

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4292  
ANSWERED ON:08.08.2014  
EFFECT OF INFLATION ON SC ST POOR  
Kothapalli Smt. Geetha

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the price rise keeps inflation risk alive and is affecting the SC/ST poor people in the country;
- (b) if so, the details thereof for the last three years; and
- (c) the steps taken by the Government thereon?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SMT. NIRMALA SITHARAMAN)

(a) & (b) The rise in prices, particularly of food items which constitute the bulk of the consumption basket of the poor results in welfare losses in terms of reduced levels of their real income, other things remaining the same. A significant proportion of the poor belong to the scheduled castes or scheduled tribes and as such are impacted adversely by the price rise in items of mass consumption. While there has been a moderation in the inflation in terms of consumer prices as per the new series of the Central Statistics Office to 7.32 per cent in June 2014 as against 9.87 per cent in June 2013, the level of inflation is still elevated having implications in terms of real income and consumption levels for the poor. The details of the consumer price inflation for the last three years are given in the Table below. No estimate is available for the impact of prices on the SC/ST poor people.

Table: Consumer price index new series annualized average inflation  
(Per cent)

	2012-13	2013-14	2014-15
(Apr-Jun) P			
CPI-NS Inflation	10.21	9.49	8.05

P: Provisional

(c) Government is committed to ensuring price stability and is closely monitoring the situation and taking measures on an ongoing basis to bring down inflation particularly food inflation. The Government has been implementing many anti-poverty and welfare programmes for the benefit of poor, including special schemes for SCs/STs. Various fiscal and administrative measures has been taken to control food inflation and to protect vulnerable sections of society from inflation. Some of the important steps taken during the last few years in this regard include: reducing import duties to zero for wheat, onion and pulses and imposing stock limits on various commodities; suspending futures trading in rice, urad and tur as a matter of abundant precaution; maintaining the central issue price (CIP) for rice (at Rs. 5.65 per kg for BPL and Rs. 3 per kg for Antyodya Anna Yojana) and wheat (at Rs. 4.15 per kg for BPL and Rs. 2 per kg for Antyodya Anna Yojana) since 2002 for protecting the poor from price rise; allocating rice and wheat under the Open Market Sales Scheme; banning exports of essential items for a short period whenever required.