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Balancing Code and Commerce in U.K. Trade Compact

Context

- The **India-United Kingdom Comprehensive Economic and Trade Agreement (CETA)**, particularly Chapter 12 on digital trade, **represents a significant step in India's evolving approach** to international trade governance.
- **While India's traditional position has often leaned towards cautious protectionism** in digital policy, **this agreement signals a shift towards strategic engagement** with global digital markets.
- It is important to discuss an **analytical examination of the digital trade chapter, identifying the tangible benefits, potential costs**, and the policy imperatives required to balance openness with sovereignty.

Digital Gains: Reducing Friction and Expanding Market Access

- **Mutual Recognition and Lower Barriers**
 - The agreement's provisions on the **recognition of electronic signatures and contracts are notable for reducing transaction costs**, particularly for small and medium enterprises (SMEs).
 - By promoting **paperless trade and electronic invoicing**, the pact streamlines administrative processes and facilitates smoother cross-border commerce.
 - The **continuation of zero customs duties on electronic transmissions also safeguards India's software export pipeline**, currently valued at approximately \$30 billion annually.
- **Regulatory Sandboxes and International Credibility**
 - **Encouragement of regulatory sandboxes** under the agreement creates pathways for payments and data-driven firms to test innovative tools under official supervision.
 - This **mechanism enhances both consumer trust and international credibility**, positioning India not only as a major exporter of IT services but also as a rule-shaping participant in the global digital economy.
- **Broader Economic Advantages**
 - The **digital chapter merges with wider trade concessions** under CETA.

- Tariff reductions, such as the **elimination of a 12% duty on key textile exports**, are expected to strengthen manufacturing hubs like Tiruppur and Ludhiana.
- **Indian IT firms also gain wider access to U.K. public procurement markets**, while social-security waivers for temporary assignments reduce employers' payroll costs by up to 20%.
- Collectively, **these measures promise to institutionalise a more predictable and mutually beneficial trade corridor.**

Digital Costs: Constraints on Oversight and Sovereignty

• Source-Code Inspections and Regulatory Trade-Offs

- Perhaps the most contested provision is the **prohibition of blanket source-code inspections**.
- **Regulators retain access only under case-specific investigations** or judicial processes, alongside exclusions for government procurement and critical infrastructure.
- **Supporters view this as a governance tool preventing arbitrary intervention**, while critics perceive it as a dilution of regulatory sovereignty.
- **A possible middle path involves accrediting independent**, trusted laboratories to review sensitive code under strict safeguards, a balance between trade facilitation and national security imperatives.

• Governance of Government and Cross-Border Data

- On government data, **obligations are restricted to voluntary publication**, thereby preserving discretion for India.
- While this avoids over-commitment, **it may weaken the perceived utility of open data for cross-border innovation**.
- Similarly, **cross-border data flow commitments avoid automatic most-favoured-nation (MFN) status**, instead providing a forward-review mechanism.
- This **arrangement allows adaptive flexibility** but also introduces uncertainty for businesses, which rely on stable data governance rules for long-term investment strategies.

• Review Mechanisms and Technological Evolution

- The **compact mandates review within five years**. However, given the accelerated pace of technological change, **as evidenced by rapid developments in artificial intelligence**, this cycle may prove inadequate.
- **Institutionalising a three-year review mechanism would allow for more agile alignment** of trade rules with emerging risks and innovations.

Domestic Anchors for International Commitments

- India's external commitments **must be underpinned by robust domestic policy foundations**.

- The **Digital Personal Data Protection Act (2023)**, though legislated, **awaits operationalisation through subordinate rules and guidance.**
- Until such frameworks are fully institutionalised, **India risks making external commitments that exceed its regulatory preparedness.**
- Furthermore, **procedural reforms are necessary: institutionalised pre-negotiation consultations with industry stakeholders, civil society,** and subject experts can ensure legitimacy and widen the policy discourse, thereby anchoring international bargains in democratic accountability.

Policy Implications: Towards a Balanced Digital Trade Strategy

- **Strengthening Oversight While Preserving Trust**

- Accrediting trusted laboratories for source-code review offers a solution to reconcile trade obligations with security imperatives.

- **Enhancing Data Accountability**

- Mandating audit trails for cross-border data intermediaries would ensure accountability follows the data, balancing openness with enforcement capacity.

- **Institutionalising Adaptive Governance**

- A triennial review cycle for digital chapters in trade agreements should be adopted to ensure regulatory alignment with fast-evolving technological and security landscapes.

Conclusion

- The **digital trade compact** between India and the United Kingdom **reflects a pragmatic recalibration of India's trade policy.**
- **While the agreement offers substantial benefits in reducing trade friction,** expanding export potential, and enhancing international credibility, it **also introduces constraints on regulatory autonomy that require careful domestic counterbalancing.**
- Ultimately, **India's entry into structured digital trade engagements signals a maturation of policy,** from defensive protectionism to strategic global participation, anchored by the recognition **that sovereignty in the digital era is defined less by insulation and more by calibrated openness.**

Balancing Code and Commerce in U.K. Trade Compact FAQs

Q1. What is the central significance of Chapter 12 of the India-U.K. CETA?

Ans. Chapter 12 represents India's shift from digital trade scepticism to strategic global engagement by balancing openness with safeguards for sovereignty.

Q2. How does the agreement benefit Indian small and medium enterprises (SMEs)?

Ans. It reduces transaction costs by recognising electronic signatures and contracts, while paperless trade

provisions lower barriers for SMEs in cross-border commerce.

Q3. Why is the ban on routine source-code inspection controversial?

Ans. The ban raises concerns about regulatory sovereignty because it limits default oversight tools, although exceptions for investigations and security are retained.

Q4. What role does the Digital Personal Data Protection Act (2023) play in this agreement?

Ans. The Act provides the domestic foundation for India's external digital commitments, but its rules must be fully operationalised to support international obligations effectively.

Q5. What policy steps are recommended for India going forward?

Ans. India should accredit trusted labs for source-code review, mandate audit trails for cross-border data flows, and establish triennial reviews of digital trade pacts.

Source: [The Hindu](#)

The Politics and Decline of Left-Wing Extremism

Context:

- This article highlights the politics and decline of Left-Wing Extremism in India, contrasting it with persisting global terrorism threats.
- It traces the rise and fall of Naxalism, evaluates government strategies against it, and examines the misuse of the term "urban naxals."
- The analysis underscores how India's context, policies, and sustained campaigns have led to a significant decline in ideologically-driven violence, marking a unique path compared to global trends.

Global Terrorism Concerns

- Even 25 years after the 9/11 attacks, terrorism remains a persistent threat worldwide.
- Islamic State (IS)-inspired attacks, including vehicle rammings like the one in New Orleans (January 2025), highlight the continuing menace.
- Online campaigns encourage lone-wolf strikes, while rising anti-Israel protests further fuel extremist propaganda.
- Counter-terror experts warn that with Artificial Intelligence (AI) and access to bio-weapons, future terrorism could become even more destructive.

India's Contrasting Experience

- In sharp contrast to global trends, India has witnessed a **steady decline in ideologically-driven terrorism, particularly Naxalism.**
- Union Home Minister has even declared that by mid-2026, Naxalism could be fully eliminated — a first official pronouncement of its demise after decades of violence.

- Once hailed as a revolutionary movement, Naxalism had mobilised tribals and urban poor under leaders like **Charu Mazumdar, Kanu Sanyal, and Kondapalli Seetharamaiah**.

Decline of the Naxalite Movement

- Despite its promise, the movement degenerated into violent excesses and gradually lost its ideological sheen.
- Once nationwide, **it fragmented into regional factions**, largely confined to forested belts of central India, especially Andhra Pradesh, Maharashtra, and Chhattisgarh.
- Earlier false dawns of decline (in the 1970s and 1990s) never produced conclusive results, but today the downward trend appears more permanent.

Fading Revolutionary Zeal

- The Naxalite movement had once inspired India's brightest youth, influenced by global icons like Mao, Ho Chi Minh, and Che Guevara.
- The slogan "*China's Chairman is our Chairman*" resonated with many.
- However, the revolutionary fervour soon dissipated, leaving behind splintered groups and localised violence.
- The dream of a "Spring Thunder Over India" has gradually faded, signalling the end of an era of ideological militancy.
 - The term "Spring Thunder" is often used to describe the broader Naxalite-Maoist insurgency.

The Sustained Offensive Against Naxalism

- From 2024, under the Union Home Minister's direction, security forces launched a coordinated offensive against Naxalite groups across multiple States.
- Estimates of Naxalites killed vary, but even the banned CPI (Maoist) acknowledged 357 deaths in a year, with more than a third from the women's cadre.
- The **Dandakaranya region** — spanning Bastar (Chhattisgarh), Gadchiroli (Maharashtra), and parts of Odisha and Andhra Pradesh — remained the epicentre of violence.
- Internal conflicts and leadership crises, particularly after the removal of Ganapathi in 2018, further weakened the movement.

Indian Strategy vs. U.S. 'War on Terror'

- The Indian campaign against Naxalites cannot be equated with U.S. President Trump's "war on terror."
- The U.S. targeted ideology-agnostic jihadist groups operating abroad, often relying on brute force strikes in Somalia and Yemen.
- In contrast, **Indian Naxalites lived among villagers and shared close social ties with local communities**.
- India's response involved **more checks and balances**, avoiding indiscriminate use of force except in extreme cases, given the domestic and socio-political context.

Guiding Principles of the Anti-Naxal Campaign

- Successive governments, both at the Centre and in States, have sought to prevent revolutionary groups — however democratic their claims — from disrupting the established order.
- While the original Naxalites were ideologically driven and envisioned a more egalitarian system, their failure to achieve goals soon gave way to widespread violence.
- Over time, Naxalite factions clung to a veneer of ideology but primarily resorted to indiscriminate attacks, losing much of their earlier legitimacy.

Misuse of the Term ‘Urban Naxals’

- The original Naxalite movement of the late 1960s, though misdirected, was rooted in a clear philosophy and structured ideology under the Marxist-Leninist banner.
- In contrast, today’s so-called “**urban naxals**” are a loosely connected group of intellectuals critical of government policies, bearing little resemblance to the original movement.
- Misclassifying them risks distorting history and creating flawed responses.
- Such confusion may lead to poorly framed policies, magnified risks, and unintended consequences.
- A more nuanced understanding, free from bias and cognitive blind spots, is essential to address challenges effectively without incurring hidden costs.

Conclusion

- India’s decline in Naxalism marks a historic turning point, reflecting effective strategy, nuanced policies, and the fading of ideological militancy amid global terrorism threats.

The Politics and Decline of Left-Wing Extremism FAQs

Q1. Why are predictions in politics often considered unreliable, especially in today’s world?

Ans. Predictions are unreliable because political outcomes are complex, and in today’s AI-driven world, rising uncertainties make forecasting even more hazardous.

Q2. How does global terrorism remain a threat even after 25 years of 9/11?

Ans. Terrorism persists through copycat killings, lone-wolf attacks, and Islamic State-inspired violence, with fears of AI and bio-weapons amplifying future risks.

Q3. What makes India’s experience with Naxalism different from global terrorism trends?

Ans. Unlike rising global extremism, India has seen a steady decline in Naxalism, with official claims predicting its complete elimination by 2026.

Q4. What were the main reasons for the decline of the Naxalite movement in India?

Ans. The movement degenerated into violence, fragmented regionally, faced leadership crises, and lost ideological legitimacy, limiting its presence to central India’s forests.

Q5. Why is the misuse of the term ‘urban naxals’ problematic?

Ans. It distorts history, misclassifies intellectual dissenters, risks flawed policymaking, and creates blind spots that could magnify threats and unintended consequences.

Source: TH

Supreme Court's Intervention in Electoral Roll Revision - Continuity with Past Judgments

Context:

- The Supreme Court's (SC) recent order in **Association for Democratic Reforms (ADR) vs Election Commission of India (2025)** regarding the Special Intensive Revision (SIR) of electoral rolls in Bihar echoes its landmark judgment in **Lal Babu Hussain vs Electoral Registration Officer (1995)**.
- The issue revolves around citizenship verification, voter exclusion, and the constitutional right to franchise.

Historical Parallel - Lal Babu Hussain Case (1995):

- The Election Commission of India (ECI) attempted to **declare certain voters as non-citizens**.
- The SC ruled that **no person should be asked to prove citizenship** without credible evidence against them.
- **Electoral Registration Officers (EROs)** are required to conduct full inquiries and allow all possible evidence from affected voters.
- **Political backlash** followed against the ruling Congress party.

Present Issue - Special Intensive Revision (SIR), Bihar:

- **Legal basis:** The Representation of the People Act (RPA), 1950 and Registration of Electors Rules, 1960 provide for **summary revision and intensive revision**, but not "Special Intensive Revision". **Hence, SIR lacks explicit statutory backing.**
- **ECI's rationale behind SIR:** To remove non-citizens from voter rolls.
- **Issues involved:**
 - ECI relies only on the 2003 electoral roll as a valid base.
 - ECI prescribes **a narrow set of documents as proof of identity**. Aadhaar cards and Electoral Photo ID Cards (EPIC) are not accepted.
 - **The burden of proof** shifted to citizens to establish their own citizenship.
- **Similar case:** Similar exclusions occurred in Delhi and Mumbai (1994), where ration cards were initially not accepted until Bombay HC intervened.

Supreme Court's 2025 Order:

- **Directed ECI to:**

- Make draft electoral rolls accessible and searchable.
- Provide reasons for voter exclusion.
- Accept more documents as proof of identity, including Aadhaar and EPIC.

- **Significance of the order:**

- Ensures transparency and natural justice.
- Shifts focus from citizenship verification to accuracy of voter rolls.

SC-ECI Institutional Relationship:

- **Generally cooperative:** SC has supported ECI reforms like declaration of assets, disqualification of convicted politicians, and NOTA.
- **Rare disagreements:** Electoral Bonds case (SC struck them down as unconstitutional despite ECI's indifferent stance).
- **Current stance:** SC's order is **not a rebuke but a gentle nudge towards transparency.**

Democratic Principles at Stake:

- **Original electoral rolls (1951):** Even the homeless and nameless (particularly women) were included, ensuring universal adult suffrage.
- **Contrast:** SIR risks exclusionary practices.

Conclusion:

- In the future, the SC's insistence on transparency and fairness in electoral roll revisions will **strengthen citizen-centric democracy** and prevent exclusionary practices.
- As India moves towards Viksit Bharat@2047, reforms in voter registration must evolve into a technologically robust, inclusive, and legally accountable system that **upholds universal suffrage.**

Supreme Court's Intervention in Electoral Roll Revision FAQs

Q1. How did SC's 2025 order on Bihar's SIR ensure electoral transparency?

Ans. By mandating reasons for voter exclusion and wider acceptance of documents.

Q2. Why is SIR legally problematic?

Ans. It lacks a clear basis in the Representation of the People Act, 1950.

Q3. What is the similarity between SC's 1995 and 2025 rulings?

Ans. Both upheld that voters cannot be asked to prove citizenship without credible evidence.

Q4. How has SC shaped electoral reforms in India?

Ans. Through measures like NOTA, asset disclosure, disqualification of convicts, and striking down Electoral Bonds.

Q5. What lesson do 1951 electoral rolls offer today?

Ans. They stress inclusiveness, ensuring even the marginalized are not excluded.

Source: IE

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