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EDITORIAL ANALYSIS



MAY 4



CONSISTENT  
COMPREHENSIVE AND  
CREDIBLE



UNIQUE AND BEST IN  
QUALITY

1. Pursuit Of Buddha's Relics (TIMES OF INDIA)
2. India's capital account obsession (THE HINDU BUSINESSLINE)
3. MSP methodology should reflect changing reality (THE HINDU BUSINESSLINE)
4. Time to revisit anti-defection law (THE TRIBUNE)





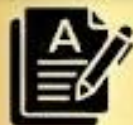
# AXIA IAS ACADEMY

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# Pursuit Of Buddha's Relics

*Piprahwa relics are welcome back in India. But it may alter the architecture of restitution – India invoked their return as a right, but the relics returned as part of a private collection on loan to govt*

S Vijay Kumar



The Buddha relics, on view in Ladakh now, are home in India exactly a year after they surfaced, set to go under the hammer, from a private collection. In 1898, William Claxton Peppé, a British estate manager in colonial India, excavated a large stupa at Piprahwa in what's now UP, near India-Nepal border. Inside a sandstone coffer were reliquary caskets containing bone fragments believed to be those of the historical Buddha, along with hundreds of gemstones, crystal and soapstone vessels, and gold ornaments.

A Brahmi inscription on one of the caskets identified the deposit as associated with Buddha and Sakya clan. This was no treasure hoard, but a sacred funerary deposit. Under the colonial Indian Treasure Trove Act (1870), British administration asserted control over such finds. In 1898, principal reliquaries and bone fragments were transferred to Indian Museum in Calcutta, and a portion of bone relics presented to king of Siam.

But a cache of jewellery and offerings, later described as "duplicates", remained with the Peppé family. Over generations, these sacred objects passed down as private heirlooms – a casual domestic afterlife of objects interred over two millennia ago, as sacred grave goods, reportedly kept in ordinary household storage, even in a shoe box.

One does not "duplicate" a funerary deposit. Buddhist ritual practice and archaeological scholarship both recognise that relic offerings are cumulative, not redundant. The claim that hundreds of jewellery items and gold ornaments could be treated as surplus inventory, strains credulity. These were part of an indivisible sacred assemblage. That is why events a year ago appeared to be far-reaching.

On May 5, 2025, GOI issued a legal notice to Sotheby's Hong Kong and to the Peppé descendant consigning the items, demanding cancellation of the May 7 auction. The notice made a comprehensive legal case, invoking law, ethics, religion and precedent – the relics' provenance; their classification as protected antiquities; their inseparability from human remains; limits of custodianship; and India's rights under domestic statutes and international conventions, including UNESCO 1970 Convention and UNIDROIT framework. It cited prior

restitutions, including return of Buddhist relics from Sanchi, and global reckoning over Benin Bronzes. It demanded cancellation of the sale, repatriation, public apology and full disclosure of provenance records.

The notice emphasised the items formed part of a "relic deposit" – discovered in 1898 and identified by inscription, as connected to Buddha and Sakya clan. GOI asserted, custodianship did not confer ownership. It appeared, at the time, India was prepared to assert a principled position – sacred relics removed in a colonial context are not commodities. Historical wrongs cannot be legitimised by passage of time.

But instead of pursuing legal proceedings, GOI facilitated a public-private arrangement. Godrej group acquired the relics from the auction process,

movement for repatriation, from African bronzes to Indigenous remains, rests on the principle that historical injustice must be acknowledged and corrected. Payment transforms restitution into acquisition.

What is at stake here is the architecture of restitution itself. Scholars of cultural property law distinguish between restitution grounded in corrective justice, and reacquisition through market participation. The former recognises wrongful removal and restores title; the latter tacitly affirms legitimacy of private ownership and simply changes hands.

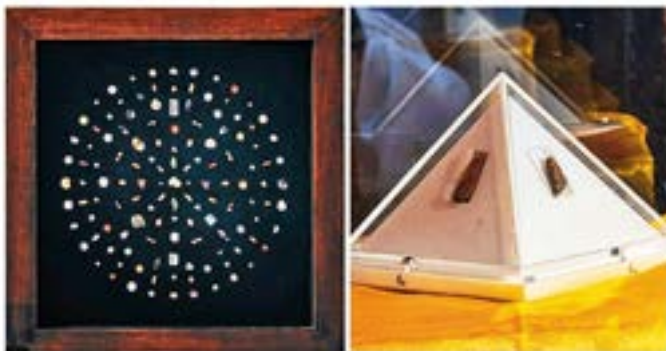
When formerly colonised states are compelled, directly or indirectly, to repurchase objects removed under colonial conditions, restitution mutates into what academics describe as market-enabled redress – entrenching the very property regimes empire produced.

India is not alone in confronting restitution battles, but many nations have chosen confrontation. Italy's recovery of Euphrosios Krater, Cambodia's retrieval of the Koh Ker sculptures, Egypt's long campaign for the return of looted antiquities, all rested on sustained investigation, diplomatic and legal pressure grounded in patrimony law. Nepal's recent recoveries of stolen temple idols have followed documentary evidence, investigative journalism and public accountability. The governing premise was clear – objects were wrongfully removed and so, returnable as a matter of right.

When restitution is achieved through purchase, the object's status is resolved through payment, not adjudication. One model asserts title. The other negotiates price. A subtle incentive structure emerges. Cultural property risks becoming a speculative asset class. Colonial-era removal, even if ethically indefensible, can acquire a form of retroactive commercial validation.

That the Piprahwa relics are back in India is unquestionably preferable to their dispersal into private collections. Yet the manner of their return warrants reflection. India had articulated a coherent case grounded in domestic law, international conventions and ethical standards governing human remains. But settled for a transaction. Justice delayed may be pragmatic. Justice purchased is perilous.

*The writer is an independent researcher on Indian art history, and provenance research*



after which they were to be loaned to National Museum for five years. This shift, from legal claim to financial transaction, secured the relics' return, but has troubling implications.

- It risks validating private title, derived from colonial extraction. If custodianship can culminate in a negotiated sale, even indirectly, then colonial removal becomes retroactively monetisable.
- It undercuts GOI's own legal argument. If custodianship does not confer ownership, and if these objects are legally protected grave goods inseparable from human remains, then why purchase, at all?
- It creates perverse incentive. Holders of contested colonial-era artefacts now have a road map: announce an auction, trigger diplomatic pressure, and await a buyback, by state-backed or corporate funds.
- It blurs the moral clarity of restitution. Global

- **Key Terms and Explanations**

- **Stupa and Reliquary Deposit**

A stupa is a dome-shaped Buddhist monument built to house sacred relics. Inside, a sealed chamber often holds a coffer with caskets containing bone fragments, ashes, or offerings. The entire assemblage — bones, jewels, and vessels — is ritually deposited as a single, indivisible sacred whole, not a collection of separate treasures.

- **Brahmi Inscription**

Brahmi is the oldest deciphered script of the Indian subcontinent. Inscriptions on reliquary caskets often name the deceased, the clan, or the enshrined figure. In the Piprahwa case, the inscription linked the bone relics directly to the historical Buddha and the Sakya clan, giving the deposit both spiritual and historical authenticity.

- **Treasure Trove Act, 1878**

A colonial law that gave the British government the right to claim ownership over any hidden treasure of archaeological value found on private land. It allowed the state to override the finder's ownership, a principle later inherited by independent India's laws on antiquities.

- **Custodianship vs Ownership**

Custodianship implies holding an object temporarily on behalf of the true owner — the community, the nation, or the religious tradition. Ownership is absolute title with rights to sell, gift, or destroy. The central ethical claim here is that individuals who discovered or inherited relics were mere custodians, never owners.

- **UNESCO 1970 Convention**

The Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property. It obligates signatory states to prevent illicit trafficking and facilitate the return of stolen cultural property. India ratified it; it forms a key pillar of international restitution claims.

- **UNIDROIT 1995 Convention**

The International Institute for the Unification of Private Law's convention specifically addresses stolen or illegally exported cultural objects. It stresses that the possessor of a stolen cultural object must return it, and it limits compensation claims — reinforcing that good faith purchase does not bestow legitimate title.

- **Restitution vs Reacquisition**

Restitution is the return of an object to its rightful owner based on the recognition of wrongful removal, without payment. Reacquisition involves repurchasing lost heritage, even if through a third party. The distinction is vital: restitution acknowledges a moral and legal wrong, while reacquisition risks legitimizing the original taking.

- **Market-Enabled Redress**

A term describing situations where a wrong — like colonial removal — is resolved not by legal or moral correction, but by participating in the market itself. Buying back one's own heritage under diplomatic or public pressure turns a rights-based claim into a transaction, entrenching property regimes created by the very wrong being addressed.

- **Duplicates (in Archaeology)**

A controversial term. Archaeological practice recognizes that sacred deposits are cumulative, not duplicative. Calling objects "duplicates" was a convenient colonial excuse to separate commercially attractive items from bone relics and treat them as personal property.

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- **Main Arguments and Substantive Parts**

- **Core Thesis**

When a state faced with the auction of sacred, colonially-extracted relics chooses to facilitate a buyback instead of pursuing a principled legal claim, it compromises the architecture of restitution. Short-term recovery of objects comes at the cost of validating private title over stolen heritage and eroding moral clarity.

- **Key Point — Sacred Objects Are Not Commodities**

Buddhist relic deposits are ritually indivisible. They cannot be fragmented into “important relics” and “duplicate jewellery” without violating religious and archaeological integrity. Treating offerings as surplus inventory contradicts both Buddhist ritual logic and modern scholarship.

- **Key Point — The Strength of India’s Legal Case**

The government’s legal notice made a comprehensive case: the objects were never legally owned by the finder, they were grave goods inseparable from human remains, their export violated prevailing laws, and international conventions demanded return. Custodianship, even over generations, does not ripen into ownership.

- **Key Point — The Shift from Legal Claim to Financial Transaction**

Instead of litigating, India facilitated a purchase by a corporate group, with the objects then loaned to the National Museum. This move, while securing physical return, shifts the narrative from “these were wrongly taken, they must come back” to “we will pay to get them back.”

- **Supporting Evidence — Prior Restitutions Worldview**

Restitutions like the Sanchi relics, the Euphronios Krater (Italy), or the Koh Ker sculptures (Cambodia) were won through legal pressure, investigative work, and assertion of national patrimony laws, not open-market purchase. Those precedents reinforced that wrongful removal cannot be cured by the passage of time.

- **Counterargument — Pragmatism Saves Heritage**

Supporters may argue that legal proceedings could take decades and risk losing the relics to a private buyer beyond reach. A corporate buyback, however distasteful, guaranteed immediate return and avoided the uncertainty of transnational litigation. For the government, the priority was to get the relics back on Indian soil without delay.

- **Historical Evolution of the Issue**

- **1898 — The Excavation**

William Claxton Peppé excavated a stupa at Piprahwa (Uttar Pradesh), finding a sandstone coffer containing reliquary caskets with bone fragments believed to be the Buddha's, together with hundreds of jewellery items and gold ornaments. A Brahmi inscription linked the deposit to the Buddha and the Sakya clan.

- **1899 — State Claim and Dispersal**

Under the 1878 Treasure Trove Act, the British Indian government took the main reliquaries and bone relics to the Indian Museum, Calcutta. A portion of bone relics was gifted to the King of Siam as a diplomatic gesture. However, a large cache of “duplicate” jewellery and offerings was allowed to remain with the Peppé family.

- **Colonial Logic of “Duplicates”**

Colonial administrators distinguished between the “important” relic (bones) and “lesser” gold and precious objects, calling them duplicates. This violated both Buddhist sacred logic and archaeological ethics, but served to keep valuable items in private hands.

- **Post-Independence Silence**

For over a century, the Peppé family retained the objects as private heirlooms, reportedly stored casually — even in a shoebox. No serious state effort seems to have been made to track, claim, or recover them, despite India's own antiquities laws post-independence.

- **The Antiquities and Art Treasures Act, 1972**

India enacted a comprehensive law regulating the export and transfer of antiquities. This act could have been invoked earlier to claim objects known to be part of the Piprahwa assemblage, but no action was taken.

- **May 2025 — The Auction Announcement**

A Sotheby's Hong Kong auction listed Piprahwa relics, consigned by a Peppé descendant. The event triggered immediate alarm and a legal notice from the Government of India on May 5, 2025, demanding cancellation and full repatriation.

- **Post-Notice Developments**

Instead of a legal battle, a public-private arrangement emerged: the Godrej group acquired the relics from the auction process and then loaned them to the National Museum for five years. The relics physically returned to India exactly one year after surfacing — but not through assertion of state title.

- **Present-Day Implications**

The case now sits at a crossroads: while the objects are home, the method of their return opens a Pandora's box regarding colonial-era property, private claims, and the monetisation of India's sacred heritage.

# COMPREHENSIVE ANALYSIS: THE BUDDHA RELICS, REPATRIATION, & THE ETHICS OF THE MARKET

## HISTORICAL EVOLUTION

(1898-2025)

- 

**1898**  
Excavation
- 

**1899**  
Relics Partitioned  
(Indian Museum & Siam)
- 

Colonial Indian Treasure Trove Act (1878)
- 

**2025**  
Legal Notice to Sotheby's & GOI Intervention

## KEY CONCEPTS & DEBATES



**RESTITUTION**  
(Right vs. Price)  
Definition- corquited to end annitation



**MARKET-ENABLED REDRESS**  
(Market-based acquisition)



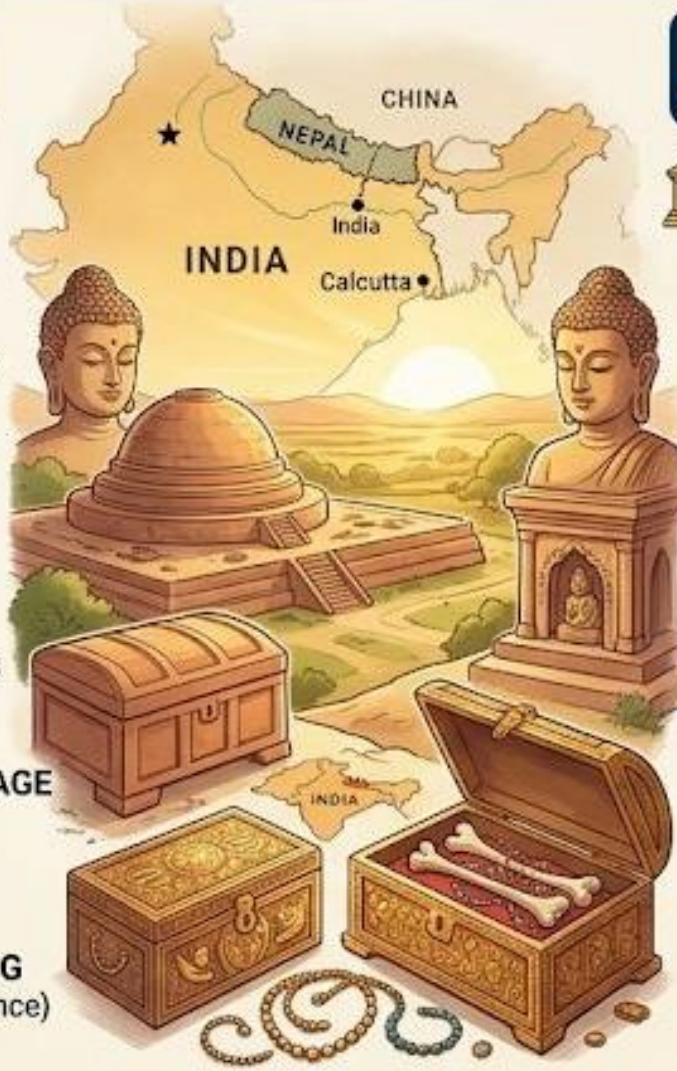
**CUSTODIANSHIP ≠ OWNERSHIP**  
Definitions Pnc lens stupa and excavation:



**INSEPARABLE SACRED ASSEMBLAGE**  
(Jewelry & Relics)  
Ensure ravisers and sacred excavations



**GLOBAL RECKONING**  
(Benin Bronzes reference)  
to nobecommetie cultural refliations



## THE GOI LEGAL CASE & CRITIQUE



**LEGAL NOTICE ARGUMENTS**

- Provenance, and foundry
- Classification, & commelunization
- Limits of Custodianship
- International Conventions
  - UNESCO 1970
  - UNIDROIT



### A CRITICAL ANALYSIS

- Validates private title?
- Undercuts legal logic?
- Perverse incentives?
- Payment transforms restitution into acquisition?

## WAY FORWARD & REFORMS



**STRENGTHENING DOMESTIC LAW**  
(1972 Antiquities Act)



**DIGITAL DOCUMENTATION**  
(National Register of Antiquities)



**BILATERAL TREATIES**  
(e.g., US-India cultural property agreement)



**ETHICAL GUIDELINES FOR CORPORATIONS**  
(CSR for legal recovery, not purchase)

- **Logical and Philosophical Base**

- **Corrective Justice vs Market Exchange**

The restitution debate rests on corrective justice — the idea that historical wrongs (colonial removal) must be acknowledged and reversed by returning objects to their rightful owners. In contrast, a market exchange uses price to settle a dispute, implicitly treating the transaction as fair and final. The former restores moral order; the latter validates the chain of title that started with a wrong.

- **The Principle of Non-Commodification**

Certain goods are seen as beyond market value — human remains, sacred relics, and collective cultural identity. Philosophically, such objects belong to the realm of “sacred goods”, which are inalienable. Buying them back not only compromises this principle but signals that commodification, if followed by a generous buyer, is acceptable.

- **Colonial Property Regimes and Path Dependency**

Colonial law created the framework that allowed the Peppé family to claim ownership of “duplicates”. This was an artificial legal construct, shaped by the same state that also claimed the main relics. Today’s acceptance of private title, even to facilitate buyback, entrenches a property regime whose legitimacy modern India otherwise contests.

- **Custodianship as an Ethical Concept**

The idea that one cannot inherit ownership from a custodian is philosophically grounded in the concept of “trusteeship” — a notion Gandhi applied to all wealth. If the original finder was merely a steward for the nation and the faith, then his descendants are still stewards, not owners. Time alone cannot transform a trustee into an absolute proprietor.

- **Consequentialism vs Deontology**

The decision to facilitate a purchase may be judged by its outcome (consequentialism): the relics are back, public sentiment is satisfied. But a deontological lens asks whether the act itself upholds moral principles — here, not paying for your own stolen heritage. For public servants, the tension is real: protect heritage by any means, or uphold the rule of law and moral precedent.

- **The “Tainted Gift” Problem**

Even a gift or loan from a corporate buyer carries the taint of the original transaction. Philosophically, it asks: can an act born of a moral compromise ever be fully clean? And does benefiting from such a compromise implicate the receiver (the state museum) in the original wrong?

- **Multidimensional analysis**

- **Social**

- The issue touches collective memory, civilizational pride, and the emotional relationship communities maintain with sacred heritage.
- Public return can deepen cultural awareness, especially among younger generations, if handled through museums, education, and inclusive interpretation.
- At the same time, sacred objects require careful handling so that devotion does not become spectacle.

- **Political**

- It reflects the politics of decolonization and India's assertion of civilizational agency in global heritage disputes.
- The state's shift from legal challenge to negotiated acquisition raises questions of policy coherence and precedent.
- Domestic politics may celebrate return, but policy analysis must still ask whether the route taken strengthens future claims.

- **Legal**

- The case lies at the intersection of colonial law, modern Indian heritage law, international conventions, and private property claims.
- It highlights the gap between morally compelling claims and legally straightforward recovery.
- It underlines the importance of inventories, notification, registration, and state capacity under heritage law.

- **Ethical**

- Human remains and sacred deposits occupy a higher ethical threshold than ordinary artefacts.
- Corrective justice suggests that historical wrongs should be rectified through acknowledgement and restoration, not only through bargaining.
- Ethical governance also demands transparency in provenance and negotiations.

- **International**

- The case is part of a wider global movement on restitution, involving museums, auction houses, former colonies, and source communities.
- It enhances India's role in Buddhist cultural diplomacy, especially with Asian Buddhist societies.
- It may also influence future global debates on colonial collections and sacred human remains.

- **Economic**

- Cultural objects in the global market can become high-value assets, creating pressure toward commodification.
- Return through purchase may solve an immediate problem but can increase expected payoffs for future sellers.
- Conversely, repatriated heritage can strengthen museum tourism, scholarship, and cultural soft power when publicly housed.



- **Linkages with NCERTs**

- **Class 11 — An Introduction to Indian Art (Fine Arts)**

Chapter on “Mauryan and Post-Mauryan Art” discusses stupas (Sanchi, Bharhut) as sacred repositories of relics. Students learn the architectural and ritual logic of relic deposits, making the indivisibility of such assemblages directly relatable.

- **Class 12 — History: Themes in Indian History — Part I**

The theme “Thinkers, Beliefs and Buildings” covers Buddhism’s spread, stupa worship, and the significance of relics. The Piprahwa find fits neatly into the narrative of how Buddhists venerated bodily remains. The chapter also touches on colonial archaeology and its extractive mindset.

- **Class 12 — Political Science: Contemporary World Politics**

The chapter on “International Organisations” discusses UNESCO and the concept of cultural heritage as a global commons. The 1970 Convention is an example of how states cooperate (or fail to cooperate) on heritage protection. The issue of restitution appears indirectly.

- **Class 11 — Sociology: Understanding Society**

The chapter “Culture and Socialisation” mentions how material artefacts carry symbolic meaning and collective identity. Sacred relics are a prime example; their commodification would be a distorting force against social values.

- **Class 12 — Political Science: Politics in India Since Independence**

The section on “India’s External Relations” can be linked to cultural diplomacy and the soft power of Buddhist heritage in Asia. The return of relics has foreign policy dimensions, especially with Buddhist-majority nations.

- **Linkages with UPSC CSE Syllabus**

- **GS 1 — Indian Heritage and Culture**

Salient aspects of Art Forms, Literature and Architecture from ancient to modern times. The stupa and relic deposit at Piprahwa are direct manifestations of Buddhist architectural and ritual practice. The issue also involves colonial archaeology and the ethics of heritage preservation.

- **GS 2 — Governance and International Relations**

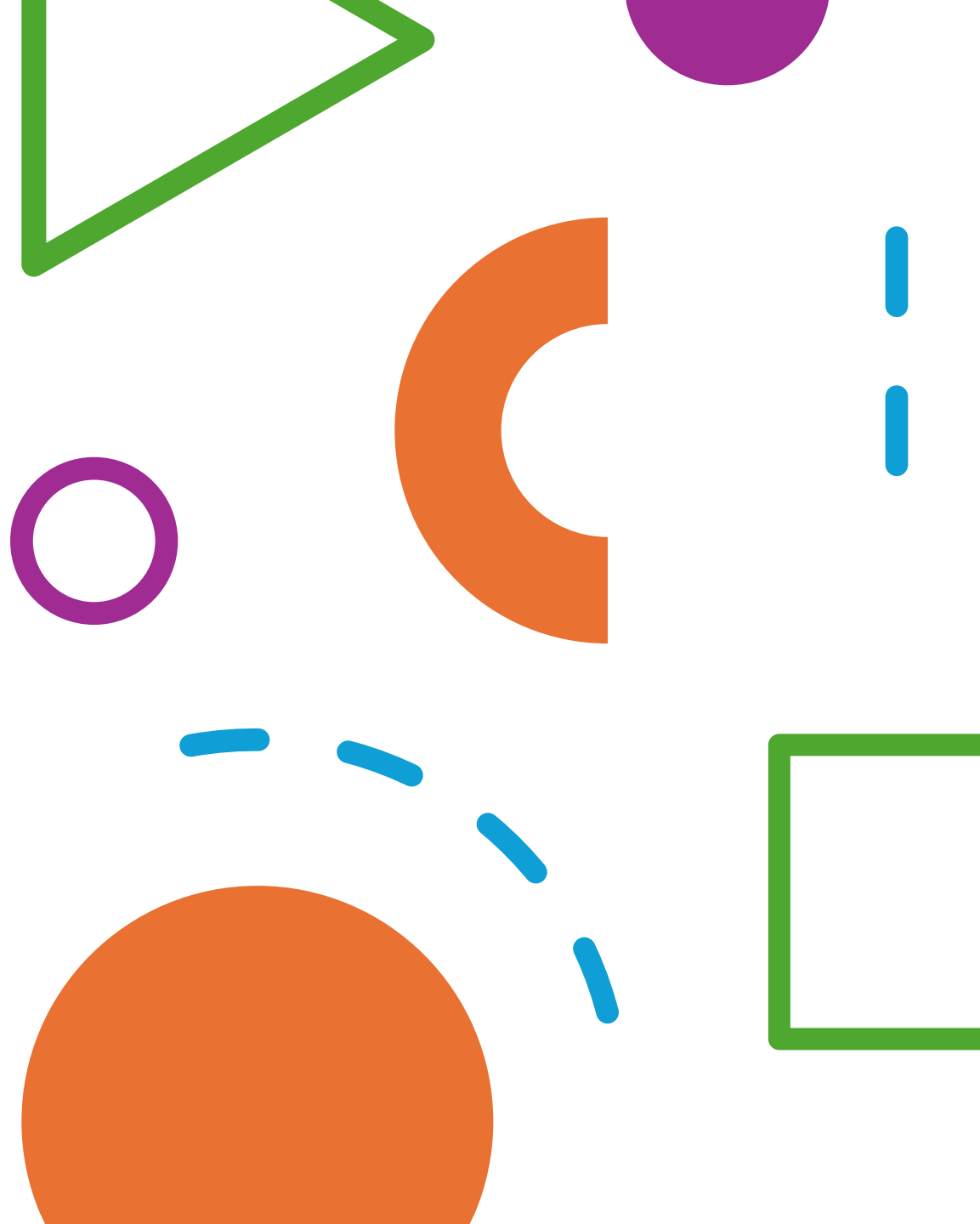
Government's response to the auction: policy on antiquities, role of enforcement agencies. International conventions (UNESCO, UNIDROIT) and bilateral cultural agreements. India's soft power projection through Buddhist heritage.

- **GS 3 — Internal Security / Money Laundering**

While less direct, the illicit trafficking of antiquities is a growing security and economic concern, linked to organized crime and terror financing. The auction of contested relics could be used to illustrate the black-market trade in cultural goods.

- **GS 4 — Ethics, Integrity and Aptitude**

- Ethical dilemmas in public administration: Pragmatic buyback vs principled legal fight.
- Probity in governance: Should the state facilitate a transaction that indirectly legitimizes colonial wrong?
- Corporate ethics: Godrej's role — philanthropy or whitewashing?
- Moral philosophy: Commodification of sacred objects, corrective justice, deontology vs consequentialism.





- **Way Forward**

- **Legislative Clarity**

Amend the Antiquities and Art Treasures Act, 1972, to explicitly declare all archaeological finds of religious or funerary nature, post-facto recognized as part of a sacred deposit, as inalienable state property with no scope for private title, even through inheritance.

- **Proactive Inventory and Tracking**

Establish a dedicated heritage intelligence unit under the Archaeological Survey of India and CBI to map objects from known colonial-era excavations that remain untraced, create a digital provenance database, and issue look-out notices ahead of potential auctions.

- **International Bilateral Agreements**

Sign bilateral cultural property agreements with countries that are major art market hubs (USA, UK, Switzerland, etc.) that include automatic recognition of India's ownership over designated artefacts and ban their import without certificate.

- **Strengthen Diplomatic Muscle**

Instead of facilitating buybacks, India should lead a group of source nations at UNESCO to push for a binding protocol that sacred human remains and funerary deposits from colonial contexts are non-commercial and must be returned unconditionally.

- **Public-Private Partnership with Boundaries**

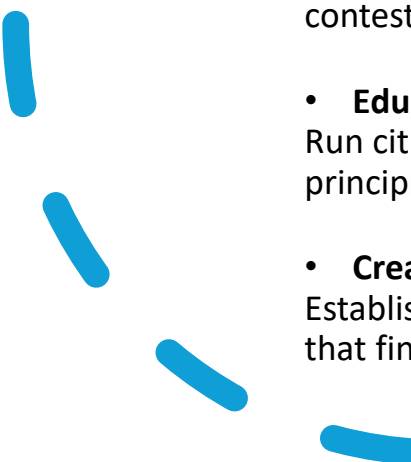
Encourage corporate philanthropy for heritage conservation and museum infrastructure, but strictly bar corporates from acquiring contested colonial-era objects for the state. Philanthropic funds could support litigation costs instead of purchase price.

- **Educate and Sensitize**

Run citizen awareness campaigns about the ethical difference between restitution and reacquisition, so that public pressure builds for principled state action, not just quick recovery. Museums should interpret objects with honesty about their colonial provenance.

- **Create a National Restitution Fund**

Establish a fund maintained by the government and civil society specifically to finance legal battles for restitution, not purchases, ensuring that financial constraints never force a buyback decision.



## UPSC CSE Mains — GS 1 (Indian Heritage and Culture)

**2018:** “Safeguarding the Indian art heritage is the need of the moment. Discuss.” (10 marks)

**2023:** “Indian philosophy and tradition played a significant role in conceiving and shaping the monuments and their art in India.” Discuss. (15 marks)

**2015:** “The ancient civilization in the Indian sub-continent differed from those of Egypt, Mesopotamia and Greece in that its culture and traditions have been preserved without a breakdown to the present day.” Comment. (12.5 marks) — indirectly connects to continuity of relic veneration.

## UPSC CSE Mains — GS 2 (Governance, International Relations)

**2017:** “The question of India’s permanent membership in the UN Security Council is a matter of ‘when’ and not ‘if’.” Does India’s soft power, including cultural heritage, strengthen its claim? (related theme)

**2019:** “The UNESCO’s World Heritage Site tag brings more harm than benefit to the local community.” Critically examine. (No direct relic question, but heritage management theme)

## UPSC CSE Mains — GS 4 (Ethics)

**2020:** Case study: “You are the head of a cultural institution. A major private donor offers to fund the restoration of an old temple in exchange for naming rights... What are the ethical issues involved?” (similar ethics of commodification)

**2018:** “Suppose you are an officer in charge of a museum. A foreign museum has offered to return the stolen idols of a local temple, but only if your museum pays a token maintenance fee of several crores... What will you do?” (very close to the buyback dilemma)

LINE &  
LENGTH



TCA SRINIVASA RAGHAVAN

**W**hy have successive Indian governments since the mid-1950s been obsessed with the capital account and ignored the current account almost altogether? This question is prompted by the statement by the Chief Economic Adviser on the record gross capital inflows in the last 12 months.

That's good news, doubtless, because more foreign money is good for the economy. But wait: when was the last time you heard any CEA talk about the current account, except in passing?

First, however, the definitions. The current account comprises a country's balance of trade, net of factor income and cash transfers. That means earnings from what it sells to foreigners. And the capital account shows how their capital is coming in and going out. It shows the country's overall financial position and the confidence foreigners have in the economy.

That out of the way, the answer to the question about CEAs and the current account was a dismaying nearly never. And this when the capital account is really the balancing factor in the balance of payments. It makes up the shortfall in the current account when a country exports less than it imports.

Before 1947 the capital account wasn't really an issue because the Indian economy was fully integrated with the British and therefore the global economy. Capital flows were strong and seamless. The Brits saw to it to ensure that they got the investments they wanted or needed. So India had full capital convertibility.

However, the current account did cause a lot of concern to our English lords and masters. They kept fiddling with the exchange rate to keep it in good shape, at least from their point of view. Starting from the early 1890s they made life difficult for us. You should read the controversies on and around the subject.

But after 1955 it's been the other way round. It is the capital account that governments have been worried about, not the current account even though what happens in the capital account is a consequence of what happens to the current account. Why has this happened? Basically what you don't earn, you borrow.

#### WHY THE CAPITAL ACCOUNT?

There can be many reasons. The most important reason has to do with the Second Five Year Plan and the foreign exchange requirement demanded for it by PC Mahalanobis. Such was the capital



# India's capital account obsession

India has not tried to bolster its current account. At the same time, it has chosen to squeeze capital flows, hurting growth

intensity of that Plan that it was assumed that the money would have to come into the capital account via loans and grants rather than via the current account as a result of earnings from exports. This when India's share of world trade was still above 2 per cent.

But the emphasis on capital intensive growth came at the expense of labour intensive investments into the export sector. We did the most stupid thing imaginable: we gave up our comparative advantage. You can almost hear Eli Heckscher and Bertil Ohlin groaning.

**The capital goods model of industrialisation in the 1950s and the primacy given to the Finance Ministry over the Commerce Ministry are the reasons why the current account was ignored over the years**

Another reason was administrative, namely, the division of work between the finance ministry and the foreign trade ministry, as it was then called. The former was in charge of the capital account while the latter, being in charge of exports and imports, was in charge, so to speak, of the current account.

Given the pecking order in government, the Finance Ministry and therefore the capital account took precedence in the setting of priorities. That hasn't changed since the mid-1950s. The Commerce Ministry has to take its chances on debt and exchange rate policies.

There are other reasons as well such as the political pressure on governments not to be seen as a debtor. The colonial image of a farmer drowning in debt was transferred to the country as a whole.

Pakistan has shown that this is false imagery. It's been to the IMF two dozen times. But Indian politicians, in their anxiety to avoid this, forget that if you earn enough, you don't have to borrow. The current account was therefore ignored by them. In India, capital flows

were constrained by fear of debt.

#### THE CONSEQUENCES

There have been two major consequences of this approach to the management of the external sector: one, a steadfast refusal to tap adequately into foreign savings even though our own savings are inadequate. Combine that with a refusal to turn around the current account, and we ended up with a capital shortage. The stigma attached to debt has impeded growth.

The second consequence is the sacrificing of capital efficiency because of import substitution. Not only do investments made behind tariff walls face reduced pressure to be efficient, there is a spillover effect on the labour market where wages are higher than they would otherwise be.

It's possible to emancipate many more such foolish things but the point ought to be clear. By focusing on the capital account and neglecting the current account, we have made a gigantic mistake. It can be rectified if the thinking changes.

- **Key Terms and Explanations**

- **Current Account:** A component of the Balance of Payments (BoP) that records a country's transactions in goods (trade balance), services, primary income (wages, interest, dividends) and secondary income (remittances, grants). In simple terms, it shows what a country earns from the rest of the world through exports and factor incomes, minus what it spends on imports and payments to foreigners. A current account deficit (CAD) implies a nation spends more foreign exchange than it earns.
- **Capital Account:** The part of BoP that tracks net changes in a country's foreign assets and liabilities. It includes foreign direct investment (FDI), portfolio investment (FPI), external commercial borrowings (ECBs), and banking capital. It reflects the net inflow or outflow of financial capital. The article highlights that it often acts as a balancing item—when the current account is in deficit, capital inflows plug the gap.
- **Balance of Payments (BoP):** A double-entry accounting system that summarises all economic transactions between residents of a country and the rest of the world over a specific period. The BoP always balances in an accounting sense because the current account deficit/surplus is exactly offset by the capital and financial account surplus/deficit.
- **Capital Account Convertibility (CAC):** The freedom to convert local financial assets into foreign financial assets and vice versa at market-determined exchange rates. India has full current account convertibility but only partial capital account convertibility.
- **Comparative Advantage:** A concept from David Ricardo, later refined by Heckscher-Ohlin, which argues that a country should specialise in producing goods and services that it can produce at a lower opportunity cost relative to other nations. By ignoring labour-intensive exports, India forfeited this natural advantage.
- **Mahalanobis Model (Second Five Year Plan):** A growth model focused on heavy industries and capital goods, assuming that a strong capital goods base would make the economy self-reliant in the long run. It was intrinsically import-intensive in the short term and neglected the labour-intensive consumer goods export sector.
- **Import Substitution Industrialisation (ISI):** A trade and economic policy that advocates replacing foreign imports with domestic production, often behind high tariff barriers. The article sees this as a key reason for inefficiency and neglect of the current account.

- **Main Arguments and Substantive Parts**

- **Core Thesis:** Since the mid-1950s, Indian macroeconomic policy has fixated on managing the capital account—attracting foreign loans, aid, and later investment inflows—while systematically undervaluing the role of the current account, particularly exports. The capital account has been treated as the driver of growth when it should be the balancing force.

- **Fundamental Premise:** The logic “what you don’t earn, you borrow” became embedded. Instead of building earning capacity through exports (current account surplus), governments preferred to rely on capital inflows to finance essential imports and development plans. This created a structural dependence.

- **The Mahalanobis Effect:** The capital-intensive Second Five Year Plan demanded large foreign exchange outlays, met through loans and grants rather than by earning foreign exchange through exports. This was a deliberate policy choice that gave up India’s comparative advantage in labour-intensive exports—something the Heckscher-Ohlin theory would have dictated. Despite India’s then-significant share of world trade (above 2%), the export sector was starved of investment.

- **Administrative Pecking Order:** A major but underappreciated cause is the division of work between the North Block (Finance Ministry) and Udyog Bhavan (Commerce Ministry). Finance controlled the capital account, aid negotiations, and external debt management, giving it superior influence. Commerce managed trade and the current account, but sat lower in the hierarchy. Budgetary priorities invariably favoured capital account aspects, with exchange rate and debt policies decided without giving sufficient weight to export competitiveness.

- **colonial Hangover and Debt Phobia:** The political class transferred the image of the debt-ridden Indian peasant to the nation-state. Being a debtor became a political stigma. This fear, while seemingly prudent, paradoxically prevented India from aggressively earning its way out through exports. The article notes that Pakistan visited the IMF two dozen times but continued to access foreign savings, whereas India’s “dignity” constrained it from both borrowing and earning enough.

- **Twin Consequences:** First, a chronic capital shortage was created by refusing to adequately tap foreign savings (due to stigma) and simultaneously failing to improve the current account. Second, import substitution behind high tariff walls killed capital efficiency. Protected industries faced little pressure to innovate or cut costs, spilling over into higher wages and lower overall productivity.

- **Historical Evolution of the Issue**

- **Pre-1947 Period:** The Indian economy was fully integrated with the British Empire, ensuring strong and seamless capital flows. Full capital account convertibility existed. However, the current account caused constant concern to the colonial rulers who manipulated the exchange rate to suit British commercial and remittance interests (the “Home Charges” drain). Controversies over the rupee-sterling ratio illustrate this early focus on the current account from the ruler’s perspective.
- **1950-1956 (Planning Begins):** The First Plan was modest, but the intellectual groundwork was being laid. The decision to build an indigenous capital goods base gained traction. Trade was seen merely as a source of finance for imports of machinery.
- **1956-1966 (Mahalanobis Era):** The Second FYP formally entrenched the capital account obsession. The plan’s foreign exchange requirements were colossal. With exports stagnating, the government consciously opted for aid from the World Bank, USA, USSR, and other bilateral sources. The current account was relegated to a residual role, managed through draconian import licensing.
- **1966-1991 (Deepening ISI and Crisis Cycles):** Devaluation in 1966 under pressure, the Foreign Exchange Regulation Act (FERA) 1973, and the shift to extreme import substitution created an ever-widening gap. Current account deficits persisted, financed by remittances (West Asian boom) and external commercial borrowings. The capital account focus remained, with sporadic export promotion boards set up but lacking the political capital of heavy industry lobbies. The 1991 BoP crisis was essentially a capital account-triggered crisis born of unsustainable current account deficits.
- **1991 Reforms Onwards:** Liberalisation opened up the capital account to FDI and FPI while gradually dismantling industrial licensing. Yet the core bias persisted. The CEA’s recent celebration of record gross capital inflows and the continued silent treatment of the current account deficit (unless it crosses a ‘danger’ threshold) proves the continuity of this 1956 mindset. Export promotion remains fragmented; India’s share of world merchandise exports hovers around 1.8%, far below potential.

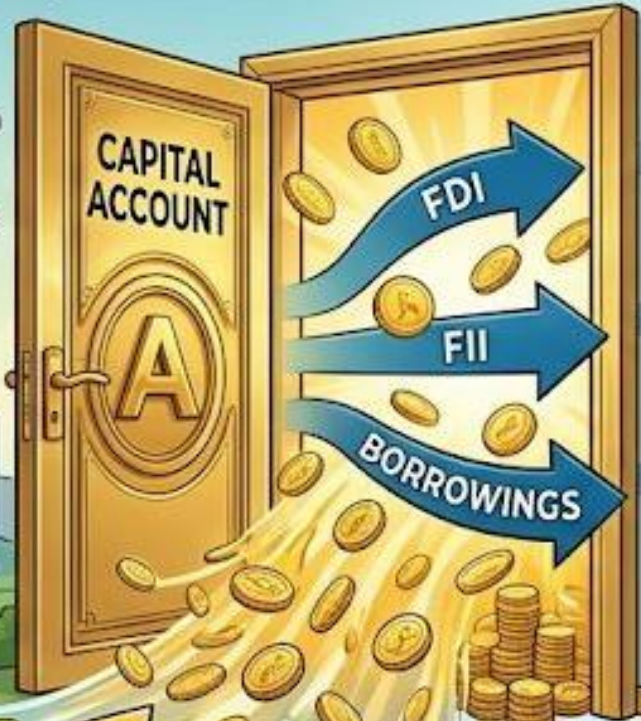


# INDIA'S EXTERNAL SECTOR MANAGEMENT: THE CAPITAL vs CURRENT ACCOUNT DICHOTOMY (UPSC ANALYTICAL FRAMEWORK)

**India farmer in debt**  
**Debt Stigma**

**HISTORICAL OBSESSION (POST-1950s)**  
**MAHALANOBIS STRATEGY (2nd PLAN)**

**PRIORITIZED HEAVY INDUSTRY DOMINANCE**



**RECORD INFLOWS**

**CAPITAL ACCOUNT BRIDGES CAD SHORTFALL**



**LOST COMPARATIVE ADVANTAGE (H-O Groans)**  
**LABOR-INTENSIVE NEGLECT**  
**COMMERCE MINISTRY SUBORDINATION**

**EXPORT PESSIMISM**

**Consequence**

**CAPITAL SHORTAGE & IMPORT SUBSTITUTION:**

- Stigma Attached to Debt Impeded Growth
- Tariff Walls Created Inefficient Industries

**Consequence**

**JOBLESS GROWTH & MISSED OPPORTUNITIES:**

- Lost Competitive Edge
- Inadequate Job Creation

**Way Forward**

**RE-BALANCING PRIORITIES:**

- Unified Economic Strategy, Focus on Labor-Intensive Exports, National Logistics Policy, Active Trade Agreements
- Reclaim Comparative Advantage

**UPSC Relevance**

- GS III Economy & Planning
- Resource Mobilization
- BoP & Trade Policy
- Essay Topics on Growth & Jobs



- **Logical and Philosophical Base**

- **Mercantilist-Developmentalist Hybrid:** The policy logic was that a poor country must import capital goods to industrialise, and since exports cannot finance this overnight, the state must manage capital flows. It combined a mercantilist distrust of debt (the moral stigma) with a structuralist belief that developing countries face inelastic export demand, particularly for primary goods (echoing the Prebisch-Singer thesis).

- **The Borrowing Fallacy:** The underlying assumption was that what matters is net external resource transfer. As long as the capital account filled the gap, the current account could wait. This treated the country's external earning capacity as a secondary variable, thereby reversing the causal chain—growth was to come from capital accumulation financed by debt, not from global market integration through comparative advantage.

- **Misapplication of Self-Reliance:** Swadeshi and self-reliance, philosophically rooted in the freedom movement, were misinterpreted to mean import substitution at any cost rather than earning enough foreign exchange to be truly self-reliant. This conflated political independence with economic autarky, ignoring that a strong current account is the soundest basis for strategic autonomy.

- **Bounded Rationality of Administration:** The division of labor between finance and commerce is an illustration of the bureaucratic logic—departments optimise their own métier. Finance was incentivised to keep debt sustainable and inflation low; Commerce was tasked with exports but without control over the exchange rate or cost of capital. The institutional architecture created a persistent blind spot.

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- **Multidimensional Analysis**

- **Social:** The neglect of the current account starved labour-intensive export industries, which are the best vehicles for absorbing semi-skilled and unskilled workers—especially women. This contributed to jobless growth and persistent informal employment. High tariff walls raised domestic prices of consumer goods, hitting the poor disproportionately. Overcoming the colonial debt stigma can also help society accept a more mature relationship with foreign capital for public goods.
- **Political:** The capital account fixation gave immense power to the Finance Ministry and the elite bureaucracy managing aid and borrowing, sidelining the Commerce Ministry and the trading community. Politically, “export pessimism” justified a closed, license-permit raj that generated rents. The fear of being labeled a debtor nation was used by parties across the spectrum to avoid the politically tough decisions on land, labour and infrastructure reforms needed for a current account turnaround.
- **Legal:** The framework of FERA (1973) and later FEMA (1999) was far more concerned with regulating capital account transactions. Current account convertibility (Article VIII of IMF) was achieved in 1994, but the spirit of facilitating trade has been moderated by revenue and protectionist impulses. WTO commitments and dispute settlements add a legal layer—India’s defensive trade posture often stems from the same neglect of export competitiveness.
- **Ethical:** Prioritising capital account management over export generation is ethically questionable because it mortgages the future earning capacity of the nation for present consumption or inefficient investment. The import substitution policy created a producer-surplus economy at the cost of consumer welfare, raising distributive justice concerns. There is also an inter-generational ethical dimension: future citizens must service the external liabilities accumulated today if they are not matched by productive assets built through a robust export engine.
- **International:** India’s low share of global merchandise trade weakens its voice in international fora like the WTO. The capital account dependence makes the rupee and overall financial stability susceptible to global liquidity shifts (Fed rate changes, geopolitical shocks). A strong current account would increase strategic autonomy, reducing the dependence on fickle foreign portfolio flows and allowing India to exercise greater diplomatic leverage.
- **Economic:** At the macro level, the obsession with the capital account has created a ‘twin deficit’ risk and exchange rate appreciation cycles that hurt exports during capital surge periods. At the micro level, import substitution bred high-cost, low-quality industrial structures with poor total factor productivity. It created a distorted economy where services exports boomed but job-creating manufacturing exports languished, leading to deep structural dualism.

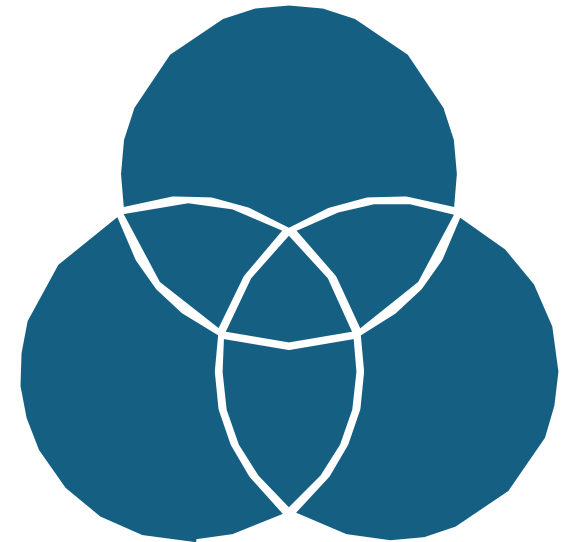
- **Linkages with NCERTs**

- **Class 11, Indian Economic Development:** Chapter 2 (Indian Economy 1950–1990) explains the Mahalanobis model, the Second Five Year Plan’s emphasis on heavy industries, and the consequent neglect of the consumer goods and export sector. The chapter directly sets the stage for understanding why the capital account became central and the current account was ignored.

- **Class 12, Macroeconomics:** Chapter 6 (Open Economy Macroeconomics) deals with balance of payments, current and capital accounts, their components, and the concept of BoP equilibrium. It provides the foundational definitions needed to grasp why a deficit on the current account must be matched by a surplus on the capital account.

- **Class 12, Indian Economic Development:** Chapter 3 (Liberalisation, Privatisation and Globalisation) discusses the 1991 crisis and reforms, highlighting how the external sector was liberalised. It also discusses the continuing challenges of India’s trade deficit, linking directly to the article’s thesis that the post-1991 mindset still prioritises capital inflows.

- **Class 10, Understanding Economic Development:** Chapter 4 (Globalisation and the Indian Economy) introduces the ideas of trade, MNCs, and foreign investment, helping students understand the interaction between a country’s current and capital account in a simple, relatable manner.





- **Linkages with UPSC CSE Syllabus**

- **GS Paper 1:** Post-independence Indian history (economic planning, industrial policy); colonialism and its psychological legacies (debt stigma).
- **GS Paper 2:** Government policies and interventions; ministry coordination issues (Finance vs. Commerce); role of bureaucracy in policy-making; international relations (India's engagement with IMF, World Bank, and trade regimes).
- **GS Paper 3:** Strongest linkage. Indian Economy and issues relating to planning, mobilisation of resources, growth, development, and employment. External sector: BoP, current account deficit, capital account convertibility, foreign capital flows, trade policy, exchange rates. Effects of liberalisation on the economy, changes in industrial policy and their effects on industrial growth.
- **GS Paper 4 (Ethics):** Ethical issues in international funding, probity in policy choice (prioritising powerful industry lobbies over labour-absorbing sectors), and the psychological dimension of colonial mindset.

- **Way Forward**

- **Institutional Re-engineering:** Create a statutory “External Sector Policy Board” chaired by the Prime Minister or Finance Minister, but with equal, empowered representation from Commerce, Textiles, MSME, and Labour ministries. This will formally break the Finance Ministry’s arbitrary dominance over current account determinants.
- **Align Exchange and Trade Policy:** The RBI and DEA must systematically factor in the real effective exchange rate (REER) and its impact on export competitiveness. Steps like rouble-rupee trade and bilateral swap agreements should be scaled, but with a clear eye on boosting exports rather than just securing commodity imports.
- **Unlock Labour-Intensive Exports:** A targeted mission for sectors such as apparel, leather, footwear, and light electronics assembly. This requires flexible labour laws, plug-and-play industrial parks with decent hostels and creches for female workers, removing inverted tariffs, and dedicated export credit agencies that match the cost of capital of competitors like Vietnam or Bangladesh.
- **Reframe the Debt Narrative:** Encourage a mature public discourse that distinguishes between productive external debt (for infrastructure, skills) and imprudent borrowing. Treat foreign capital as a catalyst, not a crutch. The CEA’s office can spearhead this by publicly discussing both the capital and the current account with equal rigour in economic surveys.
- **Strategic Sectoral Convergence:** Integrate the Production Linked Incentive (PLI) schemes with a clear, time-bound export obligation and a sunset clause, ensuring that they actually lift the current account rather than simply serving the domestic market behind tariffs. Simultaneously, invest in R&D and design to move up the value chain, escaping the low-wage trap sustainably.

- **UPSC CSE Mains**

- **GS-3 (2023):** “Most of the unemployment in India is structural in nature. Examine the policy measures taken by the government to generate employment in the unorganised sector.” (Relevant to neglecting labour-intensive current-account-linked sectors).
- **GS-3 (2022):** “Explain the rationale behind the Goods and Services Tax (Compensation to States) Act, 2017. Why is the Centre expected to compensate the States for revenue loss?” (Touches on finance-commerce intergovernmental fiscal links, analogous to Centre-state tensions in trade policy).
- **GS-3 (2021):** “Do you agree that the Indian economy has recently experienced V-shaped recovery? Give reasons in support of your answer.” (Contextual debate on capital inflows post-pandemic vs. consumption/exports).
- **GS-3 (2020):** “Explain intra-generational and inter-generational issues of equity from the perspective of inclusive growth and sustainable development.” (Directly links to the ethical dimension of borrowing and current account neglect).
- **GS-3 (2019):** “Enumerate the indirect taxes which have been subsumed in the Goods and Services Tax (GST) in India. Also, comment on the revenue implications of the GST introduced in India since July 2017.” (Trade and tax policies affecting export competitiveness).
- **GS-3 (2018):** “How are the principles of ‘equity’ and ‘efficiency’ addressed in the current system of resource devolution? Discuss.” (Analogous issues in internal vs external resource allocation).
- **GS-3 (2018):** “Discuss the implications of rising capital inflows for the Indian economy.” (Directly hits the topic).
- **GS-3 (2017):** “Among several instruments for financing external payments, which one is the most important and why?” (BoP and capital account focus).
- **GS-1 (2017):** “Clarify how the mid-eighteenth century India was beset with economic problems.” (Pre-colonial context and drain of wealth, linking to current account domination).
- **GS-3 (2016):** “Discuss the role of land reforms in agricultural development. Identify the factors that were responsible for the success of land reforms in India.” (Connected indirectly through political economy resistance to export-oriented growth, but not directly).

# MSP methodology should reflect changing reality

Refinements in interest cost and accounting for volatile inputs will help in encouraging cultivation of oilseeds and pulses

**Mohit Sharma**

India's Minimum Support Price (MSP) framework rests on a cost estimation system. At its core lies the Comprehensive Scheme for Studying Cost of Cultivation, implemented by the Directorate of Economics and Statistics.

The scheme relies on a triennial block sampling design in which selected villages are observed over a three-year cycle before rotation. Although methodologically sound, this framework has remained largely unchanged over decades, despite significant structural transformations in Indian agriculture.

The concern is that MSP recommendations are often based on cost conditions that are two to three years old. The 2021-22 input shock offers a clear example: global fertilizer prices surged, diesel prices increased before partial relief measures, and labour costs rose moderately. This indicates that the MSP system is structurally stable in normal periods but becomes systematically misaligned during input price shocks. There are evidences of research reports proving the gaps in actual plot level cost and MSP; had costs been more accurately captured, MSP for several crops would have needed to be 20-30 per cent higher to maintain the intended margin over costs.

A more subtle but increasingly important gap arises from changes in

mechanisation patterns. The existing framework distinguishes between owned machinery (accounted for through depreciation and interest) and hired machinery services (captured under paid-out costs), which in principle avoids double counting. The Sub-Mission on Agricultural Mechanization (SMAM) has allocated a total of ₹8,565 crore across States for the 2014-15 to 2024-25 period, aimed at distributing over 1.9 million machines and establishing thousands of Custom Hiring Centres. This policy attention of the government on farm mechanisation, rapid expansion of custom hiring centres has shifted machinery access patterns, particularly among small and marginal farmers. The triennial sampling design, however, may still reflect older ownership-heavy distributions.

## VARIED FACTORS

These methodological gaps influence the accuracy of cost estimation but do not, by themselves, explain broader structural outcomes such as cropping patterns. Evidence from across States suggests that crop diversification is driven far more by procurement assurance, irrigation conditions, input subsidies, and market linkages than by marginal differences in estimated costs.

States such as Rajasthan, Madhya Pradesh, Maharashtra have achieved relatively higher shares of pulses and oilseeds due to stronger market ecosystems, whereas Punjab continues



**SUPPORT PRICES.** Need for tweaks

to be dominated by the rice-wheat system.

This contrast underscores a critical insight: MSP in practice operates less as a pure cost-based price signal and more as a procurement-backed assurance mechanism. Even where MSPs are announced for alternative crops such as pulses and oilseeds, weak procurement limits their effectiveness in shaping farmer decisions. Data shows that market prices for several crops have frequently fallen below MSP in multiple regions.

The implications for MSP outcomes are therefore twofold. First, during stable periods, the gap between MSP and actual cost remains limited, and the system functions broadly as intended. Second, during periods of input price volatility, lagged cost estimation can compress the MSP-to-Cost margins, reducing real profitability even when nominal MSP increases are announced.

The MSP debate in India is often framed as a pricing problem, whereas it is fundamentally a problem of measurement and transmission.

Addressing these issues requires calibrated reform. Refinements on interest rate assumption and introducing limited indexing for volatile inputs like fuel and fertilizers could be piloted for crops where diversification is desired, such as pulses and oilseeds. Later, these refinements could be extended across all MSP crops, accompanied by gradual improvements in sampling frequency and regional representation. The fiscal implications of such changes would remain modest relative to their potential to enhance policy credibility and precision.

India's MSP system has played a critical role in ensuring food security. Yet a framework designed for earlier production conditions now faces the risk of gradual misalignment as agricultural systems evolve. A carefully sequenced modernisation focused on improving cost estimation without disrupting institutional continuity can strengthen both its credibility and effectiveness. When cost estimates more closely reflect observed realities, MSP can function not only as a safety net but also as a reliable guide for long-term agricultural transformation.

The writer is Assistant Professor (Agri-Business), Dr. Rajendra Prasad Central Agricultural University (RPCAU), Pusa, Samastipur, Bihar. Views are personal

- **Key Terms and Explanations**

- **Minimum Support Price (MSP):**

A guaranteed floor price announced by the government for select crops to protect farmers against price crashes. It is meant to cover the cost of production and provide a reasonable profit margin.

- **Comprehensive Scheme for Studying Cost of Cultivation (CCS):**

A central scheme under the Directorate of Economics and Statistics (DES) that collects field-level data on paid-out costs and imputed costs of producing major crops. It generates cost estimates used to recommend MSP.

- **Directorate of Economics and Statistics (DES):**

The nodal agency under the Ministry of Agriculture and Farmers' Welfare responsible for agricultural statistics, including cost of cultivation surveys and generating the data backbone for MSP fixation.

- **Triennial Block Sampling Design:**

A survey method where a set of sample villages is studied for three consecutive years, after which a fresh set of villages is selected. This rotation aims to reduce respondent fatigue and capture diverse conditions over time.

- **Paid-out Costs vs Imputed Costs:**

- *\*Paid-out costs (A2):\** Actual cash expenditures by the farmer on inputs like seeds, fertilizers, hired labour, diesel, irrigation charges.
- *\*Imputed costs (A2+FL):\** Includes family labour valued at market rates, and owned capital (depreciation, interest foregone on owned land and machinery).
- *Comprehensive cost (C2):* A2+FL plus rental value of owned land and interest on fixed capital, giving a fuller picture of economic cost.

- **Custom Hiring Centres (CHCs):**

Village-level or block-level facilities providing farm machinery (tractors, harvesters, laser levellers) on rent to small and marginal farmers, reducing the need for individual ownership.

- **Sub-Mission on Agricultural Mechanization (SMAM):**

A centrally sponsored scheme (2014 onwards) promoting farm mechanisation through financial assistance for machine purchase, establishment of CHCs, and demonstration of new equipment, with over ₹8,500 crore allocated till 2025.

- **Main Arguments and Substantive Parts**

- **Core Thesis:**

The MSP system is structurally stable in normal times but suffers from systematic misalignment during input price shocks because cost estimates are based on data that is 2–3 years old due to the triennial sampling design. The real debate is not just about price levels but about the measurement of cost and transmission of price signals.

- **Key Points:**

- **Lag in Cost Data:** The comprehensive cost estimation scheme uses a sample rotation cycle where villages are observed for three years before being replaced. This delays reflection of recent cost spikes, such as the 2021–22 fertilizer and fuel price surge, in the MSP announcement.
- **Input Price Shock Example:** Global fertilizer prices soared in 2021–22; diesel saw sharp increases before partial excise cuts. Yet the cost estimates available during MSP setting did not fully capture these, compressing the actual margin farmers received.
- **Hidden Underestimation of Required MSP:** Research suggests that if real plot-level costs had been accurately captured, MSP for several crops would have needed to be 20–30% higher to maintain the same percentage return over costs.
- **Mechanisation Pattern Shift:** Government schemes like SMAM have rapidly expanded Custom Hiring Centres, changing how small farmers access machinery. The survey design may still assume ownership-based cost patterns, potentially misclassifying machinery costs. Although the framework distinguishes owned vs. hired machinery to avoid double counting, the weightage might be outdated.
- **Procurement vs. Price Signal:** MSP works more as a procurement-backed assurance than a pure price signal. States with strong procurement ecosystems for rice and wheat (e.g., Punjab) remain locked in monocropping, while pulses and oilseeds see weak procurement despite MSP announcements, so diversification doesn't happen.
- **Two-Stage Impact:** In stable periods, the gap between MSP and actual costs remains limited, and the system functions fairly. But in volatile periods, lagged cost estimation compresses real farmer profitability even when MSP is nominally increased.

## Historical Evolution of the Issue

**Pre-Green Revolution:** Agriculture was mostly subsistence-based with no formal price support; farmers were at the mercy of local moneylenders and volatile markets.

**1965 (The Turning Point):** Establishment of the **Agricultural Prices Commission** (now CACP) and the **Food Corporation of India (FCI)**. This was born out of the need for food security and to incentivize farmers to adopt High Yielding Variety (HYV) seeds.

**1980s-90s:** Expansion of the MSP to cover 23 crops. The methodology for cost estimation became standardized under the Directorate of Economics and Statistics.

**2004-06 (Swaminathan Commission):** The National Commission on Farmers recommended that MSP should be at least 50% more than the weighted average cost of production (C2+50%).

**2014-Present:** Greater focus on "Income Security" rather than just "Food Security." Schemes like PM-KISAN and the expansion of the Sub-Mission on Agricultural Mechanization (SMAM) reflect a shift toward modernizing the farm economy.

# DECODING INDIA'S MSP: CONCEPT, CONSTRAINTS & CALIBRATED REFORM

## METHODOLOGICAL GAPS



**LAGGED DATA (Triennial Sampling):** MSP recommendations use 2-3 year old cost data, ignoring sudden shocks (e.g., 2021-22 fertilizer spike).

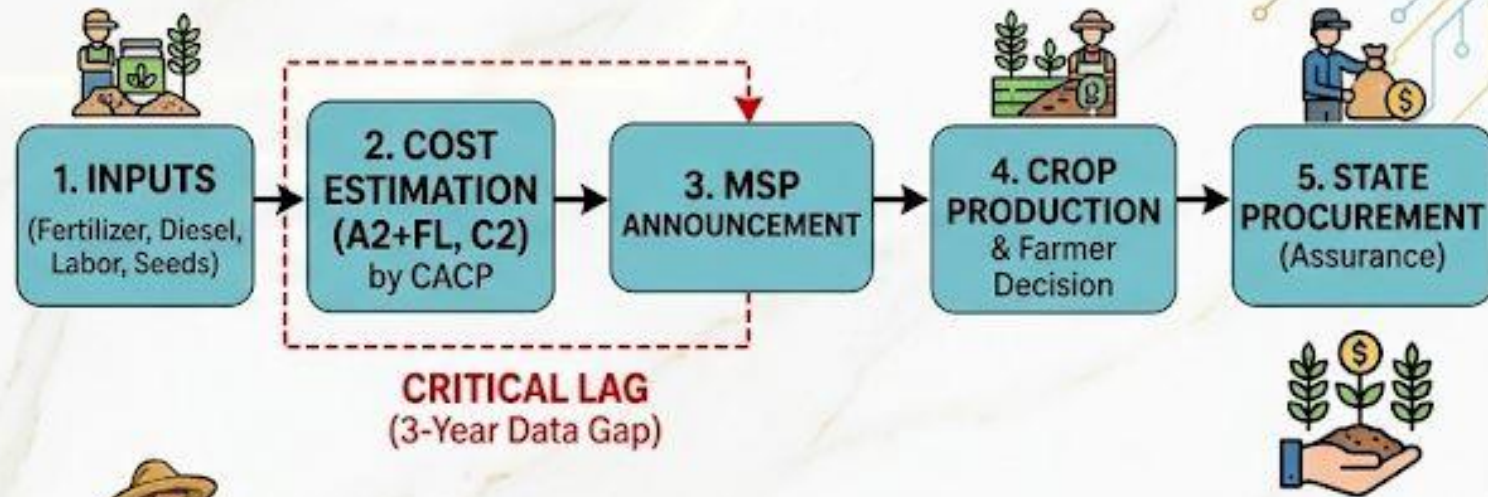


**MECHANIZATION MISMATCH:** Custom Hiring Centres (CHCs) expansion not fully integrated into older ownership-heavy distributions.



**VARIOUS FACTORS:** MSP as procurement, not just cost signal. Rice-wheat focus vs. pulses.

## MSP CORE PROCESS & GAPS



## MULTIDIMENSIONAL IMPACT

### ECONOMIC

Margin Compression during input shocks, potentially 20-30% lower.

### POLITICAL/SOCIAL

Crop Diversification challenges. Strong procurement in Rice/Wheat keeps Punjab-type patterns.

## WAY FORWARD



**LIMITED INDEXING** for Volatile Inputs (Fuel, Fertilizer) for Pulses/Oilseeds

**PILOT REFORMS:** Refine Interest Assumptions

**ENHANCED SAMPLING FREQUENCY & Regional Representation**

- **Logical and Philosophical Base**

- **Welfare Economics and Producer Protection:**

MSP is rooted in the principle that the state must shield food producers from volatile markets to ensure food security and stable farm incomes. This aligns with the utilitarian goal of maximising overall welfare by preventing distress sales and rural impoverishment.

- **Cost-Plus Pricing Logic:**

The assumption is that a fair price should cover production cost and yield a reasonable margin. It treats farming like a public utility, where cost recovery with margin is a legitimate policy goal.

- **Epistemology of Cost Measurement:**

The belief that cost of cultivation can be objectively measured through periodic surveys rests on a positivist worldview. The triennial sampling method assumes that farm costs are slow-changing variables, and a three-year lag is acceptable for policy. The critique points out that this epistemological assumption breaks down in periods of rapid input price changes.

- **Distributive Justice:**

Providing MSP above cost is essentially a fairness principle, redistributing resources from consumers/taxpayers to farmers. When cost estimates are understated, the distributive intent is defeated, raising an ethical question of justice denied.

- **Pragmatism vs. Perfection:**

The existing framework balances methodological robustness with administrative feasibility. The philosophical debate is whether incremental improvement (indexing, better sampling) is sufficient or a fundamental shift (legal guarantee with real-time cost monitoring) is needed.

- **Assumptions Embedded in the Framework:**

- Costs within a sample block remain representative for three years.
- Hired and owned machinery proportions are stable over short-term.
- Prices of inputs do not undergo extreme inter-year volatility. These assumptions, when violated, generate systematic errors.

-

- **Multidimensional analysis**

- **Social**

- MSP affects livelihood security, especially for small and marginal farmers who have limited capacity to absorb price shocks. A mismatch between official cost and actual cost can intensify agrarian stress.
- Regional inequality is embedded in MSP outcomes because procurement benefits are unevenly distributed. This can deepen perceptions of exclusion across states and crops.

- **Political**

- MSP is one of the most politically sensitive agricultural policies because it directly touches farmer incomes, food security and electoral mobilisation.
- The real politics is not only about the announced price but about where procurement happens, who benefits, and whether diversification promises are credible.

- **Legal**

- MSP itself is an executive policy instrument rather than a universal statutory procurement guarantee. Therefore, debates often arise over whether farmers possess an enforceable claim or merely a policy expectation.
- Any move toward formalization would raise legal questions regarding scope, beneficiaries, fiscal implications and Centre-state responsibilities.

- **Ethical**

- There is an ethical duty of truthful policy design: if the state promises 50 percent margin over cost, the cost estimate should reasonably reflect current reality.
- There is also inter-group ethics: higher producer support must be balanced with consumer affordability, nutrition access and prudent use of public funds.

- **International**

- MSP influences trade competitiveness, import dependence and domestic support debates. Weak support for pulses and oilseeds can raise import dependence, while excessive support in some crops may distort resource use.
- Input shocks are often global in origin, especially fertilizer and fuel, which means domestic price policy must respond to international volatility more intelligently.

- **Economic**

- MSP is a stabilisation instrument, but its welfare effect depends on cost measurement, procurement reach and market structure.
- When cost data lag during input spikes, real farm margins shrink even if nominal MSP rises. This reveals the difference between administrative increase and economic adequacy.
- Diversification requires coordinated incentives in water, seeds, storage, processing and marketing, not just revised cost sheets.

- NCERT linkages
- **Class XI Indian Economic Development – Unit on Agriculture:** Useful for understanding the role of agriculture in employment, productivity constraints, price policy and institutional support. MSP can be connected to the broader theme of agricultural transformation.
- **Class XII Macroeconomics – Government Budget and Food Security linkages:** Helps students connect MSP, procurement, subsidy, buffer stocks and fiscal implications.
- **Class IX Economics – Food Security in India:** Explains procurement, buffer stock and PDS, which form the operational backbone of MSP effectiveness.
- **Class X Economics – Sectors of the Indian Economy / Globalisation context:** Useful for understanding agriculture’s vulnerabilities and the role of the state in stabilizing primary producers.
- **Class VIII Civics – Public policy and welfare orientation:** Gives an early conceptual bridge to why the state intervenes for vulnerable groups.
- **Class XI Geography – Agriculture chapters:** Important for linking MSP outcomes with irrigation, soils, regional crop patterns and agro-climatic diversity.
- **Class XII Sociology / Social Change themes:** Relevant for understanding mechanisation, agrarian differentiation and rural inequality, especially where policy benefits vary by region and farm size.

### GS Paper 3:

- Major crops and cropping patterns in different parts of the country.
- Agricultural pricing and public distribution system.
- Issues related to direct and indirect farm subsidies and minimum support prices.
- Food processing and market reforms.
- Economics of animal rearing and food security linkages indirectly.  
This is the strongest paper for this topic.

### GS Paper 2:

- Government policies and interventions for development in various sectors.
- Issues arising out of design and implementation of government schemes.  
MSP as policy design, federal coordination, and implementation asymmetry fits here.

### GS Paper 1:

- Social issues related to rural distress, regional disparities and agrarian structure.
- Human geography linkages through agro-climatic patterns and irrigation regimes.

### GS Paper 4 (Ethics):

- Public policy ethics, fairness, accountability, evidence-based governance, empathy toward vulnerable producers.

### Essay:

- Agriculture, food security, development with equity, science-policy interface, data and justice, growth versus sustainability.

- **Way Forward**

- **Pilot Input Price Indexation:**

Implement a two-year pilot for at least three crops (arhar, chana, mustard) where a predetermined formula adjusts A2 cost components for fertilizer and fuel based on monthly price indices. Evaluate the impact on MSP and farmer response.

- **Hybrid Sampling Model:**

Retain the triennial block rotation but overlay a “fast-track” annual sample survey of 20% of districts, especially those with high input price variability, to provide a contemporaneous adjustor for the base cost.

- **Integrate CHC Data with DES Surveys:**

Create a digital interface where Custom Hiring Centre transaction data feeds into the machinery cost estimation module, allowing weights of hired vs. owned machinery to be updated annually. This requires collaboration between DES and State Agriculture Departments under an expanded e-NAM-like platform.

- **Procurement-Insurance Link:**

For crops where accurate cost-based MSP is introduced, simultaneously declare a procurement guarantee in at least 10% of major producing districts through NAFED and other agencies, backed by a small revolving fund. This shows commitment and builds farmer trust.

- **Institutional Capacity Building:**

Train DES field staff in hybrid cost computation methods, upgrade IT infrastructure for real-time data collation, and create a public dashboard displaying cost updates, enhancing transparency and credibility.

- **Legal Safeguards and Dispute Resolution:**

Constitute an independent Cost Review Committee under the CACP with farmer representatives, economists, and statisticians to validate annual adjustments and address grievances. This can forestall political accusations of manipulation.

- **Fiscal Containment:**

Finance the additional procurement cost by rationalising urea subsidy (convert to direct cash transfer per hectare) and reducing post-harvest losses through better storage, thus preventing fiscal blowout.

- **Long-Term Vision:**

Move towards a dynamic MSP band system based on rolling cost estimates, similar to how fuel prices are revised, but with an upper ceiling to prevent runaway inflation. This vision can be laid out in the next Union Budget’s agriculture strategy paper.

## UPSC CSE Mains (General Studies):

### GS-3 (Agriculture / MSP):

- **2023:** Discuss the role of MSP in addressing the agricultural distress and promoting crop diversification in India. (15 marks)
- **2022:** What are the challenges in making MSP a legal right? Evaluate its feasibility. (10 marks)
- **2021:** How does MSP system hinder crop diversification? Suggest measures to align MSP with dietary diversity.
- **2020:** Critically examine the effectiveness of MSP in ensuring food security and income stability for farmers.
- **2019:** Assess the role of the Commission for Agricultural Costs and Prices (CACP) in the determination of MSP.
- **2018:** "MSP is necessary but not sufficient to guarantee farmers' welfare." Comment.
- **2017:** What are the issues related to the cost of cultivation data collection in India? How does it affect MSP?
- **2016:** Discuss the implications of the WTO's Agreement on Agriculture on India's MSP policy.

### GS-2 (Policies):

- **2020:** Reforming the government's agricultural pricing policy requires bridging the gap between farmer and consumer interests. Discuss.
- **2016:** The implementation of MSP has varied across regions. Discuss the reasons.

# Time to revisit anti-defection law

Defectors must lose their seats even if the breakaway entity qualifies to be recognised as a separate party



**ASHOK LAHASA**  
FORMER ELECTION COMMISSIONER

**T**HE "transmigration" of seven Raja Sabha MPs (Members of Parliament) of the Aam Aadmi Party has reignited the defection debate. While this phenomenon might not be unique to India, it seems a form of " soul-searching" by people increasingly accused of not possessing one. It represents the art of living here today and there tomorrow with the craft of doing it with guile and without guilt.

Changing one's political beliefs and affiliation should normally be treated as a process of "growing up" politically due to a change of heart or ideological awakening. Elected representatives are "job-of" by their conscience, swayed by a realisation of their leader's "betrayal", and a desire to identify with another party they desired. Elogy and eulogy merge into something hard to define and difficult to understand.

The Constitution guarantees liberty of thought and expression and the right to form associations. Then, why label this "defection" a negative political behaviour necessitating a law to regulate such conduct? The Constitution didn't deal with defection originally in its inalienable belief in the strength of character of the political class.

I won't venture into the history of defections in India, although I served the state involved with the origin of the species of *Aaga Rava*, *Geeta Rava*, *Baryana* gave a live demonstration of the *Tha-gavad Gita* sermon of the soul never dying but changing form, when the chief minister led his cabinet to migrate by joining another party in 1980.

What bears elaboration, howev-



**NEW WINNERS** : Rajesh Chaudha (centre) with Sandeep Pathak (left) and Ashok Mittal. The two and four other AAP MPs crossed over to the BJP recently, see

er, is while defection is undesirable, to act as per free will is fundamental to the concept of freedom. Many see the Truth Schedule of the Constitution, introduced by the 32nd Amendment Act (1985), and its subsequent modification by the 91st Amendment Act (2003) as a deterrent to elected representatives acting of their free will. The anti-defection law was brought about to ensure political stability by disallowing the UK-style "free-swinging" in Parliament. However, this merely dissuaded military acts of changing political loyalties but allowed wholesale transaction, originally one-third, increased later to two-thirds of the party inside and outside the House.

The utilisation in politics of the effective trade practice of "back-biting" reflects both a time-tested market formula and a morally resilient political culture. In politics, back-biting concocts into a persuasion because those who put themselves on offer must ensure being bundled with kindred souls in order to make up the two-thirds. The unique feature of this product is that only two-thirds of the whole is sold, one-third is retained for a possible resale, should circum-

**We risk becoming a nation where riches and cunning matter more in politics than being consistent and scrupulous, and value is preferred over values.**

stances could be created by the "inner voice" that scriptures exhort us to hear or the scripted "external threat" that the mind is trained to perceive.

Legal harmonies will now delve into the nuances of law and the litany of relevant judgments that the Raja Sabha Chairman should have kept in view before speedily sanctifying the transmogrified (mortified?) MPs. Honorable courts, persuaded by learned lawyers, might uphold the decision. The days when people in authority disagreed with

each other seem passé and morally avowed an elite concern.

This is no comment on the courts; this is how laws have been written, enabling the elected representative to act in accordance with the letter while abandoning its spirit. It is an act of hubris when elected representatives presume that their oath-taker has the endorsement of their voters.

What indeed is the spirit of being elected? Is it in any way affected by such change of loyalties? Most candidates winning elections belong to political parties. Independent candidates may make promises; they don't write manifestos. Parties do, and candidates winning on their ticket are bound by their manifestos as they contest on a common symbol. Where does it leave defecting candidates who, after elections, discard the support of those who voted for them? They were not the choice of those who didn't vote for them and are technically left without any support in their constituencies but continue to be their elected representatives. What kind of "representation" is this?

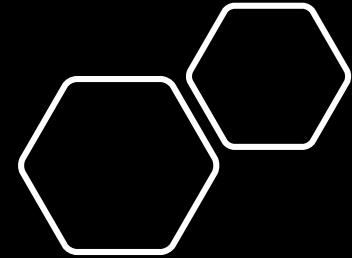
It could be argued that an individual's personal influence, no matter which party, runs higher

popular support. That makes the individual larger than the party, undermining the raison d'être of political parties. After all, parties represent a certain political thinking or ideology; at least they are meant to. While an individual may suffer "pangs of conscience", parties are not known to suffer this malady, although there have been instances of "mergers and acquisitions". While parties "merge", elected representatives are "acquired" in the Indian political marketplace.

In such an environment, why should we be obsessed with multiplying the number of representatives because of a fictional notion of being underrepresented? Has anyone evaluated whether smaller constituencies are better served by elected representatives than the larger ones? Yet there is a furious debate on defections to serve the abstract principle of "One Vote, One Value". A Parliamentary Committee also deliberates on the avoidable alternative of "One Nation, One Election", aimed at minimising the interface between the elector and the elected.

What is the morality of my vote if the person I elect has the freedom to discard it and embrace the one that I rejected? Is it time the anti-defection law is revisited. Let the law not prohibit elected representatives from switching sides, but the MPMA must go back to the electors for a fresh mandate, giving voters the opportunity of soul-searching.

The splitting of a political party is a different matter and must be governed by the applicable law for the formation of political parties. Even if the party splits and the breakaway entity qualifies to be recognised as a separate party, the elected representatives must lose their seats. This would entail a "wasteful" exercise of repeated elections, a cost a healthy democracy must learn to afford. Otherwise, we risk becoming a nation where riches and cunning matter more in politics than being consistent and scrupulous, and value is preferred over values.



- **Key Terms and Explanations**

- **Defection:** When an elected representative leaves the political party on whose ticket they won and either joins another party or becomes independent. Example: An MP elected on Party A's symbol later joining Party B without resigning.
- **Anti-Defection Law (Tenth Schedule):** Inserted by the 52nd Constitutional Amendment Act, 1985, it lays down grounds for disqualification of MPs/MLAs on defection. It seeks to prevent political instability caused by frequent floor-crossing.
- **Aaya Ram, Gaya Ram:** A phrase from Haryana's political history (1960s) symbolising a legislator switching parties multiple times within hours, highlighting unchecked defection before the law.
- **Split (now defunct provision):** Originally, defection was not penalised if at least one-third of the legislature party broke away. The 91st Amendment (2003) removed this concession, making any individual defection grounds for disqualification.
- **Merger:** If two-thirds of the legislature party agrees to merge with another party, the members are exempted from disqualification. This is a legal route for wholesale defections.
- **Whip:** A directive issued by a political party to its legislators to remain present and vote in a particular manner in the House. Violation can attract disqualification under certain conditions.
- **Transmogrification:** A term used to describe a surprising or magical change in form; in politics, a sudden, wholesale shift in loyalty by a group of legislators.
- **Conscience vote vs. party discipline:** A tension between an individual legislator's inner voice and the collective mandate of the party under whose programme the voter cast the ballot.

- **Main Arguments and Substantive Parts**

- **Core thesis:** The current anti-defection law is a façade—it penalises individual defectors but allows mass defections under the “merger” or earlier “split” route. This undermines the voter’s mandate and needs urgent reform.
- **Flawed split/merger exception:** Law permits bulk transactions; two-thirds of a legislature party can merge with another party without disqualification. This treats politics like a market where “bulk-buying” attracts a premium, not punishment.
- **Call for fresh mandate:** Even if a breakaway entity qualifies as a separate party, all defecting members must lose their seats and seek re-election. Only then can voters decide if the switch reflects their choice.
- **Ethical vacuum:** The article laments the decline of political morality—conscience and ideology are replaced by guile, convenience, and transactional politics. Rhetoric of “inner voice” is often a disguise for opportunism.
- **Undermining representation:** When a candidate wins on a party ticket and later shifts, they become the representative of a voter base that never chose them for their new affiliations. This distorts the principle of popular sovereignty.
- **Counter-arguments :** The Constitution guarantees freedom of thought and association; political mobility can reflect genuine ideological change. However, the article argues that representative democracy demands accountability—defectors must go back to voters to validate the change.



- **Historical Evolution of the Issue**

- **Pre-1950s:** The Constitution originally had no provision against defection, assuming the political class would act with honour. Defections were rare in the early decades.

- **1960s-70s:** The era of coalition politics and unstable state governments witnessed rampant floor-crossing. Haryana became the classic laboratory of “Aaya Ram, Gaya Ram” (1967) when legislator Gaya Lal changed parties thrice in a day.

- **1985 – 52nd Amendment:** The Tenth Schedule, popularly called the anti-defection law, was introduced by Rajiv Gandhi’s government. It disqualified members who voluntarily gave up party membership or voted against the whip. Split was allowed if one-third of the legislature party broke away.

- **1992 – Kihoto Hollohan case:** The Supreme Court upheld the law’s constitutionality, except the bar on judicial review of the Speaker’s decision. The court said judicial review was part of the basic structure, making Speaker’s orders amenable to court scrutiny.

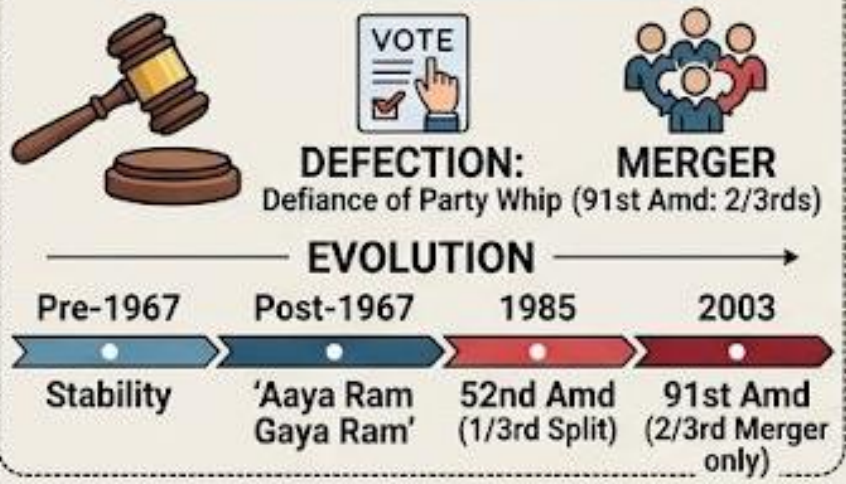
- **2003 – 91st Amendment:** The exemption for splits was deleted; now any defection by even one member invites disqualification. The merger exception required two-thirds approval of the legislature party. This was done to check the politics of bribery and instability.

- **Recent cases:** Maharashtra’s political crisis (Shiv Sena split, 2022), Goa and Karnataka (2018-19), and the recent Rajya Sabha defections have kept the debate alive, raising questions about the Speaker’s impartiality and the ECI’s role.

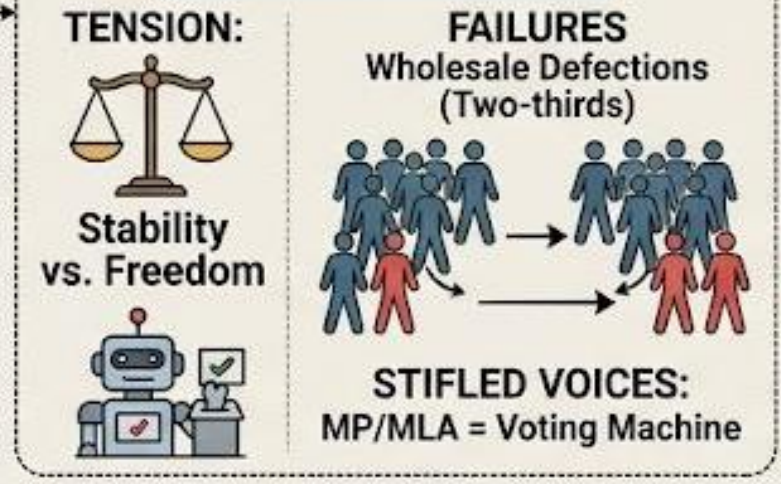
# Time to revisit anti-defection law

## TENTH SCHEDULE: CRITICAL REVIEW AND REFORM

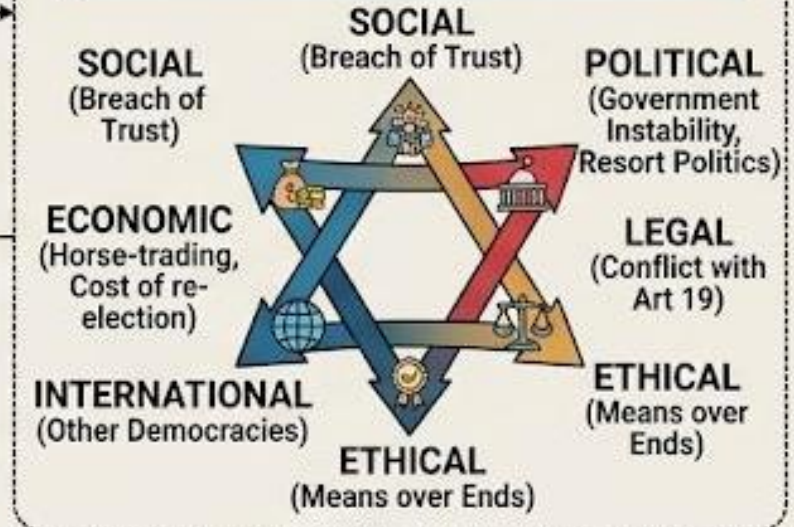
### 1. KEY TERMS & EVOLUTION



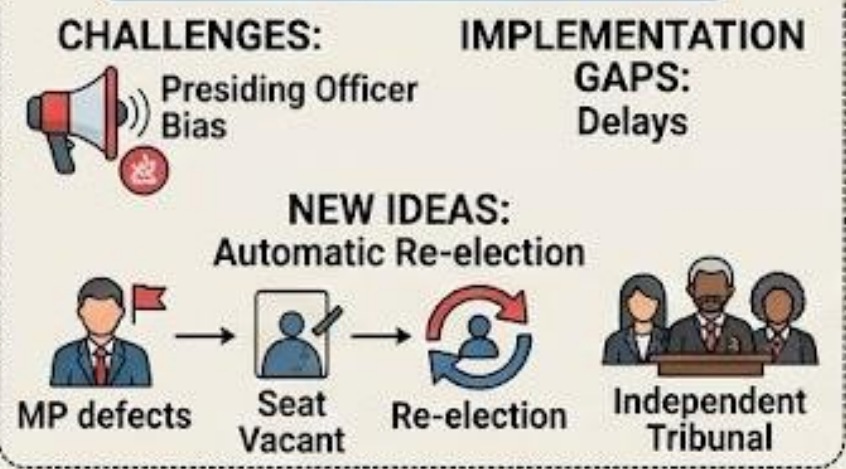
### 2. MAIN ARGUMENTS



### 3. MULTIDIMENSIONAL ANALYSIS



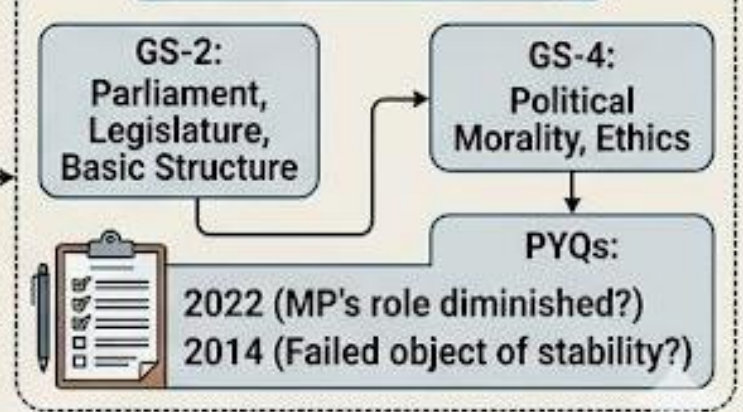
### 4. CHALLENGES & NEW IDEAS



### 5. SUSTAINABILITY & REFORM PATH



### 6. UPSC LINKS & PYQS



- **Logical and Philosophical Base**

- **Mandate vs. free will:** The argument assumes that a vote is cast for a party's ideology and manifesto, not merely for an individual's character. Thus, abandoning the party breaks a sacred trust.

- **Social contract theory:** Elected representatives are agents of the voters. Changing masters mid-term without re-consent violates the principal-agent relationship. Good governance demands that such a breach has consequences.

- **Stability vs. purity of representation:** A stable government is desirable, but not at the cost of moral representation. The current law prioritises stability by permitting organised split/merger, sacrificing the purity of the voter's mandate.

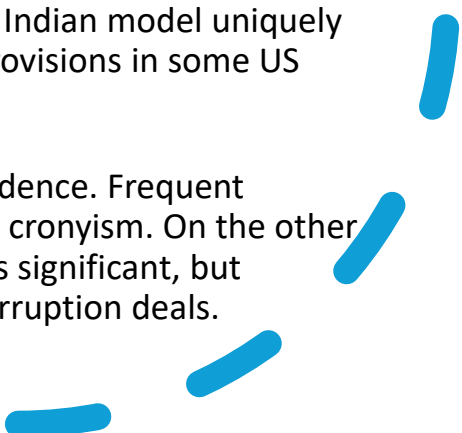
- **Collective conscience of the party:** The article challenges the idea that a party can be "split" and that the breakaway block automatically becomes a legitimate successor without electoral validation. It posits that the real judge is the electorate, not a numerical threshold inside the house.

- **Utilitarian vs. deontological pull:** On one hand, allowing bulk defections avoids repeated elections and provides immediate government formation (utilitarian). On the other, the deontological view says the voter's right is inviolable and cannot be traded for administrative convenience.





- **Multidimensional Analysis**

- **Social:** Defection destroys voter faith, reduces political participation, and alienates citizens who feel their mandate is meaningless. It fuels public cynicism and erodes the social capital necessary for democratic legitimacy.
  - **Political:** Undermines the party system and encourages horse-trading. Policy continuity suffers, and governance becomes a casino of numbers. Yet, mass defections can also reflect genuine political realignments responding to changing public mood, which the current law tries to accommodate.
  - **Legal:** The Tenth Schedule and the Supreme Court's interpretation (Kihoto Hollohan, Nabam Rebia) create an intricate web. Speaker's quasi-judicial role is often questioned. Any reform must define "voluntarily giving up membership" and the merger exception more precisely to avoid legal loopholes.
  - **Ethical:** The core tension is between the ethics of conscience and the ethics of mandate. The law must distinguish between principled dissent and unprincipled horse-trading. Political morality demands that personal gain not dictate party switching.
  - **International:** In the UK, the party whip is a strong convention; defying it can lead to expulsion but not disqualification from Parliament. In Germany, the Basic Law protects a member's free mandate but strong party discipline exists informally. The Indian model uniquely conflates disqualification with party membership. Learning from recall provisions in some US states could inform alternate recourses.
  - **Economic:** A stable political environment is critical for economic confidence. Frequent defections lead to policy paralysis, delays in fiscal decisions, and increase cronyism. On the other hand, the cost of conducting by-elections every time a defection occurs is significant, but arguably far less than the economic cost of governance instability and corruption deals.
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- **Linkages with NCERTs**

- **Class 11, Political Science – Indian Constitution at Work:** Chapter 3 (“Election and Representation”) discusses the anti-defection law, its purpose, and the distinction between individual defection and the split/merger provisions. This is the foundational text.

- **Class 11, Political Science – Indian Constitution at Work:** Chapter 5 (“Legislature”) covers the role of the Speaker, whip system, and Tenth Schedule. The article’s critique directly connects to the functioning of the legislative body and discipline.

- **Class 12, Political Science – Politics in India Since Independence:** Chapter 9 (“Recent Developments in Indian Politics”) touches upon the era of alliances and defections, stressing how the 91st Amendment was a response to the politics of horse-trading in the 1990s.

- **Class 12, Political Science – Contemporary World Politics:** The idea of democratic accountability and voter rights parallels global debates on the legitimacy of elected representatives switching parties, offering a comparative angle.



- **Linkages with UPSC CSE Syllabus**
- **GS Paper II – Governance, Constitution, Polity:**
  - Parliament and State Legislatures – structure, functioning, conduct of business; anti-defection law (Tenth Schedule) and its implications.
  - Appointment to various Constitutional posts, powers, functions (Speaker’s role in disqualification).
  - Salient features of the Representation of People’s Act.
- **GS Paper IV – Ethics, Integrity, and Aptitude:**
  - Ethics in public administration (mission vs. opportunism in politics).
  - Conscience vs. party whip; moral dilemmas of an elected representative.
  - Probity in governance – politician-criminal-business nexus increased by defections.
- **Essay Paper:** Topics such as “Is the Indian anti-defection law a cure worse than the disease?” or “Political morality and the right to vote.”
- **Optional – Political Science & International Relations (PSIR):**
  - Indian Government and Politics: Party system, political alliances, defections, and the Tenth Schedule.
  - Comparative politics: India’s anti-defection model versus other democracies.

- **Way Forward**



- **Constitutional amendment to equalise all defections:** Amend the Tenth Schedule to remove the merger exception. Any change in political affiliation by an elected member – individually or in groups – should attract automatic disqualification and a mandatory by-election within a defined timeframe.
- **Time-bound adjudication by independent tribunal:** Transfer the power to decide defection cases from the Speaker to an independent Constitutional body (like an Anti-Defection Tribunal headed by a retired judge), ensuring impartiality and swift disposal.
- **Recall mechanism as alternative:** Introduce a right to recall at the legislative level, allowing constituents to trigger a by-election if a certain percentage of voters feel betrayed, balancing defection law with direct democracy.
- **Intra-party democracy and transparent whip issuance:** Parties should be mandated by law to maintain internal democratic processes (regular elections for leadership). Whips must be issued only for no-confidence motions, money bills, and core ideological matters, allowing free conscience votes on other issues.
- **Regulation of pre-poll alliances:** Any pre-poll alliance that the candidate signs on to should be part of the affidavit; shifting post-poll from the alliance must also be treated as defection, deterring post-election coalition raiding.
- **Strengthen the Election Commission:** Provide ECI with adequate resources and technology to handle frequent mini-elections. Digital campaigning and advanced electoral rolls can reduce costs.
- **Voter awareness and civil society pressure:** Building public opinion that defection is a grave democratic sin can create social stigma, making the political cost of switching heavy even without legal change.

- **UPSC CSE Mains GS II**

- 2022: “Discuss the role of the Election Commission of India in the light of the Representation of the People Act, 1951 and the anti-defection law.” (15 marks)
- 2020: “The role of the Speaker in ensuring the effectiveness of the anti-defection law has been controversial. Examine.” (10 marks)
- 2019: “Critically examine the provisions of the Tenth Schedule of the Constitution with reference to the recent political developments in some states.” (15 marks)
- 2017: “Discuss the significance of the 91st Amendment Act, 2003, in strengthening the anti-defection law.” (10 marks)
- 2015: “What are the main functions of the Speaker? Also, discuss the Speaker’s role in the context of anti-defection law.” (12.5 marks)
- 2013: “The anti-defection law has failed to achieve its objective. Critically evaluate.” (10 marks)
- 2011: “Discuss the reasons behind the introduction of the Tenth Schedule and its impact on political defections.” (15 marks)

- **UPSC CSE Prelims**

- 2023: Which of the following is/are the grounds for disqualification under the Tenth Schedule? (multiple choice on defection)
- 2019: Consider the following statements regarding the anti-defection law...
- 2014: With reference to the Tenth Schedule, consider the following...
- 2003: The 91st Amendment Act related to...
- Questions on Kihoto Hollohan judgement have appeared in statement-based format.



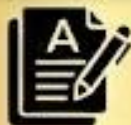
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