

Transformation of public distribution system in Chhattisgarh: Dr Raman Singh's leadership

Shubham, Shashank Mittal and Atri Sengupta

The biggest sin for a King is the death of any of his subjects due to hunger (Chanakya) (Rangarajan, 1992).

“How should I ensure availability of food for the starving people of my State?” This was the only question in the mind of Dr Raman Singh, when he became the Chief Minister of the newly formed State of Chhattisgarh in 2003. Dr Raman Singh faced the challenges of developing and raising the State which was in the nascent stage of development[1]. Chief Minister is the head of the council of ministers and the entire administrative machinery of the State. The people of Chhattisgarh elected him to victory, and the responsibility lay with him for shaping the course of development of the newly formed state. The people of the State were his stakeholders, and he was responsible and accountable for their social and economic development. Their expectations of the newly elected Chief Minister were very high. With limited resources available, the challenge was to make the maximum impact on the lives of the people of his State.

The Indian state of Chhattisgarh was lacking in various social and human development indicators[2]. The people of the State were struggling and were deprived of many basic necessities like clean water, sanitation, and education[3]. With this, he had to make a fresh start and take some tough decisions. There was an opportunity to serve people for not just one term but repeatedly over many terms. The image of Dr Raman Singh was not of a populist mass leader, and he needed to connect with the people of the state through social development[4].

Taking citizens out of years of poverty and deprivation was a herculean task facing CM Raman Singh. The many challenges were; mobilization of the limited resources to priority areas of the social sector; the benefit of many other existing social schemes did not reach people, rather it pilferages in between; a bureaucracy which was responsible for the implementation of these schemes for the public had its personal motives. Indian bureaucracy had the reputation of being very powerful. They are the ones who provide continuity to the implementation of the government policies. The implementation in most far flung and socially and economically backward areas depended entirely on government machinery. The successful implementation of any program depended heavily on bureaucratic activism. Numerous past records have pointed towards the inflexible and adamant nature of Indian bureaucracy. Loss of funds due to corruption and inefficiency to the extent that for every 100 rupees spent only one reached the intended beneficiary.

Having 30 years' experience of public service Dr Raman was very well aware of this situation. The motivations of Indian bureaucracy were not always aligned with creating

Shubham and Shashank Mittal are Doctoral Student, Atri Sengupta is Assistant Professor, all at the Department of Operations and Systems, Indian Institute of Management Raipur, Raipur, India.

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valuable public services. As a new chief of the state, Dr Raman Singh had to make a righteous and efficient use of the workforce available in the form of bureaucracy. Bestowed with the astute eyes of an able administrator, Dr Raman Singh was easily able to identify the area which could have maximum impact on the lives of the people of Chhattisgarh. At the same time, this would provide him with the popular base and allow him to rule not just as the chief of state government but as the leader who rules the heart of the people[2]. The condition of the people of the state regarding their basic food and nutrition was in a dismal condition[2], as there were many discrepancies in the implementation of social schemes at that time. Strengthening the public distribution system (PDS) was an imperative for the welfare of the people of the State, and this became his top priority. He realized that there was not any meaning to welfare and value could not be created for the people in the current situation. This required the benefit of the PDS scheme to directly reach the people of the State.

Using his two decades of experience of working in various positions along with the administrative machinery of the state, it was not difficult for him to identify the mechanisms needed for various administrative and social reforms. Then only it would be possible to bring transformation to the life of the people of the state. He started taking tough political and administrative decisions[5]. For this, he faced the challenge of bringing about organizational reforms to the existing state bureaucracy and machinery that failed to deliver and to an extent was responsible for the failure of the PDS in the state. The problem was multi-faceted, and he dared to challenge the status quo when the PDS system in most other states was highly inefficient (Khera, 2011).

The first and foremost action taken by chief Minister Dr Raman Singh was to announce the revamp of the PDS and that his top priority was to make it corruption-free[2]. This was also the main issue raised by him and his party during elections and was the main promise of his party's election manifesto. Now it was the time to keep promises, and he had the guts to take the risk of doing something which was never done in independent India by any Chief-minister[6]. "Any village I went to, the main complaint was about the non-availability of food grains in PDS shops. I found that more than 50 per cent of the rice meant for the poor would never reach the beneficiaries", says Singh. "It was clear to me that PDS had to be reformed if the people are to get their due"[7].

Chhattisgarh public distribution system then and now: journey from existence[8]

As in the traditional PDS system, the state government is responsible for the distribution of food grains to the consumers which are the most important part of the value chain. See Exhibits 1 and 3, for more details.

Chhattisgarh came into existence on 1 November 2000 when it was separated from Madhya Pradesh. Though Chhattisgarh is referred to as the rice bowl of India because of the existing PDS process and the challenges of a newly formed state, the coverage of the PDS process was poor. The activities which state government had to streamline included distribution of food grains, identification of BPL families for issuing ration cards and monitoring of PDS activities across the State. However, the distribution of the material to consumers was the last part of the activity which was dependent on the functionality of previous activities such as procurement, milling and allocation. Any delay or mismanagement in these activities resulted in an increased delay or inefficiency in the distribution part of it.

The case of Chhattisgarh PDS was interesting to study because it was a state which came into existence as a result of division from Madhya Pradesh. At the time around 2001, the condition of Chhattisgarh PDS was no different from the other parts of the country, being characterized as corrupt, inefficient and irregular. It was not meeting its objective of ensuring food security for the poor.

In the united Madhya Pradesh, the PDS was privatized, i.e. being run by private FPS's. It had been noticed that private FPS remained under the undue influence of the politicians and other prosperous private FPS which encouraged the FPS owners to indulge in unfair practices, in connivance with local officials. After the division, the new BJP government reversed the order and made the FPS public in 2004 to bring about accountability and increase the involvement of general people's participation by including their representatives in the functioning of local FPS.

Among the measures taken by the State to revamp the PDS in the state, end to end computerization was the most important. All information was available in the public domain, right from the allocation of FPS, the name of beneficiaries, commodity allocation to beneficiary families to grievance redressal. Transparency and citizen participation became the hallmark of the new system. The government had instituted an IT center for civil supplies to monitor the entire online PDS process in the state. At any point in time, one could see the stock, dispatch and receipt detail of any area, bringing about complete transparency.

The different Policy and Operational reforms being taken by the government of Chhattisgarh to bring about the changes in the system:

- *Legal Reforms:* On December 23, 2004, the government passed an order canceling the ownership of all private FPS. Even the high court ruled for the government against the petitions filed by the private FPS owners. The ownership of the FPS was given to the Co-operative Societies, Self-help groups, Gram Panchayats, forest protection bodies and local urban agencies, bringing in more transparency, accountability and inclusiveness.
- *The increase in the PDS network density:* to improve the network, the government had increased the density of FPSs in the state. The number of FPSs increased from 8,492 to 10,465, one in each gram panchayat.
- *Overcoming the irregularity:* The poor households who were dependent upon PDS had always complained of the irregularity in the functioning of FPSs. To overcome this, the sixth day of every month has been fixed for the FPSs to lift off the grains for distribution. The FPS owners were no longer required to lift off their quota from godowns because the state civil supplies dispatched the grains to the respective FPS after online allocation had been done. This had significantly reduced the leakages because of the elimination of the multiple agencies involved in the lifting.
- *Dispatch information to the FPS dealers and beneficiaries:* The leakage in the transportation phase was also among the major concerns. To overcome this, once the grains were dispatched from the godowns, an SMS goes to the registered FPS and to the beneficiaries about the exact quantity of commodities being carried, truck drivers name and his license details, time of departure from godown along with the registration details of the truck. This prevented the diversion/leakages to open market.

Improving the economic viability of the fair price shops

To improve the viability of the FPSs, the state government had revised the commission on food grains from Rs 8 per quintal to Rs 30 per quintal. The state government provided one-time interest-free loans of Rs 75,000 to each shop. Also, the increased handling of commodities due to quasi-universalisation of PDS had led to the monthly income of FPS increasing from Rs 750 to Rs 2,500[9].

Process reforms

The unified ration card database

The state government decided to make a unified computerized database of ration cards, by canceling all the existing ration cards and issuing new ration cards using computer

software, leading to the creation of an automatic unified ration cards database. To ensure that every entitled beneficiary had the ration card with him, the cards were distributed in panchayat area on a pre-specified date, time and place. Undelivered cards were delivered to gram panchayat office.

Automated allotment: Manual allotment of commodities had been stopped in 2008. With the computerized automated unified database of the beneficiary on the server, the calculation of allotment of beneficiaries and FPSs became very easy by just entering card parameters.

- *Inter-district movement:* Generally, surplus grains from one district get transported to another district warehouse, but usually during the transportation grains get siphoned off. To counter this, whenever a truck was dispatched from the warehouse, electronic messages were automatically sent to the district managers giving the details of transportation. This reduced the possible diversion during transportation from one warehouse to the other.
- *Citizen interface:* The State Civil Supplies Department had created a citizen interface website having all the information relating to the PDS. Citizens could lodge their complaints on the website and could check the status. This mechanism helped in checking diversion, corrupt practices and inadvertent mistakes.
- *Chawal Utsav:* The government had started “chawal utsav” on every seventh of the month where PDS commodities were distributed in the presence of vigilance committee members and other officials appointed by Collector for each FPS. This ensures transparency that nobody was overcharged or commodities were underweight. This also ensured that genuine card holders were not denied PDS commodities.
- *Paddy procurement:* In addition to the improvement in the distribution system, the procurement system had been substantially improved. Like the distribution system, the procurement channel had also been computerized from end to end, right from registration of farmers, procurement center, online registration of rice mills, etc. The paddy procurement had been decentralized, and the farmers were directly paid in lieu of paddy sold. The paddy procurement had increased from 5 lakhs tons in 2000 to 51 lakh tons in 2010[10] (Exhibit 4), as a result of this Chhattisgarh was one of the top contributors to the center rice pool.
- *Procurement reforms:* The first step in this direction was the computerization of all processes and stakeholders like farmers, procurement centers, MARKFED storage centers, Food Corporation of India (FCI) godowns, rice mills and receiving centers, etc. See Exhibit 1 and 5 for more details. To increase the procurement of grains and helping farmers LAMPS and PACS[11] were made the procurement centers, thus resolving the problem of traveling long distances. Unlike in other states, the procurements were made to the doorstep, and the farmers were paid electronic cheques on the spot. The computerization and doorstep procurement only in LAMPS & PACS protected the farmers from intermediaries.

The impact of PDS and procurement reforms

The reforms brought about transparency, reduced leakages and increased accountability. The new system benefited the farmers financially. Now, they get immediate payment for their produce, compared to delayed payments in the earlier system. With the increased paddy procurement, money flow had increased in the rural economy. The farmers now did not have to travel considerable distances to sell their produce. Now with decentralized procurement, farmers get the opportunity to sell through LAMPS near the villages. With computerization, this task reduced the interference of intermediaries.

The decentralized paddy procurement had improved the overall viability of the rural landscape, ensuring the food security for the poor. The state government had made the system quasi-universal, giving access to almost 70 per cent of the population[11]. The computerization of the entire system brought about transparency, accountability and minimal manual interference and robust monitoring at all levels. Awareness among the beneficiary brought transparency in the process and reduced corruption in the PDS.

Organizational and people-centric social reforms[12]

The Chhattisgarh Government led by Dr Raman Singh made efficient and corruption free PDS, the top priority. The same officials and state machinery had to be used as was available to the earlier governments. Indian bureaucracy had the reputation of being very powerful, and without its full support, no government program can be implemented effectively. There was the need for step-by-step cautious planning to bring organizational reforms[11]. There was confidence in the government that if it kept its position and intent upright, its officials would follow the same. Ultimately, however, it is political will that seems to matter most. Somehow, the PDS became a political priority in Chhattisgarh, and a decision was made to turn it around, instead of siding with the unscrupulous dealers who were milking the system.

The fact that government functionaries were under enormous pressure to make the PDS work was evident in Lakhanpur. For instance, monitoring grain movements had become one of the top priorities of the patwaris and tehsildars. The tehsildar mentioned that the PDS was the first agenda item whenever meetings were held at the district level. The political pressure was also manifest in their willingness to stand up to vested interests, e.g. by arresting corrupt intermediaries and taking them to Court if need be.

It would be naïve to think that the revival of the PDS in Chhattisgarh reflects the kind-heartedness of the state government, especially in the light of its contempt for people's rights in other contexts. It was a political calculation, nothing more. It worked, and it can happen elsewhere too. When political bosses firmly direct the bureaucracy to fix a dysfunctional system, things begin to change.

Singh had a humongous task of using the bureaucracy at his disposal in an efficient and righteous way. If he could first set his priorities very clear and communicate the same effectively to the officials of the state, he would be at least able to bring his prioritized subject on track. Dr Raman Singh communicated very clearly that his top priority was revamping the PDS system in the state. He knew that most of the officials would not even believe that it could be done, given the state of PDS in his state at that time and also in all other states. It was important that all the core officials took him seriously and he is heard earnestly, and instructions are followed.

For this, he started taking incremental but important and effective steps in the direction of making PDS corruption free. He appointed his best officials who were known for their integrity and deliverability but were on other tasks till that time. A core team of the best officials was formed who directly reported to the chief minister. That was not enough until other important steps would be taken along with the formation of a core team of the best officials. The other important steps were to bestow power in the hands of these officials by giving them reasonable freedom and support to take tough decisions. They started taking tough decisions and implementing them with an iron fist with the support and under the guidance of the chief minister.

This resulted in various crucial institutional and policy reforms which took the program step by step in the direction of success. Changing status quo in government programs required making institutional changes regarding infrastructure, functioning and mindset altogether. Only then one can expect to create the desirable results. Failure on any front would lead to complete failure of the entire scheme or program, especially when the program was

attempting to change the prevailing status quo. The most crucial step was an introduction of the Chhattisgarh Public Distribution System (Control) order 2004. This landmark order canceled the licenses of all private run FPS shops and transferred the responsibility of running these shops to cooperative societies, representatives of gram panchayats, women's self-help groups, primary credit cooperative societies and forest protection committees. "I asked the villagers whom did they trust for the delivery of food grains and these were the institutions they mentioned. Moreover, it made sense because these ensured collective responsibility", says Singh[13].

The state leaders and bureaucrats checked the existing status of the PDS system in the State of Chhattisgarh, the areas of improvements were identified, and a series of reforms were passed to improve the system for the betterment of the citizens. These reforms stretched over many years and improvised the condition and reach of the PDS in Chhattisgarh. The improved functioning of the Chhattisgarh PDS had captured much attention in the country, and the system became a model for the rest of the states.

Citizen awareness, transparency, independent monitoring mechanism and participation[14]

Any program or a scheme cannot be successful if various stakeholders, especially purported beneficiaries are not fully aware of their rights. This was the main agenda of the Raman Singh government, and there were widely appreciated reforms to create awareness and involve people in the entire delivery mechanism of PDS. Ahead of the local body elections, the Raman Singh Government in Chhattisgarh for the first time organized the "Rice Festival" on July 8, 2009, to mark the launch of the second phase of its populist subsidized rice scheme for the poor and to create awareness among the people about its welfare schemes. After that the same festival was organized on the eight day of every month to raise awareness that the ration was available at FPS. The food security scheme aimed to supply rice at Rs 2 per kg to more than 30 lakh families living below the poverty line and at Rs 1 per kg to nearly seven lakh "Antodaya" (poorest among the poor) families. Chief Minister Raman Singh himself attended the rice festival at a fair price shop in a remote village in the tribal Sarguja district, while his ministers, MPs, MLAs, other elected representatives of Panchayat bodies and party functionaries attended similar programs in all the 18 districts. Direct involvement of the chief minister and his personal interest was enough to create awareness, and there was a clear and direct connect with the public[15]. Certainly, it is a campaign to reach out to the masses and to make them aware of the welfare and other schemes. "After all, the objective was to ensure that all eligible persons availed the benefits", said N Baijendra Kumar, Principal Secretary to the Chief Minister. Now, people of Chhattisgarh know Raman Singh as "Chaurwalen baba" meaning, a person associated with rice.

Creating awareness could only be the first step for the entire mechanism to work appropriately and use of technology had done a lot to make the system transparent. To instill confidence and trust in the public for the system, there had to be a mechanism by which grievances could be raised, and at the same time, they can be addressed. This required a complete parallel monitoring system which could work independently of the system responsible for the execution. This had been achieved through the opening of call centers with toll-free numbers for raising grievances and set-up of an independent vigilance mechanism for their address. Even, the set-up of call centers and vigilance and all the transparency measures were not enough until the system works. There was much precedence in the government schemes of various states where many such systems failed to deliver their desired outcomes. The single most important reason for the system to deliver to the range of 97 per cent regarding delivery was political will and the organization skills of Raman Singh and his ability to motivate his employees.

Employee motivation

Even after bringing various reforms and taking various measures for people's involvement, nothing could be expected until one's employees were motivated. Until they were able to connect with the mission and vision of program/scheme, all the reforms and measures were expected to fail completely. Employee motivation at the time of Dr Raman Singh was at an all-time high as various measures were undertaken in his most efficient and capable regime. He set an example of strong political will and favored and encouraged his employees for positive outcomes and never disfavored anyone for getting short of the desired results; though someone who was regular or intentional offender was never dealt with softly (Puri, 2012). Raman Singh himself participated as a front-runner in many of the activities undertaken in the ambit of PDS reforms. The overall work environment was positive, and officials and their work were duly recognized and rewarded. This was largely the culture at the top which had been percolated till the bottom.

Citizens' opinion about public distribution system in Chhattisgarh

It was the people of Chhattisgarh who benefitted immensely from the PDS under the able leadership of Singh. "Raman Singh ji humare annadata hei. Unke raj me humare bachho ko pet bhar khana milta hei. Unko Vagwan salamat rakkhe (Raman Singh is our master. Our children get two times food for him. May God bless him always)", said Kritika, a poor citizen of village Sejbahar. Another village man from Dunda, Lakhna, said "Pehle to kuch nehi milta tha ration dukan me. Jab bhi jate the hum logo ko bhaga dete the ye bolke kuch nehi hei. Aab to do rupaia me chawal bhi dete hei. Mahine me ekbar bada babu ake puchta bhi hei ke hume chawal mil raha hei ya nehi. Hum bahat khush hei (Previously nothing was available in the Ration Shop. Whenever we used to visit the shop, we were mostly refused to give rice by saying that it is not available. Now we are getting 1 kg. rice at the rate INR 2. Block official also comes to check the availability of food grains in the shop)". The Government of Chhattisgarh claimed PDS improvements have helped millions of people in gaining food security.

Future of public distribution system in Chhattisgarh

Supreme Court seeks Centre's response on Chhattisgarh PDS mode TOI March 5, 2013.

A Supreme Court bench consisting of Justices TS Thakur asked the Centre to reply on the Raman Singh government's model of TPDS implementation, which was repeatedly cited by petitioner People's Union for Civil Liberties (PUCL) as the one which could be taken as a model for other states to compete.

Reforms in Chhattisgarh are done on a continuous basis, and the government is committed to further improvements. The PDS system of Chhattisgarh is now one of the most efficient PDS systems in the country and has leakages under 3 per cent (Mahamallik and Sahu, 2011). This already is a role model for the country, but Dr Raman Singh and his team is not satisfied even after achieving so much. They want the leakages to be further reduced to less than 1 per cent. There is a slew of other proposed reforms like CORE PDS (now in pilot phase) which would altogether revolutionize the PDS system in Chhattisgarh. Now, this is a new beginning of the never-ending end.

Keywords:
Organizational behaviour,
Business process
improvement,
Event strategy/leadership,
Public administration

Notes

1. State was founded in 2002 from the parent state MP.
2. www.ideasforindia.in/article.aspx?article_id=1440
3. www.tehelka.com/the-rise-and-rise-of-raman-singh/
4. Dr Singh popularly known as "Chaur walen baba" or "Person responsible for rice".
5. www.downtoearth.org.in/node/1997

6. www.thehindu.com/features/magazine/chhattisgarh-shows-the-way/article881869.ece
7. See Exhibit 2 at the end of the case.
8. forbesindia.com/article/on-assignment/how-the-pds-is-changing-inchhattisgarh/19972/1#ixzz3bEcOaJjM
9. Then means inception of the State and Now is till 2013.
10. Chattisgarh State Civil Supplies Annual Report – 2007-2008.
11. Chattisgarh State Civil Supplies Annual Report – 2010-2011.
12. LAMPS stands for Area multipurpose Societies and PACS stand for Primary Agriculture Credit Society.
13. Planning commission report – 2010.
14. <http://forbesindia.com/article/on-assignment/how-the-pds-is-changing-in-chhattisgarh/19972/1#ixzz3bEeSpjdG>
15. www.livemint.com/Politics/zCX7YPVQi3CTjoW88i0J6J/Will-Raman-Singh-deliver-for-BJP-in-Chhattisgarh-again.html

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Exhibit 1. Public distribution system of Chhattisgarh

Figure E1 Structure of Department of Food, Civil Supplies & Consumer

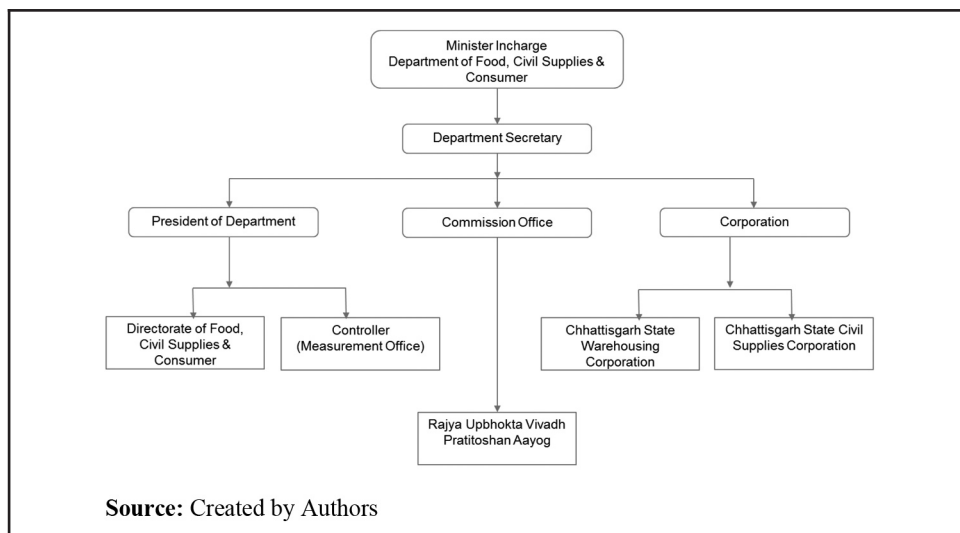


Exhibit 2. Comparative data of states and India level PDS

Table E1

State	Percentage of household buying PDS grains		Percentage of leakage of PDS grain	
	2004-2005	2007-2008	2004-2005	2007-2008
Andhra Pradesh	54	70.2	25.4	16.8
Assam	8	17	88.5	76.1
Bihar	1.9	3	91.3	89.3
Chhattisgarh	22.1	40.2	52.1	-3
Gujarat	23	18.2	52.3	61.6
Haryana	4.5	9.7	83	50.2
Himachal Pradesh	46.6	65.4	25.1	13.4
Jharkhand	5.3	6.5	84.6	82.4
Karnataka	45.4	42.4	30.4	38.6
Kerala	36.5	54.2	25	16.4
Madhya Pradesh	20.4	26.3	47.2	35.1
Maharashtra	20.3	21.4	49.4	37.8
Orissa	19.1	32.5	75.5	45.9
Punjab	0.5	7.3	93.9	5.2
Rajasthan	10	10.8	55.8	55.4
Tamil Nadu	65.2	76.4	4	8.9
Uttar Pradesh	5.7	15.4	83.9	52.1
West Bengal	12.4	20.7	85.2	77.9
All India	23	30.1	54.8	42.8

Source: The Hindu, 23 December 2008

Exhibit 3. A simple model on the PDS

Figure E2

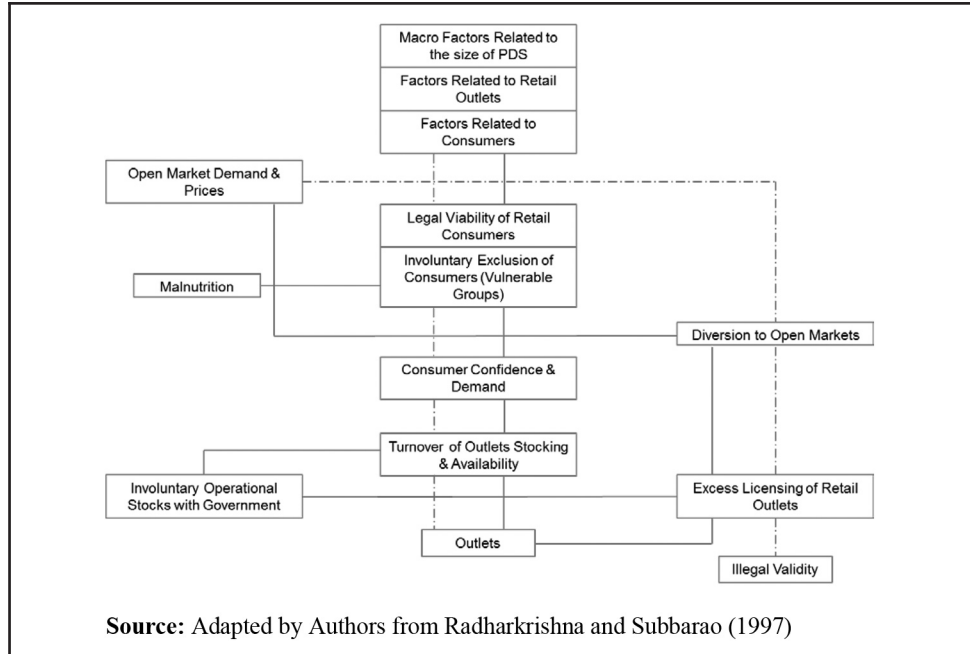


Exhibit 4. Year-wise procurement of paddy in lakh metric tons

Figure E3

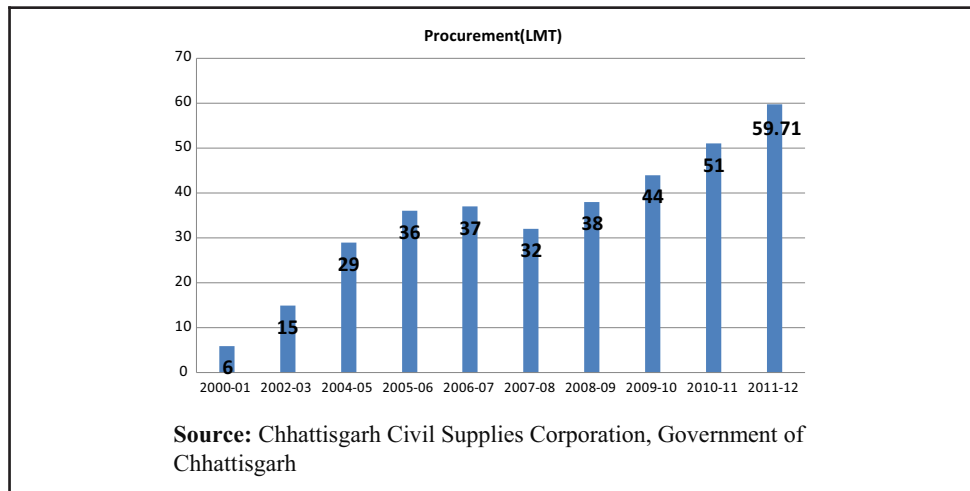
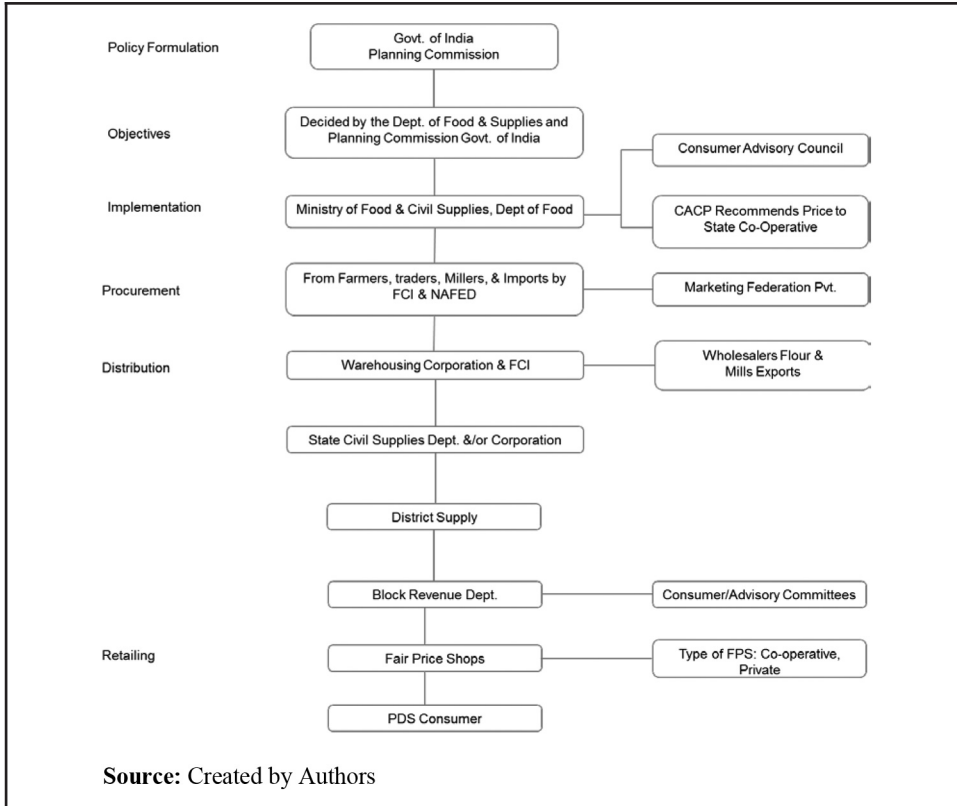


Exhibit 5. Role of different stakeholders in PDS

Figure E4



Corresponding author

Shubham can be contacted at: fpm12004.shubham@iimraipur.ac.in