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SURGE IN FOOD PRICES SHOWS INFLATION FAR FROM TAMED

Expensive affair

The table lists the % change in the average retail prices of select items in India, as on June 27, against their costs from a month ago, a year ago and five years ago. All figures in %



Items	1 month	1 year	5 years
Rice	2.1	10.2	32.2
Wheat	1.5	4.8	36.2
Toor dal	6.8	26.0	84.8
Sugar	1.0	2.6	12.5
Milk	0.5	10.1	34.9
Tea	2.2	-2.7	31.8
Salt	0.0	11.6	44.6
Potato	8.8	-13.4	6.7
Onion	11.1	-4.1	25.9
Tomato	95.3	-10.4	82.1

Prices of rice, wheat, toor dal, sugar, milk, potato, onion and tomato climb; Consumer Affairs Ministry says seasonal factors are responsible; government monitoring prices on a daily basis

A sharp increase in the retail prices of several crucial food items over the past one month — from the essential vegetables of tomato, onion and potato to the basic cereals of rice and wheat, toor dal, the commonest protein source in vegetarian households, and even loose tea — has left households and small eatery operators scrambling to juggle their budgets.

Data from the Ministry of Consumer Affairs, Food and Public Distribution's Price Monitoring Division show that prices of nine of the 10 key food items sampled by The Hindu — rice, wheat, toor dal, sugar, milk, tea (loose), salt (iodised, packed), potato, onion and tomato — had increased as on Tuesday from a month earlier. The price of salt alone was unchanged.

While the 0.5% month-on-month increase in milk price was the least, the prices of all three essential vegetables had risen, with potato up 8.8%, onion

11.1% higher and tomato almost twice as high as in the last week of May. The national average retail price of tomato on June 27 was ₹46.1 per kilogram, 95% higher than ₹23.6 a month earlier.

"Even a simple rasam has become a costly dish these days," said Prema K. P., a homemaker at Kunduparamba in Kerala's Kozhikode, lamenting the sharp surge in tomato prices in the State.

At the Connemara market in Kerala's capital Thiruvananthapuram, the vegetable cost ₹100 per kg on Wednesday. Only a week ago, tomato was being sold at ₹45-₹50 a kg in the State.

The price of tomato in fact was highest as per government data in Uttar Pradesh's Gorakhpur, at ₹121 a kg as on Wednesday.

Union Consumer Affairs Ministry Secretary Rohit Kumar Singh said the surge in tomato prices was the result of seasonal factors. "Across the country, tomato is grown and harvested at different points of year," Mr. Singh told The Hindu.

"There are some gaps, and at some points, there will be a little shortage which gets compounded by weather disturbances. It's also highly perishable. When it rains, transportation becomes an issue," Mr. Singh added.

Traders in different parts of the country attributed the high summer temperatures this year as well as unusually sharper rain spells more recently, especially in northern States, as factors affecting the supply of vegetables this year.

"We are buying the vegetables for higher prices, we also need to ₹20-30 in profit to survive but heavy rains in the hills have ruined farmers' crops and mandi walas are saying they are finding it difficult to procure crops," said Ashish Gupta, a vegetable seller in Delhi. "So, now we must buy these vegetables in wholesale for higher prices," he noted, adding that tomatoes and cauliflowers, which were sold at ₹40-50 a kg, were currently being priced in the mandi at ₹90-100 a kg.

Emphasising that the Centre was monitoring the prices on a daily basis, Mr. Singh said tomato prices were actually lower now when compared with the corresponding time last year. "The all-India average is about ₹49 on Wednesday, which is less than last year's price. The issue of price rise will ease out in seven-eight days," he said.

But consumers across the country were not so sanguine, with several pointing to the widespread nature of food price inflation that was impacting household budgets. Srinivasan, a resident of Chennai, said vegetables, including cluster beans, beans, brinjal and yam, had all become costly and were priced above ₹100 a kg. "In such a situation, we can only afford potatoes, greens, and banana flower. The government should step in and take steps to reduce prices," he said.

BIOFERTILIZER SCHEME GETS CENTRAL GOVT.'S GREEN LIGHT

The Cabinet Committee on Economic Affairs (CCEA) on Wednesday approved the PM-PRANAM (PM Programme for Restoration, Awareness, Generation, Nourishment and Amelioration of Mother Earth) scheme, a promise made in the last Budget.

Union Fertilizer Minister Mansukh Mandaviya told reporters after the meeting that the new scheme would promote use of nutrient-based biofertilizers for sustainable agriculture and it would have a total outlay of ₹3,70,128.7 crore. Mr. Mandaviya said the scheme was aimed at saving the soil and promoting sustainable, balanced use of fertilizers, and it involved the participation of State governments.

Urea subsidy scheme to continue

The Centre said in a release that the scheme included a bouquet of various schemes which would boost farmers' income, strengthen natural / organic

farming, rejuvenate soil productivity, and ensure food security. The CCEA also approved continuation of the urea subsidy scheme to ensure constant availability of urea to the farmers at the same price of ₹242/ 45 kg per bag.

Mr. Mandaviya said the use of nano urea had also increased in the country. "By 2025-26, eight nano urea plants with production capacity of 44 crore bottles will be commissioned," he said.

Apart from that, ₹1,451.84 crore has been approved for Market Development Assistance (MDA) for promoting organic fertilizers from Gobardhan plants. Fermented organic manures (FOM)/liquid FOM/phosphate rich organic manures (PROM) produced as by-product from bio-gas plants/compressed biogas (CBG) plants set up under umbrella Gobardhan initiative will be promoted.

WE AIM TO INSPIRE YOU

SC COLLEGIUM GETS A MAKEOVER WITH TWO NEW JUDGES JOINING

A majority of the judges in the current Supreme Court Collegium are in line to be Chief Justices of India (CJI), as per the seniority norm, in the next few years.

The collegium has got two new members in Justices B.R. Gavai and Surya Kant. Justice Sanjeev Khanna is the new number-three judge in the collegium after the Chief Justice and Justice Sanjay Kishan Kaul.

Until recently, the Supreme Court had a six-member collegium instead of the usual five members.

Justice Khanna was part of the earlier collegium, though not one among the first four puisne judges of the court, as he was expected to succeed Chief Justice Chandrachud in November 2024. The Supreme Court in the Third Judges Case and the Memorandum of Procedure for the appointment of Supreme Court judges had said the successor to the incumbent CJI should have a hand in the selection of judges.

The collegium reverted to the usual five-member composition with the

retirement of Justice M.R. Shah in May. Two more judges in the earlier collegium — Justices K.M. Joseph and Ajay Rastogi — also retired in June, during the summer holidays, paving the way for the entry of Justices Gavai and Kant into the Chandrachud Collegium. Justice Gavai is expected to take over as top judge from Justice Khanna in May 2025. Justice Kant is expected to succeed Justice Gavai as Chief Justice in November 2025 till his retirement in February 2027.

The next change in the collegium would come with the retirement of Justice Kaul, the current number two judge in the Supreme Court, in December 2023.

The new collegium would have to swing into action after the court reopens on July 3. Meanwhile, the Supreme Court has published a new subject-wise roster for allocation of cases to its 15 Benches from July 3. Cases dealing with key subjects such as elections, habeas corpus pleas, personal law matters, etc., would be heard by the CJI's Bench.

INDIAN ECONOMY RESILIENT DESPITE GLOBAL RISKS: RBI

India's financial system has been stable and resilient despite significant strains in the West, RBI's Governor said; non-performing assets of Indian banks fell to a 10-year low of 3.9% in March 2023

Despite the global economy facing heightened uncertainty, the Indian economy and the domestic financial system remain resilient supported by strong macroeconomic fundamentals, the Reserve Bank of India (RBI) said in its biannual Financial Stability Report (FSR) on Wednesday.

Scheduled Commercial Banks' gross non-performing assets ratio continued its downtrend and fell to a 10-year low of 3.9% in March 2023 and the net non-performing assets ratio declined to 1%, it said.

"Macro stress tests for credit risk reveal that SCBs would be able to comply with the minimum capital requirements even under severe stress scenarios," the RBI said.

"The global financial system has been impacted by significant strains since early March from the banking turmoil in the U.S. and Europe," Governor Shaktikanta Das wrote. "In contrast, the financial sector in India has been stable and resilient," he added.

Mr. Das said both banking and corporate sector balance sheets had been strengthened, engendering a 'twin balance sheet advantage' for growth.

A bright spot

India's economy and financial system have remained stable despite global headwinds, says the RBI

- Stress tests indicate that Indian banks will be able to withstand even severe stress scenarios

- The balance sheets of both banks and corporates have strengthened to give India an advantage

- The net non-performing assets of Indian banks dropped to 1% in March 2023



PUBLIC ISSUES: SEBI TO HALVE TIME FOR LISTING SHARES TO THREE DAYS

SEBI on Wednesday cleared the proposal to reduce the listing time for shares in public issues to three days from existing six days, a move that is expected to allow issuers to receive their funds and allottees their securities in a shorter period.

The reduced timeline will be voluntary for all public issues opening on or after September 1, and mandatory for the issues on or after December 1.

Briefing reporters after SEBI's board meeting, Chairperson Madhabi Puri Buch said the decision to reduce the listing time to three days was a "global

first and I am sure it will also be glitchless as all market participants have tested its applicability".

"The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 1... and mandatory on or after December 1," SEBI said in a release.

Also, kerb trading of securities would be curbed, and resources of all stakeholders in the issue process would be deployed for a shorter period, SEBI said.

KEEP IT SIMPLE

EPFO must simplify process for members to avail higher pension

The move by the Employees' Provident Fund Organisation (EPFO) to extend the deadline, for a third time, for employees and pensioners to exercise the joint option for higher pension is of limited relief, as several issues remain unresolved. As the entire process is an outcome of the Supreme Court judgment of November 2022 on the validity of amendments made in 2014 to the Employees' Pension Scheme (EPS), the matter pertains to two categories of applicants — those who retired from service prior to September 1, 2014, and those who left service after the date and those who are still in service. Nearly 16 lakh applications have been received so far. Yet another extension cannot be ruled out. After all, it is too early to indicate that higher pension disbursement will begin this financial year, even if applicants meet all the terms and conditions. The Union Labour and Employment Ministry, which oversees the EPFO, told the standing parliamentary committee concerned early this year that the implications of the Court's verdict on the EPS had not been factored in, while preparing the Budget estimates for 2023-24.

The most important issue of concern is the lack of clarity on the amount pension members and pensioners will receive, should their applications be accepted. Their anxiety is understandable as they — particularly those still in service — give their consent to transfer a substantial portion of their PF savings to the Pension Fund. Though pensioners will have to make payments separately to be considered eligible for higher pension, they would also be keen to know how much pension they would get. It is against this backdrop that the EPFO has sent demand letters to about 1,000 pensioners and employees for collecting arrears. As the calculator on the EPFO's website only indicates the amount to be transferred, it is time that the EPFO gave an indicative figure of pension, at least to applicants who have been issued the letters. In the case of the pre-2014 retirees, it appears that the PF authorities have not yet officially commenced communication on the status of their applications, even though, under the rules, most of these may not stand the test of scrutiny. Employers have the Herculean task of producing physical records for every applicant. As not all establishments

will have these records, the sensible option for the EPFO would be to share its database with employers for the limited purpose of establishing applicant authenticity. The situation is more complicated for establishments that are no longer in existence — there appears to be no way out for their employees and

pensioners to apply for higher pension. Given that the spirit of the judgment is to provide a better social security net, the Union Ministry and the EPFO should be proactive in simplifying the process and ensuring that every deserving person gets the benefit.

MANIFESTLY ARBITRARY, CLEARLY UNCONSTITUTIONAL

In 2015, soon after the Aam Aadmi Party won the Delhi Legislative Assembly elections by a significant margin, the central government issued a notification taking control over services in the National Capital Territory (NCT). This sparked an eight-year long legal battle between the Delhi government and the central government, involving four rounds of litigation before the Supreme Court of India. In May 2023, the Court ruled decisively in favour of the Delhi government. However, rather than being the end of the battle, the Court's decision turned out to be only another pit stop. Within days, the central government, acting through the President of India, issued an ordinance amending the Government of National Capital Territory of Delhi Act of 1991. Through this ordinance, the central government sought to undo the Court's judgment: it explicitly deprived the Delhi Legislative Assembly from enacting laws pertaining to services within the NCT, and, instead, set up a parallel body, comprising the Chief Minister and two bureaucrats, who would be responsible for taking service-related decisions with respect to Delhi.

In effect, a case of being handed back

Shorn of legalese, and in effect, the Delhi Services Ordinance takes away the control of services from the elected government of Delhi, and hands it back to the central government. A close look at the ordinance reveals two justifications offered by the central government. At the level of policy, the central government argues that Delhi's status as the national capital requires a "balancing" of interests between the elected Delhi government, and the government at the Centre. At the level of law, it is argued that Article 239AA of the Constitution (which encodes Delhi's "special status") expressly authorises Parliament to pass laws with respect to fields that are normally within the exclusive competence of the States. One of these fields is that of "services".

Both these arguments, however, miss the mark. In particular, they cannot paper over the major constitutional flaw with the Delhi Services Ordinance, i.e., that the ordinance violates and undermines core principles of democracy, representative governance, and a responsive administration.

To understand how, let us begin with first principles. Any functioning modern polity requires the performance of a vast range of daily administrative functions, which must be coordinated at multiple levels. This task is performed by the body that we colloquially call "the Services." While elected representatives are responsible for formulating policy and shaping vision when it comes to crucial issues such as health or education, it is the services that are responsible for implementing both vision and policy, in concrete terms.

Therefore, the question of who the services are responsible to — or, who they answer to — becomes crucial. In other words, whatever policy or vision that elected legislators may formulate, whether this is actually implemented — and what is actually implemented — depends on who the services report to, and who has power over mundane issues such as transfers, postings, and enforcing discipline.

For this reason, the default position has always been that, unless expressly provided otherwise — it is the directly elected government that should have control over services. This ensures that the representatives whom the people elect upon a certain manifesto, actually have the ability to implement the policies and promises on the basis of which they have been elected.

A chain of accountability

In its judgment in May 2023, the Court explicitly recognised this by formulating the concept of the "triple chain of accountability". The triple chain of accountability is integral to representative democracy and proceeds as follows: civil servants are accountable to the cabinet. The cabinet is accountable to the legislature, or the Legislative Assembly. And the Legislative Assembly is

(periodically) accountable to the electorate. Any action that severs this "triple chain of accountability" fundamentally undermines the core constitutional principle of representative government, which is at the bedrock of our democracy.

The Court's idea of the "triple chain of accountability" is evident in the constitutional provisions relating to the status of Delhi, and demonstrates why the central government's defence of the ordinance cannot stand. Delhi's "special status" — which flows from it being the capital of the country — is already recognised in Article 239AA, in many distinct ways. For example, Article 239AA explicitly deprives Delhi's Legislative Assembly — and, by extension, the Delhi government — from legislating (or taking executive action) under three fields that are otherwise reserved for the States: public order, land, and the police.

In other words, by not giving to the Delhi government what all other State governments enjoy, Article 239AA already sets out the balance between the interests of representative governance, and national interest in the national capital.

Crucially — and this was a significant factor in the Court's judgment — Article 239AA does not take away services from the purview and jurisdiction of the Delhi Assembly and the Delhi government. In other words, the very structure of Article 239AA is designed to preserve the triple chain of accountability, where Delhi's bureaucrats shall be accountable to Delhi's government, Delhi's government will be accountable to Delhi's legislature, and Delhi's legislature will be accountable to the people of Delhi.

The Delhi Services Ordinance, however, severs this triple chain of accountability by taking away the entire category of services from the jurisdiction of the Delhi government, and, in effect, placing it under the control of the central government.

Now, it is of course true that another feature of the balance that is encoded within Article 239AA is that it grants to Parliament to pass laws, with respect to Delhi, under any of the fields that are otherwise reserved to the States (one of which is "services"). The purpose of this is to maintain a degree of flexibility: while public order, land, and police have been removed from the sphere of the Delhi government entirely, unforeseeable circumstances might arise requiring Parliament to pass specific legislation with respect to other fields as well.

Power over services taken away

The Delhi Services Ordinance, however, does not do that: instead of responding to any specific circumstance, it takes away the Delhi government's power over services wholesale and in all circumstances. In other words, it tries to take, for the central government, what the Constitution expressly denied: exclusive power over services. Indeed, notably, the ordinance articulates no specific or concrete reason why it has been enacted, other than the need to "balance" interests; this, as we have seen, is illogical, as that balancing has already been achieved within the Constitution.

It can, therefore, be seen that the Delhi Services Ordinance undermines the principles of representative democracy and responsible governance, which are the pillars of our constitutional order. It is also manifestly arbitrary, as it lacks any determining principle that justifies what is, in effect, a wholesale transfer of power from Delhi to the Centre. For these reasons, in the opinion of this writer, it is clearly unconstitutional. It only remains to be seen what the outcome will be when the Supreme Court is approached for the fifth time, to adjudicate this seemingly endless battle.

MAHALANOBIS IN THE ERA OF BIG DATA AND AI

Professor P.C. Mahalanobis, who introduced statistics to India, is a scientist whose absence is felt dearly even today. Mahalanobis's lifelong courtship with statistics, his unwavering and fearless leadership to advance a statistics and survey culture in India, the founding of the Indian Statistical Institute — "a mighty monument of his handiwork" — and his nurturing of a generation of outstanding academicians have all left behind an enduring legacy. There is little doubt that India was in the Mahalanobis-era nearly five decades prior to his passing on June 28, 1972. Today, in the midst of the shifting socio-economic dynamics in post-pandemic India, he is greatly missed.

The age of Big Data

Over the past 20 years, there has been a global shift in both the nature of data and statistics. With the advent of the Internet and virtually everything confined to the Internet of Things, there has been a flood of data, most of it junk. We now have much more data than what available technology can leverage. This is widely perceived as the era of Big Data.

Another significant yet related issue is how artificial intelligence (AI) is transforming our lives and lifestyles. The state of society is precarious. One can wonder how Mahalanobis, a statistical doyen and a key figure in the early

development of Indian democracy, would have responded to the Big Data-related craziness and the AI-driven revolution. Though speculative, the answer would be based on his legacy.

Historically, data often appears to be Big when the available technology at that time fails to analyse it. Mahalanobis also encountered a Big Data problem when his large-scale surveys yielded lots of data that needed to be looked into for effective planning. How did he respond to this? Well, to handle tons of data and tackle the complex mathematical calculations, Mahalanobis persuaded the government and succeeded in procuring the first two digital computers of the country (and South Asia, too) at his Indian Statistical Institute, in 1956 and 1958, and thus ushered in the age of computers in India. It was indeed a remarkable accomplishment by a statistician.

Problems during COVID-19

Mahalanobis was “a physicist by training, a statistician by instinct and an economist by conviction”. He had an uncanny knack for embracing technology for human welfare, perhaps as a result of his background in physics. He even built some simple machines to facilitate his surveys and measurements. Thus, one may safely perceive that Mahalanobis would have embraced the power of AI in enhancing human productivity, such as Big Data analyses, and perhaps in a way that is far more effective than how AI is currently applied to that goal.

He could possibly be able to lead Big Data analyses considerably better than anybody else, even in the absence of AI, as no one is likely to comprehend survey dynamics or the heartbeat of data as he did. One recent Big Data foible, for instance, involved numerous contradictory projections during the COVID-19 era. Different sorts of economic losses due to the pandemic needed to be properly evaluated for a balanced recovery. One could argue that if Mahalanobis was alive today, the country’s COVID-19 response could have been much

stronger. If he was in the lead, our data might be beyond question, and the analyses might be far more accurate. And India’s “Plan Man” could be the best person for planning to build optimal health-related infrastructures for combating future disasters.

AI regulation

Around seven decades ago, from the perspective of the newly independent nation, planning — with the aid of extensive technocratic exercises with democratic participation — moved from the realm of politics, primarily due to Mahalanobis. Now, we are at the crossroads. India’s upcoming census will be a digital exercise. The dynamics of other surveys are also bound to change in the new normal setup. That is how statistics is evolving. We would miss the leadership of an expert such as Mahalanobis from this changed statistical perspective.

Ah, AI. As AI is threatening to replace millions of jobs without creating alternatives and is also aiding in spreading disinformation, there is a substantial global attempt to clip its wings. Never easy, though. Mahalanobis, who was deeply inspired by Kautilya’s Arthashastra, successfully introduced the revolutionary concept of built-in cross-checks into his surveys. As the world struggles to regulate AI, could Mahalanobis, with his statistical “instinct,” also be instrumental in regulating AI? Maybe.

Mahalanobis envisioned statistics as “a new technology for increasing the efficiency of human effort in the wildest sense”. Even today, someone like Mahalanobis, with an uncanny knack for perfection, tireless dedication, brilliant leadership, and who could understand the “dance steps of numbers in the arena of time and space” better than anybody else engaged in this business, could be the best person to handle tons of data, with its ever-expanding nature, and also embrace the benefits of technologies for human welfare and national development.

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