

What Indians think of cash transfers, PDS and Modi

The super-rich approve of the Narendra Modi-led government more than the poor, finds the ICE 360° survey



BY PRAMIT BHATTACHARYA
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NEW DELHI

The poor use India's massive public distribution system (PDS) for foodgrains much more than the rich, and rate the quality of grains more favourably than richer income classes, a large-scale nationally representative survey conducted this year shows. The Household Survey on India's Citizen Environment & Consumer Economy (ICE 360° survey 2016) shows that 73% of households belonging to the bottom quintile avail grains from the PDS. The proportion of households belonging to the top percentile that avail PDS grains is less than half that figure at 35%.

The PDS gets higher approval ratings from the poor than the rich. A third of the bottom quintile (the poorest 20%) rated the quality of grains availed through the PDS as good while only 12% of the top quintile (the richest 20%) thought the same. Among the top percentile (the least 1%), the figure was even lower at 5%, the ICE 360° survey shows. Nonetheless, even the poor seem to favour a shift to cash transfers, the survey shows. The ICE 360° survey is among the largest consumer economy surveys in the country. The response period of the survey was April 2015 to March 2016.

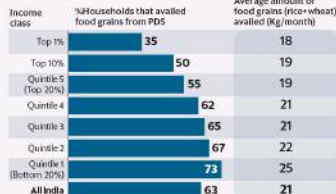
The survey also elicited the opinion of respondents on the central and local governments. The responses on such questions reflect the opinions on the date of the survey and so reflect the mood of the people in the middle of the year when the survey was conducted. The responses show that a majority of respondents considered the performance of the central government to be average rating it between 4 and 7 on a scale of 10 while a little more than a third rated the performance highly (rating it between 8 and 10). About 7% of respondents assigned a low rating to the performance of the central government (rating it between 1 and 3). Local government (municipal bodies and panchayats) received lower ratings compared to the central government.

Among the poor, dissatisfaction of the central government seems to be higher, with 10% of the bottom quintile rating the performance to be low, and 31% rating it high. A much higher proportion of the top percentile rated the central government highly and a lower proportion rated its performance as low, indicating greater support for the Narendra Modi-led government among this richer group. The survey does not tell us whether these preferences have shifted after the government scrapped high-value banknotes on 8 November.

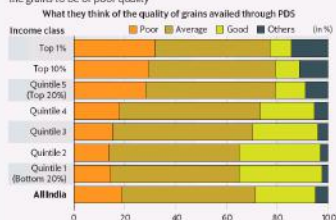
The survey also suggests that class and caste are the biggest grounds for discrimination in the country. More respondents reported facing discrim-

Food and cash transfers

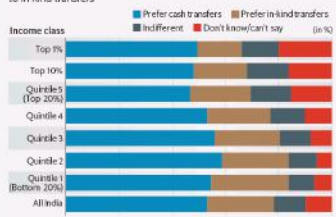
A greater proportion of poor use public distribution system (PDS) compared to the rich, and the average amount of grains availed is higher among the poor



The rich may be using the PDS less than the poor because they find the grains to be of poor quality



A majority of households cutting across income classes prefer cash to in-kind transfers



GRAPHIC: SARVESH SHARMA/MINT

ICE 360° Part 16

in on the basis of class than on the basis of caste nationally while more reported facing discrimination based on caste than on the basis of religion, language or gender, according to the survey. About 26% of respondents reported experiencing discrimination (either 'frequently' or 'sometimes') on the basis of class or 'economic status' while 17% respondents reported experiencing caste-based discrimination. Among scheduled tribe (ST) households, 22% reported facing caste-based discrimination while 28% reported facing class-based discrimination. Among scheduled tribe (ST) households, 22% reported facing caste-based discrimination while 31% reported facing class-based discrimination.

The ICE 360° survey shows that India's largest welfare scheme, PDS, not only reaches the poor more than

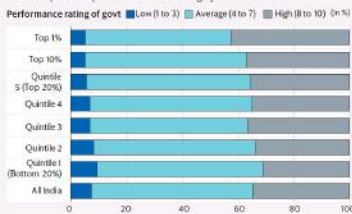
the rich but it also confers greater benefits on the poor. The average amount of grains (rice and wheat) availed by households in the bottom quintile in an average month during the response period was 25kg while that availed by households in the top percentile was 18kg.

Over the past few years, empirical studies by a number of economists have shown that PDS leakages have fallen over time even as its coverage has expanded. As an earlier *Mint* analysis based on National Sample Survey Office (NSSO) data show of *India 2016* (ICE 360°), the PDS has become more progressive over the past decade. Yet, despite the progress, leakages continue to plague the PDS.

As the ICE 360° survey shows, the PDS suffers from both inclusion and exclusion errors. On the one hand, a third of those in the top percentile, and more than half of the top quintile access PDS grains. On the other hand, more than a quarter of those in the bottom quintile are unable to access

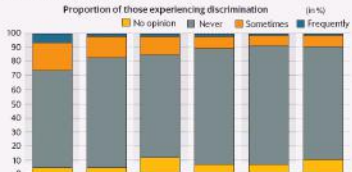
The rich support Modi gov more than the poor

43% of the richest Indian households rated the central government highly, while the poorest quintile which rated it highly is lower at 31%

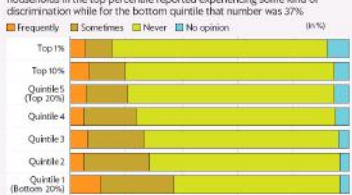


Class and caste discrimination

Most respondents who reported experiencing discrimination did so because of class and caste



Wealth appears to be a great buffer against discrimination. 15% of the households in the top percentile reported experiencing some kind of discrimination while for the bottom quintile that number was 37%



SOURCE: ICE 360° SURVEY, 2016

Ujit Patel to brief parliamentary panel about note ban on 19 Jan

New Delhi: The standing committee on finance has called Reserve Bank of India (RBI) governor Ujit Patel on 19 January to brief a parliamentary panel about the contours of demonetization and the efforts being made by the central bank to ease cash crunch in the economy, people in knowledge with the matter said. The 31-member panel will question finance ministry officials and also IT experts on demonetization and steps taken to promote digital economy. **PTI**

Delhi high court adjourns pleas against demonetization

New Delhi: Delhi high court on Thursday adjourned indefinitely the hearing on pleas challenging the Narendra Modi government's demonetization move after it was informed that the Supreme Court (SC) has stayed all proceedings pending before different courts on related issues.

The bench further said since the petitioners were not withdrawing their petitions as per SC directive, the case is adjourned sine die. **PTI**

Govt exempts imported POS machines from BIS labelling

New Delhi: To facilitate cashless payments, government has exempted imported point of sale (POS) machines from mandatory BIS labelling till 31 March to expedite their shipments.

The ministry of electronics and IT has given nod to a proposal of finance ministry "to allow the import of non-labelled BIS registered POS terminals" complying to certain conditions. BIS is an implementing agency. **PTI**

Haryana discom reports Rs201 cr profit in first half of 2016

New Delhi: One of two state-owned power distribution companies in Haryana, Dakshin Haryana Bijli Vitaran Nigam Ltd, has become the first power utility to turn around under the Ujjwal Discom Assurance Yojana rolled out in November 2015. An analysis of the financial health of the utility released by the power ministry on Thursday said the company has reported "remarkable achievement of turnaround" from a loss of Rs479 crore in 2015-16 to a profit of Rs201.35 crore in the first half of 2016-17. **GIREESH CHANDRA PRASAD**

Realtor Paramsal Lodha nabbed for allegedly laundering Rs25 cr

BY SHASWAT DAS
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NEW DELHI

The Enforcement Directorate (ED) on Thursday said it has arrested Kolkata-based businessman Paramsal Lodha from the Mumbai airport for allegedly converting Rs25 crore in old currency notes into new ones.

A senior official said Lodha has confessed to having links with mining baron J. S. Sekhar Reddy, who was arrested along with his associate K. Srinivasulu in Chennai in December.

The Income Tax (IT) department had then seized Rs30 crore in cash, including Rs54 crore in new currency notes and Rs7 kg of gold. The Central Bureau of Investigation (CBI) also filed a first information report (FIR) against Reddy.

"Paramsal Lodha was arrested Wednesday evening. The link between mining baron Sekhar Reddy and him has been admitted by Lodha in his statement itself. The investigation is still at a preliminary stage and so far we can't predict what the future course of action will be," the official said, on condition of anonymity.

The official explained how Lodha was arrested. Lawyer Rohit Tandon's house and office premises in Delhi had been raided several times by the IT department between October and December, and Rs1.57 crore of demonetized currency seized. Lodha had been under the scanner when high-value cash seizure case is reported, we immediately try and go to the bottom of it. A firm link was established between Lodha and Tandon

GREEN LINE

BAHAR DUTT

Respond to his column at feedback@eventim.com

TOP ENVIRONMENT STORIES OF 2016

As the year draws to a close, it is only fitting that we take stock, draw up lists—of what worked in 2016 and what didn't. And to end the year and my last column, perhaps it is best to recall what is working for the environment and the natural world. Our environmental indices may be at an all-time low, but the stories of victory in your year give me cause for hope for the coming year.

1. Victory for Standing Rock

For several months, Native American tribes and their allies, led by the Standing Rock Sioux, have been protesting against the Dakota Access pipeline, a project that would transport oil from the Bakken oil fields in North Dakota and Montana across the plains to Illinois. The protesters had argued that the pipeline would cause ancestral lands, threaten the water supply, and unfairly burden the Standing Rock Sioux tribe, which is unlikely to benefit from any economic development that accompanies the project. The tribes won a major victory when the Department of Army announced that it would not allow the pipeline to be drilled under a dammed section of the Missouri river. The site had become a global flashpoint for environmental and indigenous activism, drawing thousands of people, creating hope for many such battles that are being fought around the world.

2. Battle for clean air in Indian cities

"We've only just begun" may perhaps be the best way to summarize this battle, especially at a time when the Air Quality Index is touching alarming new highs in most cities across India. But look at it this way: what environmentalists have been harping on for years, finally has the attention of the politicians. The common man, too, on the street and yes, even in the parliament, is now in the middle of the debate. While scientists are still debating whether the odd-even formula will bring down pollution levels, here's what this theme has succeeded in doing: it has made sure that air pollution is an issue has occupied centre stage. In a city known for its flashy cars and political comebacks, the citizens of Delhi, for the first time in 2016, embraced the inconvenient experiment in the hope that it would bring down air pollution. The good news is that more and more citizens are willing to come forward to tackle air pollution, but will this be enough? This is the space to watch in 2017.

3. A proactive green tribunal

At a time when the government is trying to dilute environmental laws, the National Green Tribunal (NGT), through a series of orders in 2016, restored our faith—that there is a redressal mechanism in the country. In a number of landmark decisions, the tribunal stepped in when all else failed. This year it suspended the environmental clearance to a hydro-power project in Tamang district, Arunachal Pradesh on the ground that both the environmental impact assessment report and the project development plan were deficient. It also ordered the black-necked crane habitat in the region.

In another strong order, the NGT asked for a slew of measures, with time-bound targets, to be taken to tackle air pollution in Delhi. At a time when the centre and state governments were playing politics on who is to blame for pollution in the National Capital Region, the NGT ordered both their responsibility with clear targets for each stakeholder.

The same tribunal ordered a temporary halt to the construction of a steel flyover in Bengaluru that would have led to the destruction of 800 trees and heritage buildings in the city.

4. The creation of the world's largest protected area

At a global level, US President Barack Obama created the largest ecologically protected area on the planet when he expanded the Papahānaumokuākea Marine National Monument in Hawaii to encompass more than half a million square miles. With this one order, the US president succeeded in creating the largest swath of protected land or water on Earth, an area roughly twice the size of Texas. Many scientists and environmentalists have argued for more stringent protections for this biologically rich region already under threat from climate change and deep-sea mining.

5. New species continue to be discovered

The discovery of new species every year is a gentle reminder of just how little we know about the natural world. This year too had its share of discoveries—an African damselfly, a ruby sea dragon in Australia, a new species of giant tortoise in the Galapagos in Ecuador and a sundew plant that coaxes insects to trap insects, from just one month in Brazil.

Of course the idea behind this list is not to create a rose-tinted picture of the times we live in. Never before have many species been lost and never before have our air and water been polluted with so many toxic chemicals. Yet we do believe, with this best memory of the small victories.

As the year draws to a close, what is important to remember is that people have come together to fight for clean air, forests or wildlife, however insignificant the battle may have seemed. May 2017 bring on clean air and lots of time spent in green spaces.

Bahar Dutt is a conservation biologist who has been writing for Mint for the last two years. This is her last column.