

# PSIR Pulse

February 2026



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# MONTHLY NEWSLETTER



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## GEOPOLITICS AT GLANCE

### AI IMPACT SUMMIT 2026



# AI IMPACT SUMMIT

भारत 2026 INDIA

#### INTRODUCTION

India is hosting the **AI Impact Summit 2026**, one of the leading international forums focused on artificial intelligence. It is among the largest global AI gatherings ever organized in the Global South, bringing together governments, industry leaders, policymakers, researchers, startups, and civil society to deliberate on the real-world impact of AI.

As artificial intelligence has rapidly evolved from a theoretical innovation into a tangible governance tool, concerns have emerged about its impact on economic systems, social structures, and political institutions. In this context, examining its implications for democratic systems becomes essential.

## HOW DIFFERENT COUNTRIES USE AI IN GOVERNANCE SYSTEMS

### ESTONIA

- Estonia is regarded as a global leader in embedding AI into state functioning.
- **Bürokratt (#KratTAI)**: A national AI-powered virtual assistant that enables citizens to access government services through a single voice-based or text-based interface.
- **AI Judges**:
  - Estonia has experimented with AI-based adjudication for small claims disputes to reduce judicial backlog.
  - Human oversight remains in place, particularly at the appellate stage.

### INDIA

- **Bhashini (Language Bridge)**:
  - AI-based real-time speech-to-speech translation across multiple Indian languages.
  - Enables citizens to access services irrespective of linguistic barriers.
  - Example: A Marathi-speaking farmer accessing documents originally available in English.
- **AI in Judiciary (SUVAS)**: The Supreme Court uses AI to translate legal documents into regional languages, enhancing access to justice.

### TAIWAN

- **Polis (Consensus Mapping Tool)**: Uses AI algorithms to analyze public opinion on controversial issues.
- Instead of amplifying polarized viewpoints, the system identifies common ground.
- Helps lawmakers draft policies based on consensus rather than division.

### GERMANY

- Berlin has introduced **BärGPT**, a state-owned AI assistant for public employees.
- Developed as an open-source tool with strict data protection safeguards.
- Functions include:
  - Drafting official documents
  - Translating texts
  - Summarizing reports
  - Analyzing administrative records

## HOW AI CAN CONTRIBUTE TO DEMOCRATIC GOVERNANCE

### Improving Accessibility

- AI-powered translation and transcription make debates and documents accessible across linguistic barriers.
- Enhances participation of:
  - Citizens with disabilities
  - Citizens with lower literacy levels
  - Non-English speakers
- Strengthens inclusivity in democratic processes.

### Predictive Service Delivery

- AI can analyze datasets to anticipate:
  - Public health crises
  - Infrastructure failures
  - Resource shortages

- Enables equitable allocation of taxpayer resources.
- Transforms governance from reactive to anticipatory.

### Hyper-Personalized Services

- AI can identify government schemes individuals are eligible for.
- Reduces bureaucratic complexity.
- Improves targeted welfare delivery.

### Data-Driven Policymaking

- AI analyzes large datasets on:
  - Public health
  - Traffic
  - Economic activity
  - Social indicators
- Allows policymakers to:
  - Identify problems more precisely
  - Simulate policy outcomes
  - Design evidence-based interventions
- Shifts governance toward proactive and scientific decision-making.

### Enhancing Public Service Delivery

- AI-powered chatbots provide 24/7 assistance.
- Answer queries related to:
  - Taxes
  - Benefits
  - Regulations
- Improves citizen-state interface.
- Reduces administrative delays.

### Monitoring Government Activity

- AI tools can be used by:
  - Journalists
  - Civil society organizations
  - Watchdog groups
- Applications include:
  - Tracking public expenditure
  - Monitoring legislative changes
  - Detecting corruption or misuse of funds
- Strengthens transparency and accountability.

## **USE OF AI IN ELECTORAL PROCESSES**

### Securing Elections

- AI-powered cybersecurity tools protect:
  - Voter registration databases
  - Election infrastructure
- Prevents cyberattacks and foreign interference.

### Voter Engagement

- Chatbots can provide information on:
  - Candidates
  - Policies
  - Voting procedures
- Encourages informed participation.

### Electoral Roll Management

- AI assists in:
  - Cleaning voter databases
  - Removing duplicates
  - Updating records
- Improves accuracy and integrity of voter lists.

### Transparency in Electoral Expenditure

- AI can compare declared campaign spending against market benchmarks.
- Flags discrepancies between reported and actual expenditure.
- Enhances transparency in political finance.

## **WHAT ARE THE MAJOR CHALLENGES AND RISKS OF AI IN DEMOCRATIC SYSTEMS?**

### Deepfakes and Synthetic Manipulation

- Generative AI enables large-scale production of highly realistic fake audio and video content.
- In recent elections such as Slovakia 2023 and India 2024, AI-generated persona bots and fabricated audio clips were circulated shortly before voting, leaving minimal time for verification or rebuttal.
- This undermines informed decision-making and erodes electoral integrity.

### Micro-Targeted Political Manipulation

- AI can analyze extensive datasets including voter rolls, purchasing behavior, and social media activity.
- This enables hyper-personalized political messaging tailored to exploit individual fears, suppress voter turnout, or influence political choices.
- Such precision targeting distorts the fairness of democratic campaigning.

### Algorithmic Bias and Structural Discrimination

- AI systems are trained on historical datasets that often contain embedded biases linked to race, gender, caste, or socioeconomic background.
- When deployed in sensitive public domains, these systems may reproduce and amplify discrimination.
- Example: Judicial risk-assessment tools in some countries have shown bias against minority communities.

### Erosion of Civil Society

- AI operates at a scale and speed beyond the capacity of traditional civic institutions such as unions, NGOs, and grassroots organizations.
- There is a risk of a technological arms race where well-funded AI-driven persuasion campaigns overpower human-led democratic engagement.

### Digital Divide

- Benefits of AI-enabled governance, such as seamless digital services, may not reach communities with poor internet access or low digital literacy.

- At the same time, risks like algorithmic surveillance and profiling may disproportionately affect marginalized groups.
- This deepens structural inequality within democratic systems.

### **Diffusion of Responsibility**

- When AI influences or makes decisions, accountability becomes blurred.
- Responsibility may be unclear between:
  - Developers
  - Deploying agencies
  - Political authorities
  - Platform operators
- This accountability vacuum can be exploited to evade responsibility for harmful outcomes.

### **Mass Surveillance**

- AI allows governments to process data from CCTV networks, financial transactions, social media, and digital footprints at massive scale.
- Facial recognition technology enables tracking of individuals in public spaces.
- This can create a chilling effect on free speech, protest, and democratic participation.

## **WHAT SHOULD BE THE WAY FORWARD?**

### **For Governments: The Role of Smart Regulators**

#### **Comprehensive Rights-Based Legislation**

- AI laws must be anchored in constitutional and fundamental rights.
- Core components should include:
  - Mandatory transparency
  - Algorithmic impact assessments
  - Independent oversight mechanisms

#### **Sovereign AI Infrastructure**

- Governments should build Public Interest AI systems that are open-source, transparent, and designed for public service objectives rather than profit.
- Example: AI tools for translating court judgments into regional languages.

#### **Clear Liability Frameworks**

- Establish a defined chain of accountability.
- Developers and deployers should be legally responsible for harms caused by AI outputs.

### **For Technology Companies: Responsible Innovation**

#### **Responsible AI by Design**

- Ethics, safety testing, and bias mitigation must be embedded at the development stage, not added later.

#### **Greater Transparency**

- Reduce reliance on opaque “black box” models in high-stakes sectors such as governance and elections.
- Publish transparency reports detailing:
  - AI deployment
  - Risk mitigation steps
  - Audit findings

#### **Content Authentication Mechanisms**

- Implement digital watermarking and cryptographic verification tools for AI-generated content.
- This helps citizens identify synthetic media and counter deepfakes.

## For Civil Society and Academia: Independent Oversight

### **Independent Audits**

- Universities and research institutions must develop expertise to evaluate AI systems for bias, fairness, and legal compliance.
- Findings should be made public to ensure scrutiny.

### **Public Awareness and Advocacy**

- Civil society organizations play a critical role in simplifying complex AI issues for citizens.
- They must advocate for rights-protective policies and democratic safeguards.

## For Citizens: Building Democratic Resilience

### **Digital and Civic Literacy**

- AI literacy must be treated as a foundational democratic skill.
- Citizens should understand:
  - What AI is
  - How it functions
  - Its capabilities
  - Its limitations
- Inability to distinguish deepfakes from real content effectively undermines democratic participation.

### **Demanding Accountability**

- Citizens must use democratic mechanisms to demand responsible AI governance.
- Support should be extended to institutions and companies demonstrating ethical AI practices.

## **CONCLUSION**

The integration of AI into democratic governance requires careful and rights-oriented regulation. Transparency, accountability, and inclusivity must guide its deployment. Without institutional safeguards, AI can undermine democratic values; with proper oversight, it can strengthen participatory governance and public trust.

### **Relevance Map**

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- **GS 2 – Polity & Governance**
  - Digital governance, AI regulation
  - Data protection, accountability, transparency in public institutions
- **GS 3 – Science & Technology**
  - Artificial Intelligence, cybersecurity, deepfakes
  - AI in public service delivery and electoral processes
- **GS 4 – Ethics**
  - Algorithmic bias, accountability gap, diffusion of responsibility
  - Ethics of AI in governance

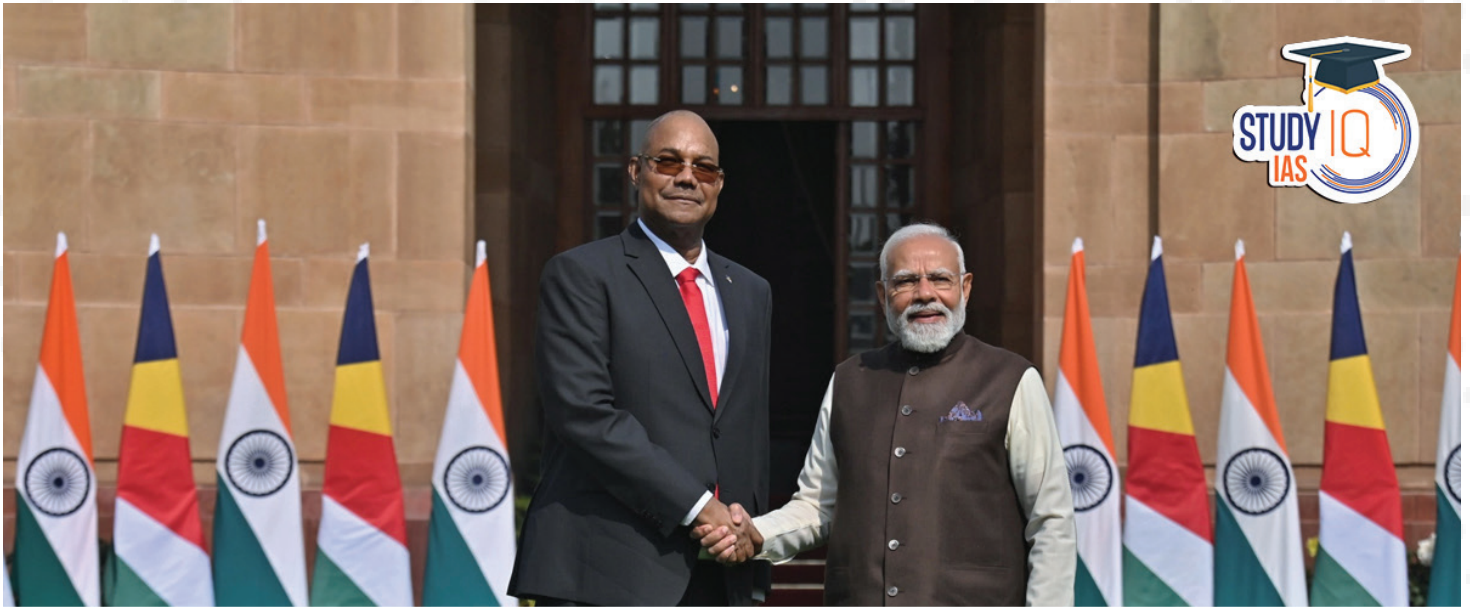
### **PSIR Relevance**

- **Paper 1**
  - Democracy and technology
  - Public accountability and legitimacy
- **Paper 2**
  - AI as an instrument of state power

### Practice Question

“Artificial Intelligence is transforming governance, but it also poses serious challenges to democratic accountability and civil liberties.” Critically examine. (20 marks)

## INDIA-SEYCHELLES RELATIONS



## India-Seychelles Strategic Partnership

The President of Seychelles, Patrick Herminie, undertook an official visit to India within the first hundred days of assuming office. The timing of the visit is significant, as it coincides with the 50th anniversary of Seychelles’ independence as well as five decades of diplomatic relations between the two countries. The early outreach underscores the strategic importance that Seychelles attaches to its partnership with India. During the discussions, leaders of both nations reiterated that as maritime neighbours in the Indian Ocean, they are bound by a special relationship anchored in shared history, civilizational connections, and common democratic values.

### KEY TAKEAWAYS FROM THE RECENT VISIT

- **Adoption of Joint Vision – “SESEL”:** India and Seychelles unveiled a Joint Vision titled Sustainability, Economic Growth and Security through Enhanced Linkages (SESEL). This framework outlines a comprehensive roadmap for intensifying collaboration in development assistance, maritime security, technological cooperation, and economic engagement.
- **\$175 Million Special Economic Package:** India announced a Special Economic Package amounting to \$175 million for Seychelles. The financial assistance is directed towards strengthening infrastructure development, public housing projects, transportation and mobility systems, skill and capacity enhancement, healthcare initiatives, defence cooperation, and maritime security infrastructure.
- **Signing of Seven MoUs:** Both sides concluded seven Memoranda of Understanding covering areas such as healthcare cooperation, digital transformation, meteorological services, and other developmental sectors, thereby broadening the scope of bilateral engagement.
- **Maritime Security and Defence Cooperation:** The visit further reinforced Seychelles’ role in India’s Vision MAHASAGAR, consolidating defence and maritime security cooperation within the broader Indian Ocean strategic framework.

## SIGNIFICANCE OF SEYCHELLES FOR INDIA

### Geopolitical Importance

- **Strategic Location:** Seychelles occupies a crucial position in the western Indian Ocean. Its geographic placement enables India to maintain a strategic presence in key maritime lanes and serves as an important platform for counterbalancing external influences, particularly from China.
- **Security Cooperation:** The two nations have deepened defence collaboration through joint naval exercises, coordinated maritime patrols, and intelligence sharing. These initiatives aim to address challenges such as piracy, maritime crime, and other security threats in the Indian Ocean region.

### Economic Importance

- **Trade Relations:** Seychelles represents an expanding market for Indian exports, including pharmaceuticals, processed food items, construction materials, and other consumer goods. Bilateral trade volumes have progressively increased over the years.
- **Investment Opportunities:** Indian enterprises have invested in tourism, renewable energy projects, and fisheries in Seychelles. These investments contribute to local economic growth while simultaneously strengthening economic interdependence.

### Environmental Cooperation

- **Conservation Efforts:** Seychelles is globally recognized for its rich biodiversity and fragile marine ecosystems. India partners with Seychelles in conservation initiatives, particularly in protecting marine habitats and endangered species.
- **Climate Change Cooperation:** Both countries face significant vulnerabilities arising from climate change in the Indian Ocean. As a result, they collaborate closely on sustainability measures and climate resilience strategies.

### Cultural Connections

- **Diaspora Linkages:** Approximately 11 percent of the Seychellois population traces its origins to India. This diaspora community forms a strong cultural bridge between the two nations and enhances India's soft power influence. Their presence contributes to political stability and deep-rooted societal ties.
- **Cultural Exchange Programmes:** Various cultural exchanges, including festivals, artistic collaborations, and heritage initiatives, promote mutual understanding and reinforce goodwill between the two societies.

## SIGNIFICANCE OF INDIA FOR SEYCHELLES

### Economic Importance

- **Trade Relations:** India ranks among Seychelles' key trading partners. Essential imports from India, especially pharmaceuticals, food products, and textiles, are vital for meeting domestic consumption needs.
- **Foreign Investment:** Indian investments in tourism infrastructure, renewable energy projects, and public works have supported Seychelles' development objectives and expanded economic opportunities.

### Strategic and Security Cooperation

- **Geopolitical Stability:** India's strategic engagement in the Indian Ocean provides Seychelles with a stabilizing partner capable of counterbalancing pressures from other regional powers. This enhances Seychelles' overall security architecture.
- **Military Partnerships:** Regular joint naval exercises and defence training programmes strengthen Seychelles' capacity to safeguard its maritime domain, particularly against piracy and transnational maritime threats.

### Environmental Collaboration

- **Sustainable Development:** India and Seychelles cooperate on environmental protection measures, with particular emphasis on marine biodiversity conservation and climate adaptation strategies that are crucial for small island states.
- **Disaster Relief Assistance:** India has extended humanitarian and disaster relief support to Seychelles during natural calamities, demonstrating its role as a reliable partner during emergencies.

## Cultural and Social Linkages

- **Diaspora Influence:** The longstanding Indian diaspora has enriched Seychelles' cultural fabric, fostering continuous people-to-people engagement and strengthening bilateral bonds.
- **Educational Cooperation:** India provides scholarships and educational opportunities for Seychellois students across diverse disciplines, contributing to human resource development and deepening long-term relations between the two countries.

## **WHAT ARE THE CHALLENGES IN INDIA–SEYCHELLES RELATIONS?**

### Geopolitical Tensions

- **Chinese Presence:** Seychelles has gradually deepened its engagement with China, which creates strategic anxieties for India. Beijing's expanding footprint in the Indian Ocean region has the potential to dilute India's influence and complicate its maritime security calculations.
- **Naval Competition:** The growing activity of foreign naval forces, especially China's presence in the region, could pose operational and strategic challenges for India. Such developments may intensify maritime competition and create friction in an already sensitive geostrategic environment.

### Economic Issues

- **Trade Imbalance:** Although bilateral trade has expanded, the balance remains tilted in India's favour. This asymmetry may generate apprehensions within Seychelles about excessive dependence on Indian imports.
- **Investment Implementation Challenges:** Indian-funded projects sometimes encounter bureaucratic delays, regulatory complexities, or local opposition. These obstacles can slow the execution of infrastructure and development initiatives.

### Environmental Concerns

- **Pressure on Sustainable Development:** Large-scale infrastructure and investment-driven growth, including Indian-backed projects, may strain Seychelles' fragile ecosystems. Excessive development risks damaging biodiversity and marine resources, which are central to the island nation's identity and economy.
- **Climate Change Vulnerability:** As a low-lying island state, Seychelles is highly exposed to rising sea levels and extreme weather events. Aligning environmental strategies and ensuring coordinated climate action can be complex and resource-intensive.

### Cultural and Social Issues

- **Perceptions of Overreach:** Segments of Seychellois society sometimes view India's presence as disproportionately influential. Such perceptions can generate social discomfort or nationalist sentiment, potentially affecting diplomatic goodwill.
- **Cultural Sensitivities:** Maintaining equilibrium between indigenous cultural identity and external influences, including Indian cultural presence, can occasionally lead to tensions, as local identity remains a deeply valued element of Seychellois society.

### Political Factors

- **Domestic Political Changes:** Leadership transitions or policy shifts in either country may alter the trajectory of bilateral engagement. Changing political priorities can lead to recalibration of strategies and cooperation frameworks.
- **Regional Instability:** Political turbulence within Seychelles or in neighbouring countries could disrupt regional collaboration and complicate broader Indian Ocean partnerships.

## **WHAT ARE THE VARIOUS INITIATIVES TO STRENGTHEN BILATERAL TIES?**

- **Trade and Economic Agreements:** India and Seychelles have entered into trade arrangements designed to promote commercial interaction and reduce tariff barriers, with the objective of expanding bilateral economic exchanges.
- **Infrastructure Development:** India has undertaken multiple infrastructure projects in Seychelles, including construction of roads, hospitals, and housing facilities. These initiatives contribute to local development while reinforcing economic connectivity.

- **The Assumption Island Project:** An agreement was signed for the development of a naval facility on Assumption Island. The project would enhance India’s operational presence in the western Indian Ocean and extend its maritime reach.
- **Joint Military Exercises:** Regular naval exercises, such as the Varuna series, focus on maritime security, anti-piracy operations, and coordinated naval manoeuvres. These exercises deepen defence collaboration and operational interoperability.
- **Coast Guard Cooperation:** India has assisted in training Seychelles’ Coast Guard personnel and supplied maritime equipment. This cooperation enhances Seychelles’ ability to safeguard its maritime zones and Exclusive Economic Zone.
- **Digital Cooperation:** Under the broader Digital India framework, India has extended technological expertise to Seychelles to modernize digital infrastructure and governance systems. India is promoting its Digital Public Infrastructure model, including platforms such as UPI and digital governance tools.
- **Skill Development Initiatives:** Training programmes have been offered to Seychellois professionals in sectors such as healthcare, agriculture, and tourism. These efforts aim at long-term capacity building and human resource development.
- **Multilateral Collaboration:** Both countries coordinate in regional and global platforms, including the Indian Ocean Rim Association and the Colombo Security Conclave. Seychelles’ formal induction as a full member of the Colombo Security Conclave strengthens regional security cooperation alongside India, Sri Lanka, Mauritius, and the Maldives.
- **Blue Economy and Climate Cooperation:** Aligned with India’s MAHASAGAR vision, bilateral cooperation increasingly focuses on ocean governance and climate resilience.
- **Ocean Research:** Agreements have been concluded for joint oceanographic observation and maritime scientific research. These initiatives seek to protect coral reefs and ensure sustainable fisheries management.
- **Renewable Energy:** India is extending technical support in areas such as power grid management and electric mobility solutions, including electric buses and vehicles, assisting Seychelles in advancing its climate and sustainability goals.

## Relevance Map

### GS 2 – International Relations

- Indian Ocean geopolitics
- SAGAR / MAHASAGAR vision
- Maritime security & island diplomacy
- Countering China in IOR

### GS 3 – Security

- Maritime security architecture
- Anti-piracy cooperation
- Coastal surveillance & island partnerships

### Essay

- “Small states in big power rivalry”
- Blue Economy & climate diplomacy

### PSIR Paper 2

- India’s Indian Ocean strategy
- Mini-lateral security frameworks

## INDIA-EU FREE TRADE AGREEMENT



The India–EU Free Trade Agreement, officially known as the Bilateral Trade and Investment Agreement (BTIA), has been under discussion since 2007. After a prolonged pause, negotiations resumed in 2021. Nearly two decades after talks first began, India and the European Union have finally concluded the agreement, often described as the “Mother of All Deals” due to its scale and scope.

### WHAT ARE THE KEY PROVISIONS OF THE INDIA–EU FTA?

#### Trade in Goods and Tariffs

- **Market Access for India:** The European Union will remove tariffs on more than 99 percent of Indian exports by value. This provides a major advantage to labour-intensive industries such as textiles, garments, leather products, gems and jewellery, and marine exports, all of which will gain duty-free entry into EU markets.
- **Market Access for the EU:** India will either eliminate or significantly reduce tariffs on approximately 92 to 97 percent of goods originating from the EU.
- **Automobiles:** Import duties on high-end European cars priced above €15,000 will be reduced from 110 percent to 10 percent over a five-year period, subject to an annual quota of 250,000 vehicles.
- **Alcoholic Beverages:** Tariffs on premium wines will be lowered from 150 percent to 20 percent, while duties on spirits will be reduced to 40 percent.
- **Machinery and Chemicals:** Customs duties reaching up to 44 percent on machinery and up to 22 percent on chemical products will largely be phased out.

### SERVICES AND PROFESSIONAL MOBILITY

- **Services Market Access:** India obtained access to 144 service sub-sectors within the EU, including information technology, financial services, and education. In return, India opened 102 service sub-sectors to European firms.
- **Professional Movement:** The agreement establishes a stable and predictable regime for business visitors, intra-company transferees, and independent professionals.

- **Students:** A new arrangement ensures post-study work opportunities of up to nine months and simplifies pathways for Indian students seeking education in the EU.
- **Social Security Coordination:** Both parties agreed to work toward finalising a Social Security Agreement within five years to prevent Indian professionals from losing pension benefits while employed in Europe.

### **SUSTAINABILITY AND CLIMATE COMMITMENTS**

- **Carbon Border Adjustment Mechanism (CBAM):** India secured a Most Favoured Nation assurance. Although a complete exemption was not granted, the EU committed to technical support and financial assistance worth €500 million to help Indian industries such as steel and aluminium reduce emissions.
- **Labour Standards:** Both sides reaffirmed their commitment to fundamental International Labour Organization principles, including the elimination of child labour and ensuring non-discrimination in employment.

### **INTELLECTUAL PROPERTY AND TECHNOLOGY COOPERATION**

- **Protection of Traditional Knowledge:** The EU formally acknowledged India's Traditional Knowledge Digital Library, safeguarding practices such as Yoga and Ayurveda from misappropriation or unjust patenting.
- **Technology Collaboration:** The agreement extends beyond trade to cooperation in advanced fields such as artificial intelligence, semiconductor manufacturing, and clean energy technologies.

### **SAFEGUARDS FOR SENSITIVE SECTORS**

- **Agriculture and Dairy:** To protect small and marginal farmers, India has fully excluded sensitive agricultural products including dairy, wheat, rice, and sugar from tariff liberalisation.
- **Geographical Indications:** A parallel agreement is being finalised to protect geographical indications, ensuring products such as Darjeeling Tea and Champagne are shielded from imitation.

### **HOW DOES THE INDIA–EU FTA BENEFIT INDIA?**

#### **Export Expansion and Growth Momentum**

- The agreement offers India wider and more predictable access to the European market for its competitive export sectors. Key beneficiaries include
- Textiles and apparel, where the removal of EU duties currently ranging between 9 and 12 percent will significantly improve India's competitiveness vis-à-vis countries such as Bangladesh and Vietnam, which already enjoy duty-free access under the EU's Everything But Arms scheme.
- Agriculture and processed food exports such as basmati rice, mangoes, grapes, spices, and seafood are expected to rise due to simplified regulatory procedures and stronger recognition of Indian Geographical Indications.
- Services exports, especially IT and IT-enabled services, engineering, R and D, and business services, stand to gain substantially. Easier cross-border data flow provisions would further strengthen India's services-led export model.
- Overall, nearly 6 percent of India's total exports, largely from labour-intensive sectors, will experience tariff reductions, enhancing the global competitiveness of Indian products in EU markets.

#### **Mobility of Skilled Professionals**

- The FTA creates improved, quota-based temporary mobility pathways for Indian professionals such as engineers, IT specialists, consultants, healthcare workers, and skilled service providers.
- Mutual Recognition Agreements for professional qualifications will allow Indian degrees and certifications to be accepted in the EU, reducing the need for retraining.
- This enables India to better utilise its demographic advantage, increase high-value remittances, and ease long-standing restrictions in the European labour market.

#### **Foreign Direct Investment Inflows**

- The agreement strengthens investor confidence, encouraging European firms to establish manufacturing units and research centres in India as part of their China-plus-one diversification strategy.

- This aligns closely with the Make in India initiative and supports job creation, skill development, and technology transfer.
- **Consumer and Industrial Gains:** Indian consumers and industries will benefit from access to high-quality European products at lower prices due to tariff reductions, improving affordability and production efficiency.
- **Technology Upgradation and Innovation**
  - Greater competition and collaboration are expected to push Indian firms toward higher quality standards and innovation.
  - Partnerships in renewable energy, green technologies, and digital infrastructure, where the EU has a comparative advantage, can accelerate India's sustainability and climate goals.
- **Protection of Traditional Knowledge:** Formal recognition of India's Traditional Knowledge Digital Library by the EU safeguards Indian heritage by preventing biopiracy, ensuring that traditional practices such as Yoga, Ayurveda, and Neem-based knowledge cannot be patented by foreign entities.

### How does the agreement benefit the European Union?

- **Entry into a Large and Expanding Market**
  - India's population of 1.4 billion and its rapidly growing middle class represent one of the largest remaining consumer markets globally.
  - The EU gains preferential access for high-value goods, particularly automobiles and auto components, wines and spirits, machinery, chemicals, and premium food products.
- **Reducing Dependence on China:** The FTA supports the EU's de-risking strategy by deepening economic engagement with India as a democratic and reliable partner in the Indo-Pacific, thereby lowering excessive dependence on China.
- **Securing Raw Materials and Inputs:** European industries benefit from stable access to Indian raw materials and intermediates, including pharmaceutical inputs, textiles, and leather goods, which are critical for EU supply chains.
- **Services and Digital Trade Expansion**
  - European financial institutions, legal firms, and business service providers gain improved access to India's large but traditionally protected services sector.
  - Digital trade rules provide certainty by protecting source code and strengthening data privacy standards, encouraging EU technology firms to operate in India.
- **Advancing Sustainability Objectives:** By incorporating commitments on climate action aligned with the Paris Agreement and labour rights, the EU ensures that trade with India meets the environmental and ethical expectations of European voters.

### What challenges still remain?

- **Market Access Disputes in Agriculture and Textiles**
  - India continues to seek deeper access for its agricultural and textile exports, including rice, fruits, garments, and shrimp.
  - The EU remains cautious due to domestic sensitivities, such as textile producers in Southern Europe and farmers in countries like France and Poland, as well as restrictive non-tariff measures.
- **Persistence of Non-Tariff Barriers**
  - For Indian exporters, regulatory barriers pose a larger challenge than tariffs.
  - The Carbon Border Adjustment Mechanism may still impose additional costs on Indian steel and aluminium exports unless production processes are rapidly decarbonised.
  - The EU Deforestation Regulation requires proof that products such as rubber, coffee, and leather are not linked to deforestation, a compliance burden that is particularly difficult for India's small farmers.
  - Strict Sanitary and Phytosanitary standards frequently result in rejection of Indian agricultural exports due to pesticide residue norms that are more stringent than Indian regulations.
- **Data Protection and Digital Compliance**
  - Although India's Digital Personal Data Protection Act aligns broadly with the EU's GDPR, India has not yet been granted full data adequacy status.

- As a result, Indian IT firms continue to face high compliance costs and legal hurdles when processing European data.
- **Ratification Challenges:** The agreement still requires approval from the European Parliament. Certain member states with strong agricultural lobbies may raise objections to specific provisions, despite the exclusion of sensitive products such as beef and sugar.

### Relevance Map

- **GS 2 – International Relations**
  - India–EU strategic partnership
  - Trade diplomacy and rules-based order
  - Strategic autonomy in multipolar world
- **GS 3 – Economy**
  - FTAs and export competitiveness
  - Supply-chain resilience, China+1
  - Climate–trade interface (CBAM)
- **PSIR Paper 2**
  - Liberal institutionalism and trade regimes
  - India-EU Relations

## PAX SILICA



### INTRODUCTION

The United States Ambassador to India, Sergio Gor, during his arrival address, extended an invitation to India to participate in the Pax Silica initiative. Against this backdrop, it becomes important to understand the meaning of Pax Silica, its significance, and the challenges it presents, particularly from India’s perspective.

## WHAT IS PAX SILICA?

Pax Silica is a United States–led geopolitical and economic framework announced in December 2025, focused on securing global supply chains related to semiconductors and artificial intelligence.

The word “Pax” is derived from Latin and means peace, while “Silica” refers to a crucial material used in semiconductor manufacturing. Together, the term conveys the idea that control over next-generation technology supply chains should underpin global peace and economic stability.

The concept also signals a potential transition in global power structures from traditional petrostates to so-called “silica states,” driven by the increasing dependence on high-purity silica sand, particularly quartzite, for advanced technologies. This mirrors the way oil shaped geopolitics in the twentieth century under arrangements often described as Pax Petrolia or Pax Americana.

The Pax Silica Declaration emphasises reducing coercive economic dependencies, safeguarding technology and AI supply chains, and creating trusted digital infrastructure across participating countries.

## WHO ARE THE MAJOR PARTICIPANTS IN PAX SILICA?

### Formal signatories

- Nine countries have formally endorsed the Pax Silica Declaration and committed to aligning export controls, investment screening mechanisms, and supply-chain security standards.
- The United States serves as the principal architect and coordinating force.
- Japan plays a central role in semiconductor materials and high-end manufacturing equipment.
- South Korea is a key centre for memory chip production.
- Singapore contributes advanced fabrication capacity and logistics expertise.
- Israel brings strength in artificial intelligence software, defence technologies, and niche research and development.
- The United Kingdom is a significant actor in semiconductor design and AI research, particularly through ARM.
- Australia functions as the resource backbone, supplying critical minerals such as lithium and rare earths.
- Qatar contributes sovereign capital and energy resources to support data-centre infrastructure.
- The United Arab Emirates acts as a strategic partner in energy, investment, and regional technology platforms through funds such as MGX.

### Observers

- Several actors participate as observers, engaging in discussions and selected projects without formally signing the operational declaration.
- The Netherlands plays a vital role due to ASML, the sole producer of EUV lithography machines.
- Taiwan, despite its dominance in advanced semiconductor manufacturing through TSMC, remains an observer to navigate sensitive geopolitical dynamics involving China.
- The European Union takes part in consultations while pursuing its own industrial strategy, although individual member states engage more directly.
- Canada contributes through its reserves of critical minerals and its artificial intelligence research ecosystem.
- The OECD participates as an advisory body on standards and economic implications.
- India was announced by the U.S. Ambassador as a forthcoming invitee, with a formal invitation expected in February 2026. India is viewed as a crucial alternative manufacturing base and a major source of skilled human capital within the alliance.

## WHAT ARE THE OBJECTIVES OF PAX SILICA?

1. Secure supply chains: Build resilient supply chains from critical minerals and energy inputs through advanced manufacturing, semiconductors, and AI infrastructure.
2. Reduce dependencies: Reduce coercive dependencies and protect materials and capabilities foundational to artificial intelligence.

3. Economic cooperation: Create coordinated investment and policy alignment among partner nations.
4. Counter non-market practices: Address non-market practices that undermine innovation and fair competition, including overcapacity and dumping.
5. Maintaining the “18-Month Moving Gap”: A core strategic objective of Pax Silica is to institutionalize a permanent lead over competitors. The policy allows for the sale of older-generation technology to rivals to fund the R&D for the next generation, ensuring that the members of Pax Silica always remain at least 18 months ahead.

### WHAT ARE THE CHALLENGES OF JOINING PAX SILICA FOR INDIA?

- **Erosion of Strategic Autonomy:** Pax Silica goes beyond trade cooperation and requires alignment on export controls and investment screening. India has traditionally avoided rigid geopolitical blocs that restrict its economic and diplomatic choices, as seen in its continued engagement with Russia and its calibrated engagement with China. Participation could constrain this long-standing strategic flexibility.
- **Constraints on Policy Sovereignty:** India’s semiconductor and AI ecosystems are still at a formative stage when compared to those of advanced Pax Silica members. To nurture domestic champions, India relies on preferential tools such as subsidies, government procurement, and selective import regulation. However, aligning with U.S.-led regulatory standards may limit India’s freedom to pursue India-centric industrial policies or extend targeted advantages to local firms.
- **Risk of Supply-Chain Retaliation:** Despite launching the Semiconductor Mission, India remains dependent on China for legacy chips, electronic components, and processed critical minerals. Analysts caution that China could respond to India’s participation in Pax Silica by weaponising export controls, particularly on rare-earth magnets essential for EVs and electronics. A precedent exists from 2025, when China temporarily halted rare-earth magnet supplies to India, disrupting automobile and electronics manufacturing.
- **Capability–Leverage Mismatch:** India was excluded from the first Pax Silica summit due to the absence of indispensable technological assets. Unlike Taiwan, which dominates chip fabrication, or the Netherlands, which controls lithography equipment, India is currently valued more for its market size and skilled workforce than for critical technological capabilities. Its semiconductor and AI ecosystems lag behind those of core Pax Silica members, limiting its bargaining power.
- **Expectation Asymmetry:** Pax Silica members are predominantly high-income economies and formal U.S. allies. If India joins, it would be the first developing economy and the first non-allied country in the group. This asymmetry may generate mismatched expectations regarding regulatory alignment, commitments, and strategic behavior.
- **Tensions with Digital Sovereignty:** India’s Digital Personal Data Protection Act requires certain categories of sensitive citizen data to be stored domestically. In contrast, Pax Silica promotes frictionless data flows among trusted partners. Reconciling these two approaches poses a significant policy challenge.

### WHAT CAN BE THE WAY FORWARD?

#### Building Domestic Capability

- **Upstream Raw Material Security:** India should identify and develop domestic reserves of high-purity quartz and silica sand in regions such as Rajasthan, Tamil Nadu, and Karnataka, while creating strategic stockpiles. Investment in beneficiation and purification technologies is necessary to upgrade low-grade silica and reduce import dependence.
- **Midstream Manufacturing Expansion:** Scaling up polysilicon and wafer manufacturing for solar and electronics should be prioritised through incentive frameworks similar to PLI schemes, joint ventures with global technology leaders, and access to affordable finance. Dedicated silicon industrial parks with assured power, water, and logistics infrastructure are critical due to the energy-intensive nature of silicon processing.
- **Downstream Integration:** India should consolidate its position as a global hub for solar module assembly and gradually move toward advanced semiconductor fabrication under the India Semiconductor Mission. Special emphasis should be placed on compound semiconductors such as gallium nitride and silicon carbide for EVs, defence, and telecommunications.
- **China Plus One with an Indian Edge:** India must position itself as a dependable alternative manufacturing destination within global friend-shoring and China plus one strategies pursued by the US, EU, Japan, and Taiwan. Strategic use of free trade agreements, including those with Australia and Taiwan, can facilitate technology transfer and secure access to critical materials.

- **Strategic Alliances:** India should actively engage in mini-lateral initiatives like the Mineral Security Partnership to access global critical mineral networks, including high-purity silica. Deeper cooperation with the Quad on supply-chain resilience, advanced materials research, and access to seabed and mining resources is equally important.
- **Investment in Research, Development, and Skills:** Public funding should support research in silicon recycling from solar panels and electronic waste, as well as alternative materials such as perovskite-silicon tandem technologies. Specialised training programmes in materials science, semiconductor process engineering, and advanced manufacturing should be developed through collaborations among IITs, international universities, and industry.
- **Strategic Autonomy with Selective Alignment:** To preserve autonomy, India must sustain engagement with both Western Pax Silica partners and resource-rich Global South countries, avoiding excessive dependence on any single bloc.
- **Leveraging Diplomacy and Market Power:** India should use its large domestic market and strategic geography to negotiate favourable technology transfers from partners such as Japan and Taiwan, while attracting foreign investment into silicon-based industries.

## CONCLUSION

India should aim to evolve from a consumer of silicon-based and high-technology products into a producer and innovator. Achieving this transformation requires combining proactive industrial policy, deep global partnerships, and strategic technological leapfrogging. By doing so, India can position itself as a central node in a resilient and diversified global silicon ecosystem, while strengthening energy security, generating high-tech employment, and enhancing its geopolitical influence.

## Relevance Map

- **GS 2 – International Relations**
  - Technology alliances
  - Strategic autonomy and alignment
- **PSIR Paper 2**
  - India-China relations
  - Changing international world order

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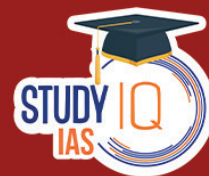
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# INDIA MALAYSIA RELATION

## INTRODUCTION

Recently, Prime Minister Narendra Modi visited Malaysia for the India–Malaysia Bilateral Summit, during which both leaders reinforced their Comprehensive Strategic Partnership across economic, strategic, and people-to-people domains. The visit underscored the shared character of both nations as multicultural, multi-ethnic, and multi-religious societies. A total of eleven significant agreements were concluded, giving renewed momentum to bilateral ties.

## KEY OUTCOMES OF THE INDIA–MALAYSIA BILATERAL SUMMIT

- **Semiconductor Collaboration:** Both countries agreed to deepen cooperation in semiconductor research, fabrication, testing capabilities, and integration into global supply chains.
- **Disaster Management Partnership:** The two sides committed to strengthening cooperation in disaster preparedness, training programs, and sharing best practices in risk mitigation.
- **Anti-Corruption Framework:** A new mechanism was established to promote transparency and collaboration in combating corruption.
- **Local Currency Trade:** India and Malaysia reiterated their intent to promote trade settlement in Indian Rupees and Malaysian Ringgit, reducing reliance on third-party currencies.
- **UPI–PayNet Integration:** Both nations agreed to work toward linking India’s Unified Payments Interface with Malaysia’s PayNet system to facilitate seamless digital transactions.
- **Intelligence and Maritime Security Cooperation:** Agreements between the respective National Security Councils aim to enhance intelligence sharing and maritime cooperation in the Indo-Pacific region.
- **Counter-Terrorism Commitment:** Both countries strongly condemned terrorism in all forms, including cross-border terrorism. They called for zero tolerance and coordinated global efforts, while acknowledging the nexus between terrorism and transnational organized crime.
- **Social Security Agreement:** A new agreement between India’s Employees’ State Insurance Corporation and Malaysia’s PERKESO provides enhanced social security protections for Indian workers in Malaysia.

- **Thiruvalluvar Scholarships:** New scholarships were introduced for Malaysian students to study in India, reflecting shared Tamil heritage and strengthening cultural bonds.
- **AITIGA Review:** Both sides agreed to expedite the review of the ASEAN–India Trade in Goods Agreement to address India’s trade imbalance and improve market access.
- **UNSC and BRICS Support:** Malaysia reiterated its backing for India’s permanent membership in a reformed United Nations Security Council. India, in turn, supported Malaysia’s interest in joining BRICS, particularly as India prepares to assume the BRICS Chair in 2026.

## **HISTORY OF INDIA–MALAYSIA RELATIONS**

### Historical Foundations

India and Malaysia share civilizational links that stretch back more than a thousand years. These interactions were significantly shaped by the maritime trade networks of the Chola Empire between the ninth and thirteenth centuries. The Cholas established vibrant trade and cultural exchanges between South India and the Malay Peninsula.

Under rulers such as Rajaraja Chola I and Rajendra Chola I, the Chola Empire exercised influence over parts of Southeast Asia, including territories corresponding to present-day Malaysia.

### Post-Independence Engagement

India formally established diplomatic relations with the Federation of Malaya in 1957.

During the 1960s, ties flourished, partly due to the personal rapport between Prime Minister Jawaharlal Nehru and Tunku Abdul Rahman Putra. Political, economic, and socio-cultural cooperation expanded during this period.

The relationship was elevated to an Enhanced Strategic Partnership during Prime Minister Modi’s visit in 2015. It was further upgraded to a Comprehensive Strategic Partnership during the visit of Malaysian Prime Minister Anwar Ibrahim in 2024.

## **AREAS OF COOPERATION BETWEEN INDIA AND MALAYSIA**

### Geopolitical Engagement

- Both countries are active participants in international groupings such as the Commonwealth, the Non-Aligned Movement, G-15, and G-77. They also coordinate closely within ASEAN mechanisms and the East Asia Summit framework.

### Geostrategic Cooperation

- Defence relations have expanded steadily since the signing of a defence cooperation memorandum in 1993. Regular defence dialogues and joint exercises have strengthened military engagement.
- Examples include Exercise Harimau Shakti between the armies, Exercise Samudra Lakshmana between the navies, and Exercise Udara Shakti between the air forces.

### Geo-economic Cooperation

- Comprehensive Economic Cooperation Agreement (CECA) between India and Malaysia will provide a boost to India’s effort for achievement of its foreign trade target of \$2 trillion in merchandise exports by 2030.
- The exploration of option of **Local Currency Trade** between the Indian Rupee (INR) and Malaysian Ringgit (MYR), will help in reducing reliance on the US dollar and enhancing economic resilience.

### Cultural Cooperation

- The close people to people connect and the presence of large Indian diaspora in Malaysia can be leveraged for increasing the cross-border investment and trade.

## **WHAT ARE THE CHALLENGES IN INDIA–MALAYSIA RELATIONS?**

### Extradition of Zakir Naik

Malaysia’s refusal to comply with India’s repeated requests for the extradition of Zakir Naik, who faces charges in India related to hate speech and money laundering, remains a significant point of friction in bilateral relations.

## Malaysia's Criticism of India's Domestic Policies

Malaysia's vocal opposition to policies such as the Citizenship Amendment Act and the reorganization of Jammu and Kashmir has widened diplomatic differences between the two countries.

## Economic Challenges

Trade relations encounter obstacles in the form of relatively high tariffs and regulatory barriers, which have slowed the expansion of bilateral commerce.

India continues to experience a substantial trade deficit with Malaysia, primarily due to imports of palm oil and petroleum products.

Both countries are advocating for an expedited review of the ASEAN–India Trade in Goods Agreement to address concerns related to tariffs and market access.

## Diaspora-Related Concerns

Issues such as illegal migration, labor exploitation, and human trafficking have posed challenges within the Indian diaspora context. Additionally, the detention of several Malaysians during the COVID-19 period contributed to temporary diplomatic strains.

## The China Dimension

Malaysia carefully balances its relationship with China, its largest trading partner. In contrast to India, Malaysia adopts a more cautious approach toward joining security arrangements that may be interpreted as countering China.

## **WHAT SHOULD BE THE WAY FORWARD?**

### Strengthening CECA

India and Malaysia should fast-track the revision and expansion of the Comprehensive Economic Cooperation Agreement to incorporate emerging sectors such as fintech, semiconductors, and defense. This would support the objective of raising bilateral trade to 25 billion dollars.

### Deepening Economic Engagement

Measures such as avoiding double taxation, enhancing customs cooperation, improving air connectivity, and fostering collaboration among airlines can further stimulate trade and tourism flows.

### Defence Technology Cooperation

Greater collaboration in defence research and technology development would strengthen military capabilities and contribute to stability in the Indo-Pacific region.

### Leveraging ASEAN Connectivity

India should utilize Malaysia's strategic role within ASEAN to deepen regional engagement, aligning bilateral ties with the objectives of the Act East Policy and reinforcing ASEAN centrality.

### Accelerating AITIGA Review

Prompt completion of the ASEAN–India Trade in Goods Agreement review is essential to secure improved market access for Indian exporters, particularly in services and pharmaceuticals, comparable to the access Malaysian palm oil and petroleum products receive in India

## Relevance Map

### GS 2 – International Relations

- Act East Policy
- ASEAN centrality
- Indo-Pacific strategy
- Indian diaspora in Southeast Asia

### GS 3 – Security

- Straits of Malacca significance
- Counter-terror cooperations

### Essay

- Diaspora as strategic capital

### PSIR Paper 2

- India–ASEAN relations
- Regionalism in Southeast Asia
- Strategic autonomy in a China-influenced region

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# Indian Government and Politics (IGP)

## 16TH FINANCE COMMISSION RECOMMENDATIONS



### 16TH FINANCE COMMISSION: KEY RECOMMENDATIONS

The Finance Commission is a constitutional body appointed by the President every five years to recommend measures regarding Centre–State fiscal relations. The 16th Finance Commission, chaired by Dr. Arvind Panagariya, submitted its report on February 1, 2026, covering the period 2026–27 to 2030–31.

#### Vertical Devolution

The Commission has retained the states’ share in the divisible pool of central taxes at 41 percent, continuing the recommendation of the 15th Finance Commission.

#### Horizontal Devolution

For distributing taxes among states, the Commission uses a formula based on specific criteria with assigned weightages. These include:

- Income distance
- Population based on the 2011 Census
- Demographic performance
- Area
- Forest cover
- Contribution to GDP

The inclusion of “Contribution to GDP” is a new parameter introduced by the 16th Finance Commission. It replaces the earlier “Tax and Fiscal Effort” criterion used by the 15th Commission, which rewarded higher tax collection efficiency.

## Grants-in-Aid

The Commission has proposed total grants amounting to ₹9.47 lakh crore over five years. These include grants for:

- Urban and rural local bodies
- Disaster management

However, the following grants recommended by the 15th Finance Commission have been discontinued:

- Revenue Deficit Grants
- Sector-specific Grants
- State-specific Grants

## Grants for Local Bodies

The Commission has recommended ₹4.4 lakh crore for rural local bodies and ₹3.6 lakh crore for urban local bodies.

These grants are divided into:

- Basic Grants constituting 80 percent
- Performance-based Grants constituting 20 percent

**Basic grants:** Half of the basic grant will remain untied, while the remaining half will be tied to sanitation and solid waste management, and/or water management.

**Performance grants:**

- These are divided into state-level and local body-level performance grants.
- State performance grants will be released upon achieving minimum benchmarks in transfers from the state's own resources to local bodies.
- Local body performance grants will depend on meeting minimum targets related to growth in own-source revenues.
- Additionally, the Commission has recommended Special Infrastructure Grants and Urbanisation Premium Grants for urban local bodies.

All grants to local bodies are subject to three entry-level conditions:

- Constitution of local bodies in accordance with the Constitution
- Publication of provisional and audited accounts in the public domain
- Timely constitution of State Finance Commissions

## Disaster Management Grants

The Commission has proposed a disaster management corpus of ₹2,04,401 crore for State Disaster Relief and Management Funds.

The recommended cost-sharing pattern is:

- 90:10 for north-eastern and Himalayan states
- 75:25 for all other states

## Fiscal Roadmap

- The Commission recommends reducing the Centre's fiscal deficit to 3.5 percent of GDP by 2030–31.
- For states, the annual fiscal deficit limit is set at 3 percent of GSDP.
- It has further advised discontinuing off-budget borrowings by states and incorporating all such liabilities within their official budgets. The definition of fiscal deficit and public debt should be expanded to include all off-budget borrowings.

## Power Sector Reforms

- States are encouraged to actively pursue the privatization of electricity distribution companies.
- To protect private investors from legacy debt burdens, a special purpose vehicle may be created to hold accumulated debt.
- Repayment or prepayment of this debt may be permitted using funds from the Special Assistance Scheme for Capital Investment.

- States will be allowed to utilize such assistance only after completion of the privatization process.

### Subsidy Expenditure

- The Commission advises states to reassess and rationalize subsidy spending.
- It notes that unconditional cash transfer schemes often have broad and poorly targeted beneficiary bases.
- Clear exclusion criteria and systematic review mechanisms should be introduced to improve targeting.
- It also recommends ending the practice of financing subsidies through off-budget borrowings.

### Public Sector Enterprise Reforms

- The Commission has recommended reviewing and closing 308 inactive State Public Sector Enterprises.
- States should formulate disinvestment policies targeting inactive and underperforming enterprises.
- Any state or union PSE that incurs losses for three out of four consecutive years should be placed before the Cabinet for review.
- The Cabinet may then decide on closure, privatization, or continuation depending on the enterprise's strategic significance

## **POSITIVE ASPECTS OF THE 16TH FINANCE COMMISSION'S RECOMMENDATIONS**

### Rewarding Economic Contribution

- By replacing the earlier "Tax and Fiscal Effort" criterion with "Contribution to GDP," the 16th Finance Commission recognizes states that significantly contribute to national economic output. This responds to long-standing concerns of industrialized states such as Karnataka, Tamil Nadu, and Maharashtra, which believed earlier formulas penalized them despite their strong economic performance.

### Focus on Strategic Urbanisation

- The Commission has acknowledged that India's long-term growth will be city-driven and introduced two notable grants:
- Urbanization Premium:
- A one-time incentive encouraging states to integrate peri-urban villages into larger Urban Local Bodies. This promotes planned urban growth instead of unregulated expansion.
- Special Infrastructure Component:
- Dedicated financial support for wastewater management in medium-sized cities with populations between 10 and 40 lakh, which often lack the fiscal capacity of major metropolitan centers.

### Strengthening Fiscal Discipline

- **End of Off-Budget Borrowings:** The Commission has recommended the complete discontinuation of off-budget borrowings and mandated their inclusion in official budgets. This enhances transparency and provides a realistic assessment of public debt.
- **Rationalisation of Subsidies:** States have been advised to move away from broad, unconditional cash transfers and instead establish clear exclusion criteria to ensure welfare benefits reach genuinely vulnerable groups rather than serving populist purposes.

### Empowering Local Governments

Building on previous reforms, the 16th Finance Commission has reinforced accountability at the grassroots level through performance-linked grants.

Access to even basic grants requires states to:

- Constitute State Finance Commissions in a timely manner
- Publish audited accounts of panchayats and municipalities in the public domain

This strengthens financial discipline and transparency at the local level.

### Transparency in Divisible Pool Calculations

The Commission has recommended that the Centre annually disclose certified tax data, as verified by the Comptroller and Auditor General, ensuring states have clarity regarding the calculation of the divisible pool.

## **CRITICISMS OF THE 16TH FINANCE COMMISSION'S RECOMMENDATIONS**

### Stagnation in Vertical Devolution

The decision to retain the states' share at 41 percent has generated criticism. A majority of states had requested an increase to 50 percent. Critics argue that states now shoulder greater expenditure responsibilities in areas such as health, education, and social welfare, particularly after GST reduced their independent taxation powers. Therefore, maintaining the existing share is seen as inadequate.

### The Cess and Surcharge Issue

The Commission has been criticized for not addressing the rising share of cesses and surcharges, which are collected by the Centre but excluded from the divisible pool.

Earlier, approximately 93–95 percent of central revenue collections formed part of the divisible pool, with only 5–7 percent coming from cesses and surcharges. By 2025–26, the share of cesses and surcharges is expected to rise significantly, thereby shrinking the effective pool available for states.

### Impact on Economically Weaker States

To accommodate the new GDP contribution parameter, the weight assigned to Income Distance was reduced from 45 percent to 42.5 percent.

Critics argue that this change may benefit economically stronger states while reducing allocations to poorer states such as Bihar and Uttar Pradesh. This may weaken the principle of economic convergence aimed at reducing inter-state disparities.

### Discontinuation of Revenue Deficit Grants

The complete removal of Revenue Deficit Grants may adversely affect hill and special category states such as those in the North-East, Himachal Pradesh, and Uttarakhand. These states often face structural revenue constraints due to geographical and industrial limitations. The absence of a transition mechanism could strain their public service delivery.

### Concerns over "Freebie" Commentary

The Commission's advisory caution against unconditional cash transfer schemes has been perceived by some as an intrusion into state-level welfare policy choices, which are constitutionally within the domain of state governments.

### Power Sector Privatization Concerns

The recommendation linking capital assistance to the privatization of electricity distribution companies has been criticized as overly uniform. Critics argue that it overlooks the diverse socio-political and economic conditions across states, making it a one-size-fits-all approach.

## Relevance Map

### GS 2 – Polity

- Centre–State fiscal federalism
- Constitutional bodies (Article 280)
- Cooperative vs competitive federalism

### GS 3 – Economy

- Fiscal consolidation
- Vertical & horizontal devolution
- Subsidy rationalisation
- Urbanisation & local body finance

### GS 2 – Governance

- Role of State Finance Commissions
- Transparency in public finance

### Essay

- “Federalism in the 21st century”
- Equity vs efficiency in public finance

### PSIR Paper 1 Part B

- Fiscal federalism
- Centre–State bargaining

## SEVENTH SCHEDULE OF THE INDIAN CONSTITUTION



## WHAT IS THE SEVENTH SCHEDULE OF THE INDIAN CONSTITUTION?

- The Seventh Schedule of the Indian Constitution lays down the framework for the distribution of legislative powers between the Union government and the State governments. It plays a foundational role in shaping India's federal structure by clearly specifying the domains over which each level of government can legislate.
- Article 246 of the Constitution refers to three distinct lists under the Seventh Schedule: the Union List, the State List, and the Concurrent List. These lists demarcate areas of authority and prevent institutional ambiguity.

### List I: Union List

- The Union List comprises subjects of national significance on which only Parliament has exclusive legislative authority.
- Purpose: To maintain uniformity across the country in matters crucial to national integrity and sovereignty.
- Key subjects include Defence, Foreign Affairs, Banking, Railways, Atomic Energy, and Citizenship.
- Number of items: Originally 97, now 100.

### List II: State List

- The State List contains subjects primarily of regional or local relevance.
- State Legislatures ordinarily possess exclusive power to legislate on these matters.
- Purpose: To enable states to design laws aligned with their specific social, economic, and cultural realities.
- Key subjects include Public Order, Police, Public Health and Sanitation, Agriculture, and Local Government.
- Number of items: Originally 66, now 61.

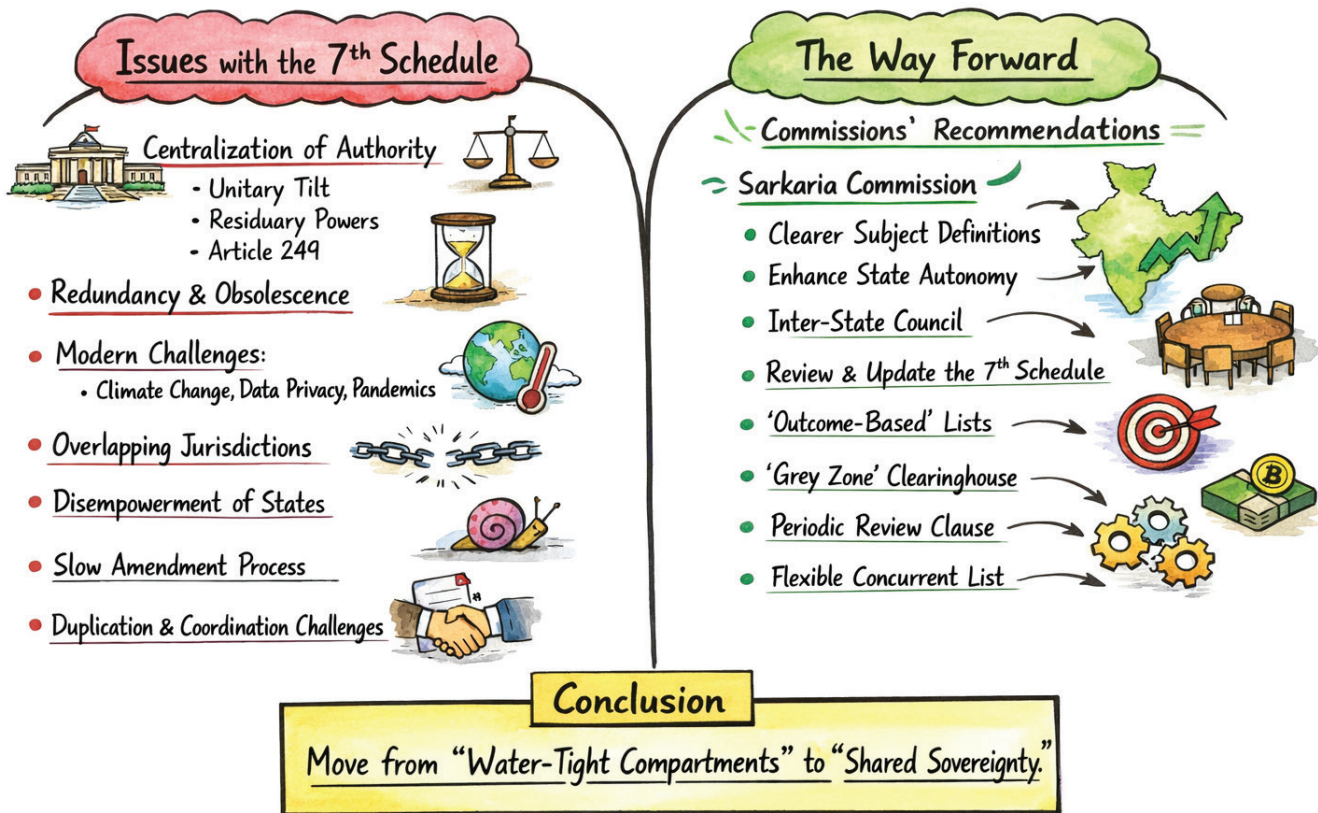
### List III: Concurrent List

- Both Parliament and State Legislatures can enact laws on subjects under this list.
- In case of inconsistency between a Central and State law on a concurrent subject, the Central law prevails, unless the State law has received Presidential assent.
- Key subjects include Education, Forests, Trade Unions, Marriage and Divorce, and Adoption.
- Number of items: Originally 47, now 52.

## SIGNIFICANCE OF THE SEVENTH SCHEDULE

- **Clear Distribution of Legislative Authority:** The Seventh Schedule establishes a precise demarcation of powers between the Union and the States. This clarity helps preserve federal balance and minimizes jurisdictional conflicts. When legislative overlap occurs, courts rely on principles such as the Doctrine of Pith and Substance to determine the true nature of a law and assess its constitutional validity.
- **Balancing Unity and Diversity:** The Schedule reconciles the need for a strong central authority with India's vast cultural and geographic diversity. Subjects like Defence and Foreign Affairs are centralized to ensure national unity and a coherent external voice. Meanwhile, areas such as Agriculture and Public Health are placed under state jurisdiction to allow flexibility in addressing local conditions.
- **Decentralization of Governance:** By distributing authority across multiple levels, the Schedule promotes governance closer to the people. States are better positioned to respond effectively to region-specific challenges.
- **Conflict Minimization:** The structured allocation of subjects reduces legislative friction between Union and State governments by clearly defining who has competence over what.
- **Promotion of Cooperative Federalism:** The Concurrent List embodies collaborative federalism. It enables the Union to set broad national standards while allowing States to adapt policies to local contexts, particularly in areas like Education and Forest governance.
- **Strengthening State Autonomy:** States are empowered to enact laws reflecting their demographic composition, developmental priorities, and socio-cultural conditions, thereby reinforcing local self-governance.

- **Residuary Powers and Institutional Flexibility:** Under Article 248, residuary powers lie with the Union. This ensures that emerging domains such as Artificial Intelligence, space technology, or cybersecurity do not fall into a legislative vacuum, thereby preserving constitutional adaptability.



### Relevance Map

- **GS 2 – Polity**
  - Federalism, Centre–State relations
  - Legislative competence under Article 246
  - Doctrine of Pith and Substance
  - Cooperative & Competitive Federalism
- **GS 3**
  - Governance challenges in emerging areas like AI, climate change, crypto

### PSIR Relevance

- **Paper 1**
  - Federalism: Unitary tilt vs quasi-federalism
  - Residuary powers debate
  - Constitutional design and power distribution

### Practice Question

“The Seventh Schedule of the Indian Constitution reflects a ‘quasi-federal’ design with a unitary tilt.” Discuss in the light of contemporary governance challenges. (15 marks)



Recently, in an effort to curb gender stereotyping within the judicial system, courts have underscored the importance of using gender-sensitive language in court proceedings to prevent victim-blaming. During the tenure of Chief Justice of India D.Y. Chandrachud, the Supreme Court released a Handbook on Combating Gender Stereotypes, advising judges to avoid derogatory expressions such as “keep,” “fallen woman,” or “concubine,” and instead adopt neutral terminology like “woman” or “partner.”

Subsequently, under CJI Surya Kant, the Supreme Court has sought to refine these guidelines. While reaffirming the importance of gender sensitivity, the Court directed the National Judicial Academy to develop more practice-oriented training modules for judges of High Courts and District Courts. The objective is to ensure that sensitivity is not merely theoretical guidance but becomes an integral and habitual part of courtroom practice.

### **WHAT IS GENDER JUSTICE?**

Gender Justice signifies equitable and impartial treatment of all genders across social, economic, political, and legal domains. It asserts that individuals, irrespective of gender identity or expression, must enjoy equal access to opportunities, resources, representation, and participation in decision-making processes.

It transcends the idea of mere formal equality, which focuses on equal legal provisions, and seeks substantive equality by correcting long-standing structural and historical disadvantages, particularly those affecting women and gender minorities.

### **Core Principles of Gender Justice**

- **Equality:** Ensures equal rights and opportunities for people of all genders while addressing entrenched systemic inequalities.
- **Recognition of Diversity:** Acknowledges and respects varied gender identities and lived experiences, including those of transgender, non-binary, and gender non-conforming persons.

- **Elimination of Discrimination:** Aims to eradicate gender-based discrimination in workplaces, educational institutions, and the justice system.
- **Empowerment:** Seeks to amplify the voices of marginalized genders and enhance their participation in decisions impacting their lives.
- **Equitable Access to Resources:** Promotes equal access to education, healthcare, livelihood opportunities, and other essential services.

## CONSTITUTIONAL AND STATUTORY FRAMEWORK FOR GENDER JUSTICE IN INDIA

### Constitutional Provisions

- **Article 14 – Equality Before Law:** Guarantees equal protection of the laws and equality before the law to all individuals.
- **Article 15 – Prohibition of Discrimination:**
  - Article 15(1) bars discrimination on grounds of religion, race, caste, sex, or place of birth.
  - Article 15(3) authorizes the State to enact special provisions for women and children, enabling affirmative measures.
- **Article 16 – Equality in Public Employment:** Ensures equal opportunity in matters of public employment and prohibits gender-based discrimination.
- **Article 21 – Right to Life and Personal Liberty:** Judicial interpretation has expanded this provision to include the right to live with dignity and protection from sexual harassment and violence.
- **Article 23 – Prohibition of Trafficking and Forced Labour:** Prohibits practices that disproportionately affect women and girls, such as human trafficking.
- **Article 39 – Directive Principles:**
  - Article 39(a) directs the State to secure adequate means of livelihood for men and women alike.
  - Article 39(d) mandates equal pay for equal work.
- **Article 42 – Humane Conditions of Work:** Calls for just and humane working conditions and maternity relief.
- **Article 46 – Protection of Weaker Sections:** Encourages the promotion of educational and economic interests of Scheduled Castes, Scheduled Tribes, and other vulnerable groups.
- **Article 51A(e) – Fundamental Duty:** Imposes an obligation on citizens to renounce practices that undermine the dignity of women.
- **73rd and 74th Constitutional Amendments (1992):** Provide one-third reservation for women in Panchayats and Municipalities.
- **Nari Shakti Vandan Adhiniyam (2023):** Mandates 33 percent reservation for women in the Lok Sabha and State Legislative Assemblies, to be implemented after the next census and delimitation exercise.

### Statutory Provisions

- **Protection of Women from Domestic Violence Act, 2005:** Offers civil remedies and protection mechanisms against domestic abuse.
- **Sexual Harassment of Women at Workplace Act, 2013:** Gives statutory backing to the Vishaka Guidelines and safeguards women in professional spaces.
- **Maternity Benefit Act, 1961:** Provides paid maternity leave and related benefits to working women.
- **Equal Remuneration Act, 1976:** Ensures equal wages for equal work and prohibits pay discrimination.
- **Prohibition of Child Marriage Act, 2006:** Outlaws child marriages and penalizes those involved.
- **Dowry Prohibition Act, 1961:** Criminalizes the giving and receiving of dowry.
- **PCPNDT Act, 1994:** Prohibits prenatal sex determination and sex-selective practices to prevent female foeticide.
- **Transgender Persons (Protection of Rights) Act, 2019:** Recognizes self-perceived gender identity and prohibits discrimination in education, employment, and healthcare

## SUPREME COURT JUDGMENTS UPHOLDING GENDER JUSTICE

- **Vishaka v. State of Rajasthan:** The Supreme Court formulated the Vishaka Guidelines to address sexual harassment at workplaces. It recognized such harassment as a violation of Articles 14, 15, and 21 of the Constitution. These guidelines later formed the foundation of the Sexual Harassment of Women at Workplace Act, 2013.
- **Shayara Bano v. Union of India:** The Court invalidated the practice of instant triple talaq, declaring it unconstitutional. It held that talaq-e-biddat infringed upon fundamental rights and gender equality, thereby strengthening legal safeguards for Muslim women.
- **Joseph Shine v. Union of India:** Section 497 of the IPC, which criminalized adultery, was struck down. The Court observed that the provision treated women as the property of their husbands and violated their dignity and equality.
- **Sabarimala Case:** The Court permitted women of menstruating age to enter the Sabarimala temple. It ruled that the exclusionary practice violated women's rights to equality and freedom of religion.
- **Lata Singh v. State of Uttar Pradesh:** The judgment upheld a woman's right to marry a person of her choice and strongly condemned honour-based violence.
- **Vineeta Sharma v. Rakesh Sharma (2020):** The Court clarified that daughters possess equal coparcenary rights in Hindu Undivided Family property by birth, irrespective of whether the father was alive at the time of the 2005 amendment to the Hindu Succession Act.
- **Navtej Singh Johar v. Union of India:** The Supreme Court partially struck down Section 377 IPC, thereby decriminalizing consensual same-sex relations. It held that criminalization violated equality, dignity, privacy, and freedom of expression, and emphasized constitutional morality over prevailing social morality.

## WHY GENDER JUSTICE IS NECESSARY

- **Addressing Structural Inequality:** Gender justice seeks to correct long-standing structural disadvantages faced by women, transgender persons, and gender non-conforming individuals, particularly in income, education, and healthcare access.
- **Unlocking Human Potential:** Ensuring equal opportunities enables individuals of all genders to contribute fully to economic and social life, enhancing productivity, innovation, and national growth.
- **Promoting Social Stability:** Societies committed to gender justice tend to be more peaceful and cohesive. Curtailing discrimination and violence fosters social harmony and collective well-being.
- **Upholding Human Rights:** Gender justice aligns with universal human rights principles by ensuring freedom from discrimination and violence, thereby reinforcing democratic accountability.
- **Equal Access to Resources:** It guarantees fair access to healthcare, education, and social services, empowering individuals to make informed life choices.
- **Inclusive Representation:** Greater participation of marginalized genders in leadership and policymaking leads to more inclusive and equitable public policies.

## CHALLENGES IN ACHIEVING GENDER JUSTICE

- **Entrenched Social Norms:** Traditional stereotypes and rigid gender roles often restrict opportunities and perpetuate discrimination and violence.
- **Weak Implementation of Laws:** Although legal frameworks exist, enforcement gaps and institutional biases frequently undermine gender equality.
- **Economic Disparities:** Persistent wage gaps and unequal access to employment limit financial independence and empowerment.
- **Gender-Based Violence:** High levels of domestic violence and harassment discourage victims from seeking justice and exercising their rights.
- **Educational Barriers:** Unequal access to quality education and skill development continues to disadvantage girls and marginalized genders in many regions.
- **Underrepresentation in Leadership:** Limited presence of women and marginalized genders in political and decision-making spaces restricts the formulation of inclusive policies.

- **Intersectional Discrimination:** The overlap of gender with caste, class, race, and sexuality intensifies marginalization and complicates the pursuit of justice.

### Relevance Map

- **GS 1 – Society**
  - Patriarchy, gender roles, social reform
  - Women’s rights movements
- **GS 2 – Polity & Social Justice**
  - Constitutional provisions: Articles 14, 15, 21, 39
  - Reservation and political representation
- **GS 4 – Ethics**
  - Dignity, equality, constitutional morality
  - Justice vs social morality

### PSIR Relevance

- **Paper 1**
  - Feminist political theory
  - Substantive equality vs formal equality
  - Justice as fairness
- **Paper 2**
  - International conventions on gender equality

### PRACTICE QUESTION

“Indian constitutionalism has progressively advanced gender justice through judicial activism.” Examine with suitable case laws and theoretical perspectives. (15 marks)

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# PROTECTION OF CHILDREN FROM SEXUAL OFFENCES ACT (POCSO ACT)



## INTRODUCTION

Over the last few years, courts across India, along with child rights activists and civil society groups, have increasingly demanded a reconsideration of the POCSO Act in cases involving consensual sexual relationships between adolescents aged 16 to 18 years. Under the existing legal framework, it is extremely difficult to differentiate between consensual teenage relationships and instances of coercive sexual abuse. As a result, several civil society voices have argued against criminalising such consensual adolescent relationships and have suggested introducing a narrowly defined exception within the Act. Such an exception, they argue, would retain the protective purpose of the law while preventing its application in cases where relationships are non-exploitative in nature.

## WHAT IS THE BACKGROUND TO THE ENACTMENT OF THE POCSO ACT?

- Despite the presence of strong constitutional safeguards such as Articles 15(3), 21A, 24, and 45, along with India's obligations under international child rights frameworks, the Indian legal system for a long time lacked a dedicated statute addressing sexual offences against children.
- The criminal law framework under the Indian Penal Code did not recognise child sexual abuse as a distinct category of offence. Provisions originally designed to deal with sexual crimes against adult women proved inadequate in addressing the unique nature, social consequences, and psychological trauma associated with sexual exploitation of children.
- In **State of Punjab v Major Singh** (1966), the Punjab High Court dealt with an appeal in a child sexual assault case where the accused was charged under Section 354 of the IPC, which relates to assault with intent to outrage a woman's modesty. The Court acquitted the accused on the reasoning that a girl aged seven and a half months could not possess "womanly modesty", and therefore the provision was inapplicable. Although this judgment was later overturned, it highlighted the serious limitations of the then existing legal provisions.
- The IPC also failed to address sexual assault and molestation of male children. Further, the procedural framework under the Code of Criminal Procedure, 1973 did not account for the specific vulnerabilities of child victims or the additional safeguards required for their effective participation in criminal trials.

## REPORTS OF THE LAW COMMISSION

- The 42nd Law Commission Report (1971) recommended the inclusion of a specific legal provision to punish sexual abuse of children across all ages and genders.
- The 156th Report (1997) took the view that existing provisions relating to sexual offences were adequate to deal with child sexual abuse.
- The 172nd Report (2000) proposed extensive reforms, including making Section 375 of the IPC gender neutral, enhancing punishments for sexual offences committed by close relatives or persons in positions of trust, and criminalising sexual touching of any part of a child's body with sexual intent.
- The 283rd Report (2023) explicitly advised against reducing the age of consent from 18 years to 16 years.

## PRECURSORS TO THE POCSO ACT

- In 2003, the Government of Goa enacted the Goa Children's Act with the objective of strengthening child rights, promoting child development, and addressing the growing problem of child abuse rackets within the state.
- In 2005, the Department of Women and Child Development drafted the Offences against Children (Protection) Bill, which sought to address multiple offences targeting children, including sexual crimes. The Ministry of Home Affairs subsequently recommended the enactment of a separate and comprehensive law dealing exclusively with child abuse.
- In 2007, the Ministry of Women and Child Development published **The Study of Child Abuse**, based on a survey of approximately 12,500 children. The study revealed that 50.76 percent of respondents had experienced one or more forms of sexual abuse, underscoring the scale and seriousness of the problem.
- In September 2010, the Ministry of Women and Child Development prepared the draft Protection of Children from Sexual Offences Bill, 2010. Following prolonged deliberations, Parliament passed the POCSO Act in June 2012. The Act came into force on Children's Day, November 14, 2012.

## UNDERSTANDING THE POCSO ACT

The Protection of Children from Sexual Offences Act was enacted in June 2012 and became operational in November of the same year. The legislation has played a significant role in creating a legal framework to address sexual crimes against children. However, in recent years, reported instances of such offences have increased sharply. At the same time, the Act has faced serious implementation challenges, including a growing backlog of cases and persistently low conviction rates.

## WHAT STEPS CAN BE TAKEN TO ENHANCE THE EFFECTIVENESS OF THE POCSO ACT?

The Vidhi Centre for Legal Policy has put forward a range of measures aimed at strengthening the implementation and impact of the POCSO Act.

### Legislative and Policy Measures

There is a proposal to reconsider the age of consent by reducing it from 18 years to 16 years, accompanied by strong procedural and substantive safeguards to prevent exploitation. Any significant amendment to the Act should be preceded by wide-ranging public consultations involving legal experts, child rights specialists, psychologists, and law enforcement officials. Additionally, a clear statutory timeline should be prescribed for authorities to process and release interim compensation to victims, ensuring timely financial relief.

### Making POCSO Courts More Effective

- Special Public Prosecutors with dedicated training should be appointed exclusively for POCSO courts in all districts where such appointments are currently absent. The progress of these appointments and court functioning should be periodically reviewed by the respective High Courts.
- All POCSO courts should be equipped with Vulnerable Witness Deposition Centres that provide child-friendly infrastructure, in line with the Supreme Court's directions in *State of Maharashtra v Bandu alias Daulat and Smruti Tukaram Badade v State of Maharashtra*.
- A hybrid model for recording evidence should be institutionalised, allowing certain categories of witnesses such as medical professionals and forensic experts to depose through virtual modes. This would reduce delays and logistical hurdles.

- The appointment of trained support persons should be mandatory, and their continuous involvement ensured at every stage of the proceedings, from pre-trial to conclusion of trial. Judges and prosecutors should be provided with mechanisms to develop coping skills to address the vicarious trauma they often experience while dealing with grave sexual offences involving children.
- Judicial officers should also receive specific training on drafting effective compensation orders so that victim compensation is processed efficiently and without unnecessary delays.

### **Increasing Awareness of the POCSO Act**

- Age-appropriate education on child protection laws should be incorporated into school curricula, including information about available helplines such as Childline. Regular awareness programmes on POCSO should be conducted for teachers, administrative staff, and school managements.
- POCSO-related training should be integrated into professional teaching courses such as B.Ed and M.Ed, ensuring that future educators are equipped to identify and respond to child abuse. At a broader level, periodic and integrated capacity-building programmes should be organised for all stakeholders, with particular emphasis on sensitivity and child-centric approaches.

### **Strengthening Forensic Infrastructure**

The Vidhi Centre also highlights the urgent need to establish additional Forensic Science Laboratories while simultaneously upgrading the infrastructure, staffing, and technical capacity of existing laboratories. This is essential to improve the quality and speed of evidence collection and analysis in POCSO cases.

### **The “Romeo–Juliet” Exception**

The Supreme Court has encouraged the Union government to examine the introduction of a narrowly tailored exception, often referred to internationally as a “Romeo–Juliet clause”, which would exclude consensual adolescent relationships from the harshest provisions of the Act, without diluting protection against genuine abuse.

## **CONCLUSION**

Although the POCSO Act contains several progressive and child-centric provisions, weaknesses in implementation have significantly undermined its effectiveness. Persistent judicial delays have resulted in rising pendency in POCSO Special Courts and longer disposal times. Emerging challenges linked to digital technologies, including online sexual exploitation and child pornography, are likely to further complicate enforcement in the future. The recommendations advanced by the Vidhi Centre are therefore timely and relevant, and their implementation could substantially improve the functioning and credibility of the POCSO framework.

### **Relevance Map**

- **GS 1 – Society**
  - Adolescence, consent, changing social norms
- **GS 2 – Polity / Social Justice**
  - Article 21: dignity, autonomy
  - Child rights and criminal justice reform
- **GS 4 – Ethics**
  - Protection vs proportionality
  - Ethics of lawmaking and punishment
- **PSIR Paper 1**
  - Justice: retributive vs reformative

# Mains Practice Questions

## Q. WHAT IS MEANT BY 'RELATIVE AUTONOMY' OF STATE IN MARXIST ANALYSIS?

(15 MARKS)

In Marxist analysis, the concept of “relative autonomy” of the state refers to the idea that while the state primarily serves the interests of the ruling class (bourgeoisie), it possesses a degree of independence. This autonomy allows the state to act in ways that might not immediately align with the interests of the ruling class, thereby ensuring the long-term stability of the capitalist system. The concept challenges the simplistic notion of the state as a mere tool of the bourgeoisie.

According to classical Marxist theory, the state is an instrument of class domination, used by the ruling class to maintain its power over the proletariat. However, the theory of relative autonomy, developed by later Marxist scholars such as Antonio Gramsci and Nicos Poulantzas, suggests that the state has some independence from direct bourgeois control. This autonomy allows the state to mediate between different class interests, address contradictions within capitalism, and maintain the overall stability of the system.

**Gramsci's Contribution:** Gramsci argued that the state is not just a coercive apparatus but also functions ideologically to maintain the hegemony of the ruling class. Through its relative autonomy, the state can create a consensus among different classes, ensuring the continued dominance of the ruling class without overt coercion.

**Poulantzas's Perspective:** Poulantzas emphasized that relative autonomy is necessary for the state to manage class conflicts and contradictions. By appearing neutral or independent, the state can implement policies that serve the long-term interests of capitalism, even if they temporarily conflict with the immediate interests of individual capitalists.

In contemporary politics, the concept of relative autonomy is evident in state interventions during economic crises, where governments might act against the immediate interests of capitalists (e.g., through regulation or bailouts) to preserve the overall system. This autonomy is also seen in social policies that address inequality to prevent social unrest, further illustrating the state's role in maintaining capitalist stability.

Relative autonomy in Marxist analysis highlights the state's complex role within capitalist society. Rather than being a simple instrument of class oppression, the state acts with a certain level of independence to ensure the stability and reproduction of the capitalist system. This nuanced understanding allows for a more sophisticated analysis of state actions and policies within Marxist theory.

## Q. EXAMINE THE CHALLENGES TO SOVEREIGNTY OF THE STATE IN THE CONTEMPORARY WORLD.

(15 MARKS)

In the contemporary world, the sovereignty of the state faces several challenges that undermine its traditional understanding as the absolute authority within its territory. These challenges arise from various dimensions, including globalization, transnational organizations, supranational entities, and the rise of non-state actors.

- 1. Globalization:** The rapid integration of economies, cultures, and technologies has reduced the capacity of states to independently control their domestic affairs. Economic decisions are increasingly influenced by global markets, multinational corporations, and international financial institutions like the IMF and World Bank, which can dictate economic policies.
- 2. Supranational Organizations:** Institutions like the European Union (EU) challenge state sovereignty by creating laws and regulations that member states must follow, often superseding national laws. The EU's ability to enforce decisions on trade, immigration, and human rights illustrates how state sovereignty is compromised.
- 3. International Law and Human Rights:** The growing importance of international law, particularly in human rights, constrains state actions within their borders. States are increasingly held accountable by international bodies, such as the International Criminal Court (ICC), for actions that may violate global norms, reducing their sovereign autonomy.
- 4. Non-State Actors:** The rise of powerful non-state actors, including multinational corporations, terrorist organizations, and transnational advocacy networks, poses significant challenges to state sovereignty. These entities can exert influence across borders, challenge state authority, and even destabilize governments.
- 5. Cybersecurity and Information Warfare:** In the digital age, states face new threats from cyberattacks and information warfare that can undermine their sovereignty. These attacks, often originating from non-state actors or foreign governments, can disrupt critical infrastructure, manipulate public opinion, and challenge state control.

6. **Environmental Issues:** Global environmental challenges like climate change require cooperation beyond national borders. International agreements, such as the Paris Agreement, compel states to adhere to collective environmental goals, limiting their sovereign discretion in environmental policy.

While the concept of sovereignty remains central to the state, its absolute nature is increasingly questioned in a globalized world. States must navigate these challenges by balancing their sovereign authority with the demands of international cooperation and global governance.

**Q. MAKE A COMPARATIVE ASSESSMENT OF GREEK PERSPECTIVE OF JUSTICE WITH THE RAWLSIAN CONCEPT OF JUSTICE.**

The concept of justice has evolved over time, as evident from the perspectives of various philosophers across history. In Plato's "Republic," justice was one of the four cardinal virtues alongside temperance, wisdom, and courage. Plato envisioned an ideal state where individuals fulfilled their roles based on their inherent nature. Justice was a fundamental principle, and each person's duty was to be diligently carried out.

Aristotle, building on this foundation, introduced additional dimensions to justice, including considerations of equality, proportionality, and maintaining societal balance. The Greek understanding of justice often included hierarchical elements, drawing from divinity, natural principles, or established traditions.

Moving forward in history, John Rawls introduced a modern perspective on justice. He emphasized that justice was achieved when deviations from equality could be reasonably justified. Rawls' theory of justice revolved around the idea of fairness, where societal and economic conditions played a crucial role. His works, "A Theory of Justice" and "Justice as Fairness," delved into the economic and social realities of contemporary societies.

Rawls' assertion that "justice is the first virtue of social institutions" and the emphasis on the "basic structure of society" being the primary focus of justice continues the classical legacy. This echoes Aristotle's observation that people pursue what they consider good and prefer more to less. While Rawls' approach is less abstract than Plato's and more attuned to the current social context, the evolution of justice is evident as it incorporates both historical ideas and contemporary considerations.

In essence, justice remains a moral virtue throughout this evolution. Like Plato, Aristotle, and Rawls, the concept of justice is still tied to a "public conception of justice." As societies evolve, so does the notion of justice, yet it continues to draw from its early philosophical roots while adapting to the changing dynamics of the world.

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# Scholar Digest: Know Your Scholars

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## MORGENTHAU



### INTRODUCTION

Hans Joachim Morgenthau, born on February 17, 1904, in Coburg, Germany, and passing away on July 19, 1980, in New York, New York, U.S., was a prominent German-born American political scientist and historian. He gained recognition for his expertise as a leading analyst, focusing on the significance of power in the realm of international politics.

### EARLY LIFE & EDUCATION

Morgenthau's academic journey commenced in Germany, where he pursued his education at the esteemed Universities of Berlin, Frankfurt, and Munich. Following his studies in Germany, he furthered his knowledge through postgraduate work at the Graduate Institute for International Studies in Geneva. After being admitted to the bar in 1927, he gained valuable experience by serving as acting president of the Labour Law Court in Frankfurt.

In 1932, he had the opportunity to teach public law in Geneva for a year. However, the political climate drastically changed with Adolf Hitler's rise to power in Germany in 1933, compelling him to extend his stay in Switzerland until 1935. During this period, he also taught in Madrid from 1935 to 1936.

Due to the troubling developments in Europe, Morgenthau emigrated to the United States in 1937, where he would later become a naturalized citizen in 1943. Throughout his American academic career, he contributed his expertise as a professor at various institutions, including Brooklyn College (1937–39), the University of Missouri–Kansas City (1939–43), the University of Chicago (1943–71), the City College of the City University of New York (1968–74), and the New School for Social Research (1974–80).

### MAJOR WORKS

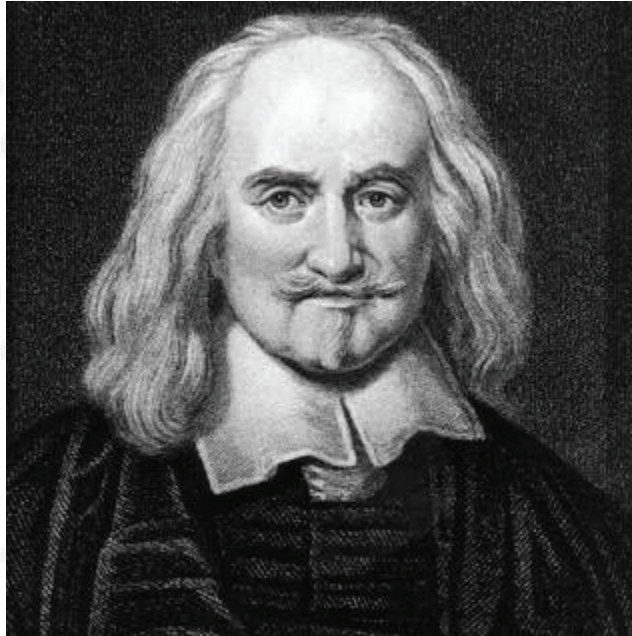
In 1948, Morgenthau published "Politics Among Nations," a highly esteemed study that introduced the classical realist approach to international politics. In this seminal work, Morgenthau argued that politics operates under distinct and unchangeable laws of nature, enabling states to deduce rational and objectively correct actions by understanding these laws. Central to his theory was the notion that power stands as the primary objective in international politics, defining a nation's interests.

Morgenthau's approach centered around the state, rejecting the idea that a state's moral aspirations should be equated with the universal objective moral laws. Instead, he emphasized that all state actions are driven by the pursuit of acquiring,

showcasing, or enhancing power. He advocated for acknowledging the nature and limitations of power and advocated for the use of conventional diplomatic methods, including the willingness to compromise.

Morgenthau's "Politics Among Nations" laid the foundation for classical realism in international relations, stressing the centrality of power and state interests, while also cautioning against conflating moral aspirations with the practical realities of politics. He advocated for embracing traditional diplomatic approaches and finding common ground through compromise.

## THOMAS HOBBS



### INTRODUCTION

He was an English political philosopher who lived in the 17th century. He is best known for his work "Leviathan," which laid the groundwork for modern political theory. Hobbes believed that humans are naturally selfish and violent, and that a strong, centralized government was necessary to keep society from descending into chaos.

### STATE OF NATURE

Hobbes believed that the natural state of humans is one of war and chaos. In the absence of government, individuals are in a constant state of competition and conflict, where life is "solitary, poor, nasty, brutish, and short." This state of nature is characterised by a "war of all against all," where individuals are constantly at risk of being harmed or killed by others. According to Hobbes, this makes life in the state of nature "nasty, brutish, and short."

### SOCIAL CONTRACT

To escape the state of nature, Hobbes argued that individuals must enter into a social contract with each other. In this contract, individuals agree to give up some of their natural rights in exchange for protection from the government. The government, in turn, is responsible for maintaining law and order, and ensuring the safety and security of its citizens. Hobbes believed that the social contract was necessary to prevent society from descending into chaos and violence.

### ABSOLUTE SOVEREIGNTY

Hobbes believed that the best form of government was an absolute monarchy, where the ruler has unlimited power and authority. According to Hobbes, the sovereign should have complete control over all aspects of society, including religion and the economy. He believed that this was necessary to maintain order and prevent dissent. In Hobbes' view, the ruler's power was absolute and could not be challenged by the people.

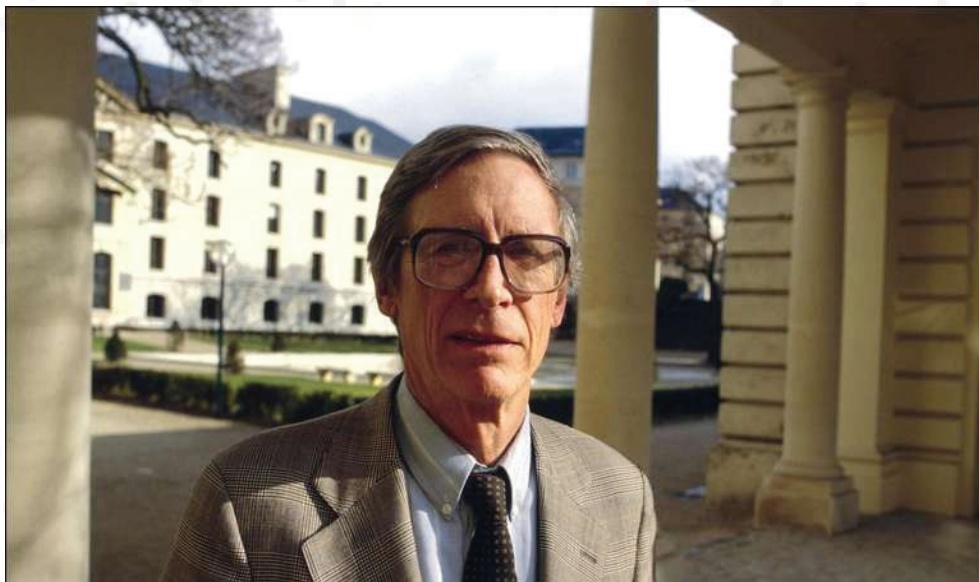
## RELEVANCE TO MODERN POLITICS

Hobbes' political philosophy has been influential in modern political theory, particularly in the areas of political sovereignty and social contract theory. His ideas about the need for a strong government to maintain order and prevent chaos have been echoed by many modern political thinkers. However, his view of absolute monarchy has been criticized as undemocratic and authoritarian.

## CONCLUSION

Thomas Hobbes was a pioneering political philosopher whose work laid the foundation for modern political theory. His belief in the need for a strong, centralized government to prevent society from descending into chaos and violence remains relevant today. However, his view of absolute monarchy has been met with criticism and has been replaced by more democratic forms of government. Nonetheless, his contributions to the field of political philosophy have been significant and continue to be studied and debated by scholars today.

## JOHN RAWLS: A VISIONARY IN POLITICAL PHILOSOPHY



## INTRODUCTION

John Rawls, an American philosopher, made significant contributions to political philosophy, particularly in the realms of justice and fairness. Born in 1921 in Baltimore, Maryland, Rawls grew up witnessing the socio-political turbulence of the 20th century, which significantly shaped his intellectual pursuits.

Rawls's magnum opus, "A Theory of Justice," published in 1971, revolutionized political philosophy by introducing a fresh perspective on justice and equality. His ideas have influenced scholars, policymakers, and activists worldwide.

## THE VEIL OF IGNORANCE

At the core of Rawls's philosophy is the concept of the "original position" and the "veil of ignorance." He asks us to imagine a hypothetical scenario where individuals are about to create a new society but are unaware of their personal attributes, such as wealth, talents, or social status. This "veil of ignorance" ensures that the decision-makers are unbiased and rational, as they are oblivious to their own positions in the forthcoming society.

## PRINCIPLES OF JUSTICE

From behind the veil of ignorance, Rawls argues that rational individuals would agree upon two fundamental principles of justice:

The Principle of Equal Basic Liberties: Each person is entitled to the most extensive basic liberties compatible with similar liberties for others.

The Difference Principle: Social and economic inequalities should be arranged so that they benefit the least advantaged members of society. Any inequality must be to everyone's advantage and, notably, attached to positions and offices open to all.

These principles are foundational to Rawls's vision of a just society. They prioritize individual rights, especially those of the most vulnerable, and propose a fair distribution of resources and opportunities.

### REFLECTIVE EQUILIBRIUM

Rawls introduced the concept of "reflective equilibrium" to address criticisms and refine his theory continuously. It suggests that moral judgments should align coherently with our considered beliefs. Rawls encourages an ongoing dialogue between our fundamental principles and our intuitive judgments, seeking a state of reflective equilibrium where they mutually reinforce each other.

### POLITICAL LIBERALISM

In his later works, particularly in "Political Liberalism" (1993), Rawls adapted his theory to be more inclusive, recognizing the diversity of comprehensive doctrines in a pluralistic society. He aimed to provide a framework for political cooperation that people from different moral, religious, and philosophical backgrounds could accept.

### CRITIQUES AND LEGACY

While Rawls's theory has been influential, it has faced criticism. Some argue that the veil of ignorance is an unrealistic abstraction, while others question the feasibility of achieving the principles of justice in a complex, real-world society. Critics also argue that Rawls's focus on justice can sideline other important values, such as efficiency or economic growth.

Despite these critiques, Rawls's ideas have left an enduring legacy in political philosophy. His emphasis on justice as fairness, the original position, and the veil of ignorance has shaped debates on distributive justice, societal fairness, and the role of institutions in creating an equitable social order. Rawls's work continues to inspire scholars, policymakers, and activists seeking to create a more just and egalitarian world.

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# Enrich Your Answer

## Q. CIRCULATION OF ELITES. COMMENT

Approach to Answer

Intro: Start by explaining the concept of Power

Body

1 Explain the elitist theory of Power including Pareto's Circulation of Elites theory.

→ Elitist theory accepts broad division of society into dominant and dependent group.

→ Pareto's theory of Power divides society into 'governing elite' and 'non governing elite'.

→ Explain the 'governing elites' and 'non \* governing elites'.

→ Can give criticism of his theory

Conclusion

Show the significance of Pareto's theory in understanding the concept of Power

**Q. EXPLAIN THE EVOLUTION OF DOCTRINE OF BASIC STRUCTURE AND WHAT ARE THE CRITICISMS LEVELLED AGAINST THE DOCTRINE OF BASIC STRUCTURE.**

Q Explain the evolution of doctrine of Basic Structure and what are the criticism levelled against the doctrine of basic structure?

Approach

(Intro): Define the doctrine of Basic structure

(Body): Discuss the evolution of the doctrine

↳ Champokam Dorairajon Case 1951

↳ 1<sup>st</sup> Constitutional Amendment Act

↳ Shankari Prasad Case (1951)

↳ Sajjan Singh Case 1965

↳ Golokhnath Case 1967

↳ 24<sup>th</sup> Constitutional Amendment Act 1971

↳ Keshwanand Bharti Case 1973

↳ 42<sup>nd</sup> Constitutional Amendment Act

↳ Minerva Mills Case 1980

(Criticism)

↳ No Unanimity in the bench on doctrine

↳ Judiciary oversteering letters of constitution and inventing its soul

↳ It brings judicial sovereignty from Constitutional morality.

Q → "India needs some creative diplomacy to address the changing environment of the relations between China and Sri Lanka".  
Comment.

Answer

Intro: Give India's relations with respect to Sri Lanka.

→ Relationship between India and Sri Lanka is inter twined in historical bond. (Rajasingham Jayadevan)

Body: Tell the emerging China-Sri Lanka relations

→ Hambantota port lease to Sri Lanka.  
→ Sri Lanka's debt to China tripled in last decade.

Give ideas of creative Diplomacy

→ Using Buddhism as a common link  
→ Resolving small disputes of fishing etc  
→ Economic interdependence.

Conclusion

→ Resolve the impending issues and build people to people relations.

# Prelims Practice Questions

---

1. According to the Constitution of India, it is the duty of the President of India to cause to be laid before the Parliament which of the following?

1. The Recommendations of the Union Finance Commission
2. The Report of the Public Accounts Committee
3. The Report of the Comptroller and Auditor General
4. The Report of the National Commission for Scheduled Castes

Select the correct answer using the codes given below :

- (a) 1 only (b) 2 and 4 only  
(c) 1, 3 and 4 only (d) 1, 2, 3 and 4

2. Which of the following is/are among the Fundamental Duties of citizens laid down in the Indian Constitution?

1. To preserve the rich heritage of our composite culture
2. To protect the weaker sections from social injustice
3. To develop the scientific temper and spirit of inquiry
4. To strive towards excellence in all spheres of individual and collective activity

Select the correct answer using the codes given below :

- (a) 1 and 2 only (b) 2 only  
(c) 1, 3 and 4 only (d) 1, 2, 3 and 4

3. The distribution of powers between the Centre and the States in the Indian Constitution is based on the Act provided in the

- (a) Morley-Minto Reforms, 1909 (b) Montagu-Chelmsford Act, 1919  
(c) Government of India Act, 1935 (d) Indian Independence Act, 1947

4. With reference to Indian History, the Members of the Constituent Assembly from the Provinces were

- (a) directly elected by the people of those Provinces  
(b) nominated by the Indian National Congress and the Muslim League  
(c) elected by the Provincial Legislative Assemblies  
(d) selected by the Government for their expertise in constitutional matters

## Answers

1. (c) CAG gives three audit reports to president which are laid by the president before both the houses of the parliament. Subsequently the Public Accounts committee examines them and reports its findings to the parliament.
2. (c) All the statements except 2 regarding the Fundamental Duties of citizens are correct.
3. (c) Distribution of power between the Centre and the States in the Indian Constitution is based on the Government of India Act. 1935.
4. (c) The members of the constituent Assembly from the provinces were indirectly elected by the members of the provincial assemblies, who themselves were elected on a limited franchise.

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Contributor:  
Sajal Tiwari

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