21/11/2023 TUESDAY

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DAILY NEWS ANALYSIS

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GOVERNOR CAN'T WITHHOLD RE-PASSED BILLS, SAYS SC

CONTEXT: The Supreme Court on Monday took note of the Tamil Nadu government's argument that the Constitution does not provide Governor R.N. Ravi "discretion" to withhold the 10 Bills "re-passed" by the State Legislative Assembly.

These Bills have been pending since January 2020. The Governor took action only after we issued notice in the matter. Why should Governors want parties to move the Supreme Court to start taking steps?

D.Y. CHANDRACHUD

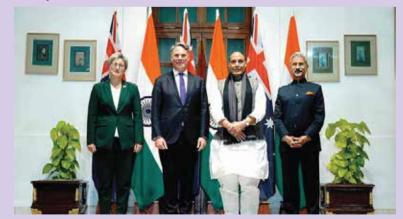
Chief Justice of India



INTERNATIONAL RELATIONS

'CHINA IS THE BIGGEST SECURITY ANXIETY FOR INDIA AND AUSTRALIA'

CONTEXT: Australian Deputy Prime Minister and Defence Minister Richard Marles at the 2+2 dialogue noted China as the biggest trading partner, and China is our "biggest security anxiety".



India-Australia Economic Partnership

India and Australia have a strong and growing economic partnership, with bilateral trade worth over \$ 30 billion in 2022. The two countries are working to further

deepen their economic ties through a number of initiatives, including:

- 1. The Economic Cooperation and Trade Agreement (ECTA), which was signed in 2022 and came into effect in 2023. The ECTA is expected to boost bilateral trade by up to 15% over the next five years.
- 2. The Australia-India Strategic Economic Partnership (AISEP), which was launched in 2022. The AISEP is a high-level forum for discussing and advancing economic cooperation between the two countries.
- 3. The India-Australia Critical Minerals Partnership, which was launched in 2022. The Critical Minerals Partnership is aimed at developing a secure and resilient supply chain for critical minerals, which are essential for many modern technologies.

India-Australia Defence Partnership

India and Australia also have a close and growing defence partnership. The two countries cooperate on a wide range of defence issues, including:

- 1. Maritime security: India and Australia are both major naval powers with interests in the Indo-Pacific region. The two countries cooperate on a number of maritime security initiatives, including the Quadrilateral Security Dialogue (QUAD) and the Indian Ocean Rim Association (IORA).
- 2. Counterterrorism: India and Australia are both committed to combating terrorism. The two countries cooperate on a number of counterterrorism initiatives, including intelligence sharing and capacity building.
- 3. Defence industry collaboration: India and Australia are increasingly collaborating on defence industry projects. The two countries have signed a number of memoranda of understanding (MOUs) on defence industry cooperation, and there are a number of joint ventures between Indian and Australian defence companies

Future of the India-Australia Partnership

The India-Australia partnership is one of the most important strategic partnerships in the Indo-Pacific region. The two countries share a common interest in a free, open, and inclusive Indo-Pacific region, and they are working together to promote a stable and prosperous region. The partnership is expected to continue to grow in the years to come, as India and Australia become increasingly important players in the global economy and security landscape.

"Intelligence plus character-that is the goal of true education. — Martin Luther King Jr.



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INTERNAL SECURITY

A RENEWED FOCUS ON EMERGING TECHNOLOGIES

CONTEXT: Emerging technologies, an euphemism for capabilities that rely on a combination of cyber technology, Artificial Intelligence (AI), unmanned systems, and advanced computing, is in vogue among most militaries.

General Manoj Pande, the Chief of the Army Staff at the Chanakya Defence Dialogue noted that the Army had identified 45 niche technologies in the field of military applications. Similarly, under 'UDAAN', the Indian Air Force (IAF) is using AI, cyber and virtual reality to address its operational, logistical, and training needs. The Navy, too, says that it is moving forward with emerging technologies, which includes an Integrated Unmanned Roadmap, while also encouraging indigenisation under project 'Swavlamban'.

The Defence Ministry, through 'AlDef', which includes the Defence Al Council and the Defence Al Project Agency aimed towards incorporating Al into various allied organisations, such as Defence Public Sector Undertakings and the Defence Research and Development Organisation. The Armed Forces must be cognisant that technology is not a silver bullet and should not be imagined as a 'plug and play'—readily adjusted to existing practices. Instead, it needs to be accompanied by organisational and doctrinal changes and a willingness to share data with the civilian environment.

Effectively integrating emerging technologies requires the military to work more closely with civilians than ever before. The scholar Michael Raska identifies this aspect of "collaborative defence", whereby the military partners with scientists, academics, technologists, entrepreneurs and the wider industry, as critical in incorporating such capabilities. From that perspective, India's defence organisations and the military still have some way to go.

India's first drone platforms were inducted in the late-1990s by the Army followed by more procurements in the 2000s by the IAF and Navy. Military leaders have recognised the cyber threat for some time, pointing to issues such as 'information warfare'. India has launched communication satellites to improve its military communications capabilities. GSAT-7, a Navy-specific communication satellite, was launched in 2013, and GSAT-7A for the IAF in 2018. In the same year, the government established the Defence Cyber Agency and the Defence Space Agency to address threats from new domains.

Change in approach

First, jointness, defined as interoperability between the three services, remains problematic. The Chief of Defence Staff has an explicit mandate to create joint theatre commands. While the strategic community waits for such a development, the need for interoperability is essential especially among the host of emerging technologies. Second, there is a need to revisit existing human resources practices. For the most part, the Indian military prioritises generalisation

over specialisation. This might work in conventional operations, but specialised technology requires greater technical expertise. The services should therefore give extended tenures and create promotion pathways for officers intellectually inclined towards this domain.

Fully realising the potential of emerging technologies requires altering existing organisations and approaches. Such changes should begin from the Defence Ministry. Instead of letting its efforts led by generalist officers, the Ministry should be more open to incorporating technocrats and qualified personnel, if necessary, from the private sector and wider industry. This is especially germane in defence production. In turn, the military must create pathways not just for its own officers but also to allow civilians to work alongside them as technology professionals. It needs to think creatively about the need for separate cadres to tap into the promise of such technologies.

ECOLOGY AND ENVIRONMENT

'MORE FINANCE NEEDED TO WEAN INDIA'S ELECTRICITY GRIDS OFF COAL'

CONTEXT: Alok Kumar, former Power Secretary at a seminar on Monday to discuss the road map for the 28th edition of the United Nations Conference of Parties (COP-28) to be held in Dubai next month noted half-hearted efforts of India to demand more finance from the international community that would aid in its transition towards green energy.

Developed countries have yet to provide committed tranches worth billions of dollars to developing countries to mitigate greenhouse gas emissions. The carbon emissions need to be cut 43 % of 2019 levels by 2030 to limit the rise in temperature by more than 1.50 Celsius. India's most significant contribution towards this global effort is a commitment to source nearly 500 GW of renewable energy by 2030. In 2023, suggest data from the Power Ministry, India met its peak demand of 234 GW with nearly 70% from coal. India's installed capacity is 425 GW, as of October this year.

Other experts said that deliberations at the COP-28 would see much of the focus on Global Stocktake, the first ever formal reckoning of the actual progress made by all countries in cutting emissions. While these numbers are broadly known, the larger purpose of the stocktake is to push countries to declare more ambitious targets to have a shot at not breaching the 1.5 degrees Celsius limit.



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INTERNATIONAL RELATIONS

CHINA KEEN TO EXTEND MYANMAR ECONOMIC CORRIDOR TO SRI LANKA

CONTEXT: China is "prioritising" the extension of the China-Myanmar Economic Corridor (CMEC) to Sri Lanka, in an indication that China is looking to scale up the Belt and Road Initiative (BRI) project in South Asia.

China-Myanmar Economic Corridor (CMEC)

The China-Myanmar Economic Corridor (CMEC) is an infrastructure project that aims to connect China's Yunnan Province with Myanmar's Kyaukphyu Special Economic Zone (SEZ). The corridor is part of China's Belt and Road Initiative (BRI), a global infrastructure development strategy. The CMEC is a 1,700-kilometer-long (1,056 mi) economic corridor that runs from Kunming, the capital of Yunnan Province in China, to Kyaukphyu, a port city on the Bay of Bengal in Myanmar. The corridor includes a number of infrastructure projects, including roads, railways, pipelines, and industrial parks. The CMEC is expected to have a significant impact on the economies of both China and Myanmar. It is expected to boost trade and investment between the two countries and create new jobs. The corridor is also expected to improve transportation links between China and India.



ECONOMICS AND DEVELOPMENT

'SUBSIDIES TO SPUR GROWTH FOR NOW, INVESTMENT TO TAKE OFF POST 2024 POLLS'

CONTEXT: Goldman Sachs noted that India's spending on subsidies and the rural employment guarantee scheme are expected to rise ahead of the 2024 Lok Sabha elections possibly at the expense of public capex outlays, while private investments will likely rebound post-poll.

Eyes on the polls

Goldman Sachs expects investments, including public capex outlays, to rebound only after 2024's general elections



- 'RBI may cut interest rates only towards end of 2024 and early 2025, in two steps of 25 bps each'
- Firm sees inflation remaining elevated at about 5.1% through next year, limiting room for monetary easing
- Goldman's economists say main domestic risk emanates 'from political uncertainty'

The firm's India 2024 Outlook report forecasts that the Reserve Bank of India may cut interest rates only towards the end of 2024 and early 2025, in two tranches of 25 basis points each, as inflation will remain elevated at about 5.1% through next year from an estimated 5.7% this year, limiting the room for monetary easing.

Growth may ease a tad from 6.4% in 2023 to 6.3% in 2024, but it is likely to be "a tale of two halves. Subsidies and transfer payments as we head into the general elections in Q2 2024 [April to June] will likely be the consumption and growth driver in the first half. Post-elections, we expect investment growth to re-accelerate, especially from the private side.

The firm expects 6.2% real GDP growth in 2023-24 to rise to 6.5% in 2024-25, with "the main domestic risk emanating from political uncertainty".



- 21/11/2023 Tuesday — November – November –

INTERNATIONAL RELATIONS

LEAP IN THE DARK

CONTEXT: On November 19, 2023, Javier Milei, a far-right libertarian economist and politician, was elected president of Argentina in a landslide victory. Milei, who is known for his unorthodox economic views and his fiery rhetoric, defeated his opponent, Sergio Massa, by a margin of more than 11 %.

Milei's election is a significant shift for Argentina, which has traditionally been dominated by two major political parties: the Peronists and the center-right Radicals. Milei's victory is seen as a rejection of the status quo and a reflection of widespread dissatisfaction with the country's economic and political situation.

Javier Milei's Economic Views

Milei is a staunch advocate for free markets and limited government. He has promised to slash taxes, cut regulations, and privatize state-owned enterprises. He has also vowed to "exterminate" inflation, which is currently running at over 100%. Milei's economic views have been criticized by some as being unrealistic and potentially harmful.

Impact of Javier Milei's Economic Views on Argentina's Economy

Milei's economic views could have a significant impact on Argentina's economy. His proposals for tax cuts and deregulation could boost economic growth in the short term. However, his plans to privatize state-owned enterprises and reduce government spending could also lead to job losses and social unrest.

It is too early to say what the long-term impact of Milei's economic policies will be. However, his election is likely to have a profound impact on Argentina's economy and society.

Potential impacts of Milei's economic views on Argentina's economy:

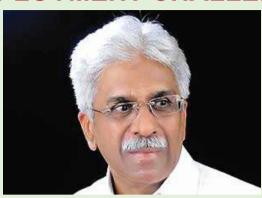
- 1. Increased economic growth: Milei's tax cuts and deregulation could boost economic growth in the short term. However, these policies could also lead to increased inflation and a widening budget deficit.
- 2. Reduced government spending: Milei's plans to reduce government spending could lead to job losses and cuts to social programs. This could have a negative impact on the poor and vulnerable.
- Increased private investment: Milei's privatization plans could attract private investment into Argentina's economy. However, this could also lead to the loss of state-owned assets and increased foreign control of the economy.

Overall, the impact of Milei's economic views on Argentina's economy is uncertain. It is possible that his policies could lead to short-term economic growth, but they could also have negative long-term consequences.

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Output, demand and labour

In Keynesian economics, the output is determined by aggregate demand, which is the demand for the total volume of goods and services produced in an economy. The demand for labour is entirely dependent upon this demand. There is no demand for labour independent of the demand for goods. Firms that employ more labour while aggregate demand has not increased will find themselves with unsold goods. So, an offer by workers to work longer hours will not ensure that they will find employment so long as firms are unwilling to hire them.

Firms are guided by the profit motive and will employ more labour only if there is increased demand for their product. Unemployment reflects just that — workers willing to work but firms unwilling to employ them for it would be unprofitable for them. The role of demand for goods and services in determining the demand for labour may be seen in the lay-offs in the 'tech' sector globally at the beginning of this year.

Economic strategies for India

The strategy is to use the global market or world demand to grow the domestic economy, but India's goods would have to be globally competitive. Here, the experience of South Korea is relevant. As most of the produced inputs into production are available to all countries via trade, a country's competitiveness is ultimately determined by the productivity of its workforce and the physical infrastructure that complements labour. The strength and dexterity of a workforce, manifested as productivity, is related to its health and skill. In both these categories, India's workers are at a disadvantage compared to the most successful economies of Asia. To have not brought its workers on a par with the rest has prevented India from using the world market to grow. It can do so now

A second route to greater output and employment is to expand the domestic market — and thus aggregate demand. To see how this can be done, recognise that the economy produces both food and non-agricultural goods and services. These are placed differently in relation to our consumption needs. If food can be produced at lower cost, the real income of the majority of Indian households would rise. They would now have more to spend on non-agricultural goods and services having satisfied their need for food. This would generate the demand needed to spur production in the rest of the economy. And with this, output will also grow, and in turn employment, with or without the longer hours in question.

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POLITY AND GOVERNANCE

A FACT CHECK UNIT THAT IS UNCONSTITUTIONAL

CONTEXT: The Government of Tamil Nadu issued an order recently to set up a Fact Check Unit with the intent of checking across all media platforms the authenticity of information related to the Government of Tamil Nadu.

The Government of India had amended the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, to set up a fact check unit in order to identify "fake, false or misleading" information in respect of "any business of the Central Government". The Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021were challenged before the Bombay High Court. The Government of India gave an undertaking to the High Court that the fact check unit will not be notified until the judgment. Even though the GO has a passing reference to these provisions of the IT Rules, it does not disclose the undertaking given by the Government of India to the Bombay High Court.

The operative part of the GO issued by the Government of Tamil Nadu says that the fact check unit will check the veracity of information related to the announcements, policies, schemes, guidelines and initiatives of the Government of Tamil Nadu. The phrase "information related to the Government of Tamil Nadu" has not been defined in the GO, thereby making it unconstitutionally vague and arbitrary.

Scope of the Tamil Nadu unit

The Fact Check Unit has been given powers to take suo motu cognisance of social media posts/articles that require fact checking. The FCU can also act on complaints received by them from anyone. Identified complaints are then researched using various fact checking tools and verified through government sources such as websites, press releases, and government social media accounts. The information will then be split into actionable and non-actionable pools. Complaints under the first category will then be forwarded to the authorities concerned to initiate legal action. The Fact Check Unit will disseminate creative contents through its social media platforms to create awareness after verifying the authenticity of the information from the authorised source of the government.

A violation of settled principles

The Government Order (GO) is violative of several fundamental rights guaranteed by the Constitution of India, and is unconstitutionally vague and arbitrary. The Freedom of Speech and Expression guaranteed under Article 19(1)(a) of the Constitution can only be reasonably restricted under Article 19(2) in the interest of the sovereignty and integrity of India, security of the state, friendly relations with foreign states, public order, decency or morality, or in relation to contempt of court, defamation or incitement to an offence. More importantly, such restriction under Article 19(2) can only be by way of a "law", which, as held by the Supreme Court of India, must be legislation passed by the State. Thus, it is settled law that a GO cannot impose restrictions on the freedom of speech and expression. It is also pertinent to note that "public interest" is not

a ground under Article 19(2) to restrict the freedom of speech and expression.

The GO is riddled with other illegalities. The scheme of the GO does not provide for an opportunity of hearing to the author of the post, who can be a journalist, researcher, comedian, satirist, or members of the opposition political party. Thus, the government has become the judge, jury, and executioner on the authenticity of any information related to the Government of Tamil Nadu.

A challenge that all democracies face

The introductory paragraph of the GO states that the emergence of social media and its related issues of mis/disinformation, fake news, and hate speech have necessitated the creation of the fact check unit by the State government. This is only partly true because hate speech has no direct nexus with information related to the Government of Tamil Nadu, which is the focus of the fact check unit. The European Commission issued the Code of Practice on Disinformation on September 26, 2018, after a broad consultative process and opinion poll covering all member States. These measures include support for an independent network of fact-checkers and promoting media literacy. There is no magic wand here, but a state-run fact check unit will only cause more harm to society.







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