

Policy Memo: Strengthening the Public Distribution System (PDS) for Urban Slum Dwellers in Bangalore

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Background

Public Distribution System (PDS) in India is one of the world's largest food security initiatives covering approximately 800 million people¹. PDS provides free or subsidized food grains to over 75% of the rural population and 50% of the urban population². The Public Distribution System is a critical lifeline for food security among the poor, yet evidence from both field research and secondary sources reveals significant gaps in its scope and effectiveness³. The Public Distribution System is a government-run food security system in India. Effective Jan 1, 2024, PDS distributes 5Kg rice free to the poor through a network of Fair Price Shops (FPS), also known as ration shops. While some states provide additional nutrients such as pulses, sugar, and oil either free or at subsidized prices, in Karnataka, no additional groceries are provided free for those who are below poverty line (BPL). Each BPL card holder receives 5kg rice free per month in Bangalore. Bangalore, considered as India's Silicon Valley, is also home to nearly 1.4 million slum dwellers spread across more than 597 slums⁴, including the large Rajendranagar cluster of slums. However, independent studies show that there are more than 2000 slums in Bangalore⁵. Despite rapid urbanization and economic growth, these communities face persistent social and economic inequalities.

Problem Statement

Recent research in the Rajendranagar cluster of slums, involving 920 surveyed households, found that **44% did not receive PDS benefits** despite being eligible. Households without PDS access had significantly lower incomes and higher vulnerability. These findings mirror broader patterns in Bangalore's slums, where leakages and inefficiencies in PDS undermine food security and perpetuate poverty⁶.

Main Issue

The PDS is intended to provide free or subsidized food grains to India's poorest citizens. However, in Bangalore's slums, a large share of eligible households are not receiving rations. Even for recipients, entitlements are often under-delivered: families may receive less than the allocated quantity but are charged for the full amount. Beneficiaries lack mechanisms to report issues of shortfalls or corruption. While digitization has reduced some leakages, it has not addressed all forms of diversion or exclusion⁷. While the PDS provides dry rations (rice, wheat,

pulses), it doesn't address the needs of urban migrant workers who sometimes lack cooking facilities.

Methodology

We constructed a questionnaire using Google Form to collect data on monthly income, expenses, assets, and demographics such as household size, gender of the head of the family, and access to Public Distribution System. Data was collected in the Rajendranagar cluster of slums through the representatives of the Swabhimaan Foundation, a local NGO supporting the slums. We asked these questions to households over a 12 week period from September to November of 2024. To estimate the real income growth, we adjusted the pre-Covid income with inflation data from the Reserve Bank of India (RBI).

The Rajendranagar cluster of slums has 15,000 families and an area of two square-kilometers. We used a stratified random sample to divide the Rajendranagar cluster of slums into 10 blocks, and the 3rd house of each block was surveyed to collect data on income and consumption expenditure. We collected data on several categorical variables such as job type, source of water, education, intergenerational mobility, location, social group, gender of the head of the household, and religion. We coded each of the categories using numbers to facilitate regression analyses using Stata. From the initial dataset of 1107 households, we took out the top 1% and bottom 1% outliers for variables monthly income, total loans, assets, and monthly expenses. This removed many records which had incorrect data entries such as ZERO income or extra zeros in family income. The final dataset consists of 920 households. However, monthly income pre-covid was collected only from 570 households.

Limitation of this analysis is that primary evidence is restricted to one slum in Bangalore. Additional research could be conducted to understand the extent of the challenges with access to PDS in other slums of Bangalore.

Evidence Analysis

Primary research

Research from a survey of 920 households in Rajendranagar shows that 51% were salaried workers and 34% daily wage earners. The average monthly household income was INR 21,019. As per our study, households that don't receive PDS have lower income, expenses, and assets compared to those who have access to PDS. From our dataset, 44% of surveyed Rajendranagar households did not receive PDS.

Table 1: Table showing the absolute value and percentage of 920 households for receiving PDS

Receives PDS	Number of Households	Percentage
Yes	516	56%
No	404	44%

Association analysis: Households without PDS had an average monthly income INR 2,871 lower than those with access ($p=0.000$). Households without PDS had on average INR 4,793 lower expenses than those with access ($p=0.000$). It is possible that the households below the poverty line (BPL) need to control their expenses in line with income, especially when they don't have access to PDS. Whereas, households with access to PDS are able to spend more on other needs. Households without PDS had INR 422,409 lower assets than those with access ($p=0.000$). These results indicate income, expenses, and assets are associated with access to PDS.

Table 2: T-test of monthly income, expenses, and assets against PDS. Significant p-values are in bold.

Variable	Monthly income (INR) against PDS			
	Observations	Mean	t- value	p-value
Receive PDS	516	22,280	4.45	0.000
Don't receive PDS	404	19,409		
Monthly expense (INR) against PDS				
Receive PDS	516	18,537	3.49	0.0005
Don't receive PDS	404	13,744		
Family assets (INR) against PDS				
Receive PDS	516	891,731	5.32	0.000
Don't receive PDS	404	469,322		

Declining real wages: We gathered the data of pre-covid income for 570 households. Adjusted for inflation, slum incomes have declined on average by INR 5,881 from 2019 to 2024 ($p=0.000$). Declining real wages can push the already poor into further poverty and providing food security is a critical element to support these underserved.

Table 3: T-test of income growth in 2024 from 2019 after adjusting for inflation. Significant p-values are in bold.

Variable	Income growth			
	Observations	Mean income (INR)	t- value	p-value
One sample t-test of Income growth	570	-5,881	-6.1	0.000

Community requests: We asked the households their top requests from the government on a scale of 1 to 5 across various categories. Slum residents prioritized better PDS, followed by improved healthcare, and education for children as top 3 requests. While healthcare had high responses, the mean rank was lowest for PDS indicating access to PDS as the most important ask from the residents.

Table 4: Top requests from the government by the slum households

Top requests from the Government	Number of “Yes” Responses	Mean rank
PDS	166	1.54
Education	153	1.67
Healthcare	204	1.66

Secondary research

Other sources show that slums across Bangalore and India have challenges with access and utilization of PDS benefits. Bangalore’s slum population is estimated at 1.4 million, with nearly a third of the city living in slums or squatter settlements. Many are immigrants who don’t have local proof of address such as Aadhaar or BPL card making them ineligible for PDS in Bangalore. While digitization (e.g., ePoS machines, Aadhaar linkage) has reduced identity

fraud, it has not fully eliminated quantity fraud. National studies estimate PDS leakages at 30–40%, with urban areas particularly affected due to weak monitoring and accountability. Fake or duplicate cards take away access to the deserving citizens. A recent 2023 study shows that leakages in PDS have come down to 14% to 22% in Karnataka⁷.

While the PDS provides grains, many urban poor, like migrants and the homeless, lack kitchens or time to cook. State-run canteens, such as Tamil Nadu's *Amma Canteens* (serving over 2 million meals daily) and Karnataka's *Indira Canteens*, fill this gap by offering safe, cooked meals at ₹5–₹10⁸. Local Non-Government Organizations (NGO) such as Swabhimaan Foundation understand the local needs better and are able to serve those who are below poverty line (BPL) and don't have access to PDS. Swabhimaan Foundation delivers free groceries every month to over 2,500 families. Also, they distribute food most days of the week for 1,500 aged or terminally ill residents who don't have a family to take care of them.

Recommendations

There are opportunities to strengthen the PDS, as well as opportunities to complement the PDS through subsidized cooked meals through government run canteens and support from local organizations.

Strengthening the PDS

Firstly, there is a need to universalize PDS coverage in slums by proactively identifying and enrolling all eligible slum households. This also includes migrants and those in unnotified settlements, and it can be done through targeted drives and mobile registration camps. Secondly, it is also important to strengthen grievance redressal by establishing accessible grievance mechanisms (hotlines, SMS, social media) for reporting under-delivery anonymously. Additionally, enhancing digital transparency and accountability through SMS alerts to notify beneficiaries of their monthly entitlements and transactions would further build trust in the system. Finally, conducting audits and enforcing strict penalties for dealers found guilty of diversion or under-delivery would improve access and ensure that benefits reach those who need them most.

Complementing PDS

There is a need to promote community canteens as nutritional complements to PDS by expanding affordable government-run community kitchens (like Amma/Indira Canteens) in urban slums and low-income areas to provide nutritious cooked meals at subsidized rates. Additionally, support from local NGOs is also vital, as they play an important role in identifying food security needs that cannot be served by the Government effectively, as seen in the case of Swabhimaan's free grocery delivery to BPL families or free meals to aged residents.

Conclusion & Call to Action

The Public Distribution System remains a cornerstone of food security for Bangalore's urban poor, but persistent leakages and exclusion threaten its effectiveness. The government aims to reform the PDS by 2028 to ensure food security for the poor and vulnerable, but progress is slow. Measures such as expedited eKYC completion for all beneficiaries, identification and elimination of fake BPL cards, and regular audits of the distribution system can make the PDS more effective. As shown in Rajendranagar and across the city, improving PDS delivery is not just a matter of logistics but of social justice and equity. Our study shows that those who don't have access to PDS have lesser income, assets, and have declining real wages since COVID. The government must act urgently to universalize access, strengthen accountability, and empower slum residents to claim their rights. Complementing the PDS with accessible community canteens can further safeguard urban food security, ensuring that no citizen is left behind in Bangalore's growth story.

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