

Following the grain trail

Many States have initiated 'reforms' of the public distribution system that are hurting millions of people



JEAN DREZE

India's public distribution system (PDS) is in danger of being derailed in several States across the country. Recent disruptions of the PDS have taken different forms, from compulsory biometric authentication to so-called direct benefit transfer (DBT). The consequences are alarming, but tend to go unreported.

Biometric mix-ups

Jharkhand is a prime example of this problem. By mid-2016, the PDS in Jharkhand had greatly improved, partly due to a series of reforms inspired by Chhattisgarh's experience and intensified under the National Food Security Act (NFSA). Instead of completing these reforms, for instance by removing private dealers, the Jharkhand government made Aadhaar-based biometric authentication compulsory for PDS users. The consequences, documented in a recent study published in the *Economic and Political Weekly*, were sobering. Large numbers of people, especially among vulnerable groups such as widows and the elderly, found themselves excluded from the PDS. Those who were still able to buy their food rations faced considerable inconvenience due to connectivity and biometric failures. Worse, there was a revival of corruption, as PDS rice meant for those who failed the biometric test was siphoned off with abandon.

The damage was made worse in mid-2017, when the Jharkhand government mass-cancelled ration cards not linked with Aadhaar. On September 22, the government claimed that Aadhaar had enabled it to cancel 11 lakh "fake" ration cards, but this figure stands no

scrutiny, and indeed, it was retracted later. Many of the cancelled ration cards actually belonged to families that had been unable to link their card with Aadhaar for no fault of their own. The family of Santoshi Kumari, an 11-year old Dalit girl who died of hunger on September 28, was among them.

The mass-cancellation of Aadhaar-less ration cards, without verification and without even informing the victims, was both inhuman and illegal. The State government received some flak for it from the Unique Identification Authority of India (UIDAI) – it is another matter that UIDAI is participating in the crusade to make Aadhaar-based biometric authentication compulsory in various contexts. But far from learning from this mistake, or doing anything to repair it, the Jharkhand government launched a further attack on people's food entitlements: the monthly PDS rations of 5 kg per person were restricted to those whose individual names had been linked with Aadhaar in the ration-cards database. The following sort of situation is now very common in rural Jharkhand: a family has five members, but only three are listed along with their Aadhaar number in the database, so the family ends up getting 15 kg of rice per month instead of 25 kg. This restriction, incidentally, is a flagrant violation of the instructions issued by the Food Ministry in Delhi on October 24, in response to the uproar that followed Santoshi Kumari's death.

The cash route

All this, however, is just a trailer. Preparations are on for a much bigger assault on the PDS in Jharkhand: the transition to so-called "direct benefit transfer". Under the DBT system, people have to collect their food subsidy in cash from the bank before using it to buy rice from the ration shop at ₹32 per kg. Until now, they were



able to buy rice from the ration shop at ₹1 per kg. Direct benefit transfer is an odd term for the new system, whereby the food subsidy is provided in a very roundabout way.

The DBT system was initiated in Nagri Block of Ranchi district last October, on an experimental basis. The State government is planning to extend it in other parts if the experiment works. But it seems to have decided in advance that the experiment is a success, without paying serious attention to the ground realities.

In Nagri, it does not take long to discover that the new system is a disaster, and that most people are angry with it. The main problem with DBT is that people waste enormous time shuttling between the banks, *pragya kendras* (common service centres) and ration shops to get hold of their money and then use it to buy rice at the ration shop. For many of them, this is a three-step process. First, they go to the bank to find out whether the subsidy has been credited and update their passbook. Second, they go to the *pragya kendra* to withdraw the cash, as the bank often insists on their doing so from these centres. Third, they take the cash to the ration shop to buy rice at ₹32 per kg. At every step, there are long queues, and for many people the bank or *pragya kendra* is also far away. For people with mobility problems, like

the elderly or disabled, this entire process is a nightmare. One elderly woman we met had to be taken to the bank each time by two relatives – one to drive the motorbike and one to hold her from the back seat.

The ordeal was particularly trying in the last few weeks, when people had to adapt to the new system. Many families have several bank accounts, but apparently, they were not told where to look for their subsidy. Even the bank manager we met in Nagri, or for that matter the Block Development Officer, did not know which account is selected for DBT when a household has several bank accounts. As a result, many people had to run from bank to bank to find out where their subsidy had been deposited. This is all the more difficult as the food subsidy is not always easy to distinguish from other bank credits.

If people had cash reserves, the system might work better: PDS purchases would not be contingent on bank transactions. What is striking is that so many people in rural Jharkhand, even in a relatively developed block like Nagri, have so little cash. And even those who have some cash, it seems, prefer to use the DBT subsidy to buy rice from the ration shop, partly because they are not clear about the rules of the game.

Incidentally, the State government announced last year that Nagri was all set to become Jharkhand's first "cashless block". Today, it is forcing people to handle more cash than they want to.

Beyond Jharkhand

Even as the people of Nagri fume and protest against the DBT experiment, the State government is trying its best to project it as a success and justify its extension to the whole State. If this happens, millions of people will face renewed food insecurity.

Jharkhand is among the worst

cases of destabilisation of the PDS, but similar moves are happening in other States. Most of them are under tremendous pressure from the Central government to impose Aadhaar-based biometric authentication or move towards DBT. In Bihar, I am told, DBT failed in the pilot block (Kasba in Purnia district), but the failure went largely unreported. In Rajasthan, the biometric authentication has caused enormous damage, evident even in the government's own transactions data. Even Chhattisgarh, known for its model PDS, is under pressure to follow the diktats of the Central government and adopt Aadhaar-based technology. In all these States, we know senior officers in the Food Department who understand the inappropriateness of this technology and privately oppose it. Yet, they have no choice but to follow the Central government's instructions. This is symptomatic of a larger malady in India's social sector: growing centralisation and technocracy.

The most disturbing aspect of this trend is a lack of concern for the hardships that people face. Aadhaar-less ration cards are cancelled without notice. Pensions are discontinued without the victims being told what the problem is. Job cards are cancelled just to meet the "100% seeding" targets. Elderly persons with rough fingerprints are deprived of food rations without compensation. Cash payments are automatically redirected to Aadhaar-linked bank accounts that people sometimes know nothing about. In effect, they are treated as guinea pigs for undependable technologies, without any effective arrangements for grievance redressal or even information sharing. Let people perish if need be, Aadhaar must prevail.

Jean Dreze is visiting professor at the Department of Economics, Ranchi University