

The Indian Express

Front Page

Murmu thanks NDA MPs, says tribal community is ‘excited (Page no. 3) (GS Paper 2, Polity and Governance)

A day before the election for President, which she is expected to win as the ruling NDA’s candidate, former Jharkhand Governor Droupadi Murmu described her nomination as a historic moment that has made the tribal community, especially its women, “utsahit” (excited), The Indian Express has learnt.

Sources said that in a meeting with NDA MPs in the Parliament complex, Murmu also thanked Prime Minister Narendra Modi and the BJP for nominating her, adding that around 10 crore tribals, from more than 700 communities, “are all delighted”.

The sources quoted Murmu as saying that she hails “from a small village” and has “struggled a lot” to “come up in life”. They also quoted her as telling the MPs that it was “an honour to get all your support”.

Before Murmu’s arrival, a mock voting drill for the poll on Monday was carried out, as BJP leaders with Parliamentary experience and members of the party’s legal cell briefed NDA MPs on the process.

On Monday, the BJP MPs will gather at the Parliament annexe around 9.30 am before casting their votes, sources said. Sunday’s meeting was also attended by Chirag Paswan, who had distanced himself from the NDA when the LJP split and several senior members formed another party to partner the BJP.

While BJP leaders pointed out it was for the first time that Chirag had attended an NDA meeting after the Bihar assembly elections in 2020, Paswan said he came only to support Murmu.

Commodity prices’ fall can help India escape global inflation trap (Page no. 3) (GS Paper 3, Economy)

The Reserve Bank of India (RBI) has said that the Indian economy can escape the global inflation trap if the moderation in commodity prices witnessed in recent weeks endures, alongside an easing of supply-chain pressures.

“The biggest source of relief is from inflation coming off its recent peak, albeit at an elevated level still,” the central bank has said in its latest ‘State of the economy’ report.

Nonetheless, the signs of its generalisation and the potential unhinging of inflation expectations have elicited a pre-emptive and frontloaded monetary policy response, the RBI said.

RBI Governor Shaktikanta Das had recently said that inflation was likely to “ease gradually in the second half of 2022-23, precluding the chances of a hard landing in India”.

Prior to that, Deputy Governor Michael Patra had noted that there were signs of inflation peaking, and harsh policy may not be needed to contain price pressures.

If the commodity-price moderation seen in recent weeks continues, along with an easing of supply-chain pressures, the worst of the recent inflation surge will be left behind, and the economy can escape the global inflation trap and enjoy the fruits of the ebullient supply response that is taking place, the RBI report said.

While the US inflation rate shot up to a 41-year high of 9.1 per cent in June, India reported a retail inflation of 7.01 per cent in June, down marginally from 7.04 per cent in May and 7.79 per cent in April.

“The international environment is hostile and hence, close and continuous monitoring of the widening trade deficit and portfolio outflows is warranted, notwithstanding strong reserve buffers, moderating external debt, and a fairly valued exchange rate that has wilted less in the face of the monotonic strengthening of the US dollar than many peers.

The City

New challenge for cyber unit: Crypto (Page no. 6) (GS Paper 3, Cyber Security)

Cyber fraudsters are taking a new route to work with their associates in foreign countries and simultaneously hide money trails: Cryptocurrency.

Amid a debate around the legality of the digital currency and calls for regulation, officers in the Delhi Police’s Cyber Crime Unit are finding cryptocurrency fast becoming a means for illegal transactions, posing myriad challenges for investigating agencies.

According to senior police officers, scamsters dealing in cryptocurrency have three modus operandi — running fake call centres, using Chinese apps to defraud people, and gift card scams.

In July, police busted one such fake call centre when they caught four men from Rajasthan's Chittorgarh, who allegedly cheated people on the pretext of giving them loans and converted that money into cryptocurrency.

Police said the accused were inspired by a YouTube video and approached a Chinese national on Telegram, who was also involved in online loan cheating, to learn how to dupe people.

They then approached people with an online loan offer and got them to deposit anything between Rs 40,000 and Rs 1 lakh. DCP (Rohini) Pranav Tayal's team found the gang members using a BMW car, which was bought with that money, and that one of the accused is involved in a Rs 1-crore cheating case.

In the last year alone, the IFSO unit arrested 87 people in fake call centre cases. Senior officers at the Cyber Crime Unit said that in a majority of such call centres, the accused dealt in cryptocurrency.

At present, we not only have to catch cyber criminals but also recover the money. It becomes difficult at times because these men have multiple bank accounts, e-wallets, gift cards, where they hide money.

Also, with cryptocurrency, it's a challenge to link an account to a person because the transactions are anonymous. Most of the money is sent to offshore accounts in 1-3 days. Once sent, it can't be recovered.

Express Network

India presses for full disengagement (Page no. 8)

(GS Paper 2, International Relations)

The 16th round of high-level military talks between India and China got underway on Sunday with a focus on resolving outstanding issues in the remaining friction points along the Line of Actual Control (LAC) in eastern Ladakh.

The talks began at around 9:30 am at the Chushul Moldo meeting point on the Indian side of the LAC in the region, official sources said.

The last round of dialogue between the Indian Army and the Chinese People's Liberation Army (PLA) took place on March 11 and it lasted for around 13 hours.

The 15th round of talks failed to yield any significant outcome with both sides, in a joint statement, reaffirming that resolution of the issues would help restore peace and tranquillity in the region and facilitate progress in bilateral relations.

In the fresh round of talks, the Indian side is expected to press for disengagement of troops as soon as possible in all the remaining friction points besides seeking resolution of issues in Depsang Bulge and Demchok.

The Indian delegation at the talks is led by Lt-General Anindya Sengupta, the commander of the Leh-based 14 Corps.

The Chinese team was to be headed by South Xinjiang Military District Chief Major General Yang Lin.

India has been consistently maintaining that peace and tranquillity along the LAC was key to the overall development of the bilateral ties.

The situation in eastern Ladakh figured prominently in talks between External Affairs Minister S Jaishankar and his Chinese counterpart Wang Yi in Bali on July 7.

At the one-hour meeting on the sidelines of a conclave of foreign ministers of the G20 nations, Jaishankar conveyed to Wang the need for early resolution of all the outstanding issues in Eastern Ladakh.

"Recalling the disengagement achieved in some friction areas, the external affairs minister reiterated the need to sustain the momentum to complete disengagement from all the remaining areas to restore peace and tranquillity in the border areas," the Ministry of External Affairs (MEA) said in a statement after the meeting.

Explained

Is there a crisis in rice? (Page no. 9)

(GS Paper 3, Economy)

The southwest monsoon's revival this month has resulted in the total area sown under kharif crops not only recovering, but even surpassing last year's coverage for the same period from June to mid-July. However, paddy (rice) acreage, at 128.50 lakh hectares (lh) as of July 15, was 17.4% down from last year's 155.53 lh.

On the face of it, not much, as government godowns had over 47.2 million tonnes (mt) of rice on July 1. These were nearly three-and-a-half times the minimum level of stocks, to meet both "operational" (public distribution system) and "strategic reserve" (exigency) requirements for the quarter. Rice stocks are still close to their peaks scaled last year.

That comfort doesn't extend, though, to wheat – where public stocks have plunged from all-time highs to 14-year lows within the space of a year (see table).

Inflation-haunted policymakers would dread the wheat story getting repeated in rice. In wheat, it was a single bad crop — the one singled by the March-April 2022 heat wave — that did all the damage and brought down stocks to just above the minimum buffer.

In rice, the stakes are higher: It is India's largest agricultural crop (accounting for over 40% of the total foodgrain output), with the country also being the world's biggest exporter (a record 21.21 mt valued at \$9.66 billion got shipped out during the fiscal ended March 2022).

Unlike with wheat, the options for import in rice — due to any production shortfall — are limited, when India's own share in the global trade of the cereal is more than 40%.

Farmers first sow paddy seeds in nurseries, where they are raised into young plants. These seedlings are then uprooted and replanted 25-35 days later in the main field that is usually 10 times the size of the nursery seed bed.

Nursery sowing generally happens before the monsoon rains. Farmers wait for their arrival to undertake transplantation, which requires the field to be "puddled" or tilled in standing water.

For the first three weeks or so after transplanting, the water depth has to be maintained at 4-5 cm, in order to control weed growth in the early stage of the crop.

All this isn't possible without the monsoon, which has overall been good this time. The country has received 353.7 mm of rainfall during June 1 to July 17, 12.7% more than the "normal" historical average for this period.

How the vice president is elected, How constitution defines his or her role (Page no. 9)

(GS Paper 2, Polity and Governance)

The opposition on Sunday (July 17) named former Governor and former union minister Margaret Alva as its candidate for Vice President. The ruling NDA has announced West Bengal Governor Jagdeep Dhankhar will be its candidate for the post.

The election is scheduled for August 6 — even though it is likely to be only symbolic, given the NDA's clear majority in Parliament. Dhankhar is expected to succeed Vice President M Venkaiah Naidu whose term of office comes to an end on August 10.

Article 63 of the Constitution states that "there shall be a Vice-President of India". Under Article 64, the Vice-President "shall be ex officio Chairman of the Council of the States" (Rajya Sabha).

Article 65 says that "in the event of the occurrence of any vacancy in the office of the President by reason of his death, resignation or removal, or otherwise, the Vice-President shall act as President until the date on which a new President... enters upon his office".

The Vice-President shall also discharge the functions of the President when the latter is unable to do so "owing to absence, illness or any other cause".

During this period, the Vice-President shall "have all the powers and immunities of the President and be entitled to... (the) emoluments, allowances and privileges" that are due to the President. The office of the Vice-President of India is the second-highest constitutional office after that of the President, and ranks second in the order of precedence.

Article 66 lays down the process of the election of the Vice-President. It says the Vice-President "shall be elected by the members of an electoral college consisting of the members of both Houses of Parliament in accordance with the system of proportional representation by means of the single transferable vote and the voting at such election shall be by secret ballot".

For the 16th Vice-Presidential Election, 2022, the Electoral College consists of 233 elected members of Rajya Sabha, 12 nominated members of Rajya Sabha, and 543 elected members of Lok Sabha, adding up to 788 members. In the system of proportional representation by means of the single transferable vote, the elector has to mark preferences against the names of the candidates.

Editorial Page

An orderly transition (Page no. 10)

(GS Paper 3, Environment)

Since the onset of the pandemic and over the past few months, after the Ukraine-Russia war, commodity prices, especially that of energy, have surged worldwide. With inflation at unprecedented levels in many countries, concerns over energy security have gained centre stage.

Recently, there have been several policy initiatives in the coal sector in India. One which has gone largely unnoticed is the introduction of the national coal index (NCI).

This index was created to provide a benchmark for revenue-sharing contracts being executed after the auctions for commercial mining of coal.

The NCI had to be introduced as the wholesale price index (WPI) for coal has no component of imported coal. For the last six months, the WPI for Coal has been stable at around 131.

Over the same period, the NCI has jumped from about 165 to about 238 reflecting the sharp increase in international coal prices.

The domestic coal industry has responded to this situation with an increase of over 30 per cent in coal production from April to June this year. This has helped reduce inflationary pressures in the economy.

This development shows the importance of increasing domestic coal production to reduce the exposure of the domestic economy to the price volatility of international markets.

Anticipating these problems, a big effort toward permitting commercial mining has been made to get the private sector to produce more coal. After taking preparatory action, about 50 contracts have been finalised in the last two years. Several other steps have been taken to increase domestic coal production.

However, much more needs to be done to make these measures more effective. First, and most importantly, the financial community has to be sensitised to the need of increasing domestic coal production to meet the growing energy demand.

The Ministry of Power recognised the need to increase coal-based generation in the country in its draft National Electricity Policy released in May 2021, before the present crisis erupted.

This policy has not yet been finalised. It should clearly articulate the importance of domestic coal-based generation.

Apart from the government, the industry should also take up this issue with the financial community in adopting a more holistic approach toward environmental, social, and governance (ESG) criteria.

Beyond the CAATSA (Page no. 10)

(GS Paper 2, International Relations)

Last week the House of Representatives, the lower House of the US Congress, passed an amendment with a significant majority that called for an India-specific waiver from sanctions for the purchase of advanced Russian weapons.

This sets the stage for Delhi and Washington to find a way around the problem of India's continuing dependence on Russian weapons. It is an issue that has acquired greater salience since the Russian invasion of Ukraine.

The Countering America's Adversaries Through Sanctions Act in 2017 demanded sanctions on states that buy Russian weapons. The US imposed these sanctions in 2020 on Turkey, a NATO ally, for purchasing the S-400 missile system from Russia.

With India, too, committed to the purchase of the S-400 from Moscow, it seemed inevitable that Washington would impose sanctions on Delhi and undermine a budding strategic partnership.

US and India have been steadily building up the bilateral defence and security cooperation, are partners in the Indo-Pacific and members of the Quad along with Australia and Japan.

To be sure, the CAATSA authorised the US President to waive the sanctions provided there was an overriding national security interest.

Both the Trump and Biden administrations had avoided imposing the sanctions but were hesitant to offer a waiver. Both were worried about the overwhelming anti-Russian sentiment in the US Congress.

The House amendment now offers solid political support for the waiver. This, of course, is only the first step that needs to be matched by the US Senate and jointly approved by the two Houses at a later sitting.

But the House amendment acknowledges the danger to the US interests from a mechanical application of CAATSA sanctions on India. It notes the special military challenges that India confronts from an assertive China in the Himalayas.

While calling for a waiver, the House amendment calls for a deeper defence collaboration with India, and stronger high technology cooperation, and active encouragement to reduce Delhi's current dependence on Russian military supplies.

The Idea Page

Prosperity lesson for India (Page no. 11)

(GS Paper 1, Poverty and Developmental Issues)

The United Nations latest report, "Population Prospects" forecasts that India will surpass China's population by 2023, reaching 1.5 billion by 2030 and 1.66 billion by 2050.

It was only three years ago that the UN Population Prospects (2019) projected that India will surpass China's population by 2027. But it seems that the rate of growth of India's population is faster than that of China, and the global agencies had to change their forecast significantly in three years.

Every country intends for its people to be prosperous and frames policies to attain this goal. China's story since 1978 is unique – the country has achieved the fastest decline in poverty and is today a superpower, perhaps, second only to the US.

Its experiences hold some important lessons for India, especially because in 1978, when China embarked on its economic reforms, its per capita income at \$156.4 was way below that of India at \$205.7.

Both countries were saddled with humongous poverty. Today, China is more than six times ahead of India in terms of per capita income – China's per capita income in 2021 was \$12,556, while that of India was \$1,933 in 2020. It is this economic prosperity that has enabled China to spend large amounts on building its military might.

How did China do all this? It is well known that China started its economic reforms in 1978 with a primary focus on agriculture. It broke away from the commune system and liberated agri-markets from myriad controls.

As a result, during 1978-84, China's agri-GDP grew by 7.1 per cent per annum and farmers' real incomes grew by 14 per cent per annum with the liberalisation of agri-prices.

As people gained prosperity and farmers' real incomes doubled, poverty fell by half in just six years. Enhanced incomes of rural people created a huge demand for industrial products, and also gave political legitimacy for pushing further the reform agenda.

The aim of China's manufacturing through Town and Village Enterprises (TVEs) was basically to meet the surging demand from the hinterlands. The rest is history.

But one important policy during this period that is not talked about much was the one-child policy. China introduced the one-child per family policy in September 1980, which lasted till early 2016.

It is this strict control on population growth, coupled with booming growth in overall GDP over these years that led to a rapid increase in per capita incomes.