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Third Concept aims at providing a platform where a meaningful exchange of ideas can take place among the people of the Third World. The attempt will be to communicate, debate and disseminate information, ideas and alternatives for the resolution of the common problems facing humankind. We welcome contributions from academics, journalists and even from those who may never have published anything before. The only requirement is a concern for and desire to understand and take the issue of our time. Contributions may be descriptive, analytical or theoretical. They may be in the form of original articles, reactions to previous contributions, or even a comment on a prevailing situation. All contributions, neatly typed in double space, may be addressed to:

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Published, Printed and Owned by
Babuddin Khan
Third Concept
LB - 39, Prakash Deep Building,
7, Tolstoy Marg, New Delhi-110 001.
Phones : 23711092, 23712249
Fax No: 23711092.
E-mail : third.concept@rediffmail.com
Website: www.thirdconceptjournal.co.in

Designed by: **Pt. Tejpal**

INSIDE

Editorial

Price Rise Conundrum

Price rise has seemingly emerged as a recurring phenomenon that visits every regime, be it NDA regime or UPA regime. The government of the day is well-equipped with technical and intelligence wherewithal to monitor the prices, hoarding of the essential commodities and marketing strategies of creating artificial scarcity on one pretext or the other. Drought and floods are frequently used as commonly pliable excuses responsible for price hike. During the ongoing monsoon session of the Parliament, Congress seized the opportunity provided by price rise to target the government in Parliament with the 'Arhar Modi' slogan, much to the dislike of the ruling party. However, there were sufficient indications available of a likely spike in prices which the government perhaps chose to ignore. The Reserve Bank of India (RBI), during its last monetary policy review, had cautioned on upside risks, including "firming international commodity prices, particularly of crude oil; and the implementation of the 7th Central Pay Commission awards, which will have to be factored into projections as soon as clarity on implementation emerges".

Instead of sharing concern over price rise and allaying the fears of the members of the House by assuring concrete steps to deal with the situation, the Union Finance Minister also played politics when he said: "There was policy paralysis during the UPA regime and we inherited double-digit inflation from the previous government". However, the UPA paid the price for its failure on price rise, which was one of the issues on which it was voted out. Despite godowns overflowing with cereals, the UPA did not offload cereals in the market to contain prices. Obviously, high crude prices also contributed significantly to the over-all price rise. The circumstances were favourable when NDA government assumed power at the Centre in May 2014 because the falling global oil rates started having its healthy effect on prices along with the RBI's tight monetary policy. Cheaper diesel and RBI policy ensured the prices did not explode despite two consecutive years of deficient rain. In recent months, international commodity prices have been on the rise and inflation had touched a 20-month high in June and the blame is attributed to dearer fruits, vegetables and cereals.

There may be rain-related supply bottlenecks resulting in temporary shortages which traders exploit to their advantage, but these are known issues which crop up ahead of every monsoon. A government which prides itself on its super efficiency and real-time decision-making should have been prepared for such eventualities. Similarly, the gap between domestic demand and supply of pulses is not an overnight development. Import contracts for adequate supplies could have been signed well in advance.

The peril of price rise, especially pulses, is something that directly connects with the masses and something the NDA government hasn't got the solutions right so far. The NDA government's two years have been severely hit with deficient rains and severe supply problems. The worst hit was pulses. In these two years, overall, there has been an increase of 73 percent in pulse prices if one goes by the whole sale price index. The prices of Urad dal rose by 120 percent, followed by Arhar dal (84 percent) and gram (76 percent). The Dal price trend assumes significance in the Indian context since these are traditionally the cheapest protein sources for majority of the Indian households.

Overall costs of the vegetable went up by 26 percent during the NDA's two years with certain items such as cabbage (up 138 percent) and brinjal (69 percent) topping the list. Vegetable inflation, in fact, rose by 57 percent. However, as pointed some experts, overall food inflation, as indicated by the WPI numbers, has actually come down during the NDA's two year term to 14 percent. Admittedly, statistical jugglery holds no panacea for stemming the tide of price rise. Apprehensions of the common man have to be allayed through concrete policies by controlling the prices. Every dispensation which happens to be at the helm should undertake concrete policy measures and implement them sincerely to ensure delivery of essential commodities to the people without any hassle. The people elect their representatives to solve their problems and not to listen to their rhetorical utterances which talk more and deliver less. Writing on the wall is clear and loud: deliver or perish!

— BK