

13th July, 2024

1. The PDS impact on household expenditure

GS 2 (Social Issues)

- **Why in News:** The release of data from the Household Consumption Expenditure Survey (HCES):2022-23 has sparked renewed interest in analyzing the impact of the Public Distribution System (PDS) on household expenditure patterns and poverty metrics in India.

● Key Findings from HCES:2022-23:

- **PDS Coverage:** Up to 75% of rural and 50% of urban populations are eligible for subsidized foodgrains under NFSA, 2013.
- **Imputation Methodology:** NSSO imputed values for free food items, with 94-95% of imputed value attributable to food items from PDS.
- **Consumption Impact:** Average imputed value for food is Rs82 in rural areas and Rs59 in urban areas, indicating significant impact on household consumption.

● Impact on Consumption Patterns and Poverty Metrics:

- **Upward Mobility:** 20% of those in the bottom 5% of rural MPCE distribution (about 86 lakh individuals) move to the next fractile class when considering imputed values.
- **Urban Effects:** Similar upward movement observed in urban areas and across major states, suggesting widespread impact of PDS.
- **Poverty Line Debate:** Need for reconsideration of poverty line drawing methods in light of PDS impact on total value of consumption.

● Challenges in Data Interpretation and Policy Implications:

- **Survey Limitations:** HCES:2022-23 not designed to provide precise estimates of scheme coverage, with survey estimates often lower than administrative data.
- **Imputation Complexities:** Imputation done only for free items, not subsidized purchases from PDS, potentially underestimating total impact.
- **Policy Considerations:** Need for larger discussion on poverty line determination and refinement of social security programs based on consumption pattern insights.

2. New species of Dogfish Shark (*Squalus hima*)

GS 3 (Environment)

- **Why in News:** In a significant discovery, scientists from the Zoological Survey of India (ZSI) have identified a new species of **dogfish shark**, named ***Squalus hima***, off the coast of Kerala.
- **Characteristics of *Squalus hima***
 - *Squalus hima* belongs to the genus ***Squalus***, commonly known as **spurdog**
 - These dogfish sharks are characterized by smooth dorsal fin spines, angular short snouts, small mouths almost as wide as their snouts, and bodies without spots.
 - They are exploited for their liver oil, which contains high levels of squalene, a highly sought-after ingredient in the pharmaceutical industry for making high-end cosmetic and anti-cancerous products.
- **About Dogfish Sharks**
 - Dogfish sharks are small with slender bodies and pointed snouts.
 - They are bottom-dwelling sharks that can be found near coasts around the world and are known to migrate long distances.

The PDS impact on household expenditure

The Public Distribution System (PDS) is an important social security programme in India. Its objective is to ensure food security. Today, up to 75% of the rural population and 50% of the urban population are eligible for subsidised foodgrains under the National Food Security Act (NFSA), 2013. If the cost of consuming foodgrains from the PDS is subsidised, this free food is received by a household instead of being spent on other items such as vegetables, milk, pulses, eggs, fish, meat and other nutrient and protein-rich food items. It is an empirical question whether households indeed internally adjust their food consumption. With the release of data from the Household Consumption Expenditure Survey (HCES):2022-23, there will be renewed interest in the above line of inquiry, i.e., the impact of consumption of free food items from the PDS on expenditure on items other than foodgrains.

the representativeness
To the extent possible, the HCES:2022-23 covered information on food and non-food items received by households free of cost through various social welfare programmes. In the HCES:2022-23 report published by the National Sample Survey Office (NSSO) and available on the Ministry of Statistics and Programme Implementation website, there is detailed information on pages 13 to 18. The objective of the survey is not to provide precise estimates of the proportion of households receiving benefits under every scheme. In most cases, survey estimates of coverage of a programme will be lower than that suggested by the administrative data. A common conjecture in the literature on the PDS is inclusion error where an eligible household consumes from the PDS and inclusion error where an eligible household is not consuming foodgrains from the PDS. For this purpose, researchers will compare the proportion of households consuming PDS items with the coverage under the NFSA. While care should be exercised in terms of interpreting the estimates, use of coverage of the survey data is that it allows us to examine the characteristics of households that report benefits from the programmes.

the household consumption expenditure survey data
The Household Consumption Expenditure Survey (HCES) data offers the scope to analyse the impact of social transfers

Under detailed information is sought on the nature of an allowance or disease in the case of health shocks, and in the case of free or reimbursement in school or college, imputing the value of free medical services and education services received by the households is not possible. In the case of education and health, the NSSO conducts separate surveys where detailed information is captured on one of product expenditure and free services that are available to a household. One might ask why one cannot use data on information paid by households to impute the value of medical services. Insurance products are treated as an investment and not consumption. The relevant information is sought as part of the All India Debt & Investment Survey, and not as part of the HCES.

In order to provide guidance to analysts and researchers, the NSSO, for the first time, decided to impute the value of free food and non-food items received by households which were received free of cost. This is done in two parts. The first is the Monthly Per Capita Consumption Expenditure (MPCE) of a household, which is the ratio of monthly consumption expenditure to household size. The second metric is the value of household consumption in a month considering the imputed value of free food and non-food items, i.e., MPCE with imputation. Both metrics are published by the NSSO in its report.

imputation of values
The NSSO has suggested two sets of values for each state and by sector (rural, urban) for imputation of food and non-food items received free of cost – market price and the 25th percentile unit price. Consumption expenditure refers to out-of-pocket expenditure while value of consumption would include free and subsidised items consumed by households. In the report published by the NSSO, imputation has been done using the market price only for items received free. The operative word is free and not subsidised. Thus, no imputation is done for the purchase of food items from the PDS at a nominal regulated price.

The main item that a large proportion of households received free was foodgrains from the PDS. Not surprisingly, at the all India level, we find that in rural and urban India, about 94% and 95%, respectively, of the value of imputed items is attributable to food items. When we consider all the households, i.e., even those who did not receive any free items, the imputed value for food is ₹82 and ₹59 in rural and urban areas, respectively.

The report published by the NSSO has the average value of MPCE among those in the bottom 5% of distribution by the MPCE, ₹ 45, ₹ 20, ₹ 25, ₹ 40, ₹ 50, ₹ 60, ₹ 70, ₹ 80, ₹ 90 and top 5% of distribution. Each interval is called a fractile class. The average MPCE of those in the bottom 5% of MPCE distribution is ₹ 27.7 in rural and ₹ 20.0 in urban. This means that the MPCE of 5% of Indians is less than this cut-off. When we focus on the imputed value of consumption of those in the bottom end of the rural distribution, we find that 20% of those in this fractile class, or about 1% of India's rural population is actually in the next fractile class, i.e., ₹ 40. In doing so, we move from about 86 lakh individuals in rural India. Similar patterns are observed till the sixth fractile class. In urban areas too, we see a similar movement. There are different patterns observed across the major states. Needless to say, depending on their use case, researchers can impute the total value for calculations for imputations from the PDS at the subnational rate. This will increase the average MPCE with imputation. In short, there is evidence that even a limited imputation exercise establishes that in-kind social transfers help increase the value of consumption of poorer households.

Implications for poverty
Ever since the release of the report, there have been calls for a larger discussion on where the poverty line should be drawn. Among the issues that need to be considered is whether one needs to estimate the number of poor households based on the expenditure or based on the total value of consumption which includes the value of free items consumed. Needless to say, in-kind social transfers have implications for the well-being of households that are at the bottom end of consumption or income distribution.

The view was expressed as presented



New species of dogfish shark discovered in Kerala harbour

Scientists from the Zoological Survey of India have discovered a new species of deep-water dogfish shark, *Squalus hima*, from the Sakthikulangara fishing harbour in Kerala. *Squalus* is a genus of dogfish sharks in the family Squalidae, commonly known as spurdogs, and are characterised by smooth dorsal fin spines. The discovery, made by a team of scientists led by scientist Bineesh K. K., was published in the journal *Records of the Zoological Survey of India*. The shark species from the genus *Squalus* and *Centrophorus* are often exploited for their liver oil which is in high demand in pharmaceutical industry, Dr. Bineesh said.

- With over 130 different species, they form the second-largest order of sharks, Squaliformes.
- **Zoological Survey of India (ZSI)**
 - **Established in:** 1916
 - **Objective:** to promote survey, exploration, and research leading to advancements in our knowledge of various aspects of India's rich biodiversity
 - The survey has its roots in the establishment of the Zoological Section of the Indian Museum at Calcutta in 1875.

3. ED Powers under Supreme Court Lense GS 2 (Governance)

- **Why in News:** The Supreme Court's recent decision to grant interim bail to Arvind Kejriwal in the **Delhi excise policy case** has brought attention to the legal scope of the **Prevention of Money Laundering Act (PMLA)** and the powers of the **Enforcement Directorate (ED)**.
- **ED's Powers and Issues:**
 - Under **Section 19(1) of PMLA**, ED officers have **discretionary power** to arrest individuals without requiring a warrant.
 - ◆ **Issue:** The SC questioned whether this power should be subjected to **more stringent judicial scrutiny**, considering factors like "need and necessity" for arrest.
 - ED's statistics reveal a **disparity** between ECIRs recorded (5,906), searches conducted (531), persons arrested (513), and prosecution complaints filed (1,142).
 - ◆ **Issue:** This raises questions about ED's policy on when to arrest individuals involved in offences under PMLA.
- **Other Important Judgments on PMLA**
 - **Vijay Madanlal Choudhary v. Union of India**
 - ◆ The Supreme Court upheld various provisions of PMLA, including those related to arrest, attachment, search, and seizure by the ED.
 - ◆ The court held that these provisions have a reasonable connection with the Act's objective to prevent money laundering effectively.
 - **Chidambaram v. Directorate of Enforcement (2019)**
 - ◆ The Supreme Court rejected a plea for anticipatory bail in a money laundering case and granted custody to the ED.
 - ◆ The court reasoned that money laundering cases involve complex stages of fund placement and layering, requiring a systematic and thorough investigation.
 - ◆ Granting pre-arrest bail would hinder this process and potentially compromise the investigation.
- **About Enforcement Directorate (ED)**
 - It is a multi-disciplinary organization responsible for enforcing two special laws:
 - ◆ Foreign Exchange Management Act, 1999 (FEMA)
 - ◆ Prevention of Money Laundering Act, 2002 (PMLA)
 - It steps in when a local police station registers an offence with proceeds of crime over Rs 1 crore
 - It has powers to investigate under PMLA Sections 48 and 49.
 - ED carries out search (property) and seizure (money/documents) under Section 16 and Section 17 of the PMLA.

ED cannot make arrests under PMLA on a whim, says SC

The judgment was based on a petition by Arvind Kejriwal. ED's power to arrest must be based on objective, fair consideration of material, says SC

Krishna Rajagopal
NEW DELHI

The Supreme Court on Friday held that the power to arrest under the Prevention of Money Laundering Act (PMLA) cannot be exercised on the "whims and fancies" of officers of the Enforcement Directorate (ED).

The court wondered if the ED even had a consistent, uniform and "one-size-fits-all" policy on when they should arrest people. It said the ED's power to arrest must be based on objective and fair consideration of material against a person.

Under the PMLA, ED officers can arrest a person if they have reasons to believe, based on the material in their possession, that the individual is guilty. A Bench of Justices Sanjay Khanna and Dipankar Datta, in a judgment, said the power of arrest given to the ED officers under Section 19 (1) of the PMLA was drastic and ran the risk of violating the right to life and liberty under Article 21 of the Constitution.



The Bench said the power of arrest given to ED officers under the PMLA ran the risk of violating the right to life and liberty. 8/7/2025

The judgment was based on a petition filed by Delhi Chief Minister Arvind Kejriwal, challenging the validity of his arrest by the ED on money laundering charges. The court granted him interim bail.

Pulling out data on the ED cases from 2020, Justice Khanna, who authored the verdict, said 5,906 Enforcement Case Information Reports (ECIRs) were registered as of December 31, 2023. However, search was conducted in 531 ECIRs by issue of 4,354 search warrants. The number of ECIRs against former MPs, MLAs, and MLAs was 176. The number of persons arrested was 513 whereas the number of prosecution complaints filed is 1,142.

"The data raises a number of questions..." he noted. Highlighting that the PMLA allowed arrests on the subjective opinion of the ED officers, the court said an officer's "reasons to believe" that a person was guilty and deserved arrest should not be based on mere suspicion.

Justice Khanna agreed with Mr. Kejriwal that an accused should be given in writing the reasons which had led an investigating officer to believe that he was guilty and deserved to be arrested.

- **About Prevention of Money Laundering Act (PMLA), 2002**

- The Act was enacted to combat money laundering (converting illegally earned money into legitimate money)
- It enables government or public authority to confiscate property earned from illegally gained proceeds

- **Other key authorities to investigate anti-money laundering offences**

- Financial Intelligence Unit – India (FIU-IND)
- Economic Offences Wing, Central Bureau of Investigation (CBI)
- Income Tax Department
- Registrar of Companies (RoC)
- Regulators like the Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), and Insurance Regulatory & Development Authority of India (IRDAI)

4. **SDG India Index 2023-24**

GS (Governance)

- **Why in News:** The NITI Aayog's SDG India Index 2023-24 has been released, highlighting the performance of Indian states in achieving the United Nations' Sustainable Development Goals (SDGs). The report shows significant progress in India's overall SDG score, indicating improvements in areas such as poverty reduction, economic growth, and climate action.

- **Key Findings**

- **Top Performers:** Kerala and Uttarakhand emerged as the best-performing states, each scoring 79 points.
- **Lowest Performer:** Bihar scored the lowest with 57 points, followed by Jharkhand at 62 points.
- **Overall Improvement:** India's SDG score improved to 71 points in 2023-24 from 66 points in 2020-21.
- **Biggest Improvements:** Punjab, Manipur, West Bengal, and Assam saw the highest increases, with Punjab jumping 8 points to 76, Manipur to 72, West Bengal to 70, and Assam to 65.
- **Goals with Highest Increases:** "No Poverty", "Decent Work and Economic Growth", and "Life on Land" saw the highest increases in points across states.
- **Goals with Lowest Increases:** "Gender Equality" and "Peace, Justice, and Strong Institutions" had the smallest increases.
- **Reduction in Points:** The goal "Reduced Inequalities" saw a decrease from 67 points in 2020-21 to 65 points in 2022-23.
- **Detailed Insights**
 - ◆ **Zero Poverty:** The score for this goal increased by 8 points to 72, indicating that extreme poverty is being addressed effectively.
 - ◆ **Zero Hunger:** Improved by 5 points to 52, but focus is needed on providing nutritious food to combat malnutrition.
 - ◆ **Quality Education:** Increased by 4 points to 61. While access to education has improved, the focus is now on enhancing the quality of education and ensuring better employment opportunities.
 - ◆ **Gender Equality:** The gender equality goal scored the lowest among all goals at 49 points, with only a 1-point increase from 2020-21. Issues such as sex ratio at birth, women owning land and assets, and women's labor force participation are areas of concern.

India shows good progress on SDGs: NITI Aayog report

The Hindu Bureau
NEW DELHI

NITI Aayog on Friday released its fourth evaluation report of India's progress on the 16 sustainable development goals (SDGs) adopted in 2015 by all United Nations member countries, giving India a score of 71 out of 100, as compared to 57 in 2018.

"SDGs are directly linked to people's welfare, well-being and quality of life," B.V.R. Subrahmanyam, NITI Aayog's CEO, told presspersons at the report's launch.

Health conditions have improved, he said, thanks to better public health and insurance coverage. Education was helped by high teacher-student ratios but teacher quality needed targeted interventions, Mr. Subrahmanyam added.

Income and gender inequality were the SDGs which have seen a drop in the score.

The report noted a slight drop from 0.75 last year to 0.73 in the ratio of women's earnings compared to men.

The report's release comes ahead of the High-level Political Forum on Sustainable Development to be held under UN auspices in New York on July 18.

- **SDG India Index**

- **Launched in:** 2018
- The SDG India Index evaluates states on 16 goals set by the United Nations, scoring them on a scale of 1 to 100.
- ◆ This fourth edition of the index uses 113 indicators to assess performance. The SDGs are global goals established to be achieved by 2030, addressing various social, economic, and environmental issues.

GS 2 (Governance)

- Since land in Delhi is a central subject under **Article 239AA** of the Constitution, the proposed law will not fundamentally change who controls land policy in the capital.

[illegible]

MCQ Current Affairs
13th July, 2024

1. Pakke Tiger Reserve lies in which one of the following states?

- a) Meghalaya
- b) Odisha
- c) Arunachal Pradesh
- d) West Bengal

2. Patriot Air Defence System, recently seen in the news, was developed by which one of the following countries?

- a) Russia
- b) Israel
- c) South Korea
- d) United States of America

3. The World Population Prospects Report, is launched by:

- a) International Monetary Fund (IMF)
- b) UNESCO
- c) World Bank
- d) United Nations Department of Economic and Social Affairs

4. Consider the following statements regarding Shigella infection:

- A. It is an intestinal infection caused by bacteria.
 - B. It is very contagious and children under age 5 are more vulnerable to this infection.
- Which of the statements given above is/are correct?

- a) A only
- b) B only
- c) A and B
- d) Neither of two

5. Consider the following statements with reference to the Cholera:

- A. It is an acute diarrhoeal infection caused by a bacterium.
 - B. Currently, there are no vaccines or treatments available for Cholera.
- Which of the statements given above is/are correct?

- A only
- B only
- A and B
- Neither of two

Answers Current Affairs
13th July, 2024

1. c
2. d
3. d
4. c
5. a

