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FORMULATING PUBLIC POLICY FOR
DISTRIBUTION OF ESSENTIAL GOODS:
AN ANALYTICAL APPROACH

by

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ABSTRACT

Public Policy concerning distribution of essential goods of mass consumption has assumed critical importance in several developing countries. In India, such policies have generally been reactive, in response to exigencies of critical situations such as shortages, price rise or deterioration in quality of essential goods. This paper presents a comprehensive detailed, explicit and yet simple approach for formulating a consistent and potentially effective public distribution policy. A systemic model of distribution policy is presented in which starting from the consumption needs of society, the mix of policy instruments, - (both structural and non-structural) likely to achieve the policy objectives most effectively can be derived. The model outlines relationships between consumption needs, elements of the distribution system, commodities and their characteristics, policy instruments, and policy objectives. The approach begins with analysis of consumption, production and product characteristics of relevant commodities on the one hand and identification of possible policy instruments on the other. An analysis of characteristics ^{of commodities} enables one to examine the relevance of various policy objectives for these commodities. By matching policy instruments with policy objectives, degree of effectiveness of policy instruments for given objectives is established. By this analysis, it becomes feasible to derive the potentially effective mix of instruments for each commodity. The approach

also helps in identifying needs for modifying instruments and/or commodity characteristics for achieving policy objectives.

The approach was tested on four policymakers belonging to different ministries of the Government of India and its agencies; using commodities like wheat, pulses, edible oil and soap. The approach could be used by policy makers without difficulty, it was found to be more useful with commodities like pulses and soaps, which were relatively new for policy intervention. Policy makers felt that it was also a potentially useful training device for officers taking assignments in these areas.

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ESSENTIAL GOODS : AN ANALYTICAL APPROACH

By

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INTRODUCTION

Mass consumption goods form an important focus of public policy in our country. Because of large scale poverty, the levels of consumption are extremely low. The periodic shortages of various mass consumption items makes this subsistence level consumption even more uncertain.

Public policy towards mass consumption goods has been largely reactive rather than proactive. Shortages, price spirals, natural calamities, consumer agitations, etc., have been responsible for setting into motion the policy formulation and implementation process. In recent years, some shift is evident in the policy making set up. Attempts are being made at comprehensive monitoring and forward policy making.

A systematic approach for formulating public policy for essential goods is necessary for the following reasons:

1. The nature and type of policy options that are possible are wide ranging and complex making it necessary to approach their analysis and choice systematically.
2. Policy intervention for essential goods are likely to be long-term in nature both from the point of view of implementation and from the point of view of the resultant effects. A systematic approach would help in judicious planning of such interventions.
3. Public policy towards distribution of essential goods is really policy concerning mass consumption needs. In the long-run, such policy cannot be effective without coordinated intervention in production, consumption and distribution systems. Such a coordinated approach also requires a much

Available Research

Existing research work in this area has looked at either the nature of mass consumption needs¹, or specific policy instruments (such as cooperatives and fair price shops)² or macro-level implications of certain interventions such as dual pricing, subsidies and open market operations³. There is no available work on the process of policy formulation for essential goods. The authors of this study have elsewhere looked at this problem but the treatment of the subject matter has so far been at a preliminary level⁴. This study advances the knowledge in this area by discussing a systematic policy formulation approach and by reporting on a test conducted with this approach.

The next section of the paper discusses the approach itself. The overall schema of the approach is outlined followed by a detailed discussion of the various steps. This section is followed by a section on testing and approach. The test and its results are reported and discussed. Finally our conclusions regarding this approach are presented.

THE ANALYTICAL APPROACH

A Systemic Model

The approach for policy formulation presented in this section is based on a systemic model which states that consumption needs are the starting point for policy towards essential goods. It is the deficiencies in meeting consumption needs which provide the impetus, rationale and approaches for policy formulation.

To meet the mass consumption needs of the population, certain distribution systems historically emerge and become institutionalised. These distribution systems are shaped by the nature of the needs as well as the characteristics of products which flow through them. Public policy objectives for essential commodities derive from the deficiencies in meeting the mass consumption needs. These deficiencies may be due to problems of distribution, problems of production or a lop-sided system of consumption. This suggests a range of structural and non-structural policy interventions not only in the sphere of distribution but also in the spheres of production and (less frequently) in the sphere of consumption. The policy objectives, therefore, lead to a consideration of a variety of policy instruments. In our systemic model, shown in Figure 1, the process of public policy formulation is visualised as a method of matching policy instruments to policy objectives in the light of the given characteristics of the consumption, production and distribution systems. As the figure shows, the policy process is not uni-directional. It is adaptive because the implementation of the policy constantly feeds back into the antecedent conditions.

Steps in the Analytical Approach

The systemic model depicted in Figure 1, provides the elements using which the analytical approach for policy formulation has been developed. This approach has been re-charted in Figure 2. We would like to emphasise the following characteristics of the suggested approach:

:6:

Figure 1

A Systemic Model for Public Policy for Essential Goods

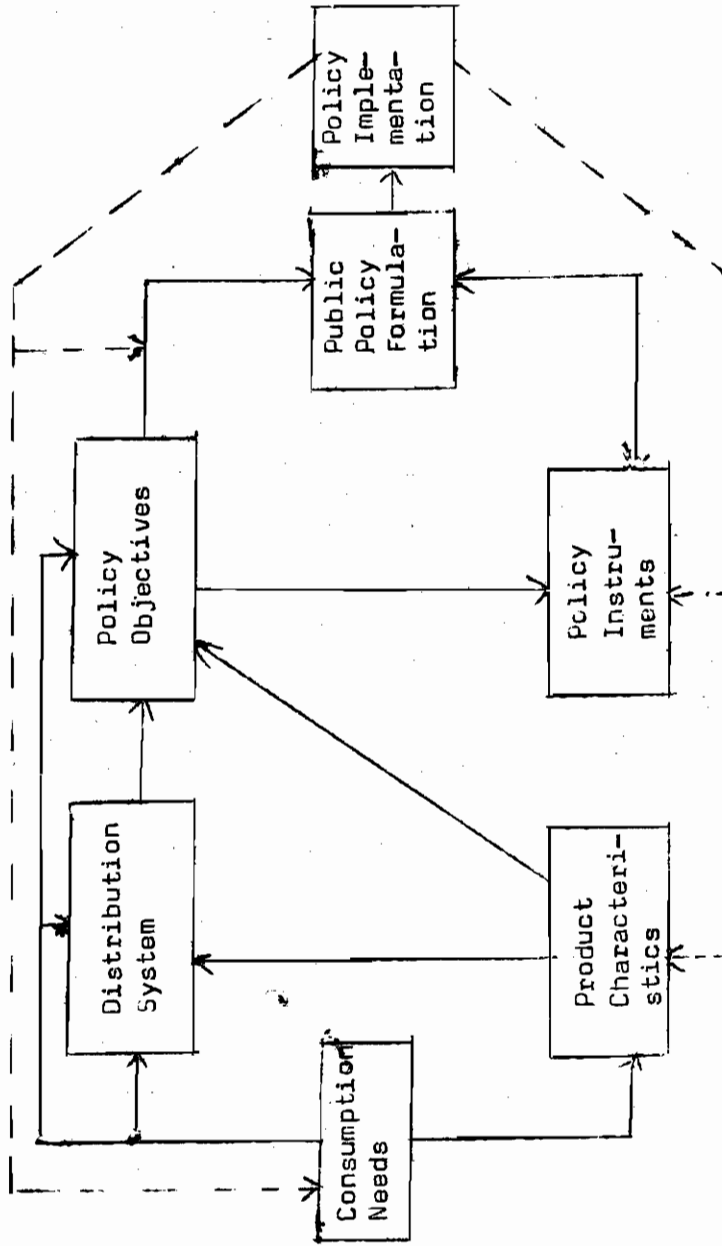
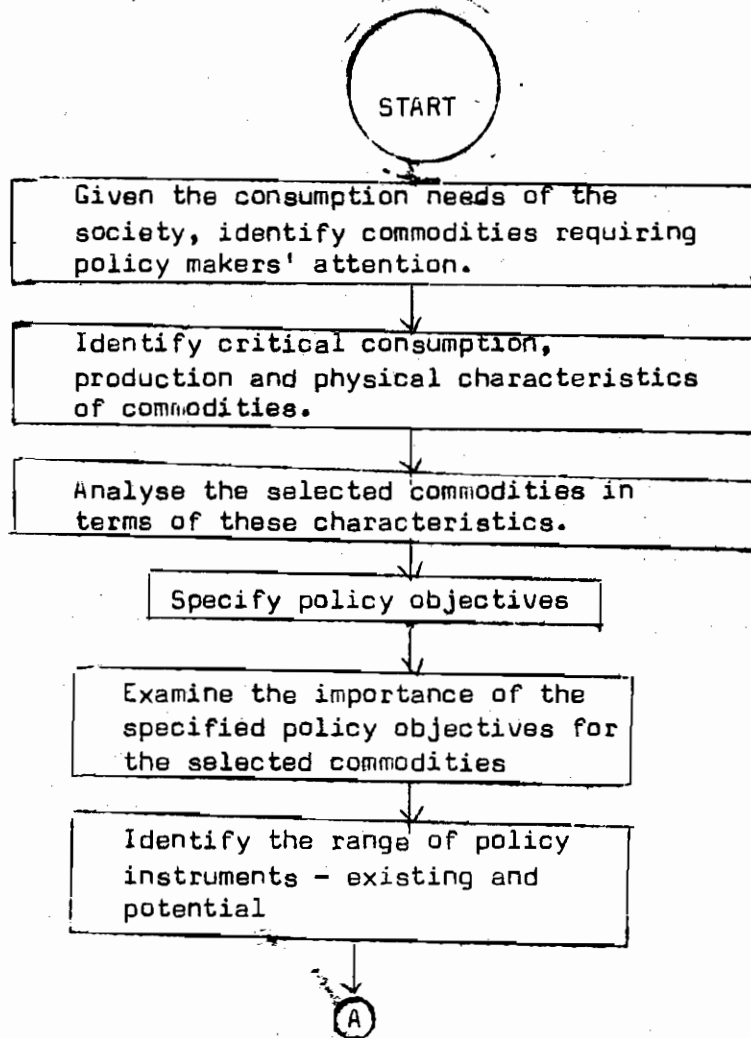
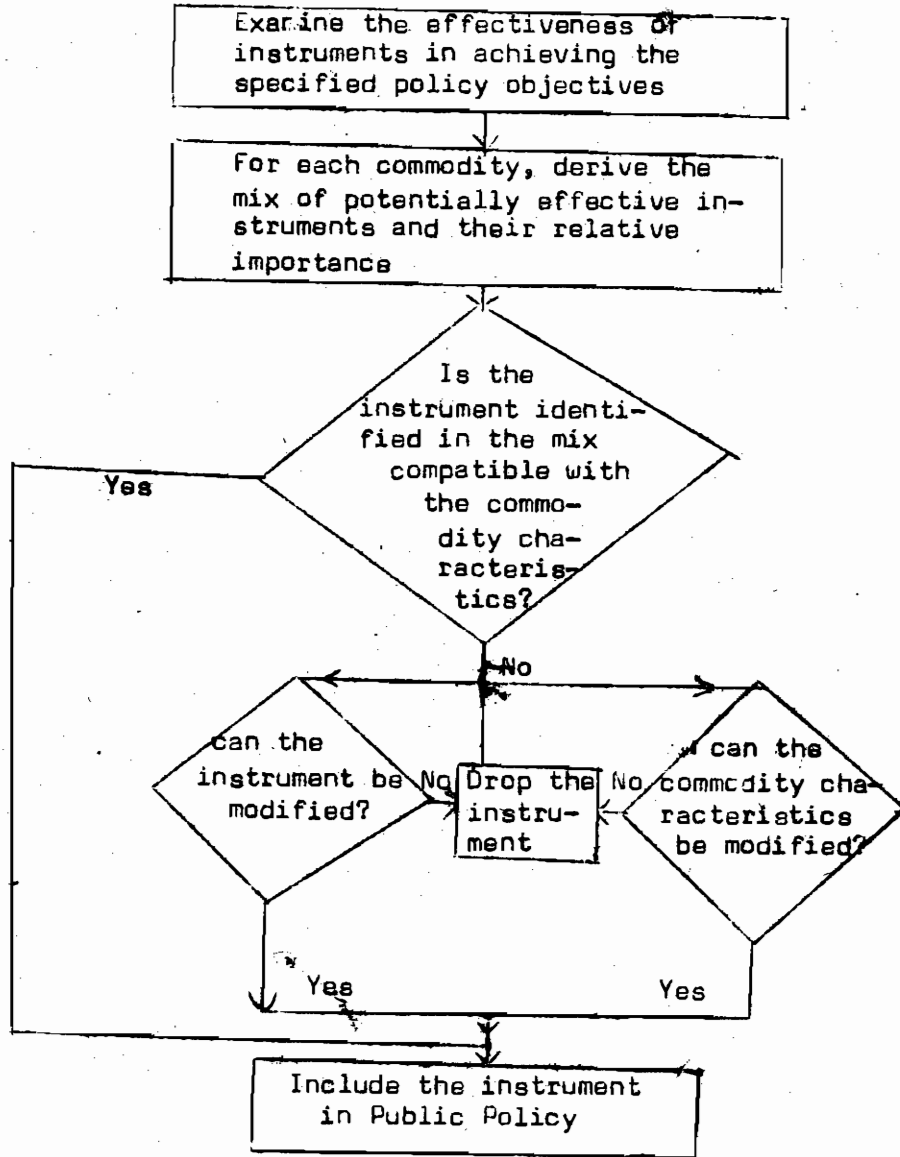


Figure 2

Flowchart of the Proposed Approach



(A)



1. The approach starts from the broadest concerns derived from the consumption needs of the society but it yields very specific policy instruments. In this way, it provides all linkage between political programmes and actionable administrative programmes.
2. It provides for the use of accumulated knowledge about the functioning of the production and distribution systems of various commodities.
3. It suggests a systematic way of incorporating policy makers' judgements in the decision process.
4. It provides for critical tests to check if a particular policy instrument meets the policy objectives.

Whether these advantages are actually perceived or not by policy makers has been discussed in the section on the testing of the approach.

The Detailed Approach : Generating Basic Information

This approach assumes that the relevant segments of disadvantaged consumers as well as their relevant consumption needs have been identified. This choice of segments and needs has to be made as a part of the overall public policy framework of the country. For the purposes of our approach we take this choice as given.

The first step of the suggested

The first step of the suggested analytical approach requires the identification of the important characteristics of the commodities which are the focus of the policy. (See Table 1). By analysing the characteristics of a commodity it is possible to gain some insights into the way that commodity is produced, stored, handled, promoted, distributed, bought and consumed. Such an analysis indicates the policy objectives which need to be set for the particular commodity. It also helps in assessing the suitability of various policy instruments for

Table 1
Analysis of the Key Characteristics of Selected Essential Commodities

Characteristics	Commodities	Grains	Edible oil	Sugar	Kerosene	Match box	Washing soaps	Textiles	Torch cells	Prepared Eatables	Baby food
<u>PHYSICAL</u>											
Perishability		M	M	L	L	L	L	L	M	H	M
Packaging		X	X	X	X	✓	X	X	✓	X	✓
Identifiability (branding)		L-M	L	L	L	H	M-H	L-M	H	L	H
Quality Variation		M	L	L	L	L	M-H	H	L	M-H	L
Vulnerability to Quality Debasing		M	M	L	L	M	M-H	L-M	L	H	L
<u>PRODUCTION</u>											
Product Mix Flexibility		L	L	L	L	L-M	M	H	L	H	H
Vulnerability to shortage		H	H	M-H	H	L	M	L-M	L	M	H
Seasonality		H	H	H	L	L	M	M	L	M	M-H
<u>CONSUMPTION</u>											
Postponability		L	L	L	L	L	M	M-H	M-H	L-M	L
% of Family Budget		H	M	L	M	L	L	H	L	L	L-M
Essentiality		H	H	H	H	H	L	M	L	L	H
Buying Frequency of Relevant Segments		H	H	H	H	H	M	L	L	M	M
Service Requirement at Point of Purchase		L	L	L	L	L	L	H	L	M	L

Legend:
H - High
M - Medium
L - Low
X - No
✓ - Yes

Notes: In terms of the commodities chosen and the ratings done, this and other tables are illustrative only.

the particular commodity. The analysis of the commodity characteristics may require considerable inputs of technical and managerial nature. For example factors like "quality variation" and "vulnerability to quality debasing" can be assessed only after proper scientific analysis of samples of that commodity. Economic, engineering and behavioural research may be necessary to establish "product mix flexibility", "seasonality", "postponability of consumption", "buying frequency", etc. The point is that with increasingly sophisticated data bases the accuracy of the first step can be improved. However, even when adequate data bases do not exist it is possible to use administrators' judgment to develop a reasonable profile of commodity characteristics. Table 1 shows one such profile for a variety of commodities.

The second step entails an assessment of how relevant various policy objectives are to different commodities. Table 2 illustrates the way such an assessment can be made for various commodities. It is evident that the analysis of commodity characteristics attempted in the first step is an important input in the second step. For example, if a commodity exhibits high quality variation, is perishable and is highly vulnerable to quality debasing, then the policy objective of "Quality maintenance" naturally assumes a high importance. Here again, historical data can help in determining the relevance of different policy objectives to different commodities.

The third step entails the identification of all possible policy instruments which can be considered for the particular commodity. Appendix I lists several such possible instruments. It should be noted that the exercise of generating policy instruments needs to be done only

Table 2

Determining Appropriate Policy Objectives for the Selected Commodities

Commodities → Policy objectives	Grains	Edible oil	Sugar	Kerosene	Match Box	Washing soap	Textiles	T. Cell	Eatables	Baby food
<u>PRICE</u>										
-Maintaining specified price	H	H	H	H	M	M	M	L	M	M
-Maintaining general price level	H	H	H	H	M	M	M	L	M	M
-Minimising regional price differences	M	M	M	H	H	M	M	H	L	H
-Price stability	H	H	H	H	M	M	M	M	M	M
<u>AVAILABILITY</u>										
-Widening reach	H	H	H	H	H	M	L	M	H	M
-Continued availability	H	H	H	H	H	M	M	L	H	H
-Availability in desired quantity	H	H	H	H	L	M	M	L	L	H
Quality maintenance	M	M	L	L	M	M	M	L	H	H
Improving service at point of purchase	M	L	L	L	L	L	H	L	M	L
Improving distribution efficiency	M	L	L	M	L	L	M	L	L	L

Legend: H- High
M- Medium
L- Low

infrequently. Also, possible instruments for broadly similar commodities would be the same, and hence the exercise need not be repeated for every single commodity. What is necessary in the third step is an alertness on the part of the policy maker to new ways of intervening. If the exercise implied in Appendix I is done only once and then frozen, this may prevent innovative interventions from being considered at a future date.

The foregoing three steps generate all the basic information which is necessary to activate the policy formulation process for any commodity. The policy formulation process entails the evaluation of various policy instruments in relation to the policy objectives and the selection of instruments most appropriate for different commodities.

The Detailed Approach : Choice of Instruments

Not all policy instruments (of the type listed in Appendix I) are equally effective in achieving all policy objectives. The fourth step requires the policy maker to make a judgement as to how effective a particular type of instrument is likely to be in meeting different policy objectives. It should be noted that this judgement has to be made in a generic sense - without reference to any particular commodity. Obviously, this calls for a certain degree of abstraction and approximation. If the policy maker feels that a particular instrument is not relevant for a certain objective, he should not make any judgement for that instrument-objective combination. Table 3 illustrates the fourth step and it is seen that some cells are left blank because no judgement is possible for those instrument-objective combinations.

Rating the Effectiveness of Selected Instruments in Achieving Policy Objectives

INSTRUMENTS → OBJECTIVES ↓	Fair price shops	Consumer Cooperative	Monitoring/Audit	Open market operation	Trade location incentive	State Mktg. Co.	Margin Control	Umbudsman (Lokpal)	Consumer Info.	Franchising dealers
<u>PRICE</u>										
-Maintaining specified price	H	M	H	-	-	H	H	-	H	H
-Maintaining general price level	L	M	L	H	-	M	M	L	M	M
-Minimising regional price differences	H	-	-	M	L	M	-	-	-	M
-Price Stability	M	M	L	M	-	M	H	L	M	M
<u>AVAILABILITY</u>										
-Widening Reach	M	L	-	-	M	H	-	-	-	H
-Continued availability	H	M	-	M	-	M	L	-	L	M
-Availability in desired quantity	H	L	-	-	-	L	-	-	L	L
-Quality maintenance	M	H	L	-	-	H	-	M	L	H
-Improving service at point of purchase	L	M	-	-	-	L	-	L	-	H
-Improving distribution efficiency	L	M	-	-	M	M	L	-	-	M

Legend: H - High Effectiveness
M - Medium Effectiveness
L - Low Effectiveness

In the second step of the approach, the importance of different policy objectives for a particular commodity is worked out. The fifth step looks at the importance of policy objectives, the range of possible policy instruments and then requires the policy maker to list down specific instruments against the various objectives. The instruments can be classified according to their likely degree of effectiveness in achieving a particular objective for the commodity under consideration. Table 4 shows one such exercise for edible oil.

The sixth and last step summarises the appropriateness of various policy instruments to different commodities (see Table 5). This summary is derived from the analysis done in the previous step. It gives the instruments, the frequency with which the instrument was mentioned for achieving one or another objective*, and a subjective rating of the appropriateness of that instrument for the particular commodity. This last subjective assessment would obviously require a reference back to the first step (See Table 1) where the commodity characteristics were analysed. Table 5 permits a comprehensive and visual comparison of different policy instruments rated according to their effectiveness and appropriateness. A "policy mix" could now be developed from these instruments.

Although somewhat laborious, this approach makes sure that a whole range of considerations bearing on the policy formulation process are taken into account. The method of ratings suggested in this approach does not require any more than a judgement on high, medium, and low levels of any particular variable. More complex rating systems and more involved mathematical models could have been used. However, we feel that since

* In counting the frequency, only those instruments mentioned are considered where :

- (i) the instrument is rated highly effective and the objective for which the rating is done is of high/medium importance.
- (ii) the objective is of high importance and an instrument is highly/mediumly effective in achieving it.

Such uses are identified by tick marks in Table 4. In effect, the M-M, M-L, H-L and L-L combinations are ignored.

Listing of Instruments which can be effective in Achieving Desired Policy Objectives

Name of Commodity: Edible Oil

Policy Objectives	Main-taining specified price	Main-taining general price level	Minimising regional price differences	Price Stability	Widening reach	Continued availability	Availability in desired qty.	Qty. maintenance	Improving service at P.O.P.	Improving distribution efficiency
Importance of objective to the commodity	H	H	M	H	H	H	H	M	L	L
High Effectiveness Instruments	FPS ✓ M&A ✓ SMC ✓ MC ✓ CI ✓ FR ✓	OMO ✓	FPS ✓	FPS ✓ MC ✓	SMC ✓ FR ✓	FPS ✓	FPS ✓	COOP ✓ SMC ✓ FR ✓	FR	
Medium Effectiveness Instruments	COOP ✓	COOP ✓ SMC ✓ MC ✓ CI ✓ FR ✓	OMO SMC FR	COOP ✓ OMO ✓ SMC ✓ CI ✓ FR ✓	FPS ✓ TI ✓	COOP ✓ OMO ✓ SMC ✓ FR ✓		FPS OME	COOP	COOP TLI SMC FR
Low Effectiveness Instruments		FPS M&A OMB	TLI	M&A OMB	COOP	MC CI	COOP SMC CI FR	M&A CI	FPS SMC OMB	FPS MC

Legend:

- CI - Consumer Information
- COOP - Consumer Cooperative
- FPS - Fair Price Shop
- FR - Franchised dealers
- M&A - Monitoring & Audit
- H - High
- M - Medium
- L - Low
- OMB - Ombudsman (Lokpal)
- OMO - Open Market Operation
- SMC - State Marketing Corpn.
- TLI - Trade Location Incentive
- MC - Margin Control

Table 5

Summary of Instrument Effectiveness and Appropriateness for a Few Commodities

Commodity	GRAINS			EDIBLE OIL			WASHING SOAP			TEXTILES		
	Instru- ments	No. of men- tions	Appro- priate- ness	Instru- ments	No. of Men- tions	Appro- priate- ness	Instru- ments	No. of Men- tions	Appro- priate- ness	Instru- ments	No. of Men- tions	Appro- priate- ness
Ratin- gs	FR	7	L ¹	FPS	6	H	FPS	5	L	FPS	5	H ³
	FPS	6	H	FR	6	M ²	SMC	3	H	FR	4	H
	SMC	6	L	SMC	6	M	FR	3	L	SMC	3	L
	COOP	5	H	COOP	5	H	MC	2	H	OMD	2	-
	OMD	3	H	OMD	3	H	COOP	1	L	MC	2	H
	MC	3	L	MC	3	M	OMD	1	-	COOP	2	L
	CI	3	M	CI	3	M	M&A	1	L	M&A	1	L
	M&A	1	M	M&A	1	M	CI	1	H	CI	1	M
	TLI	1	L	TLI	1	L						

Legend: CI - Consumer Information OMB - Ombudsman (Lokpal)
 COOP - Consumer Cooperative OMO - Open Market Operation
 FPS - Fair Price Shops SMC - State Marketing Corpn.
 FR - Franchised dealers TLI - Trade Location Incentive
 F&A - Monitoring & Audit H - High Appropriateness
 MC - Margin Control M - Medium Appropriateness
 L - Low Appropriateness

- Notes:
1. Change in commodity form i.e., Atra would make it M
 2. If std. sealed bulk packs with a dispenser can be sold through franchises
 3. But not under current form of FPS
 4. Super Markets would be much more appropriate.

the suggested approach is only a way of formalising and channelising administrators' judgement, it is not desirable to use more complicated methods of rating and data processing. In fact, the value of this approach would increase in proportion to the simplicity and the communicability of the various steps.

TESTING THE APPROACH

The Nature of the Test

The merit of the suggested approach can be gauged only by assessing the usefulness of such an approach to policy makers actually concerned with decisions pertaining to public policy towards essential goods. For this reason it was decided to try out the approach with senior officials of the Central Government and its agencies.

Four such officials were contacted to try out the approach and give detailed feedback on the process as well as the results of this test. The brief given to the officials contacted for the test appears as Appendix II.

One of the four officials did not go through the exercise in detail but preferred to talk about the problems of policy formulation in general. Another official after examining the approach said that it was too formal an approach for someone like him. It is interesting to note that this official was the head of an implementing agency rather than associated with a policy formulation body. Two officials went through the exercise in detail; one of them used it to analyse public policy towards wheat and pulses and the other official used it to analyse public policy towards edible oil and soap.

Feedback regarding the process

In general, the two officials who went through the exercise in detail did not find any difficulties in using the suggested approach and found the process useful and stimulating. Some of the specific comments regarding the process were:

1. The steps are logical and understandable.
2. The approach is useful and better than adhoc methods of decision making.
3. Formalization of terms used would add to the clarity of the approach.

Suggestions for improvement and application

The officials who used this approach gave several suggestions for improving the effectiveness of such an approach. Some of their suggestions were:

1. Empirical data about the commodities and about the effectiveness of various instruments used in the past should be collected and provided as background material before using this approach.
2. The approach should give more emphasis to interventions in the production system of the commodities.
3. A glossary of terms used in the approach should be provided so that these terms are uniformly understood and applied.

In addition to the suggestions for improvement of the approach, these respondents also made suggestions as to how the approach can be used in practice. Specifically they suggested that:

1. The approach may be particularly useful for those commodities where previous policy experiences were limited.
2. The approach can be used at various levels of policy making and implementation.
3. Such an approach could be a useful training device for inducting new officials into the policy making and implementing machinery.

4. The approach may provide a common ground for discussions among Government officials at the Centre and the State, managers of implementing agencies and people from trade and industry dealing with essential commodities.

Overall assessment

It was evident from the way the officials went through the process, and from the results that they came up with, that such an approach is a powerful heuristic which can channelise judgement into more meaningful categories. Since the approach was perceived as a supplement to judgemental decision making, its utility was found to be greater in those situations where the past history of judgemental decision making was not adequate. All the suggestions for improvement as well as types of application relate to the heuristic nature of this approach. For example, the improvements suggested are to the effect that some further inputs and guidelines to judgements be incorporated in this approach. Similarly, the applications suggested try to take advantage of the analytical framework inherent in the approach.

CONCLUSION

On the basis of the test of the approach, we would like to recommend the following directions in which work relating to policy formulation for essential commodities should progress:

1. Creation of appropriate data bases classified by commodities, markets and instruments.
2. Development of training programmes using the basic framework of the suggested approach.
3. The use of such an approach by concerned researchers and others to generate policy alternatives for essential goods and thereby contribute to the public debate whenever such goods become the focus of policy attention.

4. The use of such an approach by policy makers for commodities where previous policy experience is not adequate enough to serve as a guide for policy making.
5. The incorporation of the basic elements of this approach in the national economic planning framework so that distribution related aspects are also given adequate attention by the planners.

APPENDIX I:

An Illustrative listing of the range of existing and potential instruments at various levels.

Instruments Level of Intervention	structural instruments				
	State owned	State managed but not owned	State regulation	Consumer Cooperative	Other Cooperative
Consumer					
Retailer	Emporia		Fair price Shops	Primary Societies	Voluntary* retail chain
Wholesaler	FCI Petroleum Cos.		Designated sugar wholesaler	Wholesale Coops. SCCF	
Producer	NTC Petroleum Cos. Coal India MAFCO	State managed sick mills	Enforcing a product mix (controlled cloth)		Handloom Coops. Sugar Coops. Milk Coops.

*Potential instrument

contd.

Appendix I (contd)

Instruments		Non structural instruments			
Level of Interventions	Levy	Market Operation	Legal Action	"Arm* Twisting"	Discriminatory Pricing
Consumer			Grain		
Retailer		Grain * Selling	Grain Sugar	Restaurants	Sugar Grain
Wholesaler	Levy from* wholesaler	Grains* Buying & selling	Grain		Sugar
Producer	Grain Sugar Textiles	Grain	Grain Sugar	WIMCO	Nirodh

* Potential instrument

contd.

Appendix I (contd)

Instruments	Non-Structural Instruments					
Level of Intervention	Incentives	Monitoring	Subsidy	Credit	Education/ Training	Consumer Information
Consumer			Food Samples*	Rural consumption credit	Agmark, ISI Publicity	Price Information
Retailer	For location, for product line	Monitoring & audit by Govt.*		Stock financing for essential commodities	Retail Management Training*	Price and Stock Display Local Tax Display*
Wholesaler	For location, for product line*	Monitoring & Audit by Government	Transportation subsidy for remote areas*	Stock financing for essential commodities	Wholesale Mgmt. Training	
Producer	Grain Floor Price	Monitoring & Audit by Govt.	Khadi	Working capital/ long term loans	Agricultural Ext. services	Stamping of price, contents and Date

*Potential instruments:

contd.

Appendix I (contd)

Instruments	Innovative Instruments	
Level of Intervention	Umbudsman* (Lokapl)	Franchising
Consumer	Grievance Handling	
Retailer	Rule making Legal action	MAFCD outlets (Bombay)
Wholesaler	Rule making Legal action	
Producer	Negotiation Rule making Legal action	Bakery Franchises*

*Potential instrument.

APPENDIX II : BRIEF GIVEN TO OFFICIALS

We would like to interview you with the objective of testing an analytical approach that we have developed for formulation of distribution policy. The approach requires the policy maker to go through several structured steps. In the following paragraphs, some guidelines are provided to enable you to go through the steps in this approach. While going through these steps, please keep in mind that you will be looking at the policy formulation problem from the national level. In our personal interview, we would focus on the following two commodities:

1. Commodity No. 1
2. Commodity No. 2

Please think of these two commodities when going over the paragraphs which follow.

Steps in Analytical Approach:

1. Identify the critical product, consumption and production characteristics of the two commodities. Exhibit 1 provides a listing of characteristics which are important from the policy-maker's point of view. Please examine this list to see if it is satisfactory. Please make necessary additions, deletions, and modifications.
2. Analyse the two commodities in terms of these characteristics. Please specify whether in your opinion the commodity is "high", "medium", or "low" for each of these characteristics. If a particular characteristic is irrelevant or inapplicable to a commodity please specify this also.

3. Specify distribution policy objectives. We would like you to specify general objectives which distribution policy for any essential commodity should try to achieve. While examining these objectives, please do not bring in the considerations specific to any particular commodity. In Exhibit 2 we have provided one listing of policy objectives. Please make the additions, deletions and modifications which you think are necessary. Please keep in mind that an exhaustive and balanced list of all important distribution policy objectives should emerge.
4. Assess the relevance of each policy objectives for the two commodities. Indicate the degree of relevance by using the letters 'H' (High), 'M' (Medium), or 'L' (Low).
5. Think about the range of potential policy instruments which could be used to influence the distribution of essential commodities in general. Please think about structural as well as non-structural instruments (See exhibit 3). While listing the policy instruments, please try to keep out the considerations of specific commodities. Please try to think of as many different and innovative instruments as you can. As you will observe from Exhibit 3, we have tried to list some of the possible instruments. Please make necessary additions, deletions and modifications to these instruments.
6. Assess the effectiveness of each instrument in achieving the policy objectives which you have developed earlier in step No.3. Again, please try to assess the effectiveness of the instruments in achieving various policy objectives independently of the nature of the commodity. Please indicate the degree of effectiveness by using the letters 'H', 'M', or 'L' in Exhibit 4.

:28:

Please try to complete the above exercise as far as possible before we contact you. If you have difficulties in going over some of the steps, please move on to the next step. In our interview with you, we would go through these steps in detail and the difficulties and other issues can be sorted out at that stage.

This exercise is a test of the analytical approach for formulating distribution policy. Your assessments are being sought only for testing purposes. The inputs that you provide through the exercise will be very valuable in improving the analytical approach.

Thank you.

Exhibits 1 through 4 listed above have been omitted because the relevant information already appears in Tables 1 to 4 and Appendix I

NOTES

1. See, for example, Bardhan (1970), Dandekar and Rath (1971), Sukhatna (1965), Gupta (1977).
2. See papers by Kacker, Sen Gupta and Singh in the volume edited by Dholakia and Khurana (1978).
See also Chauhan and Srivastava (1974).
3. See Gulati and Krishnan (1975), Krishna (1967), Madalgi (1967), Vyas and Bendyopadhyay (1975), Gupta (1977).
4. See the paper by Bhandari and Vora and by Khurana et. al. in Dholakia and Khurana (1978). See also Bhandari (1977), Dholakia and Dholakia (1978).

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