

**Civil Society Engagement and India's Public Distribution System:
Lessons from the Rationing Kruti Samiti in Mumbai**

by

**Rob Jenkins
Birkbeck College, University of London
and
Anne Marie Goetz
Institute of Development Studies
University of Sussex**

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Civil Society Engagement and India's Public Distribution System: Lessons from the Rationing Kruti Samiti in Mumbai¹

Rob Jenkins
Birkbeck College – University of London
(r.jenkins@bbk.ac.uk)

Anne Marie Goetz
Institute of Development Studies – University of Sussex
(a.m.goetz@ids.ac.uk)

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1. Introduction

This paper examines the potential for civil society organisations representing poorer client groups to contribute to improved performance in India's Public Distribution System (PDS), which supplies subsidized foodgrains and other essential commodities through a network of 'ration shops'. The paper focuses on the work of an organisation called the Rationing Kruti Samiti (RKS), a federation of mainly slum-based NGOs in Mumbai that has sought to make the PDS work better for the poor. The work of the RKS network has involved interaction with both providers and policymakers – sometimes in partnership, but mainly in confrontation.

Both Mumbai and the RKS are in many respects exceptional rather than typical cases. Nevertheless RKS's experience over the past ten years highlights a number of lessons about the potential and constraints facing civil society organisations that seek to improve service delivery to poorer citizens.

The paper is organised as follows: Section 2 describes the PDS, some of the problems that have plagued its operation, and a number of efforts to improve it. Section 3 introduces the RKS and the key elements of its approach to both policy advocacy and grassroots activism. Section 4 sets forth some of the lessons to have emerged from

the RKS's experience, in the process elaborating further on specific examples of its work.

2. The PDS: Operation, Problems, Reforms

2.1. What the PDS is and how it works

- India's Public Distribution System is built around a network of roughly 462,000 'Fair Price Shops', often referred to as 'ration shops', making it one of the biggest such systems in the world, if not *the* biggest. India's Planning Commission estimates that 160 million families purchase commodities at ration shops every year.² This includes mainly foodgrains, but also such items as sugar and kerosene (used as cooking fuel). The 'food subsidy', as calculated in the Government of India's budget estimates for fiscal year 2002-03, accounts for more than five percent of total central government expenditure – up from roughly 2.5 percent before India embarked on its programme of market-oriented economic reforms in the early 1990s.³ This does not include the amounts added by state governments, which often 'top up' central subsidies.
- The PDS is not only enormous in terms of its expenditure and its reach, but also in terms of the range of agencies involved in its operation. These include agencies of both the central and state governments, as well as private-sector traders (who run the ration shops), and even representatives of civil society, who can be appointed – along with elected officials – to the official 'vigilance committees' constituted under PDS regulations.
- At the central level of India's federal system, the Commission on Agricultural Costs and Prices recommends minimum support prices (or 'procurement prices') of key commodities. These are then subject to adoption or modification (usually upwards) by a cabinet subcommittee and the full cabinet. Commodities are procured primarily through the Food Corporation of India, which operates a vast network of warehouses and distribution centres, but also operates through private agents. The central government allocates state governments procurement and distribution quotas through a notoriously controversial (and opaque) set of constantly changing formulae.
- State-level ministries of food and civil supplies regulate networks of ration shops within their jurisdictions, and are thus responsible for allocating licenses to the private traders who operate the shops. State governments also issue 'ration cards' to their residents (at one time on a nominally universal basis, but more recently on a 'targeted' basis), and determine the quantities to which consumers are entitled. These vary from one commodity to the next. The prices are also partly determined by state governments, but as with questions relating to shop-licensing and regulation, commodity entitlements, oversight and vigilance arrangements, and other matters pertaining to the operation of the system, state governments are bound (or on some issues merely informally constrained) by guidelines issued by central government agencies.

2.2. Problems with the PDS

- The PDS, despite its many successes, has over the years manifested a broad array of problems. The PDS suffers from chronic management shortcomings concerning: the extent and timing of procurement, poor forecasting capacity, antiquated logistical systems to support storage and delivery functions, inappropriate product mix, cost inefficiencies, poor quality food grain, harassment of consumers at the point of client interface, and exclusion of large numbers of the poor from the system entirely, either through incapacity to process their claims or outright disqualification despite clear evidence of need.
- Many (though not all) of these problems stem from systemic corruption, which infects virtually every component of the bureaucratic machinery responsible for operating the PDS. India's Central Vigilance Commissioner supports his assertion that in India '[c]orruption is anti poor' by stating that '31% of the food grains and 36% of the sugar meant for the [PDS], which is designed to provide food security to the people below the poverty line, gets diverted to the black market'.⁴
- That a dual-price system should produce leakages is axiomatic to economists. And, indeed, the illegal diversion of PDS commodities to the open market, through a highly institutionalised network of agents and other middlemen, is a routine practice, and severely undermines the capacity of the system to serve the needs of the poor. Widespread theft of supplies by the workers and managers who operate the vast network of PDS warehouses and fair-price shops means that consumers who rely on subsidized rations are faced with chronic shortages. Those products that *are* available are often adulterated to mask leakages from stocks. In many areas, to obtain five kilograms of grain, consumers must sign a shop register recording that they had received ten kilograms. This is another means of fixing the otherwise out-of-balance books produced by the shop-keepers' continued creaming. A huge range of actors receive a share in the institutionalised looting of the PDS: from warehouse night watchmen to drivers to politicians to audit officials and so forth.
- Corruption also plagues the process of issuing 'ration cards', which households require in order to purchase stipulated quantities of various commodities at government-determined prices. The level of bribe payable in order to obtain a ration card should, in theory, be moderated by the very leakiness of the system. Poor people, in other words, will refuse to pay large sums of cash for a card that buys them very few *de facto* benefits. But there is more to it than this. People are willing to pay the going rate of \$100 for a ration card because it can purchase, in addition to diluted kerosene and grains that in some instances have been declared unfit for human consumption, basic citizenship rights. Possession of a ration card is widely required as a precondition for verifying identity and domicile, without which access to many public and private services would be impossible. It is a *de facto* identity card, and obtaining one is a major preoccupation of many poor families.
- Local – mainly political – factors can sometimes exacerbate this situation for certain groups. During the late 1990s, for instance, the preoccupation with obtaining a ration card increased dramatically for Muslim slumdweller in Mumbai, and so (naturally) did the price they were willing to pay for one, even as the level of benefits provided was being (officially) curtailed. This

was because the coalition government that ruled the state from 1995-1999 – which included the rabidly Hindu chauvinist Shiv Sena party – had begun a drive to rid Mumbai of what it considered ‘illegal’ migrants from Bangladesh. Muslim residents were required to prove their nationality (not just their municipal residency), and the ration card was the standard means for doing so, though even this was often considered insufficient evidence. The ration card became, for Muslims, a means for not just food security, but for physical security as well. The resulting increase in demand for ration cards meant that the ‘commission’ payable to obtain one went up – for Hindus as well as Muslims.

- One additional problem in making the PDS responsive to the needs and concerns of poor people is that state-level ruling parties differ significantly in their political perceptions of food security. Some state-level parties (for instance the ruling Telugu Desam Party in Andhra Pradesh) see the efficient distribution of food as critical to their main objective: maintaining political support and gaining (or retaining) state power. Mooij has examined the discrepancy between, on the one hand, the willingness of state governments in Karnataka to use the PDS as a political tool, and on the other, the aversion shown to such a strategy by their counterparts in Bihar.⁵ As Mooij puts it, ‘the PDS in Karnataka works reasonably well. Most poor people receive some subsidized foodgrains every month. Karnataka politicians see the scheme as important and use it to enhance their popularity and attract votes.’ Politicians in Bihar behave differently: they ‘take an interest in the PDS, but because of the different features of the overall political processes in these two States, this leads to a different type of influence as well as outcomes for the beneficiaries’.
- Systemic problems in the operation of the PDS have worsened significantly in the last few years (or at the very least are widely *perceived* to have worsened). The image of government warehouses overflowing with grain, while people in some parts of India suffer from malnutrition and starvation deaths, has become part of the political landscape. This has led to the continued politicisation of food security – manifested most visibly, perhaps, by the public interest litigation filed in the Supreme Court by the People’s Union for Civil Liberties, supported by a large range of non-party political formations.⁶
- The PDS’s increasing failure in recent years (or at least the perception thereof) has much to do with the political constraints facing the ruling coalition government in New Delhi. Because the government relies for its parliamentary majority on the support of regional parties from key grain producing states – in particular, Haryana, Punjab, Andhra Pradesh and Tamil Nadu – the government has increased the price paid to farmers by the Food Corporation of India. When these ‘procurement prices’, or Minimum Support Prices (MSPs), go up, the government is faced with a choice. One option is to absorb the extra cost as a subsidy burden on the government. The government has sometimes done this, though fiscal constraints – and competing claims on resources – have limited its appeal. The second option, to which the government has increasingly resorted, is to pass on the cost increases generated by higher procurement prices to the people who buy government-procured grain through the PDS outlets – that is, to shift the fiscal burden onto

the poor. As the government-determined prices at which commodities are sold in the ration shops has increased, the level of purchases (or 'offtake') has gone down – hence the overflowing warehouses.

2.3. Efforts to reform the PDS

- The PDS's many shortcomings have been acknowledged by representatives of governmental non-governmental, and international agencies, though the emphasis has varied considerably, as have the recommendations for reform. Efforts to improve the system – on both a general basis and through piecemeal experimentation – have been undertaken almost since the system came into being. The reform agenda has broadened and become more intense during the last ten years. Reform efforts fall into three main categories: (1) restructuring of oversight mechanisms, (2) targeting of benefits, and (3) experimentation with voucher systems.

2.3.1. Restructuring oversight

- From time to time, officials in the central governments will issue new guidelines to encourage improvements in the way in which the PDS is overseen. During the 1970s and 1980s, these centred mainly on the creation of new oversight bodies, and a restructuring of reporting relationships among officials. On the whole, they achieved very little, except in some cases to widen the range of officials able to gain a share in the illicit spoils. By the late 1990s, however, an increasingly high profile was given to various efforts at increasing public oversight of key actors in the system (including the private-sector shop-owners and the public-sector ration officers who in theory monitor their work). One initiative launched by the Food Ministry in New Delhi, for instance, sought to make the PDS more accountable to local representative institutions.⁷ There is little evidence that it produced tangible results. Another similarly ineffective edict from Delhi came in late 2001. The central government forced state governments to finalise lists of BPL families, issue ration cards, and 'monitor the Public Distribution System effectively'. The directive, issued under the Essential Commodities Act, called for 'fixing responsibility' and 'invoking punitive measures against shirkers', instructions that were greeted with some amusement by lower-level officials.⁸
- The central government has also made several attempts to tighten the rules governing the official vigilance committees that are supposed to exercise oversight over the functioning of the PDS at the local level. Comprising civil society representatives and local elected officials, these committees exist mainly on paper, or when in operation contribute further to corruption. What one planning commission study concluded about their operation in Bihar is equally true for Maharashtra: 'membership of vigilance committees are seen as positions where money can be made' and '[t]he procedure to appoint them is highly politicised, and mostly clients of MLAs [Members of the state Legislative Assembly] are appointed'.⁹

2.3.2. Targeting

- During the 1990s, Indian policy circles began seriously to discuss the idea of targeting – that is, making subsidies go further by ensuring that they reached only poorer citizens. The idea of targeting was pushed particularly by the World Bank and other international donor agencies, but had many supporters within India’s policy establishment as well.¹⁰ The process of moving from a universal system to one targeted at specific groups unfolded in a phased manner. In the early 1990s, the Congress government announced the ‘Revamped PDS’, or RPDS, which was to be rolled out in certain districts. This was ultimately replaced, under the centre-left United Front government by the Targeted PDS, or TPDS, which introduced the idea of differential entitlements for different categories of citizens – based on formulae that identified Below Poverty Line (BPL) households.
- As with any targeted system, the BPL basis for PDS eligibility has been plagued by errors of both exclusion and inclusion – that is, the exclusion of certain families that should have qualified, and the inclusion of families that should not have been. The extent of these errors is a subject of much debate.¹¹ In Mumbai there have been controversies surrounding the definition of the poverty line, the procedures used to screen families to determine whether they conform to the stipulated criteria, the creation of a multiple-tier system with differing benefit levels, and the suitability of the benefit levels themselves.

2.3.3. Voucher Experiments

- The idea of using food vouchers or food stamps is nothing new, either in India or internationally. A recent paper argued that food vouchers (perhaps combined with cash transfers) could provide a ‘more effective basis for social protection’ than the current system.¹² Food stamp systems are usually designed to allow their targeted beneficiaries to select which private-sector outlets to purchase from. This does away with the hugely inefficient government procurement, storage and distribution operations. Moreover, the resulting competition among shops to attract these stamp-bearing consumers would eliminate irregularities: customers with food stamps would frequent shops that did not impose illicit fees or shortchange customers on either quantity or quality.
- Because politicians are fearful of the political backlash that might ensue were they to propose the wholesale abolition of the current PDS – even if replaced with a voucher system – there has been increasing discussion of the potential of hybrid systems. These sometimes envisage retention of the existing infrastructure of ration shops for far-flung rural areas, where private-sector competition might be inadequate and monitoring a voucher system would be difficult. Another hybrid is found in the food-stamp system being pilot-tested by the Government of Andhra Pradesh. This provides eligible families with serial-numbered food stamps, which also indicate the number of the shop where they are to be tendered. These can be exchanged only in existing ration shops. While providing less client choice than would be the case under a classic voucher system that used non-PDS shops, the system allegedly makes cheating on the part of shop

owners more difficult, though there are questions as to whether this is indeed the case.

2.4. Conclusion

- Regardless of its problems, the Public Distribution System (PDS) is widely considered an essential element of a multi-pronged strategy to both alleviate and reduce poverty. Indeed, the PDS is a critical resource for the food security of the poor, especially the urban poor, and particularly women, who manage household food supplies. The continued value of such a mechanism has long been questioned by those who consider market reforms better able to increase food availability to poor people. The *political* reality, however, is that while neglect of the PDS may well continue, it is very unlikely to be disbanded entirely. The question thus becomes how to make it serve its objective – of increasing food availability to the poor – better than it has. Greater involvement by civil society organisations in monitoring the PDS’s activities is a potential solution that has received increasing attention in recent years. We now turn to the one organisation in India that has engaged in the most sustained effort to realise this potential – the Rationing Kruti Samiti, or Action Committee on Rationing.

3. The RKS: Origins, Structure and Main Activities

3.1. Origins and Structure

- Rationing Kruti Samiti (RKS: Action Committee on Rationing) is a federation of around 50 core community-based NGOs (and roughly 40 other types of civil society groups that are more loosely affiliated). Based in the city of Mumbai, the RKS was formed in 1992-93 in order to improve access by poor people (primarily slum dwellers) to food and other essential commodities. The involvement of civic groups in basic commodity delivery was initiated in response to a perceived lack of government capacity to cope with the severe disruptions in food-availability triggered by the intense Hindu-Muslim rioting that shook the city in late 1992 and early 1993. The groups involved in this emergency work recognised their ‘negotiating strength as a collective’ and agreed to take a more durable organisational form under the name of RKS.¹³ Relations between the RKS and the state and local authorities have ranged from ‘continued co-operation, through disinterest and opposition to downright rejection [by the government] of the credibility of the RKS as a networking group’.¹⁴
- The RKS, by virtue of its base among groups working with slum dwellers, is able to amplify the voices of the poor and the socially excluded, including particularly vulnerable groups such as tribals, homeless people, eunuchs, street children, new migrants (particularly Muslims), nomadic populations, commercial sex workers and others in need of food security. The defining feature of the RKS approach is the focus on those excluded from ‘pro-poor’ programs by virtue of their extreme social marginality, domicile insecurity (dwelling in illegal settlements), insecure citizenship rights (recent Muslim immigrants), and lack of awareness about their rights.

3.2. Activities

- RKS's work involves a wide range of activities in pursuit of both its broad objectives and the specific issues outlined above. For the purposes of this paper, RKS's work can be divided into three main areas, though in practice they overlap considerably: (1) lobbying, advocacy and (for a time) partnership with official agencies; (2) engaging in neighbourhood-level confrontations with 'street-level bureaucrats', including shop owners and the lower ranks of the rationing inspectorate; and (3) participation in auditing functions, first in partnership with government, and (later) on its own initiative.

3.2.1. Lobbying/Advocacy

- The RKS strategy has, from the beginning, centred on using its negotiating strength as a collective to establish a constructive relationship with public-sector officials. Their success on this front peaked during the period from 1992 to 1994, during which an unusually reform-minded bureaucrat held the post of Regional Controller of Rationing. The Controller set up regular monthly meetings between the RKS and city officials involved in the PDS. The RKS used these meetings as a means of informing officials about specific cases of malpractice that had been uncovered by its constituent community-based organisations. The regular meetings, which systematically reviewed progress on various aspects of reform, were also used to push – successfully, as it turned out – for simplification of procedures at the shop level, the introduction of new products in the system, and the implementation of measures that sought to enhance the quality of products available to PDS consumers.
- The main product-quality measure indicated in a graphic way the key role assigned to transparency. Every shop was required to display, alongside each of the bins containing the bulk commodities for sale, a 'sample' of each commodity, to be contained in a sealed, tamper-proof transparent pouch. This sample would indicate the quality of the commodity at the time when it was delivered to the shop from the rationing system. Physical evidence was important because it enabled consumers to identify discrepancies between the quality of the original consignment from the government warehouses and the commodity that actually made it to the PDS sale counter. The purpose was to counter the practice of adulteration – through which, for instance, kerosene is diluted, or rice mixed with sand, to disguise theft by the shop owners of some portion of the original consignment. Official auditors could be alerted to these cases, and could then, in theory, perform a more detailed probe of the shop's operations.
- The Controller of Rationing was also able to use the RKS's strong presence at the neighbourhood level to support reforms he wanted to promote among the staff of this run-down and under-resourced government service. Thus he combined efforts to improve transparency, efficiency, and probity in the delivery and sale of subsidised commodities with efforts to improve working conditions, to introduce more effective monitoring systems, and to build a commitment to service delivery amongst the notoriously corrupt PDS staff.

- Whatever reformist momentum had been built up ground to a halt when this Controller received a punishment transfer for his pains. He had unacceptably challenged the functioning of vast chains of patronage within the PDS and between it and politicians. After the reformist Controller's departure in 1994, there was a souring of the relationship between the RKS and the state and municipal authorities that set policy and operate the PDS.
- As a result, and in response to the arrival of the Shiv Sena-led state government in 1995, the RKS was forced into a rearguard action that required it to lobby heavily against changes being introduced to the PDS in Mumbai, and indeed throughout the state. The Shiv Sena-led government took advantage of the national shift to targeting in the PDS to cut resources for food subsidies in Maharashtra, to steer business concessions (for its short-lived roadside meal stall scheme) to its supporters, and at the same time use the process of issuing new ration cards to systematically exclude Muslim slum-dwellers from access to the PDS. The Shiv Sena considered Muslim slum-dwellers illegal 'immigrants' (purportedly mainly from Bangladesh) who had been granted ration cards under the old universal-entitlement system in exchange for promising to vote for the recently-ousted Congress Party. A local political conjuncture meant that neoliberalism and neofascism found common ground in the idea of targeting. The RKS found itself launching one advocacy campaign after the next in order to halt what it saw as the purposeful dismantling of the PDS.

3.2.2. Demonstration/Confrontation

- Without state support for its work, the RKS has had to return not only to lobbying, but to more conflictual (if rather *ad hoc*) tactics, such as citywide protest action and sustained community pressure on individual shopkeepers to get local shopkeepers to leak smaller amounts to the open market. By 2000 the RKS had begun to link up more seriously with groups in other parts of the state. This extension of its sphere, as well as its increased autonomy (following its decision to forego foreign funds since mid-2000), has produced some successes. Its more satirical protest actions (sending children onto the streets to 'beg' for money to give to the Chief Minister in response to his claims that he lacked the funds to subsidise the PDS) have, ironically, caused state and city officials to take the RKS more seriously as a force in the larger battle for public opinion.
- Members of the Navjit Community Centre formed a group specifically devoted to pursuing investigations into the allegedly corruption workings of a ration shop serving residents of several slum colonies in the city's Bandra district. The group pulled together ration-card holders who had been sold kerosene by the shopowner at rates well above the stipulated government rate, having been told that the shop had not received its consignment of kerosene from the state's civil supplies department. What had grown into a sizable group then confronted the shopowner, and ultimately pushed their way into the shop's storeroom and discovered the government kerosene containers, which had obviously been emptied into

generic containers to conceal their provenance.¹⁵ The sustained pressure – built up over more than two weeks through sit-ins outside the ration shop and marches to the ration office (the ranking officer of which absconded) – helped to get the rationing officer of a nearby locality involved. In a street-corner showdown, the shop-owner was given the choice of paying a hefty fine or providing consumers the kerosene to which they were entitled, at the correct price. The ration card owners received their due on this occasion, but the local organisers of this campaign admit that in nearby localities, such as Rajiv Nagar, little has been accomplished.

- Public pressure exerted by RKS, through media coverage of its demonstrations and confrontations with shop owners and officials, can be said to have resulted in at least some instances in government action. These publicity-driven crack-downs took place periodically during the late 1990s, including the closing (in mid 1998) of ration shops quoting prices above the government-stipulated price. Most observers felt that this was a ‘weak attempt to curb this long-standing malpractice without really stemming the rot’, but RKS activists see them as important symbols of at least the possibility of impact.¹⁶

3.2.3. Citizen Auditing/Vigilance

- At the city ward level the PDS is supposed to be monitored and ‘performance audited’ by official Vigilance Committees, chaired by the elected representative of the municipal ward in question, and composed of ‘concerned citizens’. The local politicians who chair these official Vigilance Committees also own or control many ration shops and have no incentive curb practices that make these operations more profitable. In this context it is hardly realistic to expect that the civil society members of these committees might be able to improve vigilance at the shop-level. Shopkeepers often sit on these committees too, and do their best to undermine any monitoring initiatives.
- In reaction to this failing oversight system, the RKS formed informal vigilance committees at the shop level in 1992-4, and again in 1999 (five years after its short-lived partnership with government began to unravel). This new monitoring system imposed considerable demands on the network of already-overburdened social activists heavily involved in managing clinics and childcare centres and helping slum-dwellers to avoid eviction. These informal vigilance committees are composed of five women for each ration shop. These women are all PDS clients, and their concern is to track the amount and quality of subsidised commodities that arrive in their shops, and to monitor their sale. Monitoring, in addition to inspection of delivery and sales registers (see below) involves physical surveillance, sometimes on a 24-hour, seven day a week basis, as shopkeepers often try to evade detection of discrepancies between amounts of commodities delivered and put up for sale by arranging deliveries in the middle of the night. This gives them time to adulterate goods for the ration shops and to spirit away a proportion destined for the open market.

- RKS has sought to develop systems through which ordinary citizens, and associations working on their behalf, are able to audit the performance of fair price shops. This is based on a model developed by an IAS officer who served as Commissioner for the Bilaspur Division of Madhya Pradesh state¹⁷. The central idea is that ordinary citizens, backed by a strong organisation, must be provided access to the same documentary evidence to which government auditors refer. This consists primarily of two complementary set of books: the delivery register (which records how much of each commodity was delivered to the shop, and when) and the sale register (which records how much of each commodity was sold to individual ration-card holders, and when). The two books should be in balance, and can be made to appear so by providing untruthful entries, mainly in the sale register, but occasionally in the delivery register as well.

- The system that RKS and the erstwhile Commission of Rationing sought to implement involved allowing the RKS's informal vigilance committees access to the sale register, allowing them to review individual transaction entries – indicating, for each transaction, the name, ration-card number and address of the purchaser, as well as the quantity of each commodity purchased and the price paid. The RKS vigilance committee members can then select a sample of these transactions, and cross-check the information listed in the sale register with the experiences of consumers named in individual transactions. A ration-card holder could then be interviewed and asked to confirm whether or not they had indeed received the quantities listed in the sale-register transaction recorded against their ration card, and whether they had paid the price indicated in the register. The local knowledge of RKS vigilance committee members, and the reputations for honesty and dedication of the NGOs through which they are organised, is crucial in tracking down PDS customers for interviews and gaining their trust, such that fear of reprisals by shop owners and their local strongmen could be overcome. Local knowledge about the community population is also important in identifying bogus ration card entries. Shopkeepers are known to fabricate ration card numbers or even to hold illegally-obtained ones themselves that are used to record transactions to non-existent persons, but the informal vigilance committee members may be able to show that no such individuals live in the neighbourhood. Any discrepancies could then be noted, and a list of seeming irregularities provided to government inspectors (either local ration officers or members of the vigilance section that operates under one of the city's Deputy Commissioners for Rationing).

- The second aspect of the citizen-auditing methodology centred on the delivery registers, also maintained in individual ration shops. This required RKS vigilance committees to compare shop-owners' entries recording deliveries of commodities against the official records indicating the quantities assigned to them by the state department of food and civil supplies. This was designed to counter a common practice among shop owners: under-reporting the amount of commodities received – another way of concealing the diversion of supplies onto the open market.

- In spite of these measures there are rather few cases of women's committees being able to monitor PDS shops effectively, because officials lower down the chain of command in the PDS department proved highly resistant to enforcing these changes. Shop owners, of course, resisted regulations regarding the posting of information on the quantity, quality, and price of deliveries, and subverted the practice of displaying sealed samples alongside the commodities for sale. Few of the local PDS ration officers and inspectors bothered to monitor compliance with these new regulations. Since women's work and domestic obligations made it impossible to maintain the 24-7 surveillance of the ration shops, shopkeepers found it easy to re-organise deliveries to periods when the vigilance committee members were absent, and PDS warehouse and transport staff colluded in this. Shopkeepers also obstructed efforts of local groups to inspect sales registers, sometimes violently. Skill and knowledge constraints on the part of the women members of the informal vigilance committees limited the use they could make of new transparency measures. For instance, records of deliveries to each shop were available on computer printouts, for a fee, for the first few months after this was agreed with the RKS. But the complexity of the records made them next to useless to the informal vigilance committees, whose literacy skills were weak.

3.3. Conclusion

- Following the defeat of the Shiv Sena-led government in 1999 the RKS has faced slightly more propitious circumstances. Once again its leaders are meeting regularly with the Controller of Rationing, have been put on the mailing list for all government resolutions and orders in relation to the PDS, and are demanding (though not yet obtaining) accounts of spending on all subsidised commodities. But its main problem remains the challenge of progressing from an organisation geared for crisis-management, focussed on propping up a crumbling system, to one that is proactive in developing strategies to reform the PDS so that it can respond better to the needs of the poor. The RKS cannot be held up as a failure. It has had far too much impact to deserve that label. It has orchestrated into a considerable political voice the dissipated energies of community-based organizations dispersed around the metropolis, and to a lesser extent around the state as well

4. Lessons from the RKS Case

- There are many lessons that can be learned from the RKS experience, some relating to very specific issues, others to broader concerns. These are also open to varying interpretations. With these caveats in mind, this section stresses twelve key lessons of relevance to the issues presented in the September 2002 draft outline for the *WDR 2003/04*.
- 4.1. Civil society groups with a strong presence in the localities inhabited by poor people *can*, under certain circumstances, help to improve the responsiveness of key officials to the concerns of clients – but this takes place only

sporadically, and the effects are usually localised and short-lived. The conditions producing these initiatives are hard to predict, context-specific, and almost impossible to reproduce.

- At the level of operational policy, the RKS has achieved small but significant successes that improve the usefulness of the PDS to poor clients. This was true even after its partnership phase with government went into decline. For instance, in October 1998, the state government reduced the kerosene entitlement for all categories of ration-card holders. The RKS lobbied mid-ranking officials, and staged demonstrations that received local media attention. Finally senior government bureaucrats invited RKS leaders in for discussions, and ultimately agreed to restore the kerosene entitlement to its original level. Ironically, the RKS got to know of the relevant Government Order only by chance, through their interactions with local-level rationing offices, despite government assurances that it would increase transparency.
 - There are literally hundreds of cases in which local activism on the part of courageous citizens, mainly women, has forced shop owners and their accomplices in the rationing bureaucracy to take action to rectify clear cases of injustice. But each episode required a disproportionate degree of effort on the part of activists already struggling to keep their clinics, schools, housing associations, legal-aid practices, and other barely functioning social enterprises afloat. Identifying patterns that would allow policy makers to isolate the necessary and sufficient conditions for such heroics to emerge, and to be replicated, is an almost impossible task. The contingent strategic calculus of the RKS leadership is at least as important in determining whether an effective local action will take place as are local variables: the need to remain in the headlines at certain critical junctures, to demonstrate resolve to local officials who might be trespassing further upon the rights of vulnerable people, to support a local group that is in danger of losing its legitimacy among its client base.
 - In addition to the difficulty of isolating and reproducing the conditions for effective client engagement with service providers, the *desirability* of reproducing these heroics must be questioned. These efforts are extremely costly for the poor in terms of time and the social risks involved, and usually require those who have the most to lose from challenging authorities to take the greatest risks. Confidence in the virtues and resilience of small-group solidarity notwithstanding, five-woman clusters and the small CBOs that support them have no defences against the wrath of local politicians and their thugs once their interests and earnings have been threatened.
- 4.2. Political parties – potentially one of the key agents for change in a liberal representative democracy – have shown themselves (in Maharashtra anyway) uninterested in articulating pro-poor concerns, at least with respect to protecting the PDS. They have mainly paid lip service to PDS issues, and often not even that. Politicians, as Mooij's work (cited earlier) has shown, are often animated by other concerns.
- An example of partisan indifference came in July 1999, when the RKS published a 'Lok Jahir Nama' (People's Demand Announcement), which

sought explanation on sixteen points from the candidates and political parties contesting the forthcoming parliamentary and the Maharashtra state assembly elections. It was an effort to get parties committed. The response, even at the level of manifesto commitments, to say nothing of follow up action, was practically non-existent. The same indifference was exhibited in February 1999, when the RKS held one of its largest public rallies to protest against the unfairness and unviability of the new targeted system, in which three levels of entitlement were recognised by three different, colour-coded ration cards. The RKS invited politicians from across the political spectrum. Despite the fact that local and state politicians in general are attracted by the idea of addressing a large public gathering, especially on issues where they can grandstand at little political cost, just two MLAs turned up.

- RKS also received very little enthusiasm from elected politicians when it tried to enlist their help in getting relevant questions about the PDS asked in the state legislature. In theory, this was a means by which the RKS could get an issue publicly highlighted and also force the government to supply relevant information (in reply to the legislator's question) in written form. Even when RKS supplied prefabricated questions to legislators, who otherwise display remarkable ignorance about matters of policy, it managed to gain support from only one or two opposition MLAs. After much persuading, one centre-left MLA asked a question supplied by the RKS (about the three-tier system of ration cards) in 1999. But when the inadequately detailed reply came from the government, the MLA was unwilling to follow-up on the matter. These sorts of formal representative mechanisms are not currently a viable functioning system for policy advocacy, or even a useful means for getting information, to say nothing of constituting a means by which democratic pressure could be brought to bear.

4.3. Efforts at partnership with state authorities are very unlikely to be sustained in a context where frequent transfer of officials is the norm rather than the exception.

- High level rationing officials (such as Deputy Commissioners, each of whom oversee one of Mumbai's six geographic 'zones' are often reposted, as are the Rationing Officers who monitor the activities of a group of shops. The practice of frequent transfer is ostensibly to reduce the possibility of officials developing collusive relationships with shop owners or other interested parties. The real effect, according to RKS activists, is that it reduces the chances of holding the rationing officers accountable for misdeeds taking place within their jurisdictions; blaming a recently departed predecessor is the usual (and often not wholly implausible) response. The norm of frequent transfers of rationing officers also provides 'cover' for punitive transfers meted out to those that *do* try to improve transparency. Moreover, forging a structured system of collaboration with RKS-affiliated organisations (involving agreed procedures of social audit, information provision, and enforcement) is almost impossible when local officials come and go with such frequency. Each newly arriving official bears no responsibility for maintaining whatever procedures may have been agreed with his or her predecessor.

- RKS was not the only organisation in Mumbai to have become overly-reliant on relations with specific government officials. A report issued in late 2001 discussed the fate of another partnership involving the city's Deputy Municipal Commissioner, (DMC) who 'brought city agencies, NGOs and CBOs together in a...collaboration in order to unravel a series of conflicts over the legal rights and responsibilities of tenants, chawl [tenement] owners, and various municipal authorities...'. The DMC had begun issuing orders favourable to the tenants, strengthening tenure rights. However, 'the DMC was transferred not long after making his ruling which, eight years later, has yet to be implemented. While this suggests that implementation may have been too dependent on the DMC, it also highlights a more serious problem: the absence of accountability for the civil service to follow through on its own decisions or rulings.'¹⁸ This is equally true in the case of the RKS's relations with PDS officials.

4.4. Civil society monitoring requires very specific and detailed types of information, delivered on regular basis, suitably disaggregated, and supported by access to local-level delivery units and their suppliers further up the distribution hierarchy.

- The kinds of information that officials are willing to provide to civil society organisations almost never complies with all of the specifications listed above. And yet if any of the elements is missing, the entire effort becomes almost entirely incapable of producing even a small fraction of the desired impact. The RKS, for instance, was often able receive detailed computer printouts of delivery manifests, including quantities, schedules, shops covered and so forth. But because this information was supplied weeks after the event, or on an erratic basis, it became impossible to use the data to locate specific discrepancies. In other cases, shop owners supplied records of their deliveries and sales, but not at the level of the individual transaction, defeating the entire purpose of civil society involvement in the auditing function.

4.5. Monitoring of individual service-delivery units (whether in the PDS or in any large bureaucratic system where deliberate tampering with records is widespread) is a hugely time-consuming endeavour that requires not only access to official information, but extensive training – in the interpretation of information, the identification of cases for further investigation, the conduct of interviews with individual clients, and the procedures that bind official agencies charged with performing follow-up activities.

- The impossibility of constant monitoring is seen in many other contexts. Even in the 'Green Bench' of the Calcutta High Court, which, according to Dembowski, 'has become the only place in the Metropolitan Area where [high-ranking government officials] must publicly elaborate on their agencies' performance',¹⁹ favourable rulings obliging officials to attend to their environmental protection obligations are not enough. 'NGO activists have to spend much of their free time monitoring the places dealt with in the judgements'.²⁰ In other words, it is up to NGOs that have won actions to monitor the implementation of rulings, checking to see that toxic substances are cleared up, for instance. They cannot be everywhere, so an informal system of triage emerges, just as it does in the case of the RKS, where gross

abuses receive immediate attention as the organisation functions in crisis-management mode.

- There are gender-specific constraints to constant monitoring. Poor women tend to have much weaker human capital endowments than men, and in particular in the immigrant Muslim slum-dwelling community female adult literacy is extremely scarce. The all-women RKS vigilance committees were simply not up to the job of data retrieval, production, and analysis required to contrast official accounts of PDS deliveries and sales (where available) with actual transactions. Women's time constraints are also more severe than men's. The literal, physical surveillance required by the RKS's informal vigilance committees could best be accomplished by organised volunteers with few other calls on their time. For the all-women groups in the RKS case, there was no possibility of liberating sufficient time from their obligations at work and at home to provide the necessary coverage of ration shops. Many women sent their children to watch the shops instead – hardly something that advocates of citizen engagement in service delivery would want to be seen to be promoting.

4.6. Targeting has two extremely negative political effects, both of which must be taken into consideration alongside its potential benefits when assessing its overall suitability.

4.6.1. First, targeting severely reduces the prospects for cross-class alliances between middle-deciles, poor, and destitute.²¹ As middle-class people have fallen out of the PDS system (a process which began prior to official targeting, as the gap between market prices and issues prices narrowed, but was accelerated by the introduction of the TPDS), the interest of middle-class people in supporting civil society efforts to demand improvements has declined markedly. Training programmes for RKS members in information analysis have fizzled out, and the pressure brought to bear on officials has been reduced accordingly. This is despite the fact that the difference between 'middle-class' people and slum dwellers is less than is often assumed. People in tenement apartments outside of a 'slum' colony are often not much better off income-wise than those in slum colonies, though they may find themselves excluded from eligibility. As one of the RKS's coordinators Leena Joshi put it, 'The only real distinction here is that the "middle class" live in vertical slums, the "poor" in horizontal. Those in vertical slums enjoy certain amenities and are legal.' And yet the willingness of tenement residents to come to the aid of slum dwellers in various confrontations with the authorities declined markedly when they had been excluded from the new 'targeted' system.

4.6.2. The second negative political effect of targeting is the creation of opportunities for newly installed regimes – elected or not – to use the targeting process (or a programme of revised targeting) to exclude particular group defined by ethnicity, religion, party-affiliation, place of origin, union membership, and so on. This is what the Shiv Sena sought to do – and to a considerable degree achieved – in Maharashtra. It may be an extreme case, but the general phenomenon is not unusual. This

other dimension of targeting increases the insecurity of the most vulnerable among the poor, with spillover effects for social exclusion and the legitimacy of democratic electoral processes that go well beyond what is captured in the economic assessments of 'errors of exclusion'.

- 4.7. Those cases in which the RKS and its affiliates have succeeded in exposing irregularities and obtaining redress demonstrate the power of inter-neighbourhood support via NGO federations.
- The RKS has been quite effective in a number of cases where local slum-based organisations were able to draw on the support of their counterparts in other localities. In a more or less spontaneous protest action that occurred in the Bainganwadi neighbourhood in August 2000, one RKS affiliate was able to mobilise people from other groups in the network. The owner of a local ration shop (shop no. 44-E-105) had long been a target of RKS charges that he had been misappropriating grains meant for ration-card holders. This was a small success, but when repeated at regular intervals it helps to build solidarities among the network's affiliates.
- 4.8. Political factors are a key constraint on civil society advocacy and monitoring function. These take several forms, which often reinforce one another. Two are mentioned here.
- 4.8.1. The first is the communalisation of politics. This creates a climate of fear among slum-dwellers of BOTH communities, making them less likely to support demonstrations against specific malpractices and larger systemic problems. But a communalised political environment can also split local groups that have in some cases worked many years to achieve a degree of coherence and solidarity.
- In late 1999, for instance, a Church-based NGO affiliated with the RKS, working in the Yogiraj Nagar slum, organised a demonstration against a shopkeeper suspected of large-scale irregularities. The shopkeeper was well connected with a local Hindu nationalist leader. After a group of Hindu nationalist-sympathising women walked out of a community meeting convened to discuss perceived problems at the shop, the issue began to acquire political overtones. Several people began to question the right of 'Sister Reena' and the church-based social service organisation she worked for, to represent them.
- 4.8.2. The second is the tendency for politics to revolve around patronage networks, in which shop owners receive protection from 'political godfathers'. This severely constrains the ability of citizens to rely on support from even honest and reform-minded officials. Officials know that attempts to enforce even existing rules risks incurring the wrath of politicians who can have them transferred, or worse.
- 4.9. The multiple agencies involved in procuring, storing, distributing, and selling commodities, as well as those setting policies about the operation of the PDS – including a range of central and state authorities, as well as private-sector businesses and parastatal agencies – creates confused lines of *official* accountability (to say nothing of the informal avenues of influence that distort

these official systems), resulting in delay, buck-passing, and unfulfilled promises.

- These blurred lines of accountability affects the potential for follow-up action in two areas. The first is investigation and enforcement actions against observed cases of corruption. The fact is that there has been no official investigation, let alone sanctioning or prosecution, as a result of the many violations specifically exposed by RKS activists. This is true even in those instances when shop owners have all but admitted the malpractices in the presence of local ration officers, who have compelled the shop owners to take informal ameliorative action such as selling to irate clients supplies that shop owners originally claimed never to have received.
- The second type of effect concerns the lack of follow through by high-level officials on questions of operational policy. In March 1999, for instance, as part of RKS's programme of quarterly meetings between with senior officials, the RKS presented Maharashtra's Deputy Secretary for Food and Civil Supplies with a chart of demands indicating the key concerns of RKS-linked groups in most of the state's districts. The Deputy Secretary and indeed the Secretary himself were sympathetic to the demands, and took up the RKS's offer of helping the officials to organise a visit to one of the state's more economically deprived districts. The secretary ultimately issued instructions to fix certain shortcomings in the stocking and delivery systems overseen by district-level offices. But despite the fact that this emerged from a series of regular high-level interactions between the government and RKS, the RKS has been unable to compel local officials to adhere to the instructions issued by their superiors. There are not only too many links in the chain of command, but too many criss-crossing reporting relationships among the multi-agency staff involved, which makes the assignment of responsibility for non-implementation next to impossible.

4.10. When legitimate complaints by civil society organisations are met by persistent hostility from service-delivery personnel – and when their efforts to obtain redress for harassment and violence are met with indifference and obfuscation by officials assigned oversight functions – the result can be a perceptible hardening of civil society positions on reform proposals that might otherwise stand a reasonable chance of improve service delivery.

- In late 2000, for instance, the RKS fiercely resisted a government proposal to double the shop owners' commissions on the sale of subsidised goods, from five to ten percent. Shop owners had long complained that the five percent commission was insufficient to make their businesses viable. (This was close to an admission of systematic corruption, though shop owners who voiced the unviability argument usually added that it was the bribes they had to pay to government officials that made the five-percent commission so inadequate.) The RKS is particularly unsympathetic to the shopkeepers who so ruthlessly exploit poor people – to the point of physically harassing and attacking clients. The RKS is therefore even less willing to engage seriously with the problem of raising incentives to shopkeepers – to improve service delivery – than it was when the issue arose in the early 1990s. Given the ill will between consumers and shop owners, the RKS's steadfast opposition is not very surprising, but possibly a tactical misjudgement.

4.11. The problem outlined above (4.10) undermines the potential for another lesson from the RKS experience to be learned: that is, errant shop owners would be far more likely to yield to pressure tactics and demonstrations from ration-card clients if they felt that their businesses might suffer as a result.

- In other words, were PDS rules to allow shop owners to have PDS and non-PDS businesses operating from the same premises, demonstrations by PDS clients might threaten shop owners, fearful that non-PDS clients might not cross picket lines. One reading of this lesson could be that a pure voucher system could bring not just consumer choice to bear on malpractices, but also that it could bring collective consumer boycott pressure to bear on corruption. But even if a pure voucher system is not attempted – either because it is politically unviable or for some other reason – it may well be possible for a change in the rules (allowing shop owners to run non-PDS businesses from the same premises) could strengthen the hand of poor clients reliant on what their ration cards can buy them.

4.12 The fact that RKS is made up of local NGOs engaged in constructive work (running clinics, schools, etc) has ambiguous implications for its capacity to achieve its objectives, and this may well be true for other NGOs that seek to combine advocacy/activism with service provision.

- On the one hand, service-provision work gives the NGOs a legitimacy with both local people and to some degree government officials that is helpful in allowing it to play its additional role as policy advocates and organisers of protest activity. On the other hand, NGO leaders must constantly worry – as many RKS affiliates do – that their very important service-delivery work will be disrupted by officials and political figures upset by their work as confrontational activists. Threats have been issued on numerous occasions, and some have been carried out. As Leena Joshi, the RKS convenor argued, this limits the RKS's ability to pursue larger objectives: The RKS can only 'take action that we can sustain. If we strike terror in the hearts of the administration, we will have to prepare for retaliation and we are at present not ready for that... We don't have the resources to deal with "big" corruption', meaning corruption that affects truly powerful figures, whether they reside in the upper reaches of the state government or in the mafia dens of slum politics.

ENDNOTES

1 This paper draws on field research conducted, under the authors' direction, by Mr Mayank Bhatt, as well as information provided by research assistants coordinated by Bhatt. This work would not have been possible without the cooperation and assistance of various members of the RKS network, in particular the RKS convenor Ms Leena Joshi. The RKS case study was one of several included within a larger research project on 'Grassroots Anti-Corruption Initiatives and the Right to Information Movement in India', funded by the UK Economic and Social Research Council, the Ford Foundation, and the UK Dept for International Development. The authors are grateful to all of the above-named

individuals and institutions for their contributions. Any errors of interpretation are the responsibility of the authors.

2 Arvind Vermani and PV Rajeev, 'Excess Food Stocks, PDS and Procurement Policy', Working Paper No. 5/2002-PC, Planning Commission, New Delhi, May 2002, http://planningcommission.nic.in/wrkpaper/wp_pds.pdf.

3 Ibid.

4 N. Vittal, Central Vigilance Commissioner, Government of India, 'Corruption in Public Life: Steps to Improve India's Image', public address, Mumbai, 14 Feb 2002, <http://cvc.nic.in/vscvc/cvcspeeches/sp5feb02.pdf>.

5 Jos Mooij, 'Food Policy in India: The Importance of Electoral Politics in Policy Implementation', *Journal of International Development*, Vol. 11, pp. 625-636.

6 In an interim order, issued in September 2001, the Supreme Court ordered sixteen state governments to identify below poverty line (BPL) households within two weeks. 'Prevent starvation deaths, says SC', *The Hindu*, 4 September 2001. For more about the 'Right to Food Campaign' of which this litigation is a part, see <http://geocities.com/righttofood/>.

7 See 'The PDS Under Panchayats', *The Hindu*, 7 July 1999.

8 See 'Centre gets tough with States on PDS', *The Hindu*, 3 September, 2001.

9 See <http://planningcommission.nic.in/mta-9702/mta-ch8.pdf>.

10 Targeting and enhanced monitoring has been a consistent theme of World Bank recommendations, though in recent years there are indications of a growing recognition of the limits of this approach. One publication repeated that it was necessary to direct the entire food subsidy to BPL households, and to step up monitoring efforts, but argued that if neither produced results it might be necessary to reassign 10 percent of PDS funds to the Integrated Child Development Services programme. See Meera Chatterjee and Anthony Measham, *Wasting Away: The Crisis of Malnutrition in India* (Washington, D.C.: The World Bank, November 1999).

11 Madhura Swaminathan of the Indira Gandhi Institute of Development Research in Mumbai, for instance, argues that both sorts of errors have been substantial. Moreover, one of the main constraints on the ability of the PDS to contribute to poverty reduction has been its non-extensiveness – the extent to which it simply does not exist in many places. Swaminathan argues that where the PDS does exist extensively, and where there is strong high-level political commitment to the idea of subsidized food provision, such as in Kerala, it is highly effective at achieving its objectives – even when the perennial problem of leakage has not been seriously tackled. See M. Swaminathan, *Weakening Welfare: The Public Distribution of Food in India* (New Delhi: LeftWord Books, 2000)

12 Manuela Ferro, David Rosenblatt and Nicholas Stern, paper prepared for the conference on 'Policies for Pro-Poor Growth in India', Cornell University, Ithaca, New York, April 19-20, 2002.

13 Rationing Kruti Samiti, *Annual Programme Report* (1998).

14 'For A Handful of Grain: A Case Study by YUVA and the Action Committee for Rationing' (Geneva: UNRISD, 1998).

15 'Report on RKS Activities for July-Sept 2000'

16 'Grain Drain' (editorial), *Times of India* (Mumbai edition), 17 July 1998.

17 Harsh Mander, "Battles for People's Power", mimeo, Bhopal, 1996.

18 David Westendorff, 'Uneasy Partnerships between City Hall and Citizens', paper prepared for the United Nations Human Settlements Program, General Assembly, Special Session for an Overall Review and Appraisal of the Implementation of the Habitat Agenda, New York, 6-8 June 2001.

19 Hans Dembowski, 'Glimpses of Hope in a Neglected Town: The "Howrah Matter" in Calcutta's High Court', *Development and Cooperation*, 5/99, p. 22-23

20 *ibid.*

21 This is an insight found in the writings of Amartya Sen – for instance, *Development as Freedom* (New York: Oxford, 1999). It is discussed more fully in the work of Joan Nelson on the political

economy of reform. See Joan M. Nelson “The Politics of Pro-Poor Adjustment”, in Joan M. Nelson (ed.), *Fragile Coalitions: The Politics of Economic Adjustment* (New Brunswick, NJ: Transaction Books, 1989), pp. 95-113. It has also received attention in some previous work on adjustment in Maharashtra itself. See Rob Jenkins, “The Politics of Protecting the Poor During Adjustment in India: The Case of Maharashtra”, in U. Thakkar and M. Kulkarni (eds.), *Politics in Maharashtra* (Bombay: Himalaya Publishing, 1995), pp. 195-212.
