Starving the Urban Poor
Citizen’s Expose Corruption within the Public Distribution System

YOUTH FOR SOCIAL DEVELOPMENT
BRAHMAPUR, ORISSA
The Public Distribution System: Its importance and implementation problems

The Public Distribution System (PDS) is a government initiative designed to provide impoverished populations with essential goods at below market prices, sold locally at government run Fair Price Shops (FPS). Many poor families and citizens rely on the inexpensive goods available through the government public distribution system (PDS) for survival. However, corruption is disfiguring this essential government service and as a result, depriving citizens of their rights to food security. Youth for Social Development (YSD) a local NGO in Berhampur, Orissa, conducted an Urban Corruption Survey to measure levels of corruption in public service delivery and found the Public Distribution System to be the third most corrupt among the six service agencies surveyed. PDS products are sold on the black market, fair price shop owners demand bribes, and consumers are provided with items below ration and quality standards. Unaccountability is rampant and compounded by the fact that PDS information is not available to the public, leaving citizens in the dark about what to expect from PDS and rendering them unable to monitor the system. In this context, YSD has launched a PDS citizen’s monitoring initiative to improve the accountability, transparency and service delivery associated with PDS.

Community-led solutions to corruption within the Public Distribution System

YSD has been working with communities in Brahmapur city to fight corruption, ensure access to corruption free services, and improve service delivery. YSD trained community volunteers to facilitate citizen monitoring/social auditing of the public distribution system in Brahmapur City, with the goal of exposing corruption in the system and involving all stakeholders in efforts to improve PDS implementation. The process of citizen monitoring included field work in the form of interviews with a wide variety of stakeholders, including beneficiaries, shop owners and service providers (i.e. supply inspector, ADCSO, UCSCO) vigilance monitoring committee members, and finally the verification of PDS shops, as citizen monitors were trained to investigate PDS services at the shop level. As well, a questionnaire was administered to various stakeholders to uncover perceived weaknesses in the implementation of PDS. Finally, a public hearing was organized as an interface between beneficiaries and service providers. The findings uncovered through these activities were disseminated at various levels and policy suggestions were made.
Citizen Monitors and Social Audits: YSD's scope and methodology

Brahmapur city is the second largest in Orissa, with a population of nearly half a million. A large proportion of the population, 38.48% dwells in one of the many 100 slum pockets in the city. Brahmapur is home to over 12,000 below poverty line (BPL) and 40,000 above poverty line (APL) cardholders who depend on PDS for their food security. YSD trained community volunteers to facilitate citizen monitoring/social auditing of PDS in eight slum regions in Brahmapur city.

32 citizen monitors were selected from community groups in 10 slum regions and underwent a two-day extensive training workshop on relevant PDS information, such as provisions of fair price shops (FPS), accountability mechanisms, as well as information and monitoring in PDS shops. The monitors then interviewed 203 beneficiaries, 95.1% of which were slum dwellers, in 10 selected slum regions. YSD's citizen monitoring and audit methodology included the use of questionnaires, semi-structured and in-depth interviews, workshops and public hearings to gather specific information about PDS service delivery from a variety of stakeholders including citizens, service providers and government officials. A statistical package was used to conduct an analysis of the collected data, which was then disseminated to all stakeholders in the form of a report presented in public hearings and workshops.

Proof of poor service delivery:

What Community Monitoring of the Public Distribution System Uncovered

No oversight of PDS: Retail Level Committee

Retail Level Committees (RLC) were established to oversee the functioning of the Fair Price Shops. However it was found that not only do most RLC members lack the required knowledge to monitor the shops, but they are also ignorant of their roles and responsibilities. Many stated that they were never officially informed about the details of their job in the first place. It
was also found that many RLC members are relatives or friends of FPS owners, which poses a conflict of interest regarding shop regulation. Also, there is no regular monthly meeting of the RLC members so participation in shop regulation is non-existent. Departmental response to citizen's complaints regarding PDS service delivery was also found to be very low.

**Problems in Fair Price Shops: A citizen’s perspective**

Fair Price Shops (FPS) exists as distribution centers for rationed items available through the PDS. It is essential that these shops be well regulated to assure that the public receives the rations to which they are entitled. Community monitoring uncovered the following problems within the Fair Price Shops:

- **Inaccurate measurements of rations**: PDS legislation requires that Fair Price Shops electronically weigh supply rations before distribution to citizens. Not only do the majority of shops lack electronic scales, but it was found that on average there is a 10-15% discrepancy in the ration weight officially recorded versus what is actually distributed to beneficiaries. Even though recordkeeping and receipts indicate that citizens are paying for and receiving rations of a certain weight, they are actually receiving rations which are smaller than what they are entitled to.

- **No information available**: Fair Price Shops are required to post information relating to the rations available, how beneficiaries register complaints, the shop owner’s license number, etc. Most shops leave citizens in the dark about what to expect from PDS services by not posting any information on norms of service delivery. Shops are also required to display samples of rations, most however, do not.

- **Irregular shop hours**: It was found that many Fair Price Shops keep irregular hours that conflict with the opening and closing hours that is posted at the shop. This makes it difficult to assure that working citizens have access to the shop services.

- **Citizens denied to pay in installments**: It was reported that many shop owners denied requests to purchase rations in installments, limiting the beneficiaries’ ability to purchase essential goods.

- **Poor quality of rations**: It was found that the quality of rations were also often below standard.
Poor PDS implementation: The shop owner’s perspective

The monitoring committee also solicited the views of shop owners on what they believed to be weaknesses contributing to the improper implementation of PDS. This is what they found:

- Not enough financial resources: Almost all shop owners reported that they couldn't afford the expenses of running their shop (rent, transportation, electricity, record maintenance, assistant's salary, stationary, etc.)
- Corruption among officials: Owners complained of lack of transparency and accountability among state and sub-divisional officials and wholesalers, which contributes to the dysfunction within PDS
- Ignorance on official PDS guidelines: No shop owners were aware of the Supreme Court guidelines on food security or the state guidelines on PDS
- All owners viewed PDS dealership as a profitable business and not an essential public service

The official’s perspective

Through interviews and questionnaires government officials who were required to implement and oversee PDS revealed their perspectives on why the system wasn’t functioning properly:

- Officials complained that there simply wasn’t enough staff allocated to properly implement and oversee PDS
- Officials also suggested that the limited knowledge of PDS standards and regulations among both citizens and shop owners contributed to the problems in proper PDS implementation
- Inadequate knowledge and improper behavior of supply inspector was also to blame for problems in PDS

What to do:

Suggestions for improving service delivery within the Public Distribution System

Community Suggestions

- Fair Price Shops must be regularly and strictly monitored by the civil supply department and made used an electronic scale to weigh rations as well as keep regular opening and closing hours
- Knowledge of PDS standards and regulations must be increased among stakeholders and there must be increased interaction and understanding between all levels of stakeholders
- Facilities must be put in place for regular PDS social audits and public hearings
- A regular supply of sugar and wheat should be provided to BPL families.
Policy Suggestions

- **PDS public awareness campaign** should be launched by the municipal government and Supply Department to increase knowledge among Fair Price Shop owners and citizens regarding PDS norms, expectations, and complaint procedures.
- **Increased government transparency** regarding implementation of PDS. Mandatory PDS government guidelines as well as PDS monitoring and evaluation mechanisms should be made publicly available via the official municipal government website.
- **Regular monitoring and evaluation** of PDS. A helpdesk should be established in the municipal government locale to receive and respond to civil complaints regarding PDS. Shop inspectors should be increased to ensure that Fair Price Shops adhere to service delivery norms (quality, quantity, time, and price) and keep proper information and records. As well, Retail Level Committees should be monitored to assure that they are adhering to their prescribed PDS monitoring rules and regulations.
- **Government budget allocations** should be made to assure that shop owners must receive the remuneration necessary to properly maintain their FPS and bear all necessary expenditures.
- **Capacity building of public officials** should include mandatory PDS training and information workshops held among those in charge of implementing PDS. This should include knowledge on the Supreme Court guidelines on food security and also the state guidelines on PDS as well as updates on orders passed on PDS

YSD's Advocacy to Improve PDS Service Delivery

YSD is engaged in advocacy at multiple levels to improve PDS service delivery and reduce corruption. YSD has hosted workshops and public hearings with public officials and shopkeepers to disseminate the findings of the citizen monitoring of PDS and discuss both policy and practical solutions to PDS corruption and poor service delivery.

Some examples of YSD's participation in PDS advocacy:

YSD's president accompanied Brahmapur PDS Dealer's Association Vice-President to a PDS workshop in Bangalore entitled, "Workshop on PDS and Entitlements, Scope for Citizen Engagement." He also visited one model PDS shop (transparency shop) promoted by Paraspara Trust in Bangalore.

YSD organized a 'Public Hearing' on "Transparency and Accountability in Public Distribution System in Berhampur" on 27th November 2010. Two senior officials from District Civil Supply Office, Vice-president of Berhampur Dealers Association and more than 60 BPL beneficiaries were presented and demanded corruption free services.

YSD led a consultation with the Shop Owners Association on Improving Transparency and Accountability in the Public Distribution System (PDS) which took place on 16th February 2011. More than 50 shop owners shared the views in the meeting. All accepted the findings of the Citizen Monitoring of the Public Distribution System. Resolutions were made to prepare a memorandum to submit to the government to provide benefits to the shop owners with the aim of improving PDS service delivery.
Advocacy Initiatives

Community Empowerment on PDS

Community Monitor’s Training on PDS

Public Hearing on PDS

Shop Owner’s Vice-president Participated State Level Advocacy Meeting in Bangalore

Consultation with PDS Shop Owners

Shop Owners Participation on PDS Consultation
About Youth for Social Development

Youth for Social Development (YSD) is a not-for-profit independent social research and development organization established in 2005 devoted to improve the lives of the tribal, rural and urban poor in Orissa. YSD undertakes research, public education, capacity building, documentation, dissemination, people centered advocacy and participatory development action. Sustainable livelihood promotion, influencing public policy & finance, improving democratic governance for the betterment of the people and the state, are the thrust areas of the organization.

Youth for Social Development is promoting governance which is participatory, is based on the rule of law and protects human rights, is consensus oriented, transparent, accountable, effective and efficient, responsive, equitable and inclusive. This assures that corruption is minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

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