



Ram Chandra Poudel

## NEPAL ELECTS RAM CHANDRA POUDEL AS NEW PRESIDENT

Ram Chandra Poudel of the Nepali Congress was on Thursday elected President of Nepal, amid increasing political instability in the country ruled by a fragile coalition headed by Prime Minister Pushpa Kamal Dahal 'Prachanda'. Mr. Poudel, a common candidate of the eight-party alliance that included the Nepali Congress and Prime Minister 'Prachanda'-led CPN (Maoist Centre), received the vote of 214 lawmakers of Parliament and 352 provincial Assembly members. "Hearty congratulations to my friend Ram Chandra Poudelji for being elected as the President," Nepali Congress chief Sher Bahadur Deuba tweeted.

With the support from eight political parties, 78-year-old Mr. Poudel's victory was certain. His rival Subas Chandra Nebmang had the support of former Prime Minister K.P. Sharma-led CPN-UML.

This is the third presidential election in Nepal since the country became a republic in 2008.

The tenure of the current President, Bidya Devi Bhandari, will end on March 12.

Ceremonial post

Election Commission spokesperson Shaligram said 518 provincial Assembly members and 313 Members of Parliament cast their votes in the presidential election.

The term of office of the President will be five years from the date of election and an individual can be elected for the post for only two terms.

Although the post of President is largely ceremonial, Nepal's political parties have lately shown a growing interest in the post owing to the discretionary powers the Constitution accords to the post.

## INDIA TOP-TIER SECURITY PARTNER, SAYS AUSTRALIAN PRIME MINISTER ALBANESE



*Buoyant ties: Australian Prime Minister Anthony Albanese aboard INS Vikrant off the Mumbai coast on Wednesday. PTI Aboard INS Vikrant in Mumbai, he says bilateral ties are of increasing strategic importance while navigating the challenges of the region together; earlier in Ahmedabad, he watched the fourth Test between the two nations with Narendra Modi*

Australia will host Exercise Malabar for the first time, and India will, also for the first time, participate in Australia's Talisman Sabre exercise, Australian Prime Minister Anthony Albanese announced on Wednesday.

India is a top-tier security partner for Australia, he said during a visit onboard India's indigenous aircraft carrier INS Vikrant in Mumbai. "My visit [to India] reflects my government's commitment to place India at the heart of Australia's approach to the Indo-Pacific and beyond," he said addressing the Navy personnel onboard. It is a partnership that is of increasing strategic importance as we navigate the challenges of our region together, he said.

Noting that the Indian Ocean is central to the security and prosperity of both countries, Mr. Albanese said there had never been a point in both the country's histories where "we have had such a strong strategic alignment".

"We both depend on free and open access to sea lanes in the Indo-Pacific for our trade and economic well being. And we share an unwavering commitment to upholding the rules-based international order and ensuring the Indo-Pacific is open, inclusive and prosperous," he said. Recalling the surge in military-to-military engagements between the nations, he said, "Last year, we conducted more exercises, operations and dialogues than ever before." In a major step forward in our relationship, India and Australia undertook maritime patrol aircraft deployments to each other's territories for the first time, he noted and added that in November alone, the two countries conducted increasingly complex and sophisticated exercises in Indo-Pacific Endeavour and Exercise Austrahind.

More important than these statistics is the sheer complexity and high-end nature of our military engagements, which is unprecedented, he said. "I predict that 2023 will be busier than ever for our defence cooperation." Officer exchange

Mr. Albanese referred to the inaugural Australia-India General Rawat Defence Officer Exchange Programme that is taking place in India.

"This pioneering exchange programme, created by Prime Minister Narendra Modi, will ensure our defence personnel develop the familiarity and trust that underpins a close and long-lasting relationship."

As part of his four-day visit, Mr. Albanese landed in Ahmedabad on Tuesday and celebrated Holi. On Wednesday, he and Mr. Modi watched a cricket match, the fourth and final Test of the series between India and Australia.

As part of the programme, a 15-member tri-service Australian military contingent, including four woman officers, arrived in India on March 1. On Thursday, the team visited the Army's Agra-based Shatrueet Brigade along with 15 selected Indian officers who are hosting them. The Indian and the Australian officers were taken through a series of demonstrations related to fighting in built-up areas by paratroopers of the elite formation during the visit, an Army source said.

## CENTRE TO RECONSIDER 'SAFE HARBOUR' CLAUSE IN IT LAW

**Fundamental speech rights cannot be violated by any platform, but there is certainly a case that can be made that weaponisation of disinformation is not the same as free speech, and that needs to be addressed**

**RAJEEV CHANDRASEKHAR**  
MoS for Electronics and Information Technology



*New Digital India Act will be a comprehensive overhaul of the country's cyber laws; many rounds of consultations will be held before it is introduced in Parliament, says Rajeev Chandrasekhar*

The Union government on Thursday formally outlined the Digital India Act, 2023, which is a broad overhaul of the Information Technology Act, 2000. Minister of State for Electronics and Information Technology Rajeev Chandrasekhar announced the changes in a presentation in Bengaluru. Multiple rounds of consultations will be held before the new Act is brought to Parliament, he said.

The government is reconsidering a key aspect of cyberspace — 'safe harbour', which is the principle that the so-called 'intermediaries' on the Internet are not responsible for what third parties post on their website. This is the principle that allows social media platforms to avoid liability for posts made by users. Safe harbour has been reined in in recent years by regulations such as the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, which require platforms to take down posts when ordered to do so by the government, or when required by law.

From the 2000s onward, Mr. Chandrasekhar said, platforms for which safe harbour was applied as a concept "have now morphed into multiple types of participants and platforms on the Internet, functionally very different from each other, and requiring different types of guardrails and regulatory requirements."

Mr. Chandrasekhar also signalled that social media platforms' own moderation policies may now take a backseat to constitutional protections for freedom of expression.

"Fundamental speech rights cannot be violated by any platform," the Minister said, "but there is certainly a case that can be made that weaponisation of disinformation is not the same as free speech, and that needs to be addressed."

An October 2022 amendment to the IT Rules, 2021 says that platforms must respect users' free speech rights. Three Grievance Appellate Committees have now been established to take up content complaints by social media users.

Since the appellate committee portal's launch on March 1, 17 appeals have already been filed, according to the website's dashboard.

A slew of such digital legislation is now likely to be subsumed into the Digital India Act, the Minister indicated. He highlighted other aspects that the Digital India Act would cover, such as Artificial Intelligence (AI), deepfakes, cybercrime, competition issues among Internet platforms, and data protection. The government put out a draft Digital Personal Data Protection Bill last year, and Mr. Chandrasekhar said that it would be one of the four prongs of the Digital India Act, with the National Data Governance Policy and amendments to the Indian Penal Code (IPC) being others, along with rules formulated under the Digital India Act.

Mr. Chandrasekhar said the new law would seek to address "new complex forms of user harms" that have emerged in the years since the IT Act's enactment, such as catfishing, doxing, trolling, and phishing.

A new "adjudicatory mechanism" for criminal and civil offences committed online would come into place, Mr. Chandrasekhar said. An amendment to the Companies Act, 2002 may also be required, he said in his presentation.

**Extensive consultation**

The government will hold multiple rounds of consultations with the public and industry stakeholders to arrive first at the principles for this Act, and subsequently to iron out a draft that will be put out by the Ministry, Mr. Chandrasekhar said, pointing out that "the Internet and the tech ecosystem in general has evolved significantly since 2000, when the IT Act first came into being."

The Minister declined to provide a timeline for when the draft would be introduced in Parliament. "We want to make sure that [the Bill] is extensively discussed, that anybody who has any misgivings" or with inputs would be consulted, he said. "We will criss-cross the country and do this consultation. If it takes another five months, so be it," he added.

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## MOU ON SEMICONDUCTORS WILL HELP INDIA PLAY BIGGER ROLE IN ELECTRONICS SUPPLY CHAIN: U.S.



*Strong ties: External Affairs Minister S. Jaishankar during a meeting with U.S. Secretary of Commerce Gina Raimondo. ANI*

Air India's decision to purchase 220 Boeing aircraft will create a "tremendous number of jobs" in the United States, said U.S. Commerce Secretary Gina M. Raimondo on Thursday. In remarks to the media here, a day before restarting the India-U.S. Commercial Dialogue, the visiting official said, the two

countries would sign an MoU on semiconductors that would support India's aspiration to play a leading role in the "electronics supply chain".

Ms. Raimondo is accompanied by 10 American CEOs, who will be joined by Indian business leaders on Friday, to help draft industry-specific recommendations to help both sides.

"Just a few weeks ago, Boeing and Air India announced an order for 220 aircraft which is a historic deal that reflects the strength of our economic relationship and will support a tremendous number of jobs in the United States," said Ms. Raimondo, who met External Affairs Minister S. Jaishankar on Thursday. She said the two sides agreed to launch the India-U.S. Strategic Trade Dialogue.

Mr. Jaishankar said his conversation with Ms. Raimondo included "resilient and reliable supply chains and trust and transparency in the digital domain".

She will join Commerce Minister Piyush Goyal to hold the India-U.S. Commercial Dialogue on Friday which will be accompanied by the U.S.-India CEOs Forum. Ms. Raimondo highlighted the importance of semiconductors in trade talks confirming that the issue figured in talks "all day today". "Both U.S. and India are implementing semiconductor incentive programmes and we discussed how we could coordinate those investments which is in both of our interests and ensure the best possible outcomes for both of our countries. We would like to see India achieve its aspirations to play a larger role in the electronics supply chain," she said.

## FULL TRADE DEAL TO BE IN PLACE BY Q3, SAYS AUSTRALIA'S FARRELL

### CECA on horizon

India and Australia have been negotiating a Comprehensive Economic Cooperation Agreement after having reached an initial trade deal ECTA



- The ECTA has already led to two consecutive reductions in tariffs, says Australian Minister
- In January \$2.5 bn in imports from Australia came in under lower tariffs, says Farrell
- Stresses red lines on both sides can be overcome with mutual respect, understanding

*Comprehensive Economic Cooperation Agreement lends great opportunities to expand ties, says Australia's Minister for Trade and Tourism; expresses confidence in timeline citing political will*

Australia's Minister for Trade and Tourism Don Farrell is confident that a bilateral Comprehensive Economic Cooperation Agreement (CECA) will be in place by the third quarter this year.

"We have been asking that we finalise that by the third quarter... I am confident with the timeline; I believe there is will on both sides," Mr. Farrell said in an exclusive interview.

While the two nations have already signed an Economic Cooperation and Trade Agreement, the CECA will take the trade relationship to the next level. "Already we are seeing the first evidence of the free trade agreement... with the two consecutive reductions in tariffs. In January, \$2.5 billion in trade from Australia came into India under lower tariffs. Now, I think certainly from our point of view, this gives us great opportunities to expand our relationship."

Asked about India's concerns over the free import of Australian dairy products, he said, "Each side has red lines that make it difficult to reach an agreement... With a bit of respect on both sides and a bit of understanding, we can get there and work through those problems".

## FREE OF OPPOSITION

*All parties in Nagaland are scrambling for the power pie*

In Nagaland, which voted for the continuation of the Nationalist Democratic Progressive Party (NDPP)-BJP coalition, in the Assembly election held on February 27, power sharing among various interest groups is often predicated on the fact that the State's fortunes are deeply tied to its relations with the Centre. The party in power in Delhi gets a significant say in the State's politics. In the NDPP-BJP 40-20 seat understanding, their coalition won 37. The rest was shared by several parties, such as Nationalist Congress Party, which stands third with seven seats. Politics in Nagaland is such that nobody wants to be in the Opposition and all MLAs have now extended support to the NDPP-BJP government. Far from being a sign of healthy political unity, the complete absence of an Opposition in the Assembly has pushed the State to a new low in terms of a lack of legislative accountability. The purported reason for this scandalous unity that started in the previous Assembly is to jointly work towards resolving the "Indo-Naga political issue" that pertains to a settlement with separatist organisations. But in practice, this has now become a scramble for a share in the power pie.

Neiphiu Rio, who remains in the saddle as Chief Minister, enjoys the

trust of the BJP, which has got five berths in the Council of Ministers. Mr. Rio's defection from the Congress sent that party in a downward spiral, even as he became the Chief Minister in 2003 after joining the NPF. There are two firsts in the State Assembly as well — two women Members, one of whom is also the first woman Minister in the State, which is remarkable considering Nagaland's patriarchal character. Former Chief Minister T.R. Zeliang, who moved to the NDPP from the NPF in 2022, is a Deputy Chief Minister. The representation of the regions of Nagaland and the major Naga communities is more balanced this time. The State faces serious development challenges and its governance deficiency is severe, which have been attributed to years of extremism and associated extortion — something that is only partly valid. What is closer to the truth is the assumption that political parties too have developed a stake in the stalemate. A demand for statehood for six districts in eastern Nagaland has added a new fault line. The NDPP-BJP alliance won nine of the 20 seats in this region. In an Assembly without an Opposition, the accountability of the government could be elusive. Effectively, politicians have betrayed the trust of the people in Nagaland.

## STOPPING THE BOATS WESTERN DEMOCRACIES ARE BELITTLING THE CONTRIBUTION OF IMMIGRANTS

The UN refugee agency, the UNHCR, has come down strongly on the U.K. Prime Minister, Rishi Sunak's plan to pass a new "Illegal Migration Law" that effectively stops the granting of asylum to migrants who reach the U.K. illegally. Mr. Sunak, while standing at a dais marked "Stop the Boats", said the government is worried about the numbers of those attempting to travel to the U.K. and applying for asylum while on British soil, at considerable cost to the exchequer. Instead, as Home Secretary Suella Braverman explained while introducing the Bill this week, asylum seekers who try to enter illegally would either be returned to their own countries or a "third country", presumably Rwanda, that has entered into an agreement to provide processing facilities for them. They also face a lifetime ban on citizenship and re-entry to the U.K. According to the UNHCR, the law would contravene international laws, including the 1951 Refugee Convention that Britain is a signatory to. To start with, those who flee their homes and countries often do so without proper paperwork, as they are forced to leave to save their lives. Many of the estimated 45,000 who came to the U.K. on "small boats" last year would have been economic refugees rather than political asylum seekers, and it is problematic that the British government does not make a distinction between the two. The Bill makes exceptions for those arriving directly from the countries they are fleeing, but those would be

a small proportion given the short distances "small boats" could travel. The British government, much like the U.S.'s Trump administration that latched on to the equally catchy "Build That Wall" slogan, is long on political rhetoric, but short on the actual mechanics of making such a plan work, if it fails to be a deterrent to small boats bringing in migrants. In addition, the plan to transport asylum seekers to a third country, apart from sounding neo-colonial, will also come at considerable cost, one that the hapless migrants are unlikely to be able to afford.

The British move is meant to stop the small boats, but must be seen in the larger political context of anti-immigrant and xenophobic beliefs gaining salience in other democracies. While western countries have long quoted international law and convention to India on its plan to forcibly deport Rohingya refugees to Myanmar, or to discriminate on the basis of religion in the Citizenship (Amendment) Act, they must also introspect on their message to the world by enacting such laws themselves. By rejecting asylum seekers and illegal immigrants, nearly all of whom are coming to their shores by braving unsafe routes in search of a better life, they also belittle the real contributions immigrants have made to their societies, including those like the parents of Mr. Sunak and Ms. Braverman, who made their journey from Africa during more welcoming times.

## MEDIA RAIDS AND BREAKING THE SILENCE ON PRESS FREEDOM

On February 14, 2023, the Income Tax Department carried out a "survey action" on the offices of the British Broadcasting Corporation (BBC) in New Delhi and Mumbai. After continuing this survey for three days, a press release was issued by the Central Board of Direct Taxes (CBDT) citing an alleged evasion of taxes on remittances and discrepancies in BBC's transfer pricing mechanism. Many media organisations such as the Press Club of India have described the raids as "deeply unfortunate"; the Editors Guild termed them as "intimidation". Even those who may favour the tax survey will confess that the tax scrutiny is a natural outcome of the BBC's two-part documentary series, "India: The Modi Question", which the BBC released on January 17, 2023. In an emergency secret order issued by the Ministry of Electronics and Information Technology, the documentary's web links were blocked on January 20, 2023. The timing and nature of the events points to something being rotten in the state of Denmark.

### Chilling message

At the root of these "survey actions" is an attempt to instil fear and self-censorship that begins with knocking on the doors of the offices of journalists. Today, these actions have become sinister as they now involve the seizure of devices. Hence, an unpleasant surprise turns into severe shock when journalists, as in the case of the BBC, are treated as potential criminals.

The CBDT press release gives us clues when it states that "crucial evidences by way of statement of employees, digital evidences and documents" were gathered. There are more pointers such as the one provided by the BBC which said that on February 19, 2023, "journalists' computers were searched, their phones were intercepted and information was sought from them about their working methods". Even if the case of the CBDT is perceived as legitimate, it would at its very best be limited to an accounting and financial investigation. Without any clear and compelling reasons to extend a digital dragnet on working journalists, this is what can be defined as a fishing expedition. It becomes important here to consider the wider trend of the extraction of sensitive data from journalists by using the tax and police departments across India.

Since 2018, there have been at least 10 reported instances of device searches that impact press freedom. Beginning with the Quint, they have gone on to include the proprietors and senior editors of publications such as Alt News, Bharat Samachar, Dainik Bhaskar, NewsClick, The Wire, the Independent and Public-Spirited Media Foundation (IPMSF) and journalists such as Fahad Shah, Rupesh Kumar Singh and Siddique Kappan. This anecdotal list presents an incomplete data set as the Union government has stoutly defended its inability to keep count.

### Half truth in the executive response

In a parliamentary response dated August 10, 2022, the Ministry of Home Affairs has stated that since "police" and, "law and order", are topics within the competence of State governments, it cannot "centrally maintain" device seizures of journalists. This is a half truth for two reasons. The first is that the Crime in India report queries data from State governments and can easily be extended to include data on device seizures of journalists. Second, many of the

searches and seizures have been performed by central agencies such as the Income-Tax Department and such a record can be maintained and published by the Ministry of Finance. Such institutional evasion only increases suspicion about the bona fides of prosecutions and also represents a lack of intent for any studied consideration by the executive, particularly the Union government. It also unearths a myopic, yet widely held, belief that protection of freedom of speech, especially its most critical voices, is a democratic duty limited to the courts.

Here, the popular view of trial courts as a bulwark against threats to our constitutional rights is rhetorical to legal academics and trial court practitioners who honestly assess their role. Their underlying institutional cultures are what lawyer Abhinav Sekhri terms as "rooted in the avowed colonial mentality of maximising state interests while depriving any semblance of protection to the accused persons".

This analysis has been dealt with in a paper that specifically looks at powers to unlock smartphones, drawing from the Code of Criminal Procedure, 1973 — the procedural law to govern criminal cases in India. It indicates that specific legal provisions provide for unfettered discretion to police officers apart from a carceral spirit that resides within our criminal justice system, deeply ingrained and practised for decades. This results in outcomes where criminal courts rarely check the police for their investigatory practices and evidence collection.

It is here that one may find an answer to the questionable legality of the CBDT's "survey action", as pointed out by tax experts such as Deepak Joshi. Without any fear of sanction, or checks on their powers, investigating officers in a "survey action" will freely conduct a more invasive, "search and seizure". Oblivious to the limitations and spirit of the text in the Income Tax Act, 1961, abuses will only increase given the perceptible political interests and the impossibility for any real sanction.

### A way out

In the absence of such checks and balances and also the unlikely event of systemic reforms, what is the role that constitutional courts play? Here, there is adequate room for the application and development of doctrines for press freedom. The first cluster requires the application of the fundamental right to privacy drawn from the Supreme Court's judgment in *K.S. Puttaswamy vs Union of India* (2017). More than five years since the judgment was first pronounced, its application to the criminal justice system here is awaited in cases of electronic evidence. Resurrecting the D.K. Basu guidelines as relevant for a digital India may also be a way out. Stricter procedural safeguards are required today due to digitisation, as the Supreme Court of the United States noted in *Riley vs State of California*. It said: "Cell phones differ in both a quantitative and a qualitative sense from other objects that might be kept on an arrestee's person."

Such guidelines will only provide partial relief. It will require case specific and clear pronouncements on facts that consider how legal processes are abused in the device seizures of journalists. This recent trend is an adapta-

tion of an old template where a muscular executive sidesteps a direct response to a critical article and in bad faith directs legal scrutiny on the publication itself. Such mischievous government actions have been considered by the Supreme Court in several press freedom cases, leading to the partial expansion of the “direct and inevitable” to the “effect and consequence” test.

However, as jurist Rajeev Dhawan observed in 1986, “the partial attention paid to the operational and institutional needs of the press... seems

to have died out”. There has indeed been a long and tragic silence on press freedom over decades. The Supreme Court needs to revive and apply the doctrine of “effect and consequence” to consider a broader canvas of executive actions that will shape the practices of our criminal courts. For instance, in the BBC case, a relevant fact for a court to determine is not limited to allegations of tax evasion but whether the scrutiny is prompted by a documentary that is critical of the Prime Minister. Today, for a free and fair press, not only journalists but even our courts need to act without fear or favour.

## THE IDEAL TRACK TO RUN INDIA'S LOGISTICS SYSTEM

The Union Budget 2023 has doubled the PM Gati Shakti National Master Plan to States from ₹5,000 crore to ₹10,000 crore, and has announced an outlay of ₹2.4 lakh crore for the Indian Railways. The plan is a “transformative approach for economic growth and sustainable development dependent on the engines of roads, railways, airports, ports, mass transport, waterways and logistics infrastructure”. The Railways offer an efficient and economic mode of logistics movement given their pan-India network, and can play an important role in enabling a coordinated and integrated logistics system.

With a target of increasing the share of the railways in freight movement from 27% to 45% and increasing freight movement from 1.2 billion tonnes to 3.3 billion tonnes, by 2030, PM Gati Shakti provides the right platform to address the infrastructural challenges that have hampered the movement of freight by rail.

### Convenience over cost

Currently, the modal mix in terms of freight movement is skewed by a considerable extent towards road transport, with 65% of freight movement by road. The effect is an increased burden on roads, and, therefore, significant congestion, increased pollution, and resultant logistics cost escalations. The increased adoption of the railways as a mode for cargo movement is crucial to improve India's logistics competitiveness. A look at the comparable costs of different forms of transportation suggests that freight movement cost is the highest in the road sector — nearly twice the rail cost. However, the convenience of road transport has taken precedence over cost, and the railways in India have been losing freight share to other more flexible modes. In 2020-21, coal constituted 44% of the total freight movement of 1.2 billion tonnes, followed by iron ore (13%), cement (10%), food grains (5%), fertilizers (4%), iron and steel (4%), etc. Transportation of non-bulk commodities accounts for a very small share in the rail freight movement.

**Rise in container traffic** The convenience of moving non-bulk commodities in containers has led to an increase in containerised traffic over the last decade, growing from 7.6 million Twenty-foot Equivalent Unit (TEU)s in 2008 to 16.2 million TEUs in 2020. TEU is a unit of cargo capacity. Globally, railway systems are heavily investing in advanced rail infrastructure for quick and low-cost container movement. For example, China uses special trains to carry containers that connect significant ports to the inland, and has dedicated rail lines to move container traffic and planned double-decker container

carriages for greater efficiency. While the Indian Railways are upgrading their infrastructure (PM Gati Shakti National Master Plan), a continuous monitoring of existing projects along with identification of new priority areas will help in achieving the targets of rail freight movement. At present, these are significantly lower than other countries such as the United States and China.

The national transporter faces several infrastructural, operational and connectivity challenges, in turn leading to a shift of freight traffic to roads. The increased transit time by rail and pre-movement and post-movement procedural delays such as wagon placement, loading and unloading operations, multi-modal handling, etc., hamper freight movement by rail. The lack of necessary terminal infrastructure, maintenance of good sheds and warehouses, and uncertain supply of wagons are some of the infrastructural challenges that customers face. This results in high network congestion, lower service levels, and increased transit time. The absence of integrated first and last-mile connectivity by rail increases the chances of damage due to multiple handling and also increases the inventory holding cost.

### A special entity needed

The upcoming Dedicated Freight Corridors along India's eastern and western corridors and multimodal logistics parks will ease the oversaturated line capacity constraints and improve the timing of trains. The Indian Railways need to improve infrastructure that is backed by adequate policy tools and also encourage private participation in the operation and management of terminals, containers, and warehouses to efficiently utilise resources.

Establishing a special entity under the railways to handle intermodal logistics in partnership with the private sector will help in addressing the first and last-mile issue faced by the railways. The entity could function as a single window for customers for cargo movement and payment transactions.

There are two cargo wagons in each passenger train. Based on industry recommendations, introduction of an Uber-like model for one of the two cargo wagons, wherein the customer can book the wagon using an online application, could help in increasing the utilisation rate of these wagons. The Indian Railways may keep operating the other wagon, the way it is done currently, until the success of the proposed model is established. This could directly increase freight traffic without any additional investment in infrastructure.

An integrated logistics infrastructure with first and last-mile connectivity is essential to make rail movement competitive with roads, and facilitate exports by rail to neighbouring countries such as Nepal and Bangladesh.

## THE ELUSIVE POLITICAL SOLUTION IN SRI LANKA



*No hope ahead: A group of Buddhist monks take part in a protest against President Ranil Wickremesinghe's plan to implement the 13th amendment, near the parliament in Colombo on February 8. AFP*

*The deadline that Sri Lankan President Ranil Wickremesinghe set, to resolve the pending ethnic question, expired a month ago. Having seen several such unkept promises in the past, Tamils contend that the southern Sinhalese establishment does not have the political will to find a just and durable political solution*

**WORLD INSIGHT**

Early February, a group of saffron-clad Buddhist monks gathered near the Sri Lankan Parliament and burnt a copy of the 13th Amendment. They were registering their rage and protest after President Ranil Wickremesinghe vowed to implement the law in full. He had told an all-party conference that it was his “responsibility” as the Executive to carry out the current law.

“For approximately 37 years, the 13th Amendment has been a part of the Constitution. I must implement or someone has to abolish it...,” he said. The monks resisted it, despite Mr. Wickremesinghe stressing he was “not ready to divide the country at all” and would not “betray the Sinhalese nation”.

An unfulfilled promise

Neither the pledge made by President Wickremesinghe nor the monks’ reaction is new to Sri Lankans. Past presidents, including Mahinda Rajapaksa, have made the same promise more than once. Monks and other reactionary groups similarly agitated then too. At the same time, Sri Lankan Tamils, who continue to demand equality, dignity, and the right to self-determination, do not know what it might look like, when the promise is indeed kept. Despite power devolution being enshrined in the Constitution for nearly four decades — it was an outcome of the Indo-Lanka Accord of 1987 — they have never seen the piece of legislation being implemented in letter and spirit till date.

The 13th Amendment is, and has always been, contentious. For those Sinhalese opposing it, the legislation is an “Indian imposition”, symbolising “too much power” to the Tamils at the provincial level and a threat to the central government in Colombo. The position disregards the fact that the Amendment guarantees the same measure of devolved power to all nine provinces, seven of which are in the Sinhala-majority areas of the island nation. The Tamils, on the other hand, have maintained that the legislation, under Sri Lanka’s unitary Constitution, entails very limited powers that don’t amount to meaningful devolution. All the same, some see it as a “starting point” in negotiating a more wholesome and durable political settlement, for the 13th Amendment is currently the only legislative guarantee of some power sharing, even if widely considered inadequate. Although the Amendment gave provinces legislative power over agriculture, education, health, housing, local government, planning, road transport and social services, the Centre is all-powerful, because of an ambiguous concurrent list and certain overriding clauses in the Constitution.

**Tamils’ engagement**

Months into his unexpected Presidency, Mr. Wickremesinghe announced that he would ensure that the country’s long-pending ethnic question is resolved by February 4, 2023, the day Sri Lanka marked 75 years of its Independence from colonial rule. His unambiguous announcement and the imminent deadline had a “now or never” ring to it.

The Tamil National Alliance (TNA), the main grouping of Tamil legislators from the north and east, agreed to engage, although its MPs were sceptical of Mr. Wickremesinghe’s outreach. The Alliance’s rival Tamil National People’s Front (TNPF) took a clear position that there was no point in participating in talks, unless the President openly agreed to discuss a solution based on a federal Constitution. The TNA went in for talks with a proposal that instead of reinventing the wheel, the government should take some immediate steps in regard to five actionable points, such as establishing a national land commission and provincial police forces; amending or reversing certain acts to restore power to the provincial councils; and giving provincial councils the necessary administrative powers to run schools and hospitals. With no tangible action on any of the areas, the TNA said it was “pointless” to continue discussions.

In a parliamentary speech in July 2019, TNA Leader and veteran Tamil politician R. Sampanthan elaborated on the many attempts in the past, by different governments, to solve the pending national question, going well past what

was envisaged in the 13th Amendment of 1987. He pointed to the proposals of the Mangala Moonasinghe Select Committee set up in 1991, during President Ranasinghe Premadasa’s term; the new constitutional proposals that were tabled in Parliament in 2000, when President Chandrika Kumaratunga Bandaranaike was in power; the proposals of the Prof. Tissa Vitharana-led All Party Representative Committee (APRC) — set up in 2006 — when President Mahinda Rajapaksa was in power, and efforts taken during the Maithripala Sirisena – Wickremesinghe administration’s term to draft a new Constitution.

In an impassioned account of the Tamil community’s long political pursuit Mr. Sampanthan said: “The Tamils are a distinct people with a distinct linguistic and cultural identity. We have historically inhabited the north and the east. We cannot live as second-class citizens. We must live with self-respect and dignity. Maximum possible power-sharing must be effected, power must be devolved within a united, undivided, indivisible Sri Lanka. We must be able to determine our destiny”

“The earlier you do it, the better. If you do not do it and abstain from doing the right thing, I do not think the Tamil people will take it lying down for too long,” he roared in the House.

Regardless, the outcome of each of these exercises remains on paper, or as yet another promise in the long list of upkept ones. The ruling Sinhalese establishment did not follow through on any of the pledges made. The end of the civil war in 2009, which came with enormous human cost and suffering to Tamil civilians, was seen as offering a chance for genuine reconciliation through, among other things, a just political solution.

According to the Tamils, the many missed opportunities make one thing amply clear – that there was, and is, no political will yet, they contend. The bogey of separatism, an idea that the Tamils have given up for years now, is lazily invoked by some Sinhalese politicians even before a conversation on power sharing begins. Or, economic development in the war-battered region is pitched as an alternative, as if it can compensate for the lack of actual decision-making powers, including on the type of developmental activity.

Indian involvement

The deadline that President Wickremesinghe set for himself, to solve the national question, expired a month ago. The government held elaborate celebrations to observe its 75th year of Independence, although some Sri Lankans still feel they are treated as “second class” citizens. The President’s promise to implement the 13th Amendment is already fading into oblivion.

The dominant headlines in Sri Lanka today are about the International Monetary Fund’s “bailout package”, that has now come within touching distance after China agreed to restructure Sri Lanka’s loans; and about the new wave of protests from sections who are reeling under the lingering impact of last year’s economic crisis. With supporters of the government adopting an “economic recovery before everything” approach, there is little indication that the country’s unresolved ethnic conflict may be addressed soon.

While India has historically been an arbiter on Sri Lanka’s Tamil national question, many in Tamil polity and community say both New Delhi’s interest in — and influence — on the issue are waning. Critics argue that India, pre-occupied with countering Chinese influence in Sri Lanka, does little more than make customary statements on the need to implement the 13th Amendment. Where does that leave Sri Lanka’s war-affected Tamil community in the north and east? After decades of relentless agitations, and an armed struggle, they are still demanding justice, equality, and dignity. And the long-pending political solution remains elusive.

This is the second part of a series of articles looking at Sri Lanka’s economic recovery and political course

## IBSA CAN PLAY VITAL ROLE IN REFORMING DIGITAL GOVERNANCE, SAYS DIPLO FOUNDATION REPORT

India, Brazil, and South Africa, which have together formed the tripartite IBSA Forum, may play a prominent role in the process of reforming digital governance, at a time when digital geopolitical tensions are showing no signs of easing, according to the Geneva-based DiploFoundation.

“The first tangible results from IBSA’s digital momentum could be expected during India’s G-20 presidency, which, among others, will promote ‘a new gold standard for data’,” says its report, adding that the IBSA countries are strong supporters of multilateral and multi-stakeholder approaches.

Observing that digitisation is driving growth in the IBSA economies, the foundation says that India is the leader among them, with a “vibrant digital econo-

my”. “But digitalisation also tends to exacerbate major societal tensions that these countries face, including the digital divide, and the need to have digital governance that will reflect local cultural, political, and economic specificities,” says the report.

**Digital inclusion**

“The three countries have spearheaded digital inclusion by prioritising affordable access to citizens, by supporting training for digital skills, and by a legal framework for the growth of small digital enterprises. For example, India’s Aadhaar biometric ID system is seen by many as a leading digital identity initiative, inspiring similar systems in other countries,” the report adds.

On the issue of data and sustainable development, the foundation says that India's G-20 presidency aims for strategic leadership with practical initiatives such as a self-evaluation of nations' data governance architecture; modernisation of national data systems to regularly incorporate citizen voices and preferences; and transparency principles for governing data.

"With a big population, IBSA countries also see data as a national resource. The Indian G-20 presidency's calls for 'a new gold standard for data' can help reconcile the competing issues around free flow of data and data sovereignty," the report says.

### Geopolitical tensions

Going by the report, digital geopolitics this year will be centred on the issues pertaining to the protection of submarine cables and satellites, production of semiconductors, and the free flow of data. Jovan Kurbalija, executive director of DiploFoundation, recently interacted with an Indian delegation on such issues during a visit organised by the Swiss Embassy in India in collaboration with Presence Switzerland. The report says that from submarine cables to satellites, digital geopolitical tensions remain stressed in 2023, especially between the U.S. and China.



V. Anantha Nageswaran

## INFLATION TO EASE IN FY24, BUT MONSOON IS A KEY RISK: CEA

Chief Economic Advisor V. Anantha Nageswaran on Thursday said India's inflation rate was expected to ease in 2023-24, but added that monsoon-related issues would be a key risk. El Nino conditions could have a bearing on the monsoon, which in turn, would have an impact on food prices, inflation and economic growth, he said.

Mr. Nageswaran was speaking on 'Have global headwinds delayed India's March to \$5 trillion economy?', organised by the Chennai International Centre. He pointed out that there was global uncertainty caused by higher inflation and higher interest rates, creating tight financial conditions. In 2022, developed economies saw a high inflation rate of 8-9%, compared with their average of 2%, while India saw inflation of 7%. He said an economic slowdown in the U.S. might have positive implications.

A slowing economy would lead to a pause in interest rate increases in the U.S., which would result in the Reserve Bank of India stopping its rate hikes. Factoring in for currency fluctuations, India would likely be a \$3.4 trillion economy in 2022-23 and could become a \$5 trillion economy by FY26 or FY27, and hit \$7 trillion by 2030, he said.

## INDIA MUST PREPARE TO CURB VOLATILITY RISKS OF INTERNATIONAL RUPEE: RBI'S RAO



India needs to gear up to manage the inevitable volatility that will emerge in the foreign exchange market as the country progresses further towards internationalisation of the rupee, a Deputy Governor at the Reserve Bank of India (RBI) said recently. An international currency is one that is freely available to non-residents, essentially to settle cross-border transactions, and in the case of the rupee, this will be achieved by promoting the currency for import and export, without any limits. But, that will make the rupee more reactive to global events and that would increase outflows, increasing volatility.

"It is now widely accepted that while internationalisation and a freer capital account comes with its own set of benefits, it is not without risks," M. Rajeshwar Rao said.

Mr. Rao did not expand on how to manage the volatility in his comments, which were part of his keynote address at a conference organised by the Foreign Exchange Dealers' Association of India. India has increasingly aimed at promoting rupee-denominated trade. Last July, the RBI unveiled a mechanism to settle international trade in rupees, aiming at promoting exports and facilitating imports.

Mr. Rao said there was a "good amount of interest" in the rupee trading arrangements the RBI was putting in place. And if the central bank's efforts towards rupee-invoicing bear fruit, local exporters and importers will not need to hedge, he added.

While Mr. Rao cautioned that increasingly interconnected markets will bring greater challenges, there were also opportunities.

### New frontiers

New frontiers will also emerge as Indian banks expand their presence in offshore markets, non-residents participate more in domestic markets, and technological changes continue to transform the way markets function, he said.

In such an environment, Mr. Rao said, the RBI remains committed to continuously move ahead steadily and in line with the changing macro-financial environment globally and domestically.



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