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CJI REFERS PETITIONS ON SAME-SEX MARRIAGE TO CONSTITUTION BENCH



Parliament will have to see what would be the psychology of a child who has seen either two men or only two women as parents

TUSHAR MEHTA
Solicitor-General

Court lists case for final arguments on April 18; hearing will be livestreamed in public interest; adopted child of a lesbian or gay couple does not necessarily have to be lesbian or gay, says Chief Justice in response to concerns raised by the govt.

Growing up with lesbian or gay parents will not necessarily make a child lesbian or gay, the Supreme Court observed on Monday, as it confronted the government's concern about

the "psychological" impact same-sex marriages may have on children.

Chief Justice D.Y. Chandrachud referred petitions seeking legal recognition of same-sex marriages to a Constitution Bench, but took the time on Monday to soothe the government's anxiety about how such a move would affect Indian "social ethos".

"Parliament will have to examine... Parliament will have to see what would be the psychology of a child who has seen either two men or only two women as parents... What would be the psychology of a child who was not reared by a father and a mother... Parliament will have to debate whether we would like this institution to be recognised in view of our social ethos..." Solicitor-General Tushar Mehta, for the Union, objected to the court's intervention.

"But, Mr. Solicitor, the adopted child of a lesbian couple or a gay couple does not necessarily have to be lesbian or gay..." CJI Chandrachud said.

At one point, Mr. Mehta said, "Your Lordships are shouldering a very heavy burden of how society will develop henceforth."

The Bench listed the case for final arguments on April 18 and said the hearing would be livestreamed in public interest.

The Centre denied any stigma attached to same-sex relationships. "The question here is whether this relationship, as part of right to dignity, can be given recognition by the state," Mr. Mehta said.

Chief Justice Chandrachud said the case involved an "interplay" between constitutional rights of life, liberty, dignity, equal treatment of members of the LGBTQ+ community on one side and specific statutory enactments that consider only a married union between a biological man and woman on the other. The three-judge Bench, also comprising Justices P.S. Narasimha and J.B. Pardiwala, invoked Article 145(3) of the Constitution to refer the case to a five-judge Bench.

The petitioners argued that the court's judgment in the Navtej Singh Johar case in 2018, while decriminalising homosexuality, had also upheld the individual right to family and choice of partners. "Right to love and marry cannot be withheld from a class of persons solely on the basis of their sexual orientation or gender identity. Right to marry is the natural consequence of the decriminalisation judgment," senior advocate A.M. Singhvi, for petitioners, submitted. Senior advocate K.V. Vishwanathan highlighted the need to give same-sex marriages legal recognition as issues of inheritance, adoption, etc., would come into play.

NAATU NAATU, THE ELEPHANT WHISPERERS BRING HOME 2 OSCARS



Naatu Naatu composer M.M. Keeravaani and lyricist Chandrabose in Los Angeles.

Naatu Naatu, the irrepressible, fun number from the film RRR, and the documentary short The Elephant Whisperers made Oscar history for India on Monday with one Academy Award each, the two wins showcasing cinema beyond Bollywood and the growing might of the Indian non-feature segment.

This is the first time two India-made productions have bagged the cinema world's biggest prize.

Dancers took over the stage at Los Angeles' Dolby Theatre, recreating the hugely popular hook steps from the Telugu track, and actor Deepika Padukone introduced the song to loud cheers.

Naatu Naatu composed by M.M. Keeravaani and penned by Chandrabose in S.S. Rajamouli's blockbuster, is the fourth non-English song to win an Oscar in the category and the first song in a foreign language since Jai Ho in 2009 to bag the prize.

The Elephant Whisperers, by Kartiki Gonsalves and Guneet Monga, which explores the bond between humans and an abandoned elephant calf in Tamil Nadu's Mudumalai Tiger Reserve, is India's first win in the Documentary Short category.

All That Breathes, Shaunak Sen's climate change documentary set in Delhi, lost out to Canada's Navalny on Russian dissident leader Alexei Navalny in the Documentary Feature category.

Ms. Gonsalves dedicated her win to "motherland India". "... To all the women watching... The future is audacious and the future is here. Let's go! Jai hind," wrote her producer, Ms. Monga, in an Instagram post moments later.

An overwhelmed Mr. Keeravaani broke into a song to describe his feeling. "I grew up listening to The Carpenters and now here I am with the Oscars. There was only one wish on my mind, so was Rajamouli's and our families' — RRR has to win... Pride of every Indian... must put me on the top of the world," Mr. Keeravaani said in tune to The Carpenters' much-loved 1970s song Top of the World. Mr. Chandrabose simply signed off with a "Namaste".

UNDERSTANDING THE SAUDI-IRAN DETENTE

Towards a new dawn

Two of West Asia's major powers, Iran and Saudi Arabia, have agreed to restore diplomatic relations in an agreement brokered by China. This map shows the range of influence each power has in the region through their allies or proxies



For stability: Saudi Minister of State and National Security Adviser Musaad bin Mohammed, meets the Iranian Rear Admiral Ali Shamkhani, the secretary of the Supreme National Security Council, in Beijing, China on March 10. REUTERS

- Iran has direct influence in Iraq (through political parties and Shia militias), Syria (through the regime of Bashar Assad), Lebanon (Hezbollah), Yemen (Houthis) and Gaza (Islamic Jihad)
- Saudi Arabia has direct influence in Yemen (through the government of Hadi Mansour) and Lebanon (through the Sunni parties). Saudi Arabia used to support some rebel factions in Syria during the Civil War, but it's not active any more. They are trying to reach out to different Shia factions in Iraq but are not very successful



What has led to the restoration of diplomatic relations between Saudi Arabia and Iran? What initially led to the breakdown of relations? Why is the U.S. deprioritising the West Asian region? Is China emerging as a new great power in West Asia?

The story so far:

Saudi Arabia and Iran, two of West Asia's major powers that have been at odds with each other for decades, agreed to restore diplomatic relations last week in an agreement brokered by China. The rivalry between the two dates back to pre-revolution Iran when they competed with each other for regional dominance. After the 1979 revolution brought down the Iranian monarchy and turned the country into a Shia theocratic republic, sectarian and ideological flavours were added to the mix. In recent times, it had turned into a cold war with both sides supporting their proxies across West Asia. Formal ties between them collapsed in 2016 after the Saudi embassy in Tehran was overrun by protesters following Riyadh's execution of a Shia cleric. Now, under China's mediation, they have agreed to start a new beginning. If peace holds, it could have far-reaching implications for regional security, stability and geopolitics.

What are the terms of the agreement?

Saudi Arabia and Iran started directly talking to each other in 2021 and had held multiple rounds of negotiations thereafter, first in Iraq and then Oman, without any breakthrough. There was, however, a growing realisation on both sides that the diplomatic path should be kept open. In February 2022, a senior Iranian Foreign Ministry official told The Hindu in Tehran's National Gardens, "The Saudis now realise that they don't have an alternative to having stable relations with us. It's too early to say if there will be a breakthrough, but we're talking." When China's President Xi Jinping visited Riyadh last December, he pushed for a rapprochement between the two. In January, Saudi Foreign Minister Prince Faisal bin Farhan said in Davos, Switzerland, that Riyadh had "reached out [to Iran] and we are trying to find a path to dialogue", without specifying China's role. Last week, the reconciliation was announced after days-long secret talks in Beijing.

Finer details of the agreement are yet to be unveiled. But officials on both sides say, according to reports, that Iran has agreed to prevent further attacks against Saudi Arabia, especially those from the Houthi-controlled parts of Yemen (Iran backs Houthis, a Shia militia in Yemen while the Saudis back the government forces). Saudi Arabia, on its part, agreed to rein in Iran International, a Farsi news channel that is critical of the Iranian regime (which the Iranian intelligence has termed a terrorist organisation). The Foreign Ministers of both countries would meet soon to thrash out the terms of the reconciliation before reopening embassies in each other's capitals in two months. China is also planning to host a cross-Gulf conference of Iran and the six Gulf monarchies (Saudi Arabia, the UAE, Qatar, Bahrain, Kuwait and Oman, who make up the Gulf Cooperation Council, or GCC) this year to further strengthen peace in the region.

Why did Saudi Arabia reach out to Iran?

West Asia has been undergoing strategic realignments in recent years. In 2020, the UAE became the first Arab country to normalise relations with Israel in a quarter century. In the following years, Israel and Arab countries deepened their partnerships. In 2021, Saudi Arabia, the UAE and their allies decided to end their failed blockade of Qatar. The U.S. was also trying to broker a normalisation agreement between Saudi Arabia and Israel. One of the key drivers of these realignments is the U.S.'s deprioritisation of West Asia. The U.S., the traditional great power in the region, has bigger foreign policy challenges in its hand now such as the Russian war in Ukraine and China's rise in the Indo-Pacific. America's allies in the region see the twin realities of a power vacuum created by the U.S.'s deprioritisation and the challenge posed by Iran's rise. To address these problems, the U.S. wanted to bring the two pillars of its West Asia policy — Israel and the Arab world — together against Iran so that the American alliance system in the region would not be disrupted. While the UAE chose this path through the Abraham Accords, the Saudis decided to go slow on reconciling with Israel, especially since violence kept spreading in Israeli-occupied Palestinian territories.

Additionally, relations between Saudi Arabia and the U.S. have been rocky in recent years. The bedrock of the partnership, which goes back to the meeting between King Abdul Aziz bin Saud and President Franklin Roosevelt aboard USS Quincy in 1945 off Egyptian waters, was America's security guarantees in return for Saudi oil. The U.S. is now one of the top oil producers in the world and is not as dependent on the Gulf Arabs as it used to be during the Cold War. This allowed American Presidents to expedite the U.S.'s deprioritisation of the region. When Saudi oil facilities were attacked in 2019 (for which Iran was widely blamed), the U.S. looked away. This seems to have prompted the Saudis to look for alternative solutions for the Iran problem. The solution they came up with was to reach out to the Iranians.

What led Iran to accept the deal?

Iran is going through one of the toughest phases of economic isolation and domestic pressure. Tehran knows that getting a reprieve from Western sanctions is not a near-term possibility and at home, despite its crackdown, protests refuse to die down. Its economy is deteriorating and its currency, the rial, is struggling. Iran wanted Chinese investments and support for the rial. According to Iranian media reports, China allowed Tehran to withdraw parts of the \$20 billion funds that were frozen with Chinese banks (after the U.S. sanctions). So, while struggling with isolation and sanctions, a deal with Saudi Arabia, under China's mediation, could open economic lifelines for Iran. And strategically, Iran knows that such a deal could complicate American effort to rally Arab countries and Israel against it. So economically and strategically, a reconciliation is beneficial for Tehran, at least in a tactical sense.

What does China gain from the deal?

Unlike the U.S., which has a history of military interventions in West Asia, China comes with a cleaner record. While the U.S.'s ties with Saudi Arabia faced headwinds in recent years and it has hostile ties with Iran, China has warm ties with both — it is a leading buyer of Saudi oil and the largest trading partner of Iran. This allowed China to use its economic leverage to bring the parties closer.

China has economic, regional and strategic interests in playing the role of a peace broker in West Asia. China is the world's largest oil buyer and stability in the energy market is essential for its continued rise. If a detente between Saudi Arabia and Iran can offer some stability to West Asia in particular and global energy supplies in general, China stands to benefit from it. Regionally, the agreement marks China's arrival as a major power in West Asia. If one looks at all the major peace initiatives in the region in the post-War world — be it the Camp David agreement (1978), Oslo Accords (1993), the Israel-Jordan Treaty (1994), Middle East Quartet (2002) or the Abraham Accords (2020) — the U.S. was a constant presence. But in the Saudi-Iran reconciliation, the U.S. is absent. This points to larger changes under way in the global order. Besides, China is also trying to send a clear message to countries in the Global South. While the U.S. is busy rallying the Western world to arm Ukraine to push

back Russia and weaken Moscow through sanctions, China is quietly brokering peace in the Global South. But this increased role China is playing in West Asia comes with risks. It's a region prone to conflicts. And the Saudi-Iran rivalry is multilayered — economic, geopolitical and sectarian. If the peace doesn't hold and old rivals go back to their old ways, it would raise serious questions about both China's leverage and its capacity for sustaining its big ticket diplomatic initiatives.

How does the U.S. look at the deal?

U.S. officials have welcomed the reconciliation. The public narrative is that peace between two of the major rival powers in West Asia would help stabilise the region and benefit the global energy market, which is good news for everyone. But from a strategic point of view, the U.S. would be facing unpleasant questions about the agreement. The Iran nuclear deal is practically dead. The U.S. wants Saudi Arabia to normalise ties with Israel and put up a joint front against Iran. And even when it is deprioritising the region, the U.S. would not like to lose its influence in West Asia. But now, when it looks at the region, it sees an ally (Saudi Arabia) drifting further away, a rival who it wanted to contain (Iran) making new friends and its global challenger (China) spreading and deepening its influence in a region which the U.S. had dominated since at least the Suez War of 1956.

CHINA WILL PLAY AN 'ACTIVE PART' IN GLOBAL GOVERNANCE, SAYS XI



Power centres: Xi Jinping with Li Qiang during a session of China's National People's Congress (NPC) in Beijing on Sunday.AP

President calls for the military to build a 'Great Wall of steel', while the new Premier reaches out to the private sector as NPC session concludes

Chinese President Xi Jinping on Monday said China would "play an active part" in global governance while calling for the Chinese military to build a "Great Wall of steel", as he officially began his third five-year term.

Speaking in Beijing at the conclusion of the annual National People's Congress (NPC) legislative session, which on Friday formally endorsed his unprecedented third term, Mr. Xi said: "China's development benefits the world

and China cannot develop in isolation from the rest of the world".

"China will play an active part in the reform and development of the global governance system, contribute its share to building an open world economy, advance the implementation of the Global Development Initiative and the Global Security Initiative, add more stability and positive energy to the peaceful development of the world, and foster a favourable international environment for China's development," he said, referring to two of his key foreign policy initiatives and speaking days after a landmark agreement signed in Beijing between Saudi Arabia and Iran.

On the domestic front, he said, "security is the bedrock of development, while stability is a prerequisite for prosperity", adding that Beijing would "strengthen China's capacity for safeguarding national security" and "safeguard China's new development pattern with a new security architecture". He called for "efforts to advance the modernisation of national defence and armed forces on all fronts, and build the people's armed forces into a 'Great Wall of steel' that is capable of effectively safeguarding national sovereignty, security and development interests." Mr. Xi said Beijing would also work "to achieve greater

self-reliance and strength in science and technology", a key focus of the next term.

The NPC session on Saturday confirmed a close long-term ally of Mr. Xi, Li Qiang, as the next Premier. Mr. Li, who will be charged with managing the Chinese economy, in comments to reporters on Monday offered an olive branch to the embattled private sector.

Acknowledging that the GDP target for the year of "around 5%" would "not be an easy task", he said the broad policy focus would be on economic stability, spurring domestic demand, defusing financial risks such as rising local government debt, and boosting innovation in science and technology and industry.

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FEB. RETAIL INFLATION REMAINS VIRTUALLY UNCHANGED AT 6.44%

Out of comfort zone

February inflation was only a tad lower than January's 6.52%



■ Inflation in fruits more than doubled from 2.9% in January to 6.4%

■ Among major States, Telangana continued to record the highest inflation at 8.56%

■ Andhra Pradesh (8.01%), Madhya Pradesh (7.65%), Uttar Pradesh (7.12%) and Haryana (6.97%) followed

Fruits, cereals, milk products witness acceleration in inflation from January levels; price rise faced by urban consumers inch up month-on-month, data from the National Statistical Office show

India's retail inflation remained above the central bank's 6% tolerance threshold for the second successive month in February at 6.44%, compared with 6.52% in January, as per the National Statistical Office.

Food inflation remained sticky, with the Consumer Food Price Index rising 5.95% in February, just a tad lower than the 6% seen in January. Vegetables remained in deflationary territory for the third successive month, with prices falling 11.6% from last year's levels this February, compared to a 11.7% fall in January. Cereals inflation surged from 16.1% in January to 16.73%, milk products accelerated from 8.8% to 9.65%, and spices remained over 20% for the third month in a row.

Inflation in fruits more than doubled from 2.9% in January to 6.4%. "February's inflation print is stubbornly close to January's... We expect March inflation to stay above 6% too, so there is a strong case for expecting the [RBI] to increase the repo rate in its April monetary policy review by 25 basis points," said Madan Sabnavis, chief economist at Bank of Baroda.

SEBI PROBING 'MARKET ALLEGATIONS' ON ADANI GROUP, FINANCE MINISTRY TELLS LOK SABHA



On March 2, the top court directed SEBI to conclude its probe within two months.

Stock market regulator Securities and Exchange Board of India (SEBI) is probing "market allegations" against the Adani Group of companies, while the Department of Revenue Intelligence (DRI) has completed investigation in a power

equipment imports case involving the group even as another case involving imports of Indonesian coal is held up due to litigation.

The Finance Ministry shared this information in the Lok Sabha on Monday through responses to seven questions posed by parliamentarians on the Adani Group.

"As per its mandate, [SEBI] conducts investigations into any alleged violations of its regulations by any market entity. It is, accordingly, undertaking investigation into the market allegations against the Adani Group of companies," Minister of State for Finance Pankaj Chaudhary said.

'No impact'

"The nine listed companies forming part of Adani Group witnessed a decline of around 60% of market capitalisation from January 24, 2023, till March 01, 2023, subsequent to the report published by Hindenburg Research [that accused the group of stock manipulation and accounting fraud]. These companies are not part of Sensex and have a combined weight of below 1% in Nifty," Mr. Chaudhary said. The volatility in these stocks have not had "any significant impact at the systemic level", he said.

The SEBI had told the Supreme Court that it was enquiring into the allegations made against the Adani Group firms in the Hindenburg report as well as the market activity immediately preceding and post the publication of the report, to identify violations. The top court, in a March 2 order, directed the SEBI to conclude its investigation into Adani Group firms within two months.

Finance Minister Nirmala Sitharaman, responding to a query on the loan and credit exposures of public sector financial banks and insurance firms to the Adani Group, said the Reserve Bank of India is prohibited from disclosing credit information submitted by a bank. "The Life Insurance Corporation of India (LIC) has informed that its debt exposure to Adani Group of Companies... was ₹6,347.32 crore and ₹6,182.64 crore, as on 31.12.2022 and 5.3.2023, respectively. The five public sector general insurance companies have informed that these companies do not have loan/credit exposure to Adani Group," Ms. Sitharaman added.

As of March 5, LIC's highest debt exposure was to Adani Ports and SEZ at ₹5,388.6 crore. Another ₹794 crore of debt relates to two Adani Power projects in Mundra and Maharashtra and another couple of Adani Group firms.

A FRAGILE MOMENTUM

Industrial output gains in January remain uneven and may not sustain

On the face of it, the 5.2% uptick in India's Index of Industrial Production (IIP) this January is a good new year tiding for a metric that had seen two months of contraction in the previous five months. With the Gross-Value Added (GVA) in the economy by the manufacturing sector shrinking 3.6% in the July to September 2022 and 1.1% in the October to December 2022 quarters, one would hope that the final quarter of this financial year bucks this trend. To that end, January's factory output numbers offer moderate, although not necessarily adequate, encouragement. For one, the rise is almost twice the insipid 2.6% growth averaged in the previous quarter and marks a 4.7% improvement from output levels in December 2022. Double-digit growth in electricity and capital goods lifted the IIP, aided by a 9.6% rise in primary goods and an 8%-odd rise in mining and infrastructure goods (a three-month low for both). Manufacturing rose 3.7%, which is slightly better than December's 3.1% increase, but 10 of 23 tracked sub-sectors recorded contractions in output and five of those slipped more than 10% from January 2022 levels. Textiles factories pared production by over 11%, wood products fell by 12.6%, wearing apparel units slashed output by 22.3%, while computers and electronics

manufacturing fell 29.6%. As many as seven sectors have clocked output declines over the first 10 months of 2022-23, including electrical equipment, computers, pharma and the employment-intensive textiles, apparel and leather. Weakening global demand is surely hurting factory order books and the increasingly hawkish monetary policy outlook in critical markets for Indian exporters such as the United States, do not augur well. On Friday, when the IIP numbers were released, global oil prices fell by another 1.3% as markets expect rate hikes by central banks will hurt demand (and export orders). Of equal concern for the Reserve Bank of India's Monetary Policy Committee (MPC) members, when they meet in early April, would be how domestic demand is holding up. Two MPC members had already flagged concerns about interest rates turning too high for comfort at its February meeting — one termed India's growth as 'extremely fragile'. The signals from consumer goods production numbers in January's IIP are not too enthusing. While consumer durables output shrank sharply year-on-year for the second successive month, it was almost 15% below pre-COVID levels. Non-durable consumption items grew 6.2%, the slowest pace in three months, with total output this year still below 2021-22 levels. A K-shaped recovery may be officially denied, but industry is pointing to a slower rebound in lower income and rural segments. All is still not well.

TRUE COLOURS

The Oscars served as a marker of America's nod to inclusivity

India woke up at dawn on Monday to watch the 95th Academy Awards held at Dolby Theatre, Los Angeles, and cheer the two wins. Director Kartiki Gonsalves' Tamil documentary *The Elephant Whisperers* became the first ever Indian production to win the Oscar for Best Documentary Short. Director S.S. Rajamouli's Telugu film *RRR* became the first Indian feature production to win an Oscar when its catchy 'Naatu Naatu' won for Best Original Song (music composer M.M. Keeravani and lyricist Chandrabose). Amid this cheer, however, director Shaunak Sen's *All That Breathes* lost the Best Documentary Feature to director Daniel Roher's *Navalny*. *RRR*'s win is significant in the context of India's last wins at the Oscars in 2009, from the British production, *Slumdog Millionaire* — Best Original Song and Score for music composer A.R. Rahman and lyricist Gulzar's 'Jai Ho', and *Resul Pookutty* for Best Sound Mixing. While this Danny Boyle film can be described as a western world's interpretation of Indian cinema's song, dance and mainstream masala, *RRR* is an Indian mainstream production that is unapologetic about its spectacle action pieces and dance numbers. The 'Naatu Naatu' win can be viewed as the Academy's nod to cinema that captured the imagination of a multicultural American society.

The awards have again brought to the fore the debate whether the Oscars are 'too White', particularly with the nomination of Andrea Riseborough in the Best Actress category for *To Leslie*, widely criticised for snubbing potential names such as Viola Davis for *The Woman King* and Danielle Deadwyler for *Till*, and forcing the Academy to probe whether she had secured the nod due to aggressive campaigning from her Hollywood peers. The silver lining of inclusivity came in the form of *Everything Everywhere All At Once* (the story of an immigrant Chinese family), securing 11 nominations and winning seven awards. Its top prizes included Best Picture and Best Director, and an award for Vietnamese-American Ke Huy Quan in the Best Supporting Actor category. Its lead actress Michelle Yeoh became the first Asian woman to receive a nomination and win in the Best Actress category. It is also the first Best Actress win for a non-white actress in 20 years. Cheers greeted the 60-year-old when she urged women not to let anyone ever tell them that they are past their prime. The other non-white film to make its presence felt through nominations and its win for Best Costume Design was *Black Panther: Wakanda Forever*. In the years ahead, these multicultural wins should pave the way for more artistes to take to the global stage.

A CHANCE FOR INDIA TO SHAPE A DATA GOVERNANCE REGIME

Ingrid Schneider is Professor of Political Science at the University of Hamburg, Germany

In recent years, India has made great strides in its digital strategies and data governance. India has embraced technology and digitalisation to drive economic growth and to improve the lives of its citizens. However, as the country continues to evolve, it must also ensure that its digital strategies and data governance are inclusive, transparent, secure, and conducive to sustainable development.

India's G-20 presidency has provided an opportunity for the country to showcase its advancements in the digital arena, particularly with regards to data infrastructures and data governance. As the world becomes increasingly digital, the G-20 has recognised the need for international cooperation and collaboration in addressing the challenges, opportunities and risks posed by the rapid growth of data and digital technologies.

Significant progress has been made in the use of digital technologies to provide access to bank accounts and in the promotion of digital transactions through the Unified Payments Interface (UPI) and other options. DEPA and related concerns

The launch of India's Data Empowerment and Protection Architecture (DEPA), a consent management tool, has generated both excitement and concern among stakeholders. On the one hand, DEPA has the potential to improve data protection and privacy for citizens by giving them greater control over the use and sharing of their personal information. By allowing individuals to easily manage and control their data consents, DEPA could

help to build trust in digital technologies and data governance. However, there are also risks associated with DEPA, particularly in terms of security and privacy. If the consent management tool is not properly implemented or managed, there is a risk that personal information could be misused or misappropriated.

Additionally, there are concerns that the implementation of DEPA may be inconsistent across different sectors and jurisdictions, which could undermine its effectiveness and create confusion among citizens. In order to realise the potential benefits of DEPA and minimise the risks, it is important that the tool is implemented in a transparent, consistent, and secure manner. This will require close collaboration between the government, the private sector, civil society, and other stakeholders and the development of clear and effective regulations and standards.

While the advances in financial inclusion and the successful implementation of the UPI in India are commendable, it remains to be seen whether these advancements can be replicated successfully in other areas such as health and agriculture. The use of digital technologies can enhance access to health-care services, particularly in rural and remote areas, while in agriculture they can empower farmers and enhance their incomes.

However, there are concerns that relate to security and privacy on the one hand and on infrastructure, connectivity and the availability of a skilled human workforce on the other hand. Moreover, there are also concerns around the potential misuse of data and information in these sectors. For example, in the health sector, there is a risk that sensitive medical information could be misused or exploited for commercial purposes, while in agriculture, there is a risk that

market information could be manipulated for the benefit of certain actors. Another issue is that of ownership and governance of data generated and collected in health and agriculture. What are the rights of data providers? And what are the responsibilities towards them? The state has to play a key role in addressing and resolving such issues. Obviously data governance has to be a process in evolution that is agile and responsible. But it has to be built upon fundamental rights, values and norms and on regulations that balance the interests of all stakeholders. These concerns must be addressed through strong and robust data protection regulations, the development of ethical and responsible data governance practices, as well as effective and accountable oversight mechanisms.

The issue of data sovereignty

Data sovereignty has become an increasingly important issue. The term “data sovereignty” refers to the principle that a country has the right to control the collection, storage, and use of data within its borders and also to the informational self-determination of citizens over their data.

India’s establishment of an India Data Management Office (IDMO) is a step forward in the country’s journey towards data sharing and data governance. The IDMO is expected to oversee and coordinate the implementation of India’s digital strategies and data governance framework, and to ensure that these efforts are aligned with the country’s values and priorities. It will also work to promote the development and implementation of open-source solutions, which will help to ensure that underlying data architectures are a social public good, and to promote digital technologies to become accessible and affordable for all. Again, this is a great opportunity for India to develop solutions that can be adopted and adapted in other countries. Open source and open innovation models can be important alternatives to proprietary solutions that are governed by big tech companies.

In this context, many commentators have called for the opening of data “silos” to capture the potential wealth of data sharing between governmental offices, corporations and citizens. While opening up some data silos may be useful in promoting citizen participation and increasing access to information,

others may jeopardise trust and security.

Find a middle way

For example, the sharing of sensitive personal or financial information may be harmful to individuals and society as a whole, as it may lead to discrimination, exclusion, and unforeseen negative consequences. Therefore, it is important for India to navigate a middle way between restrictive data sovereignty and limitless data flow, and define which data, for which purposes, can be shared and used by whom.

In doing so, India must respect and protect the fundamental right to privacy with a robust data protection law, and balance the interests of all stakeholders, including governments, businesses, and citizens for the goal of sustainable development.

This requires the development of clear, transparent and accountable data governance policies and regulations as well as investment in the necessary digital infrastructure and skills to ensure that data is collected, stored, and used in a responsible, secure and accountable manner — so that a resilient data governance regime can be accomplished.

In conclusion, while the advancements in financial inclusion and UPI hold promise for transfer of inter alia data to other parts of the India Stack (for instance in health and agriculture) there are also valid sceptical notes that must be taken into account. (India Stack is a unified software platform that provides digital public goods, application interfaces and facilitates digital inclusion.) The challenges of digital infrastructure, privacy protection, data security, and responsible data governance must be addressed before these advancements can be fully realised in other sectors.

Further, it is essential that the India Stack is designed and implemented in a way that is consistent with India’s broader development strategies. This will help to ensure that the data governance is aligned with the country’s values and priorities, and that it supports, rather than undermines, the development of a secure, more egalitarian, and trustworthy digital future for all. In this, India has a unique opportunity to develop and implement a data governance regime that can become a model for other countries.

A RESILIENT INDIA, BUT GROWTH PANGS FOR CHINA

Alicia Garcia Herrero is Adjunct Professor at the Hong Kong University of Science and Technology

The Chinese government (in the last government report of Chinese Premier Li Keqiang before he stepped down, and in the backdrop of the reopening of the country after three years of zero-COVID-19 policies) has disappointed observers with the projection of a growth target of around 5% in 2023, which is lower than that of last year (5.5%) and even lower than the expected GDP growth for India in 2023 (6.1% according to the International Monetary Fund). This is all the more surprising if one considers that India is benefiting from the positive impact of the country reopening after COVID-19 lockdowns while China should benefit from its reopening only this year. Still, growth will remain rather meagre for a simple reason: the Chinese economy is in a process of structural deceleration while India is still enjoying its benefits of its demographic dividend.

On sustainable growth

It is clear that Mr. Li was being cautious about the growth target this year. But why? First, the Chinese government, especially the new Premier Li Qiang, does not want to run the risk of undershooting its growth target again, as it happened in 2022. Even if consumption is recovering, external demand remains weak and it is hard to know whether private investment will indeed rise given the doubts about the role of the private sector in the Chinese economy as well as increasingly cautious sentiment being expressed by foreign investors. Further, the real estate sector is still dragging down growth.

Beyond 2023, the government’s push for a structural shift of the Chinese economy is still on the way. Over the last few years, tighter regulatory measures have been introduced to contain financial risks and achieve more social objectives such as a green economy, food security, etc. This is an important signal by the Chinese government, recognising that too high a growth is no longer possible nor desirable as it only aggravates financial imbalances. In fact, sustainable growth has become a key concept in China’s new economic narrative. It is hard to tell if this relates to the government’s firm belief that the quality of growth is what matters the most for Chinese citizens today, or an expression of the recognition that pushing growth up too much is only going to create additional imbalances.

Job creation and foreign investment

Against such a backdrop, job security is one of the most important objectives of the sustainable growth narrative, which is enshrined in a higher target for new jobs (12 million), compared to what it was in the last past years (11 million, except for the even lower target in 2020 after the COVID-19 pandemic in China). The revision of the employment target reflects the government’s concern about the job market, especially young workers (the unemployment rate reached almost 20% in spring 2022).

The need for jobs explains China’s recent charm offensive to retain foreign direct investment in China as it is an important source of job creation. The sentiment for supply chain diversification is not going to help China fulfil the employment objective as investors are looking at new pastures, with India likely to be a major beneficiary. India also needs to create as many jobs as possible (at least 13 million a year, which is more than China’s target). Foreign investors are beginning to contribute more substantially to job creation in India, which given the country’s sheer size in terms of market size and labour force could pose challenges for China as it tries to hold on to foreign direct investment within the country. The forces pushing foreign investors out of China are in plenty: from containment by the United States at the highest end of the value chain, which is forcing bifurcation, to higher wages at the lowest end. In addition, China’s push for self-reliance is certainly not helping with the future plans that foreign investors have in mind for China.

All in all, the 5% growth target is consistent with the current challenges that the Chinese economy faces as well as the government’s more diversified objectives beyond economic growth. Creating more jobs is a quintessential part of China’s new sustainable growth narrative, but China is confronted with more competition than before, especially from India because of its market size and the large labour pool.

While India and China may not be too different in size and population, growth prospects differ substantially. At the National People’s Congress, Premier Li had to lower the GDP target further; in contrast, India remains resilient. An acceleration of this pattern is to be expected in the next few years, especially if the reshuffling of the value chain continues, pushed by geopolitics and high costs in China.



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