dealers	Male	105	52.50
	Female	95	47.50
	Total	200	100.00
Age wise Distribution of Fair Price Dealers	20-30 years	35	17.50
	31-40 years	65	32.50
	41-50 years	75	37.50
	51-60 years	13	6.50

Demographic Characteristics of Fair Price Dealers	Categories	Frequency	Percentage
	Above 61years	12	6.00
	Total	200	100.00
Caste wise Distribution of Fair Price Dealers	SC/ST	52	26.00
	OBS	46	23.00
	General	102	51.00
	Total	200	100
Educational Qualification wise Distribution of Fair Price Dealers	Illiterate	00	00.00
	Primary	00	00.00
	Middle	23	11.50
	Secondary	87	43.50
	Senior Secondary	45	22.50
	Graduation	35	17.50
	Post Graduation	6	3.00
	Technical/Professional	4	2.00
	Total	200	100.00
Origin wise distribution of Fair Price Shop Dealers	Urban	142	71.00
	Rural	58	29.00
	Total	200	100.00

Source: Primary Data

4.2 FPS Related Variables

FPS related variables like number of ration cards in record with FPS, ownership status and time since FPS established are discussed in the Table 1.2. The analysis reveals that majority of Fair Price Dealers i.e. 46.50 per cent were having up to 100 ration cards followed by 10.00 per cent, having 200-300 ration cards. 400-500 and above 500 ration cards were reported by 7.00 per cent and 7.50 per cent Fair Price Dealers.

Majority of the FPSs (88.50 per cent) were owned by individual persons. Only one FPS (1.00 per cent) was run under joint ownership and 10.50 per cent FPSs were run by cooperative societies. It is clear from the analysis that all the sampled FPSs were dealing with PDS commodities.

As far as the time, since FPS was established is concerned, a majority of them (22.00 per cent) were working from 26-30 years, followed by 20.00 per cent from 21-25 years, 14.50 per cent from 16-20 years, 14.00 per cent from more than 30 years, 11.50 per cent from last five years, 9.50 per cent from 6-10 years and 8.50 per cent from 11-15 years.

Table 1.2
FPS Related Variables

		Frequency	Percentage
Number of Ration Cards as per the record of FPS	0-100	93	46.50
	100-200	39	9.50
	200-300	20	10.00
	300-400	18	9.00
	400-500	14	7.00
	Above 500	15	7.50
	Total	200	100.00
Nature of Ownership	Individual	177	88.50
	Joint	2	1.00
	Cooperative	21	10.50
	Gram <i>Panchayat</i>	00	00.00
	Any other	00	00.00
	Total	200	100.00
Time since FPS was established	Less than 5years	23	11.50
	6-10 years	19	9.50
	11-15 years	17	8.50
	16-20 years	29	14.50
	21-25 years	40	20.00
	26-30 years	44	22.00
	More than 30 years	28	14.00
	Total	200	100.00

Source: Primary Data

5.0 Identification of Factors Affecting the Efficiency of Fair Price Shops in Punjab

26 variables were selected from extensive review of literature. All the variables were taken on a five point Likert scale, where 1 indicates strongly disagree and 5 indicates strongly agree. The analysis is based on SPSS version 21.0 for windows.

5.1 Reliability Analysis for Scale

Reliability analysis was performed to test if the research performed at a similar setting and environment can generate the same result and the higher value indicates the higher reliability (Hair et al., 1995). Its value moves from 0 to 1, but acceptable value for the scale to be reliable is required to be more than 0.6 (Hair et al., 1998). It is tested with the help of Cronbach alpha value. In the present study the initial value of Cronbach alpha scale is 0.783, which reveals that scale is reliable.

Table 1.3
Reliability Analysis

Cronbach's Alpha	No. of Items
0.783	26

Source: Calculated value through SPSS

5.3 Exploratory Factor Analysis (EFA)

According to Hair et al. (1998), “It is necessary before conducting Exploratory Factor Analysis (EFA) to make sure that sufficient variance exists within the variables”. The Bartlett test of Sphericity and KMO (sampling adequacy test) test are usually applied to examine the correlation among variables and adequacy of sample. Kaiser (1974) recommended that “The value of KMO greater than 0.5 should be considered acceptable”.

The results of Bartlett test of Sphericity (homogeneity of variance) and the value KMO is shown in Table 1.4. Table reveals that the value of KMO is 0.666 which implies that the data is suitable for Factor Analysis. Similarly, Bartlett’s test of sphericity is found significant with value ($p < 0.001$), which implies that significant correlation exists between the variables to proceed further. The Bartlett’s test statistic is approximately distributed and it may be accepted when it is significant with value less

than 0.05, indicating that the correlation matrix is considered significantly different from an identity matrix, if correlations between variables are all zero. So the results of Bartlett's Test of Sphericity and KMO shows that data is fit to run Factor Analysis.

Table 1.4

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.666
Bartlett's Test of Sphericity	Sig.	0.000

Source: Calculated through SPSS

5.4 Principal Component Analysis

Further, Principal Component Analysis (PCA) of factor analysis was employed to reduce the 26 items into a small number of dimensions and Varimax Rotation method had been used to rotate the factors in the present analysis. The initial communalities represent the relationship between the variables and with all other variables before rotation. If many or most communalities take small value (< 0.30), a large sample size is less likely to distort results. The communalities of items (statements) of the scale are presented in Table 1.24. The extraction communalities are functional as these were calculated using the various extracted factors. Extraction communalities for a variable provide the total amount of variance in that variable, explained by all the factors. Higher the value of communality for a particular variable after extraction, higher is its amount of variance explained by the extracted factors. In Table 1.5, the rows specify the various components taken into consideration to examine and scan the factor analysis. There are 26 variables (statements) which are converted into four factors. Second column (Initial) indicates that "what will be the total weight of each of the components if there is only one component". The third column (Extraction) indicates that "in existence of all the components what will be the weight of all the components individually".

Table 1.5
Communalities

Sr. No.	Statements	Initial	Extraction
X ₁	Food and civil supplies department plays its role efficiently	1.000	0.682
X ₂	Complaints are redressed within reasonable time	1.000	0.574
X ₃	FPS is not a profitable venture	1.000	0.442
X ₄	Unnecessary intervention of political parties	1.000	0.470
X ₅	Inadequate supply of food grains	1.000	0.696
X ₆	Problems due to climatic change	1.000	0.566
X ₇	Persistent interruptions from Non-cardholders	1.000	0.760
X ₈	Delay in allotment of Ration	1.000	0.697
X ₉	Government officials regularly inspect Fair Price Shops	1.000	0.616
X ₁₀	High cost for loading and unloading of food grains	1.000	0.546
X ₁₁	Non-availability of commodities at FPSs	1.000	0.427
X ₁₂	Over Crowding at the Fair Price Shop	1.000	0.531
X ₁₃	Over supervision creates inconvenience to the beneficiaries in ration delivery	1.000	0.504
X ₁₄	Lack of Space to store ration items	1.000	0.512
X ₁₅	Overload of paper work	1.000	0.624
X ₁₆	Political Pressure to provide ration to non- card holders	1.000	0.582
X ₁₇	Insufficient facilities at the Fair Price Shop	1.000	0.570
X ₁₈	Staff at the FPS is inexperienced	1.000	0.696
X ₁₉	Commission is often over delayed	1.000	0.566
X ₂₀	Low level of commission	1.000	0.760

Sr. No.	Statements	Initial	Extraction
X ₂₁	No timely supply of food grains from government	1.000	0.697
X ₂₂	Lack of transportation facilities	1.000	0.616
X ₂₃	Rush at the time of distribution of ration	1.000	0.846
X ₂₄	Persistent interruptions from Cardholders	1.000	0.627
X ₂₅	Insufficient staff with FPS dealers	1.000	0.531
X ₂₆	Underweight of bags received from the supply departments	1.000	0.504

Source: Calculated value through SPSS

5.5 Variance Analysis

Table 1.6 summarizes the total variance explained by the Exploratory Factor Analysis solution and describe about the number of useful factors. This table has three parts and each part has three columns. The first column of first part, titled Initial Eigen values gives the variance explained by all the possible factors. There are total 26 statements, which is same as the number of variables goes through the EFA. The first column under initial Eigen values provides the Eigen values for all the possible factors in a descending order. This is followed by the variance as a percentage of all the variance and Cumulative Variance. Table 1.6 further shows that cumulative values of the four factors become approximately 71.94 per cent. It means these four factors are strong enough to overpower the remaining factors. The factors with Eigen values greater than 1 are considered important. The review of literature help us to decide that only factors with Eigen values greater than 1 should be retained and considered significant while values less than 1 are considered insignificant and should be deleted for further analysis. (Malhotra, 2008) recommended that “the minimum 50 per cent of the variance should be accounted for explaining the variation of factors”. In the present study, four factors explained 71.94 per cent of the total variance, which is considered acceptable.

Table 1.6

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.843	23.636	23.636	2.843	23.636	23.636	2.608	21.061	21.061
2	2.399	20.219	43.855	2.399	20.219	43.855	2.213	18.021	39.082
3	1.471	13.082	56.937	1.471	13.082	56.937	2.191	17.855	56.937
4	1.231	12.001	68.938	1.231	12.001	68.938	2.121	15.002	71.939

Note: Extraction Method: Principal Component Analysis.

Source: Calculated through SPSS;

5.6 Rotation of Factors (Varimax Rotated Method)

After running of factor analysis, the selected 26 items were reduced to four factors. These factors are obtained with the help of Varimax Rotated Method. Table1.26 shows the factor loadings which have been used to measure the correlation between variables and the factors. It is argued that loading close to 1 indicates strong correlation between a variable and the factor, while a loading close to zero indicates weak correlation. The factors were rotated with the help of Varimax with Kaiser Normalization rotation method and Principal Component Analysis (PCA) method for factor extraction. Only those factors having loadings greater than 0.40 were retained for the interpretation purpose and factors with loading less than 0.40 were dropped for further analysis.

Table 1.7
Rotated Component Matrix

Sr No.	FACTORS			
	1	2	3	4
X1	0.799			
X2	0.765	0.034	0.088	0.091
X9	0.741	0.079	0.062	0.255
X6	0.254	0.753	0.124	0.331

Sr No.	FACTORS			
	1	2	3	4
X10	0.251	0.682	0.034	0.091
X12	0.325	0.654	0.235	0.123
X14	0.106	0.614	0.116	0.252
X17	0.038	0.554	0.122	0.335
X18	0.135	0.546	0.253	0.032
X25	0.001	0.446	0.324	0.072
X4	0.339	0.019	0.749	0.012
X16	0.053	0.106	0.710	0.012
X7	0.005	0.325	0.647	0.256
X23	0.335	0.019	0.549	0.355
X24	0.053	0.106	0.471	0.251
X5	0.141	0.258	0.254	0.787
X3	0.286	0.098	0.662	0.776
X8	0.141	0.258	0.543	0.766
X11	0.393	0.333	0.417	0.753
X13	0.294	0.034	0.069	0.692
X15	0.213	0.079	0.081	0.614
X19	0.123	0.018	0.115	0.554
X20	0.142	0.016	0.053	0.551
X21	0.106	0.251	0.145	0.540
X22	0.037	0.354	0.135	0.513
X26	0.138	0.250	0.284	0.501

Source: Calculated through SPSS

5.7 Naming of the Factors.

The naming of factors is purely subjective in nature. The various factors and the related variables, along with their factors loadings, Eigen values, factor variance and reliability alpha (Cranach) values are presented in Table 1.8 Table shows that that the factor analysis contains 26 statements covered with four factors which accounted for 71.94 per cent of total variance. To check the internal consistency of the scale, Cronbach's alpha reliability analysis had been performed for the newly created factors. It may be noted in Table 1.8 that all factor's Cronbach reliability alpha (internal consistency) values advocates the existence of internal consistency among the items of the constructs. The newly constructed factors are renamed according to variables loaded on these factors. The names of the factors, the variable labels and their loadings are summarized in Table 1.8.

Table 1.8
Summary of Factors affecting FPS's

Sr. No.	Factor Name	Statements Included in the Factor	Loading	Percentage of Variance explained	Eigen Value	Cronbach Alpha
F ₁	Effectiveness of Food & civil supplies department	Food and civil supplies department plays its role efficiently	0.799	21.061	2.843	0.889
		Complaints are redressed within reasonable time	0.765			
		Government officials regularly inspect Fair Price Shops	0.741			
F ₂	Problems at fair price shops/lack of facilities at FPS	Problems due to climatic change	0.753	18.021	2.399	0.887
		High cost for loading and unloading of food grains	0.682			
		Over Crowding at the Fair Price Shop	0.654			
		Lack of Space to store ration items	0.614			
		Insufficient facilities at the Fair Price Shop	0.554			
		Staff at the FPS is inexperienced	0.546			
		Insufficient staff with FPS dealers	0.446			
F ₃	External Pressure on FPS dealers	Unnecessary Intervention of political parties	0.749	17.855	1.471	0.865
		Political Pressure to provide ration to non- card holders	0.710			
		Persistent interruptions from Non-cardholders	0.647			
		Rush at the time of distribution of ration	0.549			
		Persistent interruptions from cardholders	0.471			
F ₄	Problems resulting due to Administrative Intervention	Inadequate supply of food grains	0.787	15.002	1.231	0.786
		FPS is not a profitable venture	0.776			
		Delay in allotment of ration	0.766			
		Non-availability of commodities	0.753			
		Over supervision creates inconvenience to the beneficiaries in ration delivery	0.692			
		Overload of paper work	0.614			
		Commission is often over delayed	0.554			
		Low level of commission	0.551			
		No timely supply of food grains from government	0.540			
		Lack of transportation facilities	0.513			
		Underweight of bags received from the supply departments	0.501			

Source: Compiled from the results of SPSS

All the factors have been given appropriate names according to the variable that have been loaded on each factor.

Factor 1: Effectiveness of Food & Civil Supplies Department

This factor has emerged as the most important which explains 21.061 per cent of the total variance with Eigen value of 2.843 and Chronbach alpha 0.889, and is named as, 'Effectiveness of Food & Civil Supplies Department', which consisted of three items namely Food and civil supplies department plays its role efficiently (0.799), Complaints are redressed within reasonable time (0.765), and Government officials regularly inspect Fair Price Shops (0.741). The emergence of this factor at rank one shows that the Food & civil supplies department plays vital role in functioning of FPSs. Further, the data reveals that all the variables loaded on this factor have high factor loadings.

Factor 2: Problems at Fair Price Shops/Lack of facilities at FPS

The second factor is based on seven statements and accounts for 18.021 per cent of the variance, having Eigen value of 2.399, and Chronbach alpha 0.887. It contained seven variables namely, Problems due to climatic change (0.753), high cost for loading and unloading of food grains (0.682), Over Crowding at the Fair Price Shop (0.654) Lack of Space to store ration items (0.614), Insufficient facilities at the Fair Price Shop (0.554), Staff at the FPS is inexperienced (0.546) and Insufficient staff with FPS dealers(0.446). Again all the variables on this factor have high loading which proves that all the variables are closely related to this factor. The FPS dealers complain about the insufficient facilities at FPS, this creates hindrance in the smooth functioning of FPSs. So after the effectiveness of PDS officials, the problems at the FPS have emerged as the second important factor.

Factor 3: Extent of External Pressure on FPS

This factor explains 17.855 per cent of the variance and has emerged as the third most important factor having Eigen value of 1.471 and alpha value 0.865. It comprised of five statements i.e. Unnecessary Intervention of political parties (0.749), Political Pressure to provide ration to non-card holders (0.710), Persistent interruptions from Non-cardholders (0.647), Rush at the time of distribution of ration (0.549) and Persistent interruptions from Cardholders (0.471). It reveals that political pressure and public pressure are the main concerns of FPS dealers that need to be addressed.

Factor 4: Problems Resulting due to Administrative Interventions

The fourth factor explained 15.002 per cent of variation, having Eigen value of 1.231 and alpha value of 0.786. It comprised of eleven statements i.e. Inadequate supply of grocery item (0.787), FPS is not a profitable venture (0.776), Delay in allotment of ration (0.766), Non-availability of commodities at FPS(0.753), Over supervision creates inconvenience to the beneficiaries in ration delivery (0.692), Overload of paper work (0.614), Commission is often over delayed (0.554), Low level of commission (0.551), No timely supply of food grains from the government (0.540), Lack of transportation facilities (0.513) and Underweight of bags received from the supply departments (0.501). It reflects that the government is not playing its role efficiently. Dealers have shown their concern in regard to ineffective arrangement to regulate system on the part of government. This factor is important in the sense that government support is the important factor to ensure food security through the network of FPSs under PDS and it is basically a team work. So this factor helps us to understand the lack of team work among Government and FPSs in Punjab. The Government should play a responsible role towards the FPSs and should make available all the support for the smooth functioning of the FPS.

Hence, the factor analysis summarized the 26 statements into four dimensions. So, the application of exploratory factor analysis has enabled us to achieve our objective of getting four factors on the basis of 26 variables which are important dimensions to improve the functioning of PDS in Punjab.

6.0 Problems Faced by FPS Dealers

The Government of India ensures distribution of food grains to all citizens of India by instituting Fair Price Shops under Public Distribution System. FPS dealers often indulge in mal- practices because they get inadequate commission and they are forced to bribe the government officials for getting their stocks. Therefore dealers divert food grains to the open market to earn extra income. Lack of storage facilities at the FPS forced them to hire the place on rent. Respondents were asked about the problems they face under PDS. Their responses are recorded in the following points:

- **Low level of Commission**

The dealers complained that government is not providing sufficient amount of commission. Moreover, government is unable to pay reasonable commission which makes the FPS dealers to indulge in mal practices. Some states are paying salaries to FPS dealers. Delhi, Goa and Himachal Pradesh governments are paying Rs.200 per quintal to FPS dealers. They have to get their license renewed after every five years with the payment of Rs. 2500. Some dealers do not have sufficient number of ration cards enrolled at their FPSs so they just get only part of margin amount from the government.

- **Damaged Food Grains**

India is an agricultural country and production is always more than expected. In spite of huge stocks in the country, the lack of storage facilities leads to damage of stocks. Grains are packed in jute bags and are left for long time, stored in CAP godowns of FCI. Due to torn jute bags wheat got damaged and large quantities of food got wasted. Fungi and bacteria leaves grains decomposed. It has been reported that over 30 per cent of food grains harvest is wasted because it is stored unscientifically. The storage capacity has not been keeping pace with the marketable surplus. Each grain bag is handled at least 6 times before it is finally processed which involves additional storage and transportation cost. Wheat declared damaged in Punjab or below relaxation level is 9, 70,000 quintals (The Tribune, 2012).

- **Extent of Corruption in the PDS**

It is quite evident while collecting data that FPS dealers are accused of cheating and dealers admit that they have to pay bribes for getting sufficient quota. The reason behind this is due to no credit policy to FPS dealers. The corruption which starts as early as from filing of application form then leading to statement of “unavailability of ration” and then distribution of “poor quality of food grains” and “indifferent attitude”.

- **Imbalance in Demand and Supply**

The results revealed that demand is more than supply. Dealers found it very difficult to distribute ration equally to beneficiaries because it is distributed on first come first serve basis. This process left many beneficiaries sometimes with no supplies. Dealers get their entitlements on bi- annual basis; therefore, to store bulk stock of grains poses a big problem in front of dealers. Some dealers have to pay rent for storage space and extra labour charges for lifting and distributing the food grains.

- **Limited Items Distributed at FPS**

As compare to other states Punjab is the only state that doesn't have much to give to its BPL families. Sugar, rice, kerosene and pulses were the items distributed under TPDS and *Atta Dal Scheme* in Punjab but the allocation of rice withdrawn by government of India with effect from August, 2007 and sugar with effect from 2013-14. Further, Government of India has stopped the allocation of kerosene oil to the Punjab state since 2016-17. *Dal* (Pulses) was distributed up to the year 2016-17. Therefore, all essential commodities are not being distributed to BPL families in Punjab.

Conclusion

So the study suggests that, all the government expenditure will turn valuable and fruitful only if the beneficiaries remain content and pleased with the services they are being offered by FPS dealers under PDS. The staff shortage at Food and Civil supplies department, shortage of covered storage space for food grains, irregular and poor quality of items supplied to FPS are the major impediments in the working of PDS. Specific days should be fixed for the distribution of ration to the fixed number of card holders to check rush at the FPS. The number of items should be increased under the FPS and per head entitlement should also be increased. Moreover, the commission to FPS dealers should also be increased so that they should not indulge in unfair practices. Location of the FPS should be convenient and FPS dealers should display all type of information in transparent manner in local language in regard to the arrival of stock as well as the timings of distribution. Therefore, it is essential for all the parties and Food and civil supplies department to provide better services at their level in order to ensure the survival of poor and deprived section of the society. Some authorities must be delegated to FPS dealers in order to dilute political and public pressure. Overall efficiency of FPS is obligatory as it is the solitary measure that helps deprived section to survive and maintain their lives. Another interesting finding of the study is that many of the problems raised by the beneficiaries and dealers have been further endorsed by the government officials. Majority of the government officials has accepted the problem of corruption, poor quality of ration, irregular supply and political pressure which hamper the working of PDS in Punjab.

BIBLIOGRAPHY

- Ahluwalia, D (1993). Public Distribution of food in India coverage, targeting and leakages. *Food Policy*, 8(1), 33-54.
- Bhattacharya, N., Condoo, D., Maiti, P. and Mukherjee, R. (1991). *Poverty, Inequality and Prices in Rural India*. Sage Publications, New Delhi, Ed (1).
- Bhandari, I.K. (2002). *Public Distribution System*. R.B.S.A. Publishers, Jaipur, p. 1.
- Ghumaan, G., & Dhiman, P. K. (2016). Perception of Fair Price Shop's Dealers Towards Public Distribution System. *International Journal of Business and General Management*, 5(6), 11-24.
- Government of India (GOI) (2016). Decentralized Procurement Policy and Food Corporation of India. Retrieved from <http://dfpd.nic.in/decentralized-procurement.htm>.
- Hair, J. F., Tatham, R. L., Anderson, R. E., and William, B. (1995). *Multivariate Data Analysis*. Fifth Edition, Prentice-Hall International, Inc, New Jersey.
- Hair, J. F., Tatham, R. L., Anderson, R. E., and William, B. (1998). *Multivariate Data Analysis*. Fifth Edition, Prentice-Hall International, Inc, New Jersey.
- Khera, R. (2011b). Revival of the public distribution system: Evidence and explanations. *Economic and Political Weekly*, Vol XLVI, No. 44 &45, November-5, pp. 36-50.
- Khera, R. (2011c). India's public distribution system: Utilization and impact. *Journal of Development Studies*, 47(7), 1038-1060.
- Malhotra, N.K., (2008). *Marketing Research: An Applied Orientation*. (5th ed.) India: Pearson Education, New Delhi.
- Siddappa, S. (1992). PDS: A Case Study of Gulbarga District in Karnataka. *Southern Economist*. 30 (19).
- Singh, V. B. "Evaluation Of Fair Price Shops", Oxford And Ibh Publishing Co, New Delhi, 1973.
- Singh, P. K. (2010). A decentralized and holistic approach for grain management in India. *Current science*, 99(9), 1179-1180.
- Shankar, K. (1997). Revamped Public Distribution System: Who Benefits and How Much?. *Economic and Political Weekly*, 629-630.
- Suryanarayana, M H. (1993). Revamping PDS: Some Issues and Implication. *Economic and Political Weekly*, 28(41), 2207-13.

- Swaminathan , M. (1999). Understanding the Costs of the Food Corporation of India. *Economic and Political Weekly*, 121(132).
- Swaminathan M, (2008). Programs to protect the hungry: Lessons from India. *Economic & Social Affairs*, Working Paper No. ST/ESA/2008/DWP(United Nations Department of Economics and Social Affairs)
- Thai, K. V. (Ed.). (2008). *International handbook of public procurement*. CRC Press.
- Thakur and Pal (eds.). *Public Distribution System in India*. Regal Publications, New Delhi. pp.114.
- Wei, T., Govindan, M, Alain, Y.C., Keng-Boon, O., and Seetharam, A. (2009). What drives Malaysian M-Commerce Adoption? An empirical analysis. *Industrial Management and Data Systems*, 109 (3), 370-388.
- Zhou, Z. Y., & Wan, G. (2006). The public distribution systems of food grains and implications for food security- A comparison of experiences of India & China. *Research Paper No*, 98.