



Data interrupted

Reviving the official household spending survey is only a first step

Counting the spending | The All-India Households' Consumer Expenditure Survey will be conducted between July 2022 and June 2023

What is it?

Usually carried out every five years, the survey helps assess poverty levels and consumption patterns across the country, and rebase GDP calculations

What's the big deal? The last survey whose findings were made public was conducted in 2011-12

Why this long pause? A survey was conducted in 2017-18 too, but its results were not released owing to 'quality' concerns. It reportedly reflected the first drop in monthly per capita household spending since 1972-73, with a rise in poverty incidence



The All-India Household Consumer Expenditure Survey:

1. India's official statistical machinery is gearing up to relaunch the All-India Household Consumer Expenditure Survey, traditionally undertaken quinquennially, from July 2022. If it fructifies, the result may be known towards the latter half of 2024.
2. Of equal import is providing data comparable with past numbers while factoring in changes in consumption patterns.
3. The absence of official data on such a critical aspect of the economy — used to estimate poverty levels, rebase GDP, and make private investment decisions — for over a decade, is damaging to India.

Data for governance:

1. Being a free-market and transparent democracy distinguished India from the likes of China where official data are read with a pinch of salt. The Government's actions, including the delayed release of critical jobs data, have dulled that perception.
2. If anything, such Surveys need to be conducted more frequently for more effective policy actions informed by ground realities, no matter how unpleasant they may be.

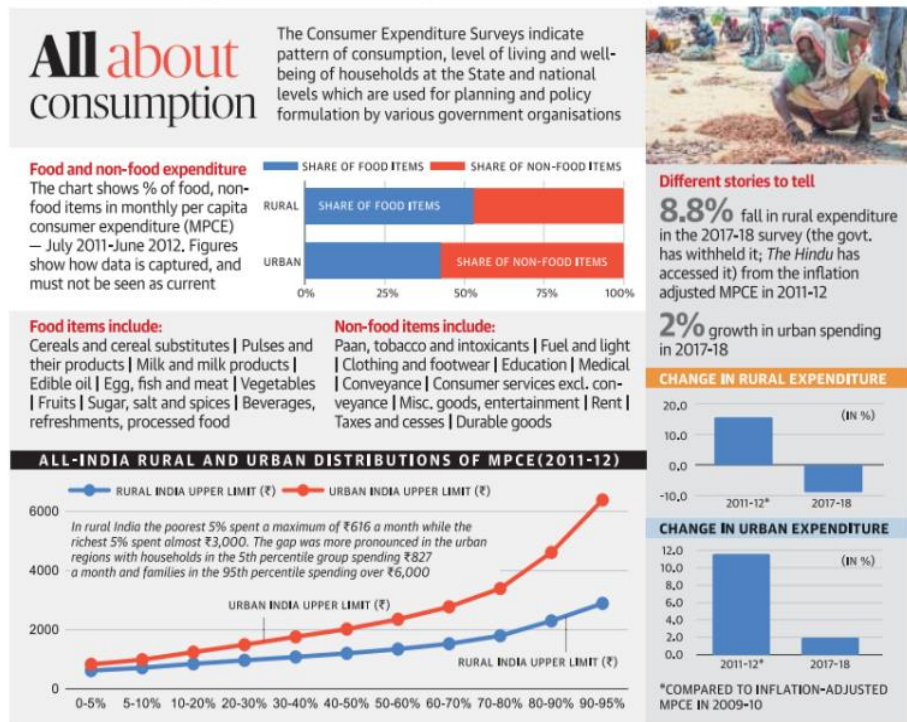


- Now, imperfect proxies are deployed to gauge the economy, surmises made about the extinction of extreme poverty, and outlays are tom-tommed without evidence on outcomes.
- The NSO must be empowered to collect and disseminate more data points, without fear of insinuations about its abilities, or a looming axe on its regular Surveys.

Previous 2011 Survey:

- The survey showed that the average urban MPCE (at Rs 2,630) was about 84% higher than the average rural MPCE (Rs 1,430) for the country as a whole.
- Food accounted for about 53% of the value of the average rural Indian household's consumption during 2011-12, in the case of urban households it accounted for only 42.6% of the average consumption budget.

- Average protein intake per capita per day was seen to rise steadily with MPCE levels in rural India from 43 g for the bottom 5% of the population ranked by MPCE to 91 g for the top 5%, and in urban India from 44 g for the bottom 5% to about 87 g for the top 5%.





Consumer Expenditure Survey (CES)

1. The CES is traditionally a recurring five-year survey conducted by the government's National Sample Survey Office (NSSO) that is designed to collect information on the consumer spending patterns of households across the country, both urban and rural.
2. The data gathered in this exercise reveals the average expenditure on goods (food and non-food) and services and helps generate estimates of household Monthly Per Capita Consumer Expenditure (MPCE) as well as the distribution of households and persons over the MPCE classes.

Need for Consumer Expenditure Survey (CES):

1. The estimates of monthly per capita consumption spending are vital in gauging the demand dynamics of the economy as well as for understanding the shifting priorities in terms of baskets of goods and services, and in assessing living standards and growth trends across multiple strata.
2. From helping policymakers spot and address possible structural anomalies that may cause demand to shift in a particular manner in a specific socio-economic or regional cohort of the population.
3. To provide pointers to producers of goods and providers of services, the CES is an invaluable analytical as well as a forecasting tool.
4. It is, in fact, used by the government in rebasing the GDP and other macroeconomic indicators.

The All-India Household Consumer Expenditure Survey 2017-18

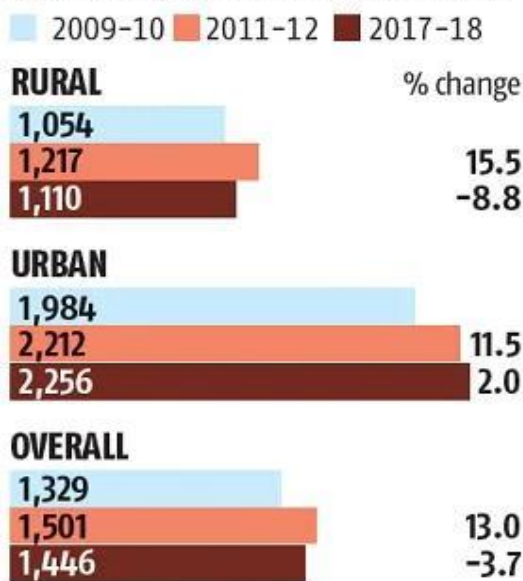
The government announced that in view of "data quality issues" the Ministry of Statistics and Programme Implementation had decided not to release the results of the all-India Household Consumer Expenditure Survey conducted by the National Statistical Office (NSO) during 2017-2018.



RISING POVERTY?

Average spending falls due to a slump in rural demand

(Real monthly per capita expenditure in ₹)

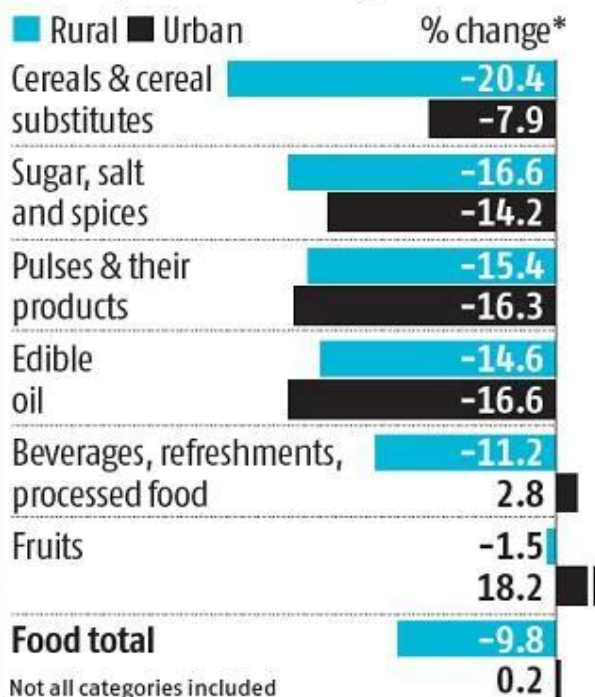


Overall: It is not an addition of rural and urban, and implies the overall consumption expenditure by an average Indian

*In 2017-18 compared to 2011-12 numbers; time period taken into account is between July and June;
Note: The above data is in real terms, adjusted for inflation based on 2009-10 prices of Consumer Price Index-Industrial Workers in urban areas and Consumer Price Index-Agricultural Labour in rural areas
Source: NSO's Key Indicator: Housing Consumer Expenditure in India report, 2017-18

FOOD CONSUMPTION DECLINES

Rural areas witness a fall in consumption of food items, while urban parts see muted growth



A docket is full of unresolved constitutional cases

Judicial delay on important constitutional matters:

1. Some long pending cases include the constitutional challenge to the Presidential Orders of August 5, 2019, that effectively diluted Article 370 of the Indian Constitution, and bifurcated the State of Jammu and Kashmir into two Union Territories and the electoral bond scheme.
2. Judicial evasion of this kind is damaging to the accountability of the judiciary itself. The responsibility for constituting benches and scheduling cases, especially cases that are due to be heard by larger Benches rests solely with the Chief Justice of India (CJI).



Deadline discussed in Constituent Assembly:

1. During the framing of the Indian Constitution, it was proposed that any petition alleging a breach of fundamental rights by the state ought to be judicially decided within one month.
2. While the proposal did not, ultimately, find its way into the text of the Constitution, it nonetheless articulated something of great importance: between the individual and the state, there exists a substantial asymmetry of power.
3. While the violation of rights — whether through executive or legislative action — is relatively costless for the state, it is the individual, or individuals, who pay the price, and who must then run from pillar to post to vindicate their constitutionally guaranteed rights.
4. Consequently, a Constitution is entirely ineffective if a rights-violating status quo is allowed to exist and perpetuate for months, or even years, before it is finally resolved (and often, by the time resolution comes, it is too late in the day for it to have any practical significance).

Blow to accountability and reputation:

1. All these cases involve crucial questions about state power, accountability, and impunity. Consequently, the longer they are left hanging without a decision, the greater the damage that is inflicted upon our constitutional democracy's commitment to the rule of law.
2. Apart from benefiting the party that profits from the status quo — which, as we have seen, is invariably the state — judicial evasion of this kind is also damaging to the accountability of the judiciary itself.
3. It must be acknowledged that the responsibility for constituting benches and scheduling cases, especially cases that are due to be heard by larger Benches rests solely with the Chief Justice of India (CJI).

Electoral bonds:

1. One such long-pending case is the constitutional challenge to the electoral bonds scheme, which has now crossed four years.
2. The electoral bonds scheme authorises limitless, anonymous corporate donations to political parties, making election funding both entirely opaque to

26.04.2022

Tuesday



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the people, as well as being structurally biased towards the party that is in power at the Centre.

3. In numerous central and State election cycles in the last four years, thousands of crores of rupees have been spent on anonymous political donations, thus impacting not only the integrity of the election process but also the constitutional right of citizens to an informed vote.
4. The Supreme Court's inaction is not neutral, but rather, favours the beneficiaries of the status quo. In other words, by not deciding, the Court is in effect deciding — in favour of one party — but without a reasoned judgment that justifies its stance.