

# Raman opposes cash subsidy transfer

## Writes To PM Saying Cash Transfer Cannot Substitute PDS

TIMES NEWS NETWORK

**Raipur:** Armed with strength of Chhattisgarh's effective PDS system, chief minister Raman Singh on Thursday said his government was not in favour of cash subsidy to the beneficiaries in Targeted Public Distribution System. He further said that the state should be exempted from the proposed cash transfer scheme.

"The present system was the only viable and convenient option for access to food grains in the rural areas," he said in a letter to prime minister Manmohan Singh.

Referring to the pilot project for transfer of cash subsidy through ration cards to the beneficiaries of various government schemes in 51 districts in the country, Raman said that there were lot of problems in implementation of cash subsidy transfer under PDS. "In my view, Fair Price Shops under PDS are the only viable and convenient option for access to food grains in rural areas in the state. Financial inclusion and availability of IT infrastructure are precondi-

The system is vulnerable to misuse of cash subsidy amount by the male heads of the households or purchase of non PDS commodities which would defeat the very purpose for which the subsidies are proposed to be transferred.



**Raman Singh** | CHIEF MINISTER

tions to any scheme of cash transfers. There are substantial problems in the state on both accounts," the chief minister said adding that it would be difficult to fix the monthly cash subsidies in view of fluctuation in market prices.

Singh said the system is also vulnerable to misuse of cash subsidy amount by the male heads of the households or purchase of non PDS commodities which would defeat the very purpose for which the subsidies are proposed to be transferred.

Pointing out that Chhattisgarh has been a pioneer in terms of reforming the PDS, Raman said that the state model has been recommended for replication in other states by the centre. He said it has been the experience of the state that substantial improvement in service delivery at the Fair Price Shops could be achieved by bringing about qualitative changes in the existing system

through reforms and by close monitoring of the whole PDS supply chain, substantially reducing instances of diversion and leakages in the PDS.

Stating that any changes in present PDS should only be implemented if the same result in better convenience to the beneficiaries, Singh said since implementation of PDS at state level is the responsibility of state government, any changes in the system should be done only with their respective consent.

He said the state government was committed to reforms in PDS and is of firm belief that substantial improvement in PDS service delivery can be achieved through reforms and monitoring. Hence the State does not agree with transfer of cash subsidy to the beneficiaries in Targeted Public Distribution System (TPDS) and Chhattisgarh be exempted from the proposed cash transfer scheme, he added.

## Scheme will give people purchasing power, says expert

TIMES NEWS NETWORK

**Raipur:** Expert in public policy and capacity building TR Raghunandan, a former IAS officer of Karnataka Cadre, said on Thursday that transfer of cash subsidy to the beneficiaries was not a "magic wand" but it could help create purchasing power among the masses in the respective rural areas.

Speaking at the media capacity building workshop, organised by the centre and the UN joint programme on convergence here, he said he felt that it could equip the rural masses with much needed purchasing power which, in turn, could help develop markets in the respective areas.

Pointing out that he has no answer to questions supporting or opposing cash subsidy transfer scheme, Raghunandan said there were many people who are thinking differently. He said Bihar chief minister Nitish Kumar had gone on record that his government's priority was to have all-weather roads in all villages and hamlets so that people from any part of the

state could come to Patna within six hours.

"If the market cannot come to you, you can come to the market," he said adding that he could not see any other viable option to address the problem. "Even if we form self-help groups (SHGs) in the remote villages, eventually it will also die. It's certainly not an alternative to anti-poverty programme that has failed in India," he said.

Raghunandan said the number of bank branches and post offices in the country as of now were not sufficient to deal with transfer of cash subsidy to the beneficiaries. "I am sure that technology will change the game in the next five years," he added.

Speakers at the workshop opined that decentralisation was the need of the hour but there were limitations in its implementation.

Decentralization is one of those mechanisms that has tools like public hearing and social audit which could make the system more effective, said Vipul Mudgal, director of the inclusive media project.