

## ● POLITY

## ● ECONOMICS

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## POLITY &amp; GOVERNANCE

## SC to look into use of Money Bills to pass laws

## The contentious route

Some of the legislations passed as Money Bills in the Parliament include:

- Amendments to the Prevention of Money Laundering Act
- The Finance Act of 2017
- Aadhaar Act, 2016



A Money Bill is a financial legislation that contains provisions exclusively related to revenue, taxation, government expenditures, and borrowing

Chief Justice of India D.Y. Chandrachud has agreed to schedule hearings for petitions that challenge the government's use of the Money Bill route to pass controversial amendments in Parliament. The matter of whether these amendments, bypassing the Rajya Sabha, can indeed be considered Money Bills under Article 110 of the Constitution was initially referred to a seven-judge Bench in November 2019 by a five-judge Bench led by Chief Justice Ranjan Gogoi in the case of Rojer Mathew vs. South Indian Bank Ltd.

## The provisions

A Money Bill is deemed to contain only provisions dealing with all or any of the matters under clauses (a) to (g) of Article 110(1), largely including the appropriation of money from the Consolidated Fund of India and taxation. In other words, a Money Bill is restricted only to the specified financial matters.

The reference includes legal questions concerning amendments made from 2015 onwards in the Prevention of Money Laundering Act (PMLA) through Money Bills, giving the Enforcement Directorate almost blanket powers of arrest, raids, etc. Though the court had upheld the legality of the PMLA amendments, it left the question whether the amendments could have been passed as Money Bills to the seven-judge Bench.

Similarly, the case also raises questions about the passage of the Finance Act of 2017 as a Money Bill to alter the appointments to 19 key judicial tribunals. Mr. Ramesh, a petitioner in this case, had argued that the 2017 Act was deliberately categorised as a Money Bill to "extend executive control over these institutions (tribunals) by altering the composition of the selection committees and vastly downgrading the qualifications and experience required to staff these bodies".

The question of passage of laws after dressing them up as Money Bills had come up in the Aadhaar case too. However, the top

court had, in a majority verdict in 2021, refused to review its 2018 judgment (K. Puttaswamy case) upholding the validity of the Aadhaar Act and its certification as a Money Bill. Justice Chandrachud (as he was then) had delivered a dissenting opinion on the Review Bench in 2021. The two questions before the Review Bench had been whether the Lok Sabha Speaker's decision to declare the proposed Aadhaar law as a Money Bill was "final". The second, whether the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 was correctly certified as a 'Money Bill' under Article 110(1) of the Constitution.

Justice Chandrachud, in his dissent, had said the Review Bench ought to wait till the seven-judge Bench decided the larger questions on the Money Bill in the Rojer Mathew reference. But the majority had disagreed with him. Similarly, the case also raises questions about the passage of the Finance Act of 2017 as a Money Bill to alter the appointments to 19 key judicial tribunals, including the National Green Tribunal and Central Administrative Tribunal.

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## INTERNATIONAL RELATIONS

## Authorities hunt for clues as motive behind attack on Trump remains elusive



Investigators were hunting for any clues about what may have driven Thomas Matthew Crooks, the 20-year-old man who tried to assassinate former President Donald Trump, to carry out Saturday's attack. The FBI said they were investigating it as a potential act of domestic terrorism, but the absence of a clear ideological motive led conspiracy theories to flourish.

Crooks first came to law enforcement's attention at Saturday's rally when spectators noticed him acting strangely outside the campaign event. The tip sparked a frantic search but officers were unable to find him before he managed to get on a roof, where he opened fire.

At the Republican Party convention that began in Milwaukee on Monday, Mr. Trump will announce his choice for a running mate, having cited as frontrunners Ohio U.S. Senator J.D. Vance, Florida U.S. Senator Marco Rubio and North Dakota Governor Doug Burgum.

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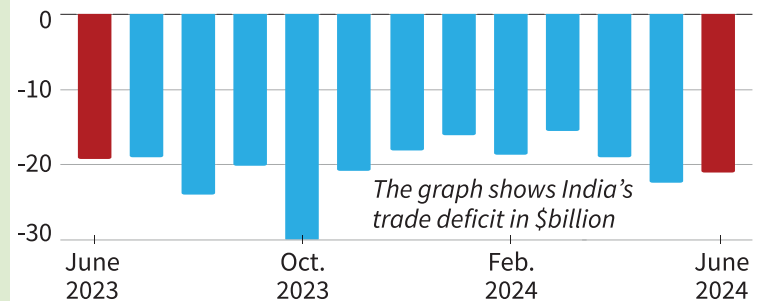


## ECONOMICS &amp; DEVELOPMENT

## Imports continue to outpace growing exports; trade deficit widens by 9.4%

### Deficit widens

Exports grew 2.5% to \$35.2 billion, but with imports rising at double the pace, the trade gap expanded to \$20.9 billion



SOURCE: CMIE

India's merchandise exports grew for the third straight month in June, rising 2.55% to \$35.2 billion, but the import bill climbed by a faster 5% to \$56.2 billion, widening the trade deficit by 9.4% from a year ago. Total merchandise and services exports have hit a record high of \$200.3 billion in the first quarter of 2024-25, surpassing the previous high of \$197.1 billion recorded in 2022-23. While Services exports numbers for the last month will be released by the Central bank, the Ministry has pegged the number at \$30.3 billion, 8.9% higher than a year ago. If growth impulses sustain, India could well cross \$800 billion of total exports this year. The government is focusing on six key sectors and 20 countries to boost exports.

### Total exports

Total exports stood at a record high of \$778.2 billion in 2023-24, 0.42% over the previous year. Exports will have to rise 2.8% through this year to hit the \$800 billion mark, there are "many ifs and buts" in the mix, including festering geopolitical risks. This June's goods exports and imports were the second highest in 10 years, next only to the \$42.3 billion of exports and \$64.35 billion of imports recorded in June 2022. The major growth drivers were engineering and electronics goods, up 10.3% and 16.9%, respectively, as well as drugs and pharmaceuticals (9.9%), chemicals (3.3%), and coffee (up 70%).

Worryingly, petroleum exports slumped 18.3% in June to \$5.5 billion, while imports rose 19.6% to \$15.05 billion. However, this marked an improvement in the oil deficit which peaked at \$13.2 billion in May. However, this marked an improvement in the oil deficit which peaked at \$13.2 billion in May. Another 10 of India's top 30 export items clocked a decline in shipment values, including the labour-intensive sectors of handicrafts (-16.6%), jute (-11.1%), marine products (-7.7%) leather (-2.2%) and gems and jewellery (-1.4%).

### Gold imports

On the imports front, the value of gold shipped in fell 38.7% year-on-year to \$3.06 billion, but silver imports jumped 377.4% to \$210.7 million. Electronics goods imports rose 16% to \$7.6 billion, while pulses imports were up 69.1%. For the first quarter, the merchandise trade deficit has expanded to \$62.3 billion from \$56.2 billion a year ago.



It is likely to push up India's current account deficit to about 1.4% of GDP from 1% in the same quarter a year ago, marking a turnaround of the transient 0.6% of GDP surplus recorded between January and March 2024.

2024, the volume of payments processed doubled from the January-June 2023 amount, according to the figures shared by Sberbank.

## INTERNATIONAL RELATIONS

### 'India and Russia have doubled rupee-rouble payments in 2024'



India and Russia have doubled their payments in national currencies (rupee-rouble) since last year despite sanctions by the U.S. and European Union, says Russia's state-controlled and largest bank, Sberbank, that handles a majority of payments for Indian exports to Russia. Rupee deposits by Indian corporates have also increased multi-fold in 2024.

According to figures shared by Sberbank, in January-June 2024, the volume of payments processed doubled from the January-June 2023 amount, and the number of transactions Sberbank handled increased by 80% in the first half of 2024. While Sberbank has operated branches in India since 2010, sanctions were imposed by the U.S. in the immediate aftermath of Russia's invasion of Ukraine in February 2022, and then by the European Union in July 2022.

The surge may rise further after Prime Minister Narendra Modi's visit to Moscow last week, economists and Indian businessmen working in Russia hope, warning that in the absence of the Indian rupee, Chinese businesses and the yuan would continue to benefit from the "vacuum" created by the exit of Western companies.

According to a growing number of Indian businessmen now based in Russia, the government must move quickly as China has taken more advantage of the sanctions to fill the space vacated by nearly all Western brands, and already has bilateral trade of \$240 billion, which is more evenly balanced. At present, even Indian companies are being forced to consider payments in the Chinese yuan.

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## INTERNATIONAL RELATIONS

### 'Big brother' to 'Brother', a Nepal-India reset

Relations between India and Nepal have dipped severely since 2015 when Narendra Modi and Khadga Prasad Oli were both Prime Ministers. There is now opportunity to upgrade the relationship to 'positive' and 'stable' with Mr. Modi having reclaimed the top post a third time and as Mr. Oli too comes out on top, in a unique collaboration between his CPN-UML and the Nepali Congress. The bilateral turbulence started with adoption of the new Constitution by Nepal's Constituent Assembly in 2015, which New Delhi had wanted reworked. Some politicians seem to have made promises to Mr. Modi in their New Delhi visits, but in the end they promulgated the draft unamended.

While perfunctorily pointing the finger at Madhesi activists of the Tarai plains, New Delhi slapped a devastating blockade on Nepal that lasted nearly six months and generated enough bad blood to last a generation. Mr. Oli reacted sharply and, on the rebound, signed 10 agreements with Beijing, extending from trade, transit to power and transport.

The two Prime Ministers did meet after the blockade was lifted, but the effervescent Mr. Oli would not hold back from suggesting that the true historical Ayodhya was within present-day Nepal, or that India's aggressive bent called for replacing the national motto 'Satyameva Jayate' with 'Singhameva Jayate'. Following an updated political map published by India in October 2019, Nepal's Constitution was amended to add the Limpiyadhura-Kalapani triangle to its own map on the northwest.

#### Power and prowess

The two Prime Ministers must use the opportunity of their elevation in Delhi and Kathmandu to clear the logjam. With his 'Neighbourhood First' initiative battered on all quadrants, Mr. Modi may want to start with policy corrections on Nepal as the nearest and closest neighbour. Indian exceptionalism having long preceded Mr. Modi, going back to Jawaharlal Nehru's diktats to Kathmandu's bickering politicians, New Delhi should have known by now that manufacturing consent in Nepal is a lost cause.

India's relentless engagement with Nepal's politics and governance goes against the principle of non-interference that is part of the Panchsheel doctrine. New Delhi should also understand that a hands-off policy will, ipso facto, lead to a politically stable and economically energised Nepal, which will in turn benefit India's own national security and the economy of its Hindi heartland.

Nepal is not the basket-case neighbour as perceived by many in India. It is the seventh largest remittance-sending country to India, helping provide for livelihoods in its poorest parts, from Uttar Pradesh and Bihar, all the way to Odisha. Seen in this light, New Delhi's overbearing attitude seems based on power, not prowess.

#### Playing the system

Amidst unrelenting political chaos, the ability of Kathmandu's political class, civil society, the bureaucracy and

even security forces to speak on equal terms with Indian counterparts stands severely eroded. Over the decades, Nepal's political leadership has had its share of weaklings and quislings, but the worst dip came in the just-ended prime ministerial run of Pushpa Kamal Dahal ('Prachanda'), the Maoist chieftain, who early on had disclosed his wish to be "comfortable" for New Delhi.

Returning from an official visit to New Delhi in June 2023, Mr. Dahal conceded that he had refrained from bringing up issues that would spoil Mr. Modi's mood and "ruin the atmosphere". During the trip, he failed to raise each and every pending bilateral matter, including air routes for Nepal's stillborn international airports at Bhairahawa and Pokhara, the festering territorial dispute over Limpiyadhura-Kalapani, and a report of the Eminent Persons' Group (EPG) collecting dust.

Mr. Dahal concluded a power trade agreement that allows New Delhi to refuse import from hydel plants built with Chinese loans or Chinese contractors under international bidding. He has allowed the Indian Embassy in Kathmandu to independently disburse grants of up to Nepal rupees 20 crore, a facility not available to any other embassy. Meanwhile, New Delhi is on a campaign in Kathmandu to persuade delinking Nepal's hydropower from its water resource, so that bilateral agreements do not require two-thirds ratification by Parliament.

In June 2024, Mr. Dahal exuded confidence after attending Mr. Modi's swearing-in, believing that his meagre 32 seats in the Lower House combined with New Delhi's backing gave him the "magic formula" to remain in power. This was not to be, and New Delhi may now see the limits to its ability to play the system in Kathmandu.

As Mr. Oli takes over the reins in Kathmandu, he must discard the lethal diffidence of his predecessor, standing up for Nepal and speaking for South Asia. All bilateral matters that are hanging fire must be brought confidently to the table for airing and resolution. He must also convince Mr. Modi of the importance of reviving the South Asian Association for Regional Cooperation, for the sake of a South Asia that holds a fourth of the global population.

New Delhi must understand that while Nepal's friendship with Beijing is non-negotiable, it will never be at the cost of India. Nepal cannot afford for it to be otherwise. Meanwhile, it is incongruous that New Delhi pressures Kathmandu on China-linked hydropower, airports and airlines even as China emerges as India's largest trading partner.

It was Mr. Modi and Mr. Oli who together nominated the eight-member India-Nepal Eminent Persons' Group back in 2017. The team finalised its consensus report the following year, whose implementation is expected to lift bilateral relations towards a transparent, confident and equal partnership. If Mr. Modi and his team continue to stall on the release of the report, as is the case, informal means have to be sought to access its content.

Up ahead, the Nepal-India relationship must be calibrated outside the two poles of imperious New Delhi and subservient, obsequious Kathmandu. The latter must find its voice, and New Delhi must reflect on how the failed policy of interference in politics and governance has left Nepal flailing.

#### **A South Asia at peace**

The 'default setting' of the Nepali state and people is cordiality towards India and Indians, but New Delhi seems unconvinced. A continuing 'Himalayan paranoia', with its origins in

the 1962 debacle with China, fuels geo-strategic insecurity in New Delhi think-tanks. Hence, they are far from considering Nepal as the future connectivity gateway to the Chinese mainland via railways and roadways breaching the Himalayan rampart.

Nor do New Delhi economists care to note the enormous savings in military expenditure represented by the very presence of Nepal as a benign buffer along the central stretch of the Himalaya — even more relevant amidst the ongoing concern over the Indian exchequer's inability to bear military costs and pensions.

The open Nepal-India border is the prototype for a future South Asia at peace, even though New Delhi analysts constantly harp on the insecurity it represents for India. In fact, it is Nepal which has suffered, with the Maoists using shelters across the unregulated frontier during their decade of insurrection against the Nepali state. Every summer, the Indian media goes to town about Nepal 'releasing' monsoon waters into the Ganga plain, but there are no significant storage dams in Nepal and the two barrages on the Gandaki and Kosi are controlled by New Delhi.

### **ECONOMICS & DEVELOPMENT**

## **The Union Budget as litmus test of a rethink or stasis**

Union Finance Minister Nirmala Sitharaman is to present the Union Budget next week, on July 23. This time the government is a Bharatiya Janata Party (BJP)-led coalition government. The Budget is not just a revenue and expenditure statement of the government. It has to be understood as representing the policy and the politics of the incumbent government.

Unlike in 2019, when the BJP had 303 seats in the Lok Sabha, it now has 240 seats. Coalition politics and the aspirations of the regional coalition partners cannot be ignored. The reduced seat tally for the BJP could suggest a resentment with and dissent against the economic policies adopted by the government during its second term in 2019-24. The general election this time was termed as 'normal', implying that the focus of the election campaign was around 'bread and butter' issues, unlike in 2014 and 2019, where it was said to be aspirational and emotive issues.

The electorate seems to have very effectively conveyed its disappointment with the government in being able to address its concerns and anxieties. Therefore, this Budget is being keenly watched.

#### **Employment issue as a poll plank**

One of the major campaign planks in the 2024 general election was unemployment, concern about inflation and questions around social and economic justice. Employment, especially, can be seen as directly or indirectly holding centrality in addressing other questions from an economic vantage point. So, what might the Budget do in addressing this objective? Economists who hold allegiance to the Chicago School of thought and its mezzanine version reiterated by those in Columbia University have already expressed aggressive opposition to the thought of the government attempting to generate employment opportunities. By implication, this targets the potential allocations for the already neglected Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) programme as well as the demands for a similar programme for the urban unemployed.



One has to understand that the MGNREGA is an outcome of the failure of the neoliberal development policy in terms of generating employment through the private sector or the market. Recent reports on employment, by the Centre for Monitoring Indian Economy Pvt. Ltd. (CMIE) and the International Labour Organization and the Institute for Human Development, have highlighted concerns with the problem of employment in India. The reports point out, with varying levels of intensity (on account of different methodologies), to the very high levels of underemployment; unemployment among youth (15-29 years); and especially among the educated youth (above secondary school education). In addition, the real incomes of the regular employed have seen a contraction, perhaps on account of high levels of informalisation and poor-quality employment. On the other hand, while the incomes of casual labour have increased, this could be on account of MGNREGA and other social programmes of the government.

While the participation of women in the labour market has increased, it is more as unpaid family labour and odd service activities to supplement household incomes. These challenges are being faced alongside structural retrogression in terms of employment, implying that contrary to the orthodox imagination, there has been an increase in primary sector employment and a contraction in secondary sector employment. This is on account of the significant contraction of the unorganised sector, especially the micro, small and medium enterprises (MSMEs).

#### MSME sector contraction

The MSME sector has significantly contracted on account of at least three shocks — demonetisation, Goods and Services Tax (GST) and the COVID-19 lockdown. This sector requires special attention in this Budget and the sector needs a nuanced understanding. Earlier Budgets have focused on infrastructure (CAPEX), skill-based programmes, credit for start-ups and fiscal prudence to generate employment. Most of these interventions have had supply-side policy bias as well as served high-value end activities. In the MSME segment as well, the government's emphasis has been on those MSMEs which are export oriented, given that high-value production and the infrastructure sector together with enterprises having foreign direct investments and export-oriented sectors have had high value-added but very low employment elasticity. The focus, therefore, has to change from prioritising growth for growth's sake towards avenues generating employment and inclusive growth.

#### Where the focus should be

Social and economic justice should not be reduced to hollow cliché. This Budget has to focus on MSMEs which cater to the domestic consumption of low-income groups, which are also socially marginalised groups. Further, given the poor performance of India on the Human Development Index and Multi-Dimensional Poverty Index (MDPI), education, health, and housing for the deprived sections ought to find higher allocations combined with employment-generation objectives in this Budget. The rhetoric in the recent past, of India having become the fifth largest economy and, on the path, to develop into the third largest economy, has coexisted with the nagging problem of joblessness and poor-quality employment growth — witnessed right from the mid-1990s. While political machinations show no mood towards a rethink, perhaps wanting to project the optics of continuity, let us hope that such misplaced confidence does not carry into the Budget as well.

## POLITY & GOVERNANCE

### On the politics of the Nishad community

In Bihar, the recently held caste survey puts the total population of the EBCs at 36%. When combined with the Other Backward Classes (OBC), backward castes make up 63% of the total population of the State. Among the EBC communities, the Nishad community which consists of almost 20 jatis, make up about 9% of the population of the State.

In U.P, unlike in Bihar, there is no separate category for EBCs that distinguishes them from OBCs. Castes such as Yadav, Kurmi, and Patel, who are landowners and politically strong, were visible during past elections. And despite not owning land, castes like Maurya and Kushwaha were also prominent in elections. Now, the Bhar and Nishad communities have also established a significant presence in U.P. According to data from the 2001 Hukum Singh committee, OBCs make up over 50% of U. P's population, with Yadavs being the largest group at 19.4%. Among the non-Yadav castes which make up the rest of the OBCs in the State, Kurmis and Patels represent 7.4%, Nishads, Mallahs, and Kevats 4.3%, Bhar and Rajbhars 2.4%, Lodhs 4.8%, and Jats 3.6%.

#### Who are the Nishads?

Nishad is an umbrella term for dozens of riverine castes in north India. After the Mandal Commission report, they started introducing themselves as 'Nishad', a singular political and social entity. The Nishad community, one of the politically visible but less represented groups in the electoral landscape of U.P. in the past, is now being noticed.

#### What about Bihar?

In Bihar, the Nishad community's foray into electoral politics had been restricted to limited cases of representatives being promoted by different political parties such as Jai Narain Nishad in the 1990s-2000s who switched between JD(U) and BJP and Ramkaran Sahni, in the 1970s and 80s. The post-Mandal politicisation of different caste groups in Bihar was a missed opportunity by the Nishad community as its loyalty was fragmented across different parties in the absence of a strong political formation from within the community. Mukesh Sahani and his Vikassheel Insaan Party (VIP), since 2014, claim to be working towards the consolidation of the Nishad community as an important political force. With the caste survey of Bihar placing the community's 22 sub-caste's total population to be almost 10% of the State's population, its numerical strength has assumed a new political significance. The 2024 elections saw the BJP winning the trust of the Nishad voters in Muzaffarpur, a constituency where Nishads have emerged as a 'dominant caste'.

#### What are core issues of the Nishads?

The Nishads of U.P. aspire for two things. One is rights over rivers and river produce, and the other is representation. They demand representation through the Constitution and rights by cultural means. They are fighting for rights over rivers through caste assertion, historical memory, and myths. Through Nishadraj Guha, Eklavya, Ramacharan Mallah, Phoolan Devi, and other organic leaders of the community, they try to expand their history from time immemorial to the present. They are mobilising themselves for their rights in sand mining, fishing, and plying boats. These three activities are the main source of the Nishad communities' income.

The Nishads in Bihar have also been involved in similar struggles. The key demand of the community is their inclusion in the list of Scheduled Castes (SC) in the State. After mounting pressure on the Nitish Kumar government since 2014 via several caste-based organisations, the Bihar Government got a socio-economic assessment done through ethnographic accounts of the community by the A.N. Sinha Institute to assess its claims of backwardness. The caste survey data in 2023 reinforces the socio-economic backwardness of the community, which has made their demand for reservations under the SC category more vocal.

#### What happened in the elections?

According to an estimate, the Nishad community influences the outcome of more than 20 parliamentary constituencies in U.P., especially in the Poorvanchal region and about 10 constituencies of Bihar, particularly in the north Bihar and Mithilanchal region. Every national and regional party active in U.P. wants the support of the community. The emergence of the Nishad Party — Nirbal Indian Shoshit Hamara Aam Dal — in 2016 hugely mobilised the community towards a single party, which has been an ally of the NDA since 2019.

### INTERNATIONAL RELATIONS

## Two stealth frigates being built in Russia set to be delivered soon



After a series of delays, two stealth frigates under construction in Russia for the Indian Navy are set to be delivered from September. Construction and deliveries were delayed due to COVID-19, the war in Ukraine and Western sanctions.

“First ship Tushil is ready for acceptance by the Indian Navy and is scheduled to be delivered by September. The commissioning crew reached Russia earlier this month,” a defence official in the know said. “The second ship Tamal is expected to be delivered by February 2025.”

#### Agreement for frigates

In October 2016, India and Russia signed an inter-governmental agreement for the four stealth frigates, two directly imported and two to be manufactured by Goa Shipyard Ltd. (GSL).

A \$1-billion deal was subsequently signed for the two frigates under direct purchase. In November 2018, the GSL signed a \$500-million deal with Rosoboronexport of Russia for material, design and specialist assistance to locally manufacture the two frigates, and in January 2019, the contract was signed between the Indian Defence Ministry and the GSL. All the ships are powered by engines from Zorya-Mashproekt of Ukraine.

#### Schedule to be followed

As per schedule, the GSL is scheduled to deliver the first ship in 2026 and the second one six months later. “Construction at GSL is progressing and the launch of the first ship would take place in the next couple of months,” a defence source said. The basic structures of two frigates in Russia were lying at the Yantar shipyard in Russia which are now being finished. The Indian Navy already operates six of these frigates weighing around 4,000 tonnes each.

### AGRICULTURE

## ICAR to release 323 new varieties of 56 crops today



The Indian Council of Agricultural Research (ICAR) will launch its “one scientist, one product” programme on Tuesday to improve research in the field of agriculture and animal husbandry. The council will formally announce the release of 323 varieties of 56 crops, including cereals, oilseeds, forage crops, and sugar cane, at a function here on Tuesday as part of its 96th foundation day. These crops include 289 climate-resilient varieties and 27 bio-fortified varieties. The “one scientist, one product” programme will be inaugurated by Union Agriculture Minister Shivraj Singh Chouhan.

#### Five-year plan

Explaining the programme, ICAR Director-General Himanshu Pathak told presspersons here on Monday that the ICAR had given a target to all 5,521 scientists under the institution to come up with a product, technology, model, concept or good publication. At the beginning of every year, the scientist or a group of scientists will have to identify the product, and the ICAR will map the work. “We will monitor it at the institute level every three months and at the headquarters level every six months. The scheme will work for five years.

The ICAR is prioritising seed hubs for high-yielding oilseeds and pulses varieties. Dr. Pathak said the ICAR was also working to develop 100 new seed varieties and 100 farm technologies in 100 days as part of the Centre’s 100-day action



plan. He said the council would request Prime Minister Narendra Modi's time to launch these programmes by mid-September.

#### Production boost

The ICAR said in a release that with the help of breeder seeds, about 16 million hectares (mha) are under bio-fortified varieties of different crops, including wheat (13 mha), rice (0.5 mha), pearl millet (1.5 mha), lentil (0.5 mha) and mustard (1 mha) during 2023-24. "Deployment of climate-resilient technologies led to enhanced production even during the abnormal years," the ICAR said.

It said that from 2014-15 to 2023-24, a total of 2,593 high-yielding varieties were released. These include 2,177 climate-resilient (83% of total) varieties with biotic and abiotic stress resistance, and 150 bio-fortified crop varieties.

## ECONOMICS & DEVELOPMENT

### WPI inflation soars to 16-month high



The Wholesale Price Inflation (WPI) accelerated to a 16-month high of 3.4 % in June, from May's 2.6 %, led by a spike in food inflation to a 22-month high of 8.7 % and a near-doubling in manufactured products' price gains to 1.43 %. On a month-on-month basis, wholesale prices rose 0.4%, with the Food Index rising 2.5%, the fastest since August and more than fourfold the 0.6% pace recorded in May.

Vegetable prices in wholesale markets surged to a 10-month high of 38.8%, from May's 32.4% pace, with onion and potato prices rising year-on-year by 93.4% and 66.4%, respectively. Inflation in pulses (21.6%), paddy (12.1%), fruits (10.1%) and cereals (9.3%) were other contributors to the wholesale inflation print that lifted primary food articles inflation to 10.9%.

#### Manufactured products

By contrast, manufactured product prices rose 0.14% sequentially, the slowest in four months, while fuel and power prices remained in sequential deflation for a fourth straight month. The rise in the Wholesale Price Index suggests that retail prices may face further upward pressures.

For producers beyond food items, a five-month peak of 9.6% inflation in minerals, and a 12.6% uptick in crude petroleum and natural gas prices, the highest in nine months, were also a

major cause for concern over upward pressure on input costs.

#### 'Indian basket'

"The average price of the Indian basket of crude oil has been quite volatile in July so far, on the back of supply-demand mismatches, witnessing a month-on-month rise (at \$86.6 a barrel up to July 11). Higher crude oil prices might exert an upward pressure to the headline WPI inflation this month.

## POLITY & GOVERNANCE

### Among party-hopping defectors, 89% fielded again, 70% re-elected

Data show that many politicians who were disqualified under the anti-defection law in the past 10 years were re-elected from the party they jumped to, in subsequent by-polls. Many also managed to secure ministerial berths.

This is an analysis of 66 MLAs who defected in six States — Andhra Pradesh, Himachal Pradesh, Uttarakhand, Karnataka, Madhya Pradesh, and Manipur. Of them, 59 (89%) were fielded again in subsequent polls by the parties they jumped to. Among the 59, the re-election rate, or the share who won again after jumping ship, was considerably high (70%).

In Himachal Pradesh, six Congress MLAs cross-voted in the Rajya Sabha elections and were disqualified. They were all fielded by the BJP in the subsequent polls. Four of them lost.

In 2016, nine Congress MLAs shifted to the BJP in Uttarakhand. This led to a political crisis in the State. These MLAs were disqualified in April 2016. Seven of them were fielded again in the Assembly elections in 2017 and six of them won. Among the defectors, three became ministers.

The defection of 17 MLAs in 2019, almost all of them from Congress and Janata Dal (Secular), led to the collapse of the Kumaraswamy government in Karnataka. The BJP then came to power and B.S Yediyurappa became Chief Minister. Fifteen of these MLAs were fielded again as BJP candidates in the by-polls, and 80% of them were re-elected. Twelve of the defectors who joined the BJP and won the by-polls were given ministerial berths. Seven of them were ministers in the previous Kumaraswamy ministry.

In 2020, 22 MLAs defected in Madhya Pradesh, reducing the Congress to a minority government after Jyotiraditya Scindia joined the BJP. With the resignations bringing down the halfway mark, the BJP had the numbers to form the government. Later, three more Congress MLAs resigned and joined the BJP. The BJP fielded all 25 of them in the subsequent by-polls. Of them, 72 % were re-elected. Of the defectors who were re-elected, 13 were later inducted into the Shivraj Singh Chouhan ministry. Seven of them were ministers before defection.

This year, the Speaker of the Andhra Pradesh Assembly disqualified eight MLAs — four each from the TDP and YSRCP — for changing allegiance. Among them, two were fielded again from each party. The defectors contesting on the YSRCP ticket lost, whereas those contesting on the TDP ticket won the election, making the win ratio 50%.

In Manipur, Thounaojam Shyamkumar was elected in 2017 on a Congress ticket but switched to the BJP even before the oath-taking ceremony. He was later made a minister in the

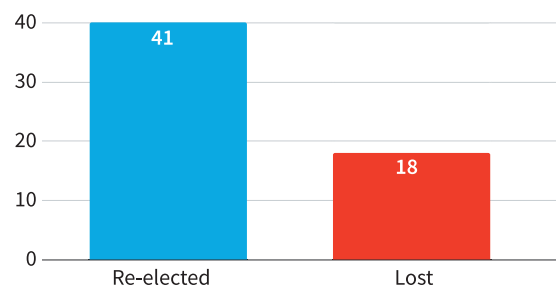
government led by N. Biren Singh and was only disqualified in 2020. He won the subsequent bye-election.

## Defections and elections

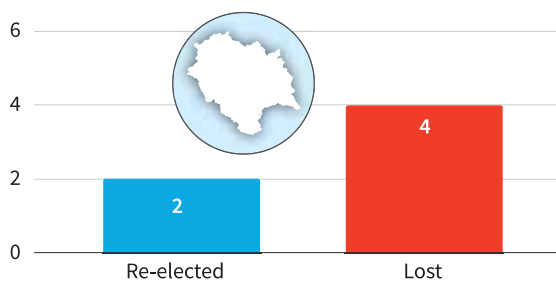
The charts are based on data collated from the Election Commission of India



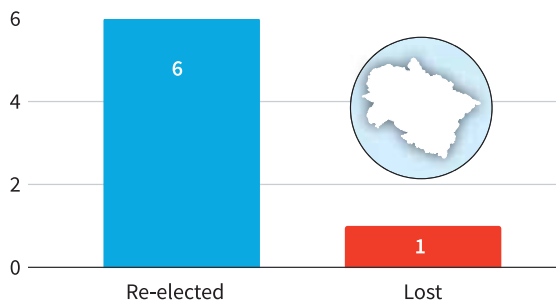
**Chart 1** | The chart shows the performance of defectors across different States in their most recent bypolls



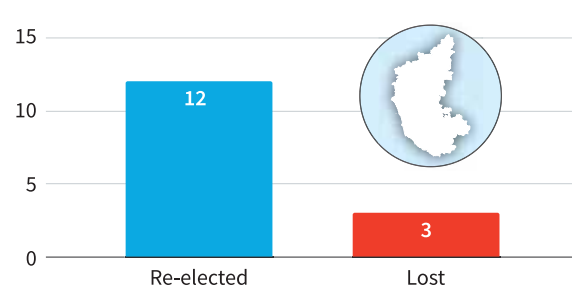
**Chart 2** | The chart shows the status of defectors in Himachal Pradesh's 2024 Assembly bypolls



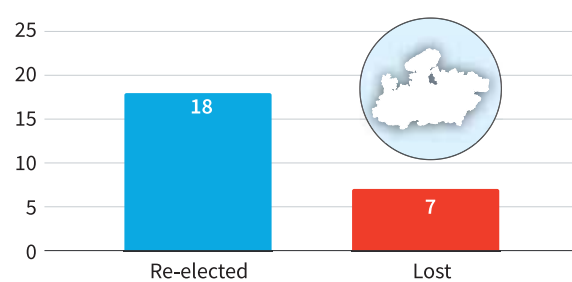
**Chart 3** | The chart shows the status of defectors in Uttarakhand's 2017 Assembly elections



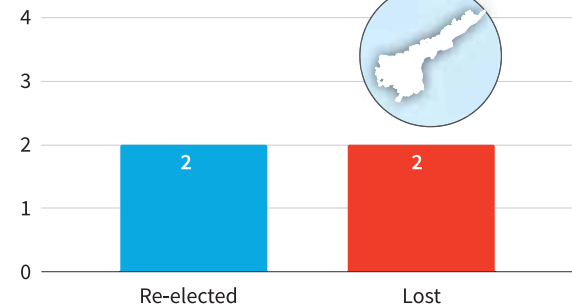
**Chart 4** | The chart shows the status of defectors in Karnataka's 2019 bypolls



**Chart 5** | The chart shows the status of defectors in the 2020 Madhya Pradesh Assembly bypolls



**Chart 6** | The chart shows the status of defectors in the 2024 Andhra Pradesh Assembly elections







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