



AXIA IAS ACADEMY



EDITORIAL ANALYSIS



AUGUST 15



**CONSISTENT
COMPREHENSIVE
AND CREDIBLE**



**UNIQUE AND BEST IN
QUALITY**

- 1. From great anxiety to Viksit Bharat (BUSINESS STANDARD)**
- 2. Digital governance is transformative (THE HINDU BUSINESSLINE)**
- 3. India at 80, a democracy in search of renewal (THE HINDU)**
- 4. Financial democracy, the Jan Dhan transformation (THE HINDU)**



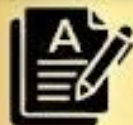
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DISCUSSION

From great anxiety to Viksit Bharat

An analysis of India's Budget speeches since Independence reveals a growing confidence in tone



translating the last bridge of the impossible to this French idiom: *l'espérance humaine* (the preceding one is one of "great difficulty and of great interest"). In the last bridge, Thomas Mann's *Die Buddenbrooks* presents the "well-known sage proverb: 'Viel Wissen, wenig Gutes, viel Unheil'" (knowing nothing is the best).

These two glumes represent a remarkable transformation. From the Indian monsoon to the mountains of an ancient desert of oil, savings, foreign exchange and productive capacity. Today, it speaks as the network of a large economy seeking to change its growth to global scale and replace in the world's production approach.

[illegible]

From counting to confidence
The new language guide is designed to be used with parents, teachers, after-school programmes and confidence with a new language programme will come, because, it will help, quickly, improve and strengthen the links between the two. It is designed to be used as a reference for all language, not government, participation in popular.

The last movement is towards greater complexity, but the focus is that we must sometimes lose things.

The first section is on, broadly, personal issues (such as depression). It is the most difficult for its brevity. But we cannot imagine only a 45-minute radio set, hence its spread in the programme periods. The first two sections are on, respectively, self and others. The last section is on suffering and on death. The words, 'I am suffering, you are suffering' are the words that, in the end, we must accept. These are words that, in the end, we must accept. These are words that, in the end, we must accept. These are words that, in the end, we must accept.

The second measure that is to be implemented in the 2003 integrated curriculum, between 2002 and 2003, will have three main aims: to support different learning styles by using a variety of materials, while ensuring national curriculum requirements are met (Table 24).

Before we moving from cross management to individualized curriculum, the curriculum itself is worth reviewing. Since its introduction, the curriculum has been very successful, covering knowledge, understanding and skill development, but there is a need to address the learning community, social and self-management and life skills. The curriculum might thus question its essentially long-term focus.

The divergent growth mechanisms may well be the result of the divergence associated with the existing mechanisms. At that point, however, was already visible in the 1980s and 1990s. The spatial heterogeneity of the forest and landscape caused the existing patterns. They do support a considerable interpretation of growth functional mechanisms and effects before their effects become visible in



The plans of 1999 Budget documents being brought to Parliament in due process

Tone of Budget speech by historical period

The official role of the union budget becomes progressively more pertinent

[illegible]

Language profiles

Reserve ministers give each policy regime a different economic outlook.

Business initiative	Budget years represented	Net sales	Strategic impact	Characteristics
ETicket.com	1997-98	\$17.5	1.0	Revenue diversification, planning and financial modeling
Travelocity.com	1994-97 1998-99	\$160.0	4.0	Revenue diversification, planning and financial modeling
WorldWired.com	1997-98	\$160.0	1.0	Planning, strategy, profitability analysis and financial modeling
V.I. Express	1997-98	\$2.0	1.0	Revenue diversification, planning and financial modeling
Florida Healthcare	1997-99 2000-01	\$2.0	1.0	Revenue diversification, planning and financial modeling
MyTravel.com	1999-99	\$2.0	2.0	Revenue diversification, planning and financial modeling
Software Direct	1997-1999 2000-2002	\$2.0	1.0	Revenue diversification, planning and financial modeling
ETicket.com	1997-98 1999-00 2000-01	\$160.0	2.0	Revenue diversification, planning and financial modeling
Amtrak.com	2000-00	\$10.0	1.0	Revenue diversification, planning and financial modeling

Notes: Sample size = 1,000; $\alpha = 0.05$; results are 100 bootstrap replications. Results are not valid if the sample size is 100, any distribution is nonnormal, and sample is skewed more than 1.5. See also <http://www.statsoft.com/publications/usingbootstrap.htm>.

[illegible]

The direct targeting of these institutions, the first since the late 1970s, is a striking illustration of the breakdown of the post-1945 consensus. In early 2000, a coalition of right-wing and post-imperialist members with a strong social policy consensus, although the Tories still formed a government officially, pushed through legislation that dissolved the last remaining pillar of the post-war consensus: the central bank.

competitiveness. Their policy has resulted in increased capital expenditures. Import duties have been reduced to supply credits and capital. Additionally, a flexible exchange rate gives rise to confidence, negotiation and investment coverage.

self-interest was recognized, but a difference existed. Because effectiveness in the market requires not generally substantial investments, banks, unlike equity investors and export producers, do not require a policy question in whether domestic liquidity increases a likelihood the global competition will be a substitution for government protection.

Davidson (1996) argues that a 100% tariff on all imports from Japan would have a negative impact on the Japanese economy, as it would be accompanied with economic retaliation. Davidson suggests that foreign exchange can be used to purchase foreign goods, but the cost of the free-market of value and returns. As Davidson argues, it is a fallacy that the free-market system is a fallacy. Davidson (1996) argues that the free-market system is a fallacy, as it is a fallacy that the free-market system is a fallacy. Davidson (1996) argues that the free-market system is a fallacy, as it is a fallacy that the free-market system is a fallacy.

The various properties of speech signals, such as frequency, amplitude, duration, and so on, are used to represent the linguistic information. The linguistic information is then converted into the acoustic signal by the speech synthesis system. The speech synthesis system is a complex system that takes linguistic information as input and produces an acoustic signal as output. The speech synthesis system is a complex system that takes linguistic information as input and produces an acoustic signal as output. The speech synthesis system is a complex system that takes linguistic information as input and produces an acoustic signal as output.

[illegible]

3. Inner face of leaf: Ventral face; smooth
 4. Upper epidermis

- **Key Terms and Conceptual Frameworks**

- **Net Tone Index in Fiscal Rhetoric:** A qualitative and semantic metric used to assess the underlying sentiment of official economic pronouncements. It calculates the ratio of positive linguistic markers (e.g., *growth, stability, resilience, opportunity*) against negative markers (e.g., *crisis, burden, inflation, shortfall, deficit*).
- **Strategic Vision Intensity:** The frequency and structural integration of forward-looking, goal-oriented policy declarations (utilizing action-oriented language such as *modernise, scale, compete, transform*) within annual financial statements, reflecting long-term institutional planning rather than short-term crisis management.
- **Macroeconomic Uncertainty Index:** A measure tracking the prevalence of risk-associated terminology (e.g., *volatility, vulnerability, external shock, rationing*) in policy documents. A falling index reflects institutional stabilization and policy predictability.
- **Liquidity Adjustment Facility (LAF):** A monetary policy tool introduced in the late 1990s and early 2000s that allows commercial banks to borrow money through repurchase agreements (repos) or make loans to the central bank through reverse repos. It transformed Indian monetary management from direct administrative credit controls to market-determined liquidity operations.
- **Fiscal Responsibility and Budget Management (FRBM) Act, 2003:** A legislative framework enacted to institutionalize financial discipline, reduce fiscal deficits, eliminate revenue deficits, and ensure inter-generational equity in public debt management.
- **Capital Outlay vs. Revenue Expenditure Multiplier:** Capital expenditure (**Capex**) creates physical, digital, or social infrastructure yielding long-term productivity gains (with an estimated multiplier of 2.5--4.8), whereas **Revenue Expenditure** supports day-to-day administrative running costs, subsidies, and interest payments (with a lower multiplier around 0.9--1.1).
- **Digital Public Infrastructure (DPI):** Open, interoperable digital rails—such as identity (Aadhaar), real-time payments (UPI), and data-sharing networks (Account Aggregator)—that enable governments to deliver targeted welfare, formalize economic transactions, and lower transaction costs across the economy.
- **Export-Oriented Competitiveness vs. Autarkic Self-Reliance:** Classical import substitution (*Autarky*) sought self-reliance by sealing domestic markets through high tariffs and import quotas. Modern *Aatmanirbhar Bharat* emphasizes domestic scale, technology adoption, and infrastructure logistics to integrate competitively into global value chains (GVCs).

- **Main Arguments and Substantive Analysis**

- The evolution of India's budgetary posture reveals the changing self-perception, capacity, and socioeconomic priorities of the Indian state:

- **The Metamorphosis of State Identity**

- **From Scarcity Custodian to Growth Enabler:** In the early decades of the Republic, the state acted as a defensive manager of acute resource constraints—coping with capital shortages, foreign exchange deficits, and food insecurity. Over seven decades, this has shifted to the state positioning itself as a proactive facilitator of scale, global integration, and national ambition (*Viksit Bharat*).
- **Changing Nature of the Fiscal Debate:** Early budgetary discourse was centered on *resource mobilization*—debating how to extract scarce savings from an agrarian economy. Modern fiscal discourse is centered on *execution and conversion*—debating how effectively the state can translate massive capital outlays into global competitiveness, physical connectivity, and inclusive outcomes.

- **The Decoupling of Crisis and Institutional Architecture**

- **1991 as an Emergency Repair:** The structural reforms of 1991, while pivotal, were communicated primarily through the lens of crisis response. The narrative focused on stabilization, foreign exchange conservation, and fiscal triage rather than immediate triumph.
- **The 1998–2004 Institutional Foundation:** The institutional backbone of modern India—including modern telecom policy, national highway networks, fiscal rules (FRBM), liquidity management frameworks (LAF), tax rationalization, and disinvestment architectures—was codified during this period. The groundwork for the subsequent 2003–2008 high-growth cycle was systematically laid in these transitional years.

- **Recomposition Rather Than Retreat of the State**

- **Continuous Institutional Evolution:** The state did not simply shrink or yield to market forces after liberalization. Instead, it reoriented its primary function across successive eras:
- Mobiliser → Controller → Stabiliser → Architect → Social Provider → Platform Enabler
- **The Modern Paradigm:** The contemporary model integrates massive state-led capital expenditure with digital service delivery rails. It balances structural formalization and industrial expansion (e.g., Production Linked Incentive schemes) with targeted, technology-enabled social safety nets.

- **Historical Evolution: Seven Decades of Fiscal Policy**
- **Phase I: The Dawn of Nation-Building and Capital Scarcity (1947–1964)**
 - **Context and Policy:** Following the disruption of Partition and widespread poverty, early budgets focused on state-led heavy industrialization under the Nehru-Mahalanobis model.
 - **Milestones:** Establishment of the Planning Commission, initial Five-Year Plans, and allocation of scarce public capital to core infrastructure (dams, steel plants, power stations). The primary constraint was an acute lack of domestic savings.
- **Phase II: The Era of Scarcity, Shocks, and Administrative Controls (1964–1980)**
 - **Context and Policy:** Marked by external conflicts (1965, 1971), severe monsoon failures, the 1973 global oil shock, and double-digit inflation.
 - **Milestones:** Nationalization of major commercial banks (1969), expansion of the Monopolies and Restrictive Trade Practices (MRTP) Act, stringent foreign exchange regulations (FERA), and the expansion of the Public Distribution System (PDS). The narrative centered on administrative rationing and redistribution under conditions of scarcity.
- **Phase III: Modernization Attempts and Emerging Imbalances (1980–1991)**
 - **Context and Policy:** Early moves toward industrial modernization and telecommunications integration occurred alongside rising fiscal deficits.
 - **Milestones:** Gradual relaxing of domestic industrial licensing alongside growing revenue deficits. The reliance on short-term commercial external debt culminated in the balance-of-payments crisis of 1991, with foreign reserves falling to barely three weeks of imports.
- **Phase IV: Structural Adjustment and Crisis-Driven Liberalization (1991–1996)**
 - **Context and Policy:** Emergency economic stabilization guided by the IMF structural adjustment program.
 - **Milestones:** Abolition of the industrial licensing regime (*License-Permit Raj*), reduction of import tariffs, opening of sectors to Foreign Direct Investment (FDI), and a transition to a market-determined exchange rate system (LERMS).
- **Phase V: Second-Generation Reforms and Institutional Building (1996–2004)**
 - **Context and Policy:** Moving beyond emergency deregulation toward deep-seated institutional and infrastructure reforms under coalition governments.
 - **Milestones:** Launch of the National Highways Development Project (NHDP/Golden Quadrilateral), the New Telecom Policy (1999), fiscal codification under the FRBM Act (2003), structural tax reforms (Kelkar Committee recommendations), and the introduction of the modern Liquidity Adjustment Facility (LAF) framework by the RBI.
- **Phase VI: Rights-Based Expansion and Macroeconomic Headwinds (2004–2014)**
 - **Context and Policy:** Sustained high growth fueled by prior reforms, followed by an expansion of statutory social safety nets and subsequent post-2008 macroeconomic vulnerabilities.
 - **Milestones:** Enactment of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the Right to Information (RTI), and the Right to Education (RTE). The post-2008 fiscal stimulus led to widening twin deficits (fiscal and current account), double-digit inflation, and regulatory delays that slowed infrastructure projects.
- **Phase VII: Supply-Side Capex, Digital Delivery, and Viksit Bharat (2014–Present)**
 - **Context and Policy:** A shift toward supply-side economics, structural formalization, infrastructure expansion, and digital public delivery.
 - **Milestones:** Rollout of the Goods and Services Tax (GST), implementation of the Insolvency and Bankruptcy Code (IBC), expansion of the JAM Trinity (Jan Dhan-Aadhaar-Mobile), corporate tax rationalization (2019), significant increases in public capital expenditure (via PM GatiShakti), and the Production Linked Incentive (PLI) schemes.

THE EVOLUTION OF INDIA'S FISCAL NARRATIVE AND STATE CAPACITY: FROM POST-INDEPENDENCE ANXIETY TO VIKSIT BHARAT

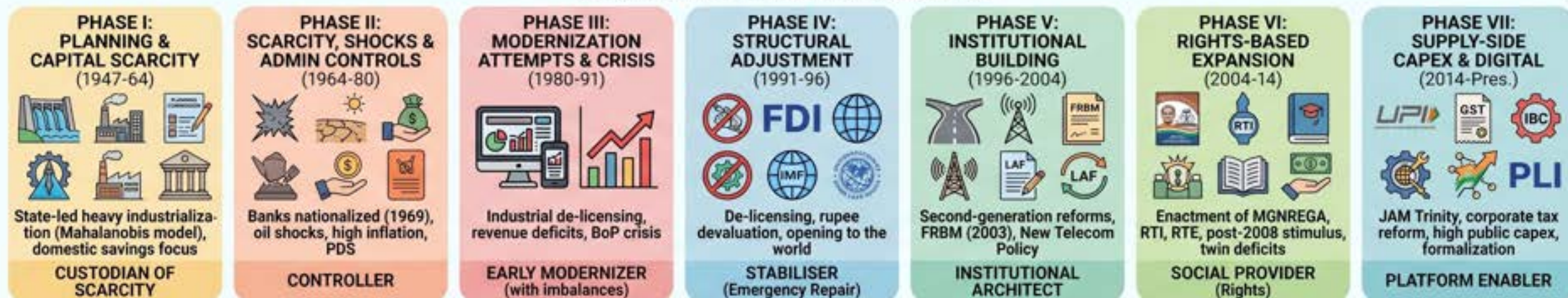
THE METAMORPHOSIS OF STATE IDENTITY



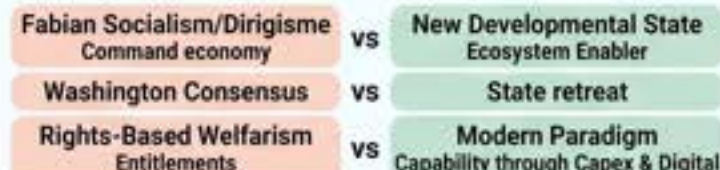
NATURE OF THE FISCAL DEBATE



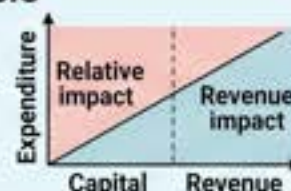
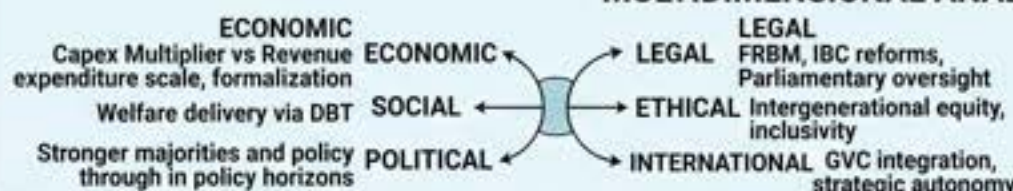
SEVEN DECADES OF FISCAL POLICY



PHILOSOPHICAL EVOLUTION



MULTIDIMENSIONAL ANALYSIS



STRATEGIC ROADMAP FOR VIKSIT BHARAT



UPSC CSE & APSC CCE PREPARATION LINKAGE



- GS Paper I-IV, Essay, and Optionals
- Budgetary Process
 - Federal Relations
 - Infrastructure
 - Budget tratis
 - Based Reations
 - Infrastructure
 - Ethics
 - Otha.....
- Budgetr Budget
- Capitat Budtions
 - Lte of public expenditure
- Few illustrative PYQs (e.g. Capital Budget definition, FRBM reasons, role of public expenditure)



- **Logical and Philosophical Underpinnings**
- **1. From Fabian Socialism to the New Developmental State**
 - **The Early State Philosophy:** The post-independence state operated on the premise that private capital was weak and prone to monopolistic concentration. The public sector occupied the "commanding heights" of the economy to direct resources according to planned social priorities.
 - **The Modern State Philosophy:** The contemporary state views itself not as a primary industrial producer, but as an ecosystem creator and market enabler. Through structural connectivity (PM GatiShakti) and open digital protocols, it aims to de-risk private investment and lower system-wide logistics costs.
- **2. Evolution of the Social Contract: Entitlement vs. Empowerment**
 - **The Rights-Based Approach:** Prioritized legal guarantees to mitigate poverty (e.g., guaranteed wage employment, statutory food security).
 - **The Empowerment and Capability Approach:** Centers on Amartya Sen's capability framework—expanding access to institutional credit, sanitation, clean water, formal housing, electricity, and digital connectivity, creating the conditions for long-term economic mobility.
- **3. Epistemology of Policy Confidence**
 - Language reflects structural capacity. Early budgetary caution stemmed from real macroeconomic fragility: vulnerability to monsoon shocks, low foreign reserves, and reliance on food aid (PL-480).
 - Modern policy confidence reflects deeper institutional shock-absorbers: record foreign exchange reserves, an institutionalized inflation-targeting framework (MPC), a resilient banking system post-IBC, and the ability to roll out nationwide targeted welfare via digital rails.



- **Multidimensional Analysis**
- **A. Economic Dimension**
 - **Composition of Public Spending:** A decisive structural pivot from consumption-oriented revenue spending to asset-creating capital outlays. Public capex acts as a catalyst to crowd in private investment.
 - **Formalization and Revenue Buoyancy:** Implementation of GST, e-way bills, and automated tax compliance systems have widened the tax net, raising direct and indirect tax collections and giving the state greater fiscal space.
- **B. Social Dimension**
 - **Welfare Delivery Architecture:** Shifting from leaky administrative subsidies to Direct Benefit Transfers (DBT) underpinned by Aadhaar and real-time bank settlements.
 - **Human Capital Priorities:** Sustained public investments in primary health (Ayushman Bharat), rural tap water access (Jal Jeevan Mission), and school education modernization (NEP 2020) work to bridge India's regional and demographic divides.
- **C. Political Dimension**
 - **Political Stability and Strategic Horizons:** Long-term policy horizons are closely tied to political mandates. Strong majorities allow for extended multi-year infrastructure pipelines (such as the National Infrastructure Pipeline), whereas fragile coalitions historically prioritized short-term distributional bargaining.
 - **Cooperative and Fiscal Federalism:** The devolution of 41% of the divisible tax pool to States under the 14th and 15th Finance Commissions, alongside central incentives tied to state-level power and urban reforms, has reshuffled Centre-State fiscal ties.
- **D. Legal and Constitutional Dimension**
 - **Constitutional Mandate:** Under **Article 112**, the Union Budget is presented as the *Annual Financial Statement*, acting as a primary instrument of parliamentary oversight and executive accountability over the Consolidated Fund of India (**Article 266**).
 - **Statutory Fiscal Anchors:** The statutory requirements of the FRBM Act, alongside modern commercial laws like the Insolvency and Bankruptcy Code (IBC) and the Real Estate (Regulation and Development) Act (RERA), have strengthened the rule of law within Indian financial markets.
- **E. Ethical Dimension**
 - **Intergenerational Fiscal Equity:** High revenue deficits transfer the burden of present-day consumption onto future generations. Prioritizing capital infrastructure and sustainable debt-to-GDP ratios upholds long-term ethical stewardship of public resources.
 - **Distributive Justice and Inclusivity:** The central moral test of fiscal policy is its capacity to uplift the most vulnerable (*Antyodaya*) while providing equal economic opportunity across social strata.
- **F. International and Geopolitical Dimension**
 - **Strategic Autonomy through Economic Weight:** India's growing GDP and fiscal stability strengthen its strategic independence, allowing it to navigate polarized geopolitical landscapes, secure energy supplies, and help shape global South coalitions (e.g., Voice of Global South Summit).
 - **Integration into Global Value Chains:** Policies such as PLI, logistics park development, and bilateral free trade agreements (FTAs) with the UAE, Australia, and EFTA partners demonstrate a deliberate push to integrate India into global electronics, pharmaceutical, and clean-energy supply chains.

Curricular Linkages with NCERT Textbooks		
Class & Textbook	Specific Chapter / Module	Direct Conceptual Linkage
Class 11: Indian Economic Development	Chapter 1: Indian Economy on the Eve of Independence	Explains the initial structural conditions: low productivity, de-industrialization, and drain of wealth that caused post-1947 fiscal anxiety.
Class 11: Indian Economic Development	Chapter 2: Indian Economy (1950–1990)	Covers the Mahalanobis strategy, the role of public sector enterprises, import substitution, and the structural limits of the License Raj.
Class 11: Indian Economic Development	Chapter 3: Liberalisation, Privatisation, and Globalisation	Analyzes the macroeconomic context of the 1991 Balance of Payments crisis, IMF conditionality, and first-generation structural reforms.
Class 11: Indian Economic Development	Chapter 8: Infrastructure	Examines physical and digital connectivity (energy, transport, communications) as foundations for national competitiveness.
Class 12: Introductory Macroeconomics	Chapter 5: Government Budget and the Economy	Details fiscal vs. revenue vs. primary deficits, the capex multiplier, automatic stabilizers, and fiscal policy transmission.
Class 12: Politics in India Since Independence	Chapter 3: Politics of Planned Development	Focuses on ideological debates between planning vs. private enterprise, the Bombay Plan, and the early role of the Planning Commission.

- **Syllabus Mapping for UPSC CSE & State Civil Services (APSC)**

- **General Studies Paper I:**

- *Post-independence consolidation and reorganization within the country:* The history of Five-Year Plans, industrial policy resolutions, and institutional modernization across decades.

- **General Studies Paper II:**

- *Parliamentary Scrutiny & Budgetary Process:* Role of the legislature in approving finance and appropriation bills, and oversight via the Public Accounts Committee (PAC) and Estimates Committee.
- *Federal Fiscal Governance:* The working of the Finance Commission (**Article 280**) and the collaborative dynamic within the GST Council (**Article 279A**).

- **General Studies Paper III (Primary Core Linkage):**

- *Indian Economy & Mobilization of Resources:* Fiscal consolidation pathways, gross domestic savings, capex vs. revenue outlays, and non-tax revenue mobilization (disinvestment and asset monetization).
- *Government Budgeting & Fiscal Rules:* Implementation challenges of the FRBM Act, debt sustainability targets, and off-budget liabilities.
- *Infrastructure and Industrial Growth:* PM GatiShakti, National Infrastructure Pipeline (NIP), and PLI industrial schemes.

- **General Studies Paper IV (Ethics):**

- *Ethics in Public Administration:* Intergenerational justice, preventing fiscal profligacy, transparency in public financial management, and ethical responsibilities in managing public funds.

- **Optional Subject Syllabi:**

- *Economics:* Public Finance, Macroeconomic Stabilization, Planning Models, Fiscal-Monetary Coordination.
 - *Public Administration:* Financial Administration, Budgeting Models (Performance-based, Zero-based), State vs. Market paradigms.
 - *Political Science & International Relations (PSIR):* Political Economy of Indian Development, Planning to NITI Aayog, Politics of Coalition Budgeting.
- 

- **Strategic Way Forward and Policy Roadmap**
- **1. Re-anchoring Medium-Term Fiscal Consolidation**
 - Establish a clear debt-to-GDP reduction path toward the recommended target of 60% (40% for Centre, 20% for States) to safeguard macroeconomic stability, preserve sovereign credit ratings, and rebuild fiscal buffers against external supply shocks.
- **2. Safeguarding and Enhancing Expenditure Quality**
 - Maintain the share of capital expenditure above 3--3.5% of GDP while rationalizing untargeted revenue subsidies (such as non-merit fertilizer and power subsidies) through end-to-end digitisation and direct benefit transfers.
- **3. Deepening Cooperative and Municipal Fiscal Federalism**
 - Provide 50-year interest-free capex loans to States linked to urban, agricultural, and power-sector structural reforms.
 - Strengthen municipal finances by promoting municipal green bonds and reforming property-tax assessments across Tier-2 and Tier-3 urban centers.
- **4. Mainstreaming Green and Climate-Resilient Budgeting**
 - Incorporate climate-risk tagging across all major physical infrastructure outlays to ensure assets withstand environmental stresses. Expand sovereign green bond issuances to mobilize global climate finance for domestic energy transition goals.
- **5. Upgrading Administrative State Capacity and Evaluation**
 - Shift budget evaluation from financial allocations to real-world outcomes using NITI Aayog's Output-Outcome Monitoring Frameworks (OOMF). Combine this with simplified dispute-resolution systems to unblock stalled investments across key infrastructure projects.

- **Assam Public Service Commission (APSC CCE) Exam Links**
- **APSC CCE Prelims 2022/2023:**
 - *Question:* The FRBM Act aims to introduce institutional discipline in fiscal management. In which year was the Act passed by the Indian Parliament?
 - (a) 1991 | (b) 1998 | (c) 2003 | (d) 2014 (*Answer: c*)
 - *Question:* The concept of 'Gender Budgeting' was officially incorporated into the Union Budget of India in which financial year?
 - (a) 2001–02 | (b) 2005–06 | (c) 2010–11 | (d) 2014–15 (*Answer: b*)
- **APSC CCE Mains (GS Paper 3 - Economy & Assam Development):**
 - *Fiscal Autonomy and Infrastructure:* "Analyze the role of Central capital assistance and 50-year interest-free loans in modernizing connectivity infrastructure (highways, waterways, and logistics) across Assam and the North Eastern Region."
 - *State Finances:* "Examine the challenges faced by Special Category and Northeastern States in maintaining the fiscal deficit target of 3% of GSDP under the State FRBM legislations while balancing social sector expenditures."

Digital governance is transformative

FINE LINE. Technology works when it empowers citizens with information and finances, without acting as surveillance tools



AMITABH RANJAN
SARVJEET KAUR CHATTRATH

Since long, India tried the old-school fix to bring about transparency and curb corruption: vigilance committees, laws, audits, RTI filings. All useful, nonetheless slow. All still plagued with loopholes which let clerks sit on files and middle persons siphon off subsidies. Paper trails vanish, and human systems leak despite the best intentions.

One innovative concept, GeM (Government e Marketplace), has revolutionised the huge government procurement machinery, historically riddled with malpractices. It has digitised the entire lifecycle — vendor registration, bidding, contract award, payments, performance tracking — and made every step auditable. The by-product is MSMEs, start-ups and women-led businesses, who never had the wherewithal to play the dirty game, benefitting hugely. And it turns out that transparency is a market-access tool also, and not just an anti-corruption one.

The tax system has also been revolutionised. A fragmented, inspector-driven, paper-heavy regime has been replaced by GSTN with digital invoicing and data-driven compliances. Add to that PM Gati Shakti's GIS-based master plan, where roads, railways, ports and transmission lines finally show up on one map instead of in twelve ministries' separate spreadsheets transparency between departments that used to barely talk to each other.

A decade back, when the Prime Minister announced from the Red Fort that one's mobile would be one's bank, very few might have believed it that time. And witness the mighty UPI now. People are actually using mobiles as their banks. The volume has crossed 23 billion transactions and ₹29 trillion per month. It has quietly become one of the most transparent instruments simply by making transactions traceable, pulling cash out of the shadows. And this is the by-product of convenience.

The IAM trinity has almost solved a troubling problem — the ghost beneficiary. Duplicate pension claims, fake ration cards, and subsidies siphoned off before they even reached the intended beneficiary. Direct Benefit Transfer (DBT) now puts money straight into a beneficiary's account, no middle person required. The savings



BIG EFFORT. No democracy apart from India has built digital public infra at such a scale

resulting from weeding out duplicate and fake beneficiaries have been estimated at ₹5 lakh crores in the last decade. This is the hard-cash that used to vanish earlier into thin air.

DATA AS A PUBLIC GOOD

No democracy apart from India has attempted to build digital public infrastructure (DPI) at such a scale, so rapidly and for so huge a population. Maturity, however, does not come with scale. A leap forward would be in order.

South Korea, a perennial UN ranker in digital government, has pushed AI and predictive analytics deep into service delivery, coupled with regular investment in cyber resilience and citizen engagement.

The very crux of digital governance is to ensure, humans no longer override the system quietly. Nothing works, however, if the algorithms making these calls are black boxes

With the platform like X-Road, Estonia, a small East European nation, has been able to bridge the trust gap between government and citizens. Citizens can see when and which agency accessed their data on X-Road in addition to the platform digitising services, generating a two-way transparency: government knows the citizens, citizens monitor the government. Estonians retain trust in the system, thanks to this reciprocity, and not due to the tech itself.

For Singapore, digital governance is a full-blown infrastructure, not an IT upgrade only. It is foundational, with huge investment in cybersecurity from day one and institutional coordination tied together.

The interoperability between systems, real algorithmic accountability, independent audits and grievance redressal that does not end in a call centre queue, are the challenges to be countered head-on; the court of digital rails alone is not enough. A silver lining is that the government is prioritising putting data in public domain, be it on agriculture, health, education, finance, or demographics. No more waiting

endlessly to find out what is actually going on after filing the request; the dataset is already here. Yet, enhancing trust in the system is not a cakewalk; so much remains to be done.

Every one of these systems runs on personal data — loads of it. And this is a double-edged sword. Personal data in irresponsible hands turns into a surveillance system.

Services delivered at speed is what people crave for, but they also want corruption eliminated speedily, alongside freedom and real privacy from the state's prying eyes. Ensured by independent regulatory supervision, the DPDP (Digital Personal Data Protection) framework is not a cosmetic initiative. It is the line between a state that is merely better at watching and the one that is accountable. Get this wrong, and transparency starts being something citizens fear instead of something they trust.

THE AGE OF OMNIPOTENT AI

The Prime Minister has called AI 'All Inclusive', which now seems to be the one-stop solution for all ills, capable of detecting fraudulent welfare claims in real time, flagging anomalies in procurement before they become scandals and forecasting where corruption is likely to surface next. In a country where land disputes choke the judicial ecosystem, blockchain can make land records genuinely tamper-proof. Satellite imagery now verifies whether a public project is still stuck in file or has seen the light of the day.

The very crux of digital governance is to ensure, humans no longer override the system quietly. Nothing works, however, if the algorithms making these calls are black boxes — becoming the new opaque discretion; unaccountable and unexplainable. The recent incident of Claude getting unauthorised access to systems of three organisations during internal cybersecurity testing, unfolds a more capable AI posing serious threat dimensions.

The 20th century's most transformative governance innovation was the Right to Information. The defining governance idea of the 21st century is DPI, a framework designed so intelligently that citizens need not ask for information because transparency is woven into the system itself.

Technology got India this far. But only institutional discipline will ensure the dream of Viksit Bharat becomes a reality.

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- **Key Terms and Conceptual Explanations**

- **Digital Public Infrastructure (DPI):** Foundational digital systems—open, interoperable, and built as public goods—that enable society-wide service delivery across public and private sectors.
 - *Example:* The **India Stack**, consisting of identity (Aadhaar), real-time payments (UPI), and consent-based data sharing (Account Aggregator, DigiLocker).
- **JAM Trinity (Jan Dhan–Aadhaar–Mobile):** A foundational policy architecture linking universal zero-balance bank accounts (Pradhan Mantri Jan Dhan Yojana), verifiable biometric identity (Aadhaar), and pervasive mobile telecommunications to drive financial inclusion.
- **Direct Benefit Transfer (DBT):** An electronic welfare delivery mechanism designed to transfer fiscal subsidies directly into beneficiaries' bank accounts, cutting out administrative layers and rent-seeking intermediaries.
- **Government e-Marketplace (GeM):** A contactless, paperless, end-to-end national procurement portal that digitizes vendor registration, dynamic bidding, contract awards, and payment processing for public offices.
- **PM Gati Shakti National Master Plan:** A multi-modal, Geographic Information System (GIS)-based digital platform that aggregates spatial infrastructure data from over a dozen central ministries to prevent inter-departmental silos and project delays.
- **X-Road Data Exchange Model:** A decentralized software data exchange layer pioneered by Estonia that enables secure, interoperable government databases and logs every query made on a citizen's data, providing reciprocal auditability.
- **Sousveillance (Reciprocal Transparency):** The practice of citizens observing and monitoring state actions ("watching from below"), as opposed to traditional *surveillance* where the state observes citizens ("watching from above").
- **Algorithmic Discretion & Black-Box AI:** The transfer of administrative decision-making (such as subsidy eligibility or fraud flagging) to automated algorithms whose internal logic is opaque, unexplainable, or inaccessible to public scrutiny.
- **Digital Personal Data Protection (DPDP) Framework:** A statutory governance model establishing rules for processing personal digital data, outlining the fiduciary duties of data collectors, guaranteeing citizen rights, and bounding state access.

- **Core Thematic Arguments**

- The transformation of Indian governance represents an institutional leap from manual oversight to systemic, architectural transparency.
 - **From Reactive Oversight to Built-in Transparency:** Historically, administrative integrity relied on reactive instruments such as post-facto audits, vigilance inquiries, and Right to Information (RTI) petitions. While vital, these mechanisms often encountered lost paper files, protracted legal delays, and bureaucratic stonewalling. DPI embeds transparency directly into the institutional architecture: when data is digital, networked, and auditable by design, compliance becomes an intrinsic feature of the process rather than an external enforcement burden.
 - **Democratization of Market Access via Procurement Reforms:** Public procurement was historically vulnerable to entrenched cartels and corrupt intermediaries. By transforming procurement into a digital public marketplace (GeM), transparency doubles as an economic equalizer. Micro, Small, and Medium Enterprises (MSMEs), women-led self-help groups (SHGs), and startups gain direct access to government contracts without needing political leverage or informal brokerage.
 - **Dismantling Administrative Silos through Spatial Integration:** Traditional infrastructure governance suffered from systemic coordination failures, where distinct ministries worked off disconnected physical records. Integrated GIS master planning (PM Gati Shakti) establishes a unified spatial data baseline, turning inter-departmental transparency into an engine for capital efficiency and time-bound project execution.
 - **Fiscal De-duplication and the Elimination of Rent-Seeking:** Intermediary leakages and "ghost beneficiaries" historically drained welfare outlays. The synergy of biometrics and digital banking via DBT has excised millions of fake claims, generating estimated savings exceeding ₹5 lakh crore over a decade and proving that digital precision can safeguard public exchequers.
 - **The Surveillance Dilemma and the Need for Algorithmic Accountability:** Pervasive digitisation creates immense concentrations of personal data. Without statutory guardrails, algorithmic transparency can invert into state surveillance. As administrative decisions are delegated to machine-learning models, opacity must not simply shift from human discretion to algorithmic "black boxes." True democratic legitimacy requires explainability, statutory data protection, and robust grievance redressal.
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- **Historical Evolution of Governance and Public Administration in India**
- **Pre-Independence & Colonial Legacies (1858–1947)**
 - **Bureaucracy as an Instrument of Control:** The colonial administrative machinery was built on bureaucratic secrecy and distance from citizens, formalized by the *Official Secrets Act of 1923*.
 - **The File Culture:** Public administration relied on extensive, physical paperwork, rigid departmental silos, and centralized administrative discretion designed to maintain imperial control rather than deliver public welfare.
- **Post-Independence & Early Computerization (1947–1990s)**
 - **The "License-Permit Raj" and Procedural Delays:** Post-independence welfare expansion retained manual file systems, resulting in bureaucratic red tape and intermediary leakages in rural development and food distribution.
 - **Foundational Informatics:** The establishment of the *National Informatics Centre (NIC)* in 1976 marked India's first structural shift, initially bringing computerized data compilation to census management, district planning, and electoral rolls.
- **First-Generation e-Governance (Late 1990s–2005)**
 - **State-Level Isolated Islands of Automation:** Economic liberalization prompted early decentralized IT projects—such as *Bhoomi* (land records in Karnataka), *Gyandoot* (rural intranet in MP), and *e-Seva* (citizen service centers in AP).
 - **Policy Formalization:** The setting up of the National Task Force on Information Technology and Software Development (1998) and the creation of a dedicated Ministry of Information Technology (1999) shifted policy focus toward electronic governance.
- **Rights-Based Era & The National e-Governance Plan (2005–2014)**
 - **Right to Information (RTI) Act, 2005:** Institutionalized the citizen's legal right to inspect public files and hold civil servants accountable, shifting governance from discretionary secrecy to citizen-initiated scrutiny.
 - **National e-Governance Plan (NeGP, 2006):** Introduced 27 Mission Mode Projects (MMPs) spanning passports, land registries, commercial taxes, and established Common Service Centres (CSCs) across rural areas.
- **The Platform & Digital Public Infrastructure Era (2014–Present)**
 - **The India Stack and JAM Architecture:** Transitioned from siloed computerization to open, interoperable foundational rails (Aadhaar, UPI, DigiLocker).
 - **Comprehensive Administrative Platforms:** Rollout of systemic digital marketplaces (GeM in 2016), unified indirect taxation (GSTN in 2017), and multi-modal spatial integration (PM Gati Shakti in 2021).
 - **Legislative and Algorithmic Maturity:** Passage of the *Digital Personal Data Protection (DPDP) Act, 2023*, the rollout of the *IndiaAI Mission*, and the global export of India's DPI models during its 2023 G20 Presidency.

PILLARS OF EMPOWERMENT & EFFICIENCY

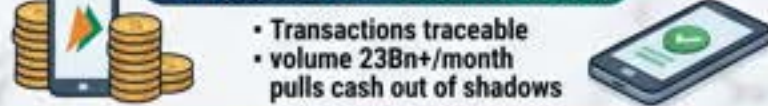
GEI (GOVERNMENT E-MARKETPLACE)



JAM TRINITY & DBT



UPI (UNIFIED PAYMENTS INTERFACE)



GSTN (GOODS AND SERVICES TAX NETWORK)



PM GATI SHAKTI

Roads, railways, ports, transmission lines all combined on one master GIS layer

- Integrated planning, eliminates ministerial spreadsheets silos

PROACTIVE TRANSPARENCY



ESTD: **AXIA**
IAS ACADEMY
— RISE ABOVE THE REST —

DIGITAL GOVERNANCE: THE TRANSFORMATIONAL FINE LINE



RISKS TO ACCOUNTABILITY & PRIVACY

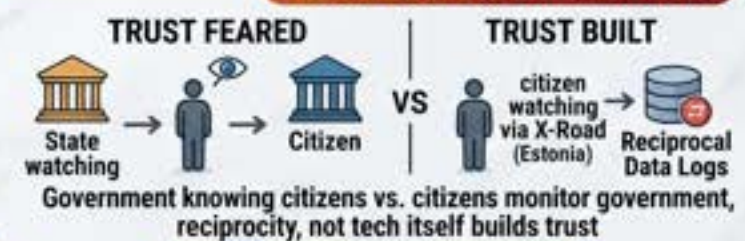
PERSONAL DATA CONCENTRATION



ALGORITHMIC DISCRETION & BLACK-BOX AI



TRUST GAP vs. RECIPROCITY



UPSC & APSC RELEVANCE

Similar multidimensional analysis



A COMPREHENSIVE WAY FORWARD



- **Logical and Philosophical Foundations**

- The shift to digital public infrastructure fundamentally reframes classical theories of the state, democratic accountability, and public goods.

- **Redefining the Weberian Bureaucratic Paradigm:** Max Weber conceptualized bureaucracy as a rational-legal hierarchy run on written files and administrative discretion. Modern digital public infrastructure strips away this discretionary monopoly over files. In doing so, it replaces manual gatekeeping with automated code, aiming to reduce corruption while minimizing the dehumanizing aspects of bureaucratic distance.

- **The Social Contract and Transactional Trust:** Under classical political theory (Locke, Rousseau), citizens cede certain liberties to the sovereign in exchange for the protection of rights and welfare. In the digital age, this social contract hinges on administrative efficiency and informational privacy. If a state utilizes citizen data to deliver targeted welfare while maintaining total visibility over its own operations, citizen trust deepens. Conversely, if digital tools become one-sided instruments of control, the democratic compact frays.

- **The Panopticon vs. Sousveillance Dilemma:** Jeremy Bentham's Panopticon (later critiqued by Michel Foucault) described an architecture where the few observe the many, establishing systemic discipline through unequal visibility. Unchecked digital governance risks creating an electronic Panopticon. Democratic legitimacy requires *sousveillance* (inverse surveillance)—a framework, akin to Estonia's X-Road, where citizens can monitor every instance of the state accessing their private information.

- **Amartya Sen's Capability Approach and Digital Equity:** Technology is not inherently empowering; its value depends on how effectively it expands human capabilities and real freedoms. When DPI eliminates corrupt rent-seekers, it directly enhances the poor's economic capabilities. However, if algorithmic exclusions, biometric authentication mismatches, or poor connectivity deny legitimate welfare rights, the technology curtails constitutional justice and human dignity.

- **Multidimensional Analysis**
- **Social Dimension**
 - **Democratization of Welfare:** Direct Benefit Transfer has removed social hierarchies and local dominant-caste intermediaries in rural service delivery, allowing marginalized communities (Dalits, Adivasis, women) to receive entitlements directly into their accounts.
 - **Vulnerability to Digital Exclusion:** Biometric failures, poor rural broadband connectivity, and low digital literacy can lead to *Type-I exclusion errors*—where legitimate, impoverished beneficiaries are wrongly cut off from basic entitlements like food rations or rural employment wages.
- **Political & Governance Dimension**
 - **Erosion of Petty Discretionary Corruption:** Digitizing administrative workflows removes the physical interaction points where low-level bureaucratic extortion typically occurs.
 - **Risk of Digital Centralization:** Centralized data architectures can shift power toward executive agencies, potentially weakening state-level administrative autonomy and reducing the role of local Panchayati Raj institutions in welfare validation.
- **Economic & Fiscal Dimension**
 - **Fiscal Consolidation & Leakage Plugging:** De-duplicating beneficiary rolls across welfare schemes has saved the public exchequer over ₹5 lakh crore, freeing up fiscal space for capital expenditure.
 - **Formalization and Lower Transaction Costs:** Unified platforms (UPI, GSTN) have significantly lowered the cost of financial and commercial transactions, integrating micro-enterprises into the formal credit economy and expanding the tax base.
- **Legal & Regulatory Dimension**
 - **Constitutional Right to Privacy (*K.S. Puttaswamy, 2017*):** The Supreme Court established informational privacy as a Fundamental Right under Article 21. Every digital governance tool must satisfy the three-fold test: *Legality* (statutory backing), *Need/Legitimate State Aim*, and *Proportionality*.
 - **Enforceability of the DPDP Act, 2023:** While the Act creates a framework for data protection, provisions granting broad exemptions to state agencies for national security and public order require independent regulatory oversight to prevent executive overreach.
- **Ethical Dimension**
 - **Dignity vs. Surveillance:** While speed and efficiency are ethical imperatives for poverty alleviation, reducing citizens to behavioral data points without meaningful consent harms individual autonomy and human dignity.
 - **Algorithmic Justice and the "Right to Explanation":** Replacing human discretion with machine-learning algorithms poses moral challenges when automated decisions arbitrarily deny public assistance, stripping citizens of a natural-justice hearing.
- **International & Geopolitical Dimension**
 - **India's DPI as a Foreign Policy Asset:** India Stack has become a pillar of soft power and Global South leadership. Platforms like UPI and modular governance frameworks are being shared with partner nations in Africa, Southeast Asia, and Latin America.
 - **Global Best Practice Benchmarks:**
 - *Estonia (X-Road):* Reciprocal data transparency and zero-trust public registries.
 - *Singapore (Smart Nation):* End-to-end institutional cybersecurity integrated into urban service architecture.
 - *South Korea:* Predictive data analytics paired with active, real-time citizen grievance platforms.

- **Linkages with NCERT Textbooks**

- **Class 11 Political Science: *Indian Constitution at Work***

- *Chapter 4 (Executive)*: Analyzes the administrative machinery, civil services, and bureaucratic accountability, providing the theoretical context for understanding how digital platforms alter executive discretion.
 - *Chapter 6 (Judiciary)*: Explores the protection of fundamental rights and judicial review, directly connecting to the constitutional scrutiny of data platforms, biometric mandates, and the Right to Privacy (*Article 21*).

- **Class 11 Political Science: *Political Theory***

- *Chapter 2 (Freedom) & Chapter 5 (Rights)*: Explores negative vs. positive liberty and civil rights, grounding discussions on state surveillance, individual privacy, and informational self-determination.
 - *Chapter 6 (Citizenship)*: Examines the changing relationship between the citizen and the state, framing how digital public goods can either enhance or restrict democratic access.

- **Class 12 Sociology: *Social Change and Development in India***

- *Chapter 4 (Change and Development in Rural Society)*: Details how land reforms, tenancy systems, and rural administration operate, highlighting the real-world impact of digitizing land records, welfare delivery, and agricultural supply chains.

- **Class 12 Economics: *Introductory Macroeconomics***

- *Chapter 5 (Government Budget and the Economy)*: Details government revenue, capital expenditure, and fiscal transfers, directly illustrating the macro-fiscal importance of subsidy rationalization and DBT savings.



- **Linkages with UPSC CSE & State PSC Syllabus**
- **General Studies Paper II (GS-2)**
 - **Governance, Transparency & Accountability:** The shift from traditional vigilance and RTI filings to automated, systemic transparency.
 - **E-Governance Applications, Models, Successes, Limitations, and Potential:** Deep dive into platforms like GeM, GSTN, PM Gati Shakti, and UPI.
 - **Welfare Schemes for Vulnerable Sections:** Mechanics of Direct Benefit Transfer (DBT), the JAM Trinity, and mitigating exclusion errors.
 - **Role of Civil Services in a Democracy:** The changing nature of bureaucratic discretion in an era of automated, algorithmic decision-making.
- **General Studies Paper III (GS-3)**
 - **Indian Economy & Resource Mobilization:** Formalizing the economy, widening the direct and indirect tax base through digital invoicing (GSTN).
 - **Inclusive Growth & Public Finance:** Expanding market access for MSMEs via GeM; subsidy rationalization.
 - **Infrastructure (PM Gati Shakti):** Spatial planning and integrated multi-modal transport networks.
 - **Science & Technology (AI, Blockchain, Cyber Resilience):** Deploying AI for fraud detection, using blockchain for land registries, and securing critical public data networks.
- **General Studies Paper IV (GS-4: Ethics, Integrity & Aptitude)**
 - **Probity in Governance:** Institutional mechanisms for minimizing administrative discretion, bribery, and rent-seeking.
 - **Ethical Concerns in Digital Governance:** Algorithmic bias, automated welfare exclusions, and balancing surveillance with individual privacy.
 - **Public Service Values:** Preserving empathy, accessibility, and human-in-the-loop oversight within automated governance architectures.

Comprehensive Way Forward

- **Establish Reciprocal Transparency (The Sousveillance Architecture):** Adopt the architectural principles of Estonia's X-Road. The government should provide citizens with a unified dashboard that logs every query made by any state agency regarding their personal data, including the operational rationale. This turns one-way state surveillance into two-way democratic accountability.
- **Mandate Explainable AI (XAI) and Algorithmic Audits:** As automated systems are deployed to detect welfare fraud and evaluate procurement tenders, AI models must not operate as proprietary "black boxes." Establish statutory standards requiring public-facing AI systems to provide clear, explainable grounds for any adverse welfare determination, with an absolute requirement for *human-in-the-loop* oversight before benefits are revoked.
- **Strengthen Independent Data Protection Oversight:** Operationalize the Data Protection Board of India as an autonomous, quasi-judicial body insulated from executive influence. Narrow down blanket data-processing exemptions for government agencies under the DPDP framework, ensuring state access adheres strictly to the constitutional principles of necessity and proportionality.
- **Institute Resilient Offline Fallback Mechanisms:** To prevent Type-I exclusion errors, create non-negotiable statutory safety nets. When biometric or network connectivity failures occur at fair price shops or banks, local administrators must be legally authorized and mandated to disburse basic entitlements using secondary, non-digital verification.
- **Upgrade Citizen Grievance Redressal Beyond Call Centers:** Replace outsourced, superficial helpline systems with enforceable, time-bound grievance redressal architectures. Upgrade models like the Centralized Public Grievance Redress and Monitoring System (CPGRAMS) by establishing statutory escalation paths and independent ombudsmen at the district level.
- **Strengthen Cyber Resilience and Zero-Trust Frameworks:** Shift the digital architecture of all critical public infrastructure to a Zero-Trust Architecture (ZTA). Mandate regular, independent third-party vulnerability assessments, bug bounty programs, and disaster-recovery drills to secure citizen data against state-sponsored cyber threats and unauthorized breaches.

UPSC CSE Main Examination

- **GS Paper II (2023):** *"The institutionalization of Digital Public Infrastructure (DPI) has transformed service delivery in India, yet the fine line between citizen empowerment and digital surveillance remains razor-thin."* Critically analyze in the context of the Digital Personal Data Protection Act, 2023. (15 Marks, 250 Words)
- **GS Paper II (2021):** *"Though Citizen's Charters and the Right to Information Act were intended to end administrative corruption and delays, technology-driven reforms like Direct Benefit Transfer (DBT) and GeM have proved far more disruptive."* Discuss. (10 Marks, 150 Words)
- **GS Paper II (2019):** Implementation of e-governance initiatives in rural areas faces structural, social, and logistical bottlenecks. How can the administrative machinery overcome these hurdles to prevent digital exclusion? (15 Marks, 250 Words)
- **GS Paper III (2022):** How does the PM Gati Shakti National Master Plan aim to address the legacy issues of infrastructural execution in India? Examine the role of GIS-based spatial data in inter-ministerial coordination. (15 Marks, 250 Words)
- **GS Paper IV (2022):** *"The use of automated algorithms in administrative decision-making enhances speed and reduces human bias, but it risks eroding empathy, moral responsibility, and transparency."* Discuss the ethical dimensions of automated governance. (10 Marks, 150 Words)
- **Essay Paper (2021):** *"Technology is a useful servant, but a dangerous master in the hands of an unaccountable state."*



India at 80, a democracy in search of renewal

The nation has entered its 80th year of Independence. This is an occasion when all Indians, rising above their differences, will join together in paying homage to their freedom fighters, whose endless exertions and sacrifices delivered the people from the British colonial rule. This is when a subject nation rose to freedom to embark upon its 'tryst with destiny' and found its soul in the promised freedom and dignity of a people, long oppressed.

India has since traversed a long distance, navigating a turbulent course of history, managing religious, caste and regional conflicts as also economic disparities. India has suffered wars, terrorism, famines and pandemics. And, today it can justly pride itself in its scientific and technological accomplishments, its defence and nuclear capabilities, a robust economy and a leadership role in the shaping of a new world order.

The erosion of fraternity

But an objective audit of the nation's trajectory as a democracy must contend with grave challenges to the aspiration for an inclusive and benevolent society. Without a partisan apportioning of blame or underplaying national achievements, India must consider whether its politics as practised in the decades gone by has secured fraternity amongst fellow citizens. The heightened disparities and communal discord have resulted in the orphaning of large sections of its people.

The pervasive arrogance of power at all levels defies the constitutional and moral constraints upon its exercise. Transgression of constitutionally demarcated jurisdictions by the co-equal branches of the Indian state and the strained Centre-State relations are ominous signals for the future of India's federal polity. The pursuit of politics fixated on the acquisition of power at any cost, unconcerned with the means and ends, is a clear affront to the moral injunctions that undergirded the founders' vision of a just political order. Electoral outcomes influenced by money, muscle and a pliant bureaucracy subvert the autonomy of voters and interrogate the purity of the country's electoral processes.

A political culture in which opponents are crushed into submission, conscientious dissenters are trodden to unbearable levels of humiliation, and their reputations maligned and families targeted, question the idea of politics as the highest form of public service that, as Thomas Mann famously reminded us, determines the destiny of man in our times. Clearly, substantive democracy is more than majoritarian triumphalism. It is about the vindication of justice, freedom and human dignity perched at the zenith of constitutional fundamentals.

The misad performance of their roles by constitutional institutions has added to the nation's democratic deficit. The Supreme Court of India's role as custodian of individual freedoms



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Supreme Court
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Minister for Law
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and as sentinel on the *qui vive* has been increasingly scrutinised in recent times. Notwithstanding the richness of its profound pronouncements in *Patawasary* (2007), *Romila Thapar* (2018), *Naveel Johar* (2018) and the 'Builder' justice case (2024) *et al.*, some of its recent decisions, particularly in bail matters, and delays in its adjudicatory processes have been critiqued as abrogation of the judicial function.

In some instances, it has preferred a "formal or barren legalism" (against which, years ago, Chief Justice of India H.J. Kania had cautioned us), to justify long incarceration of the accused without trial. The Court appears to have failed to enforce its edicts and indifference to media trials that impinge on the fairness of the judicial process has dented its credibility. The functioning of the collegium system in the matter of appointment of judges has contributed to the diminished moral authority of the highest court.

Parliament, as the highest forum of India's representative democracy, has long ceased to be an institution for informed deliberations about the country's future. Floating political loyalties of elected representatives of the people mock its institutional sanctity. The Election Commission of India needs to rescue its battered reputation as the chief superintendent of the country's electoral processes by dispelling widespread doubts about its functioning, even as it may rightfully claim credit for successfully conducting the world's largest electoral exercises over the years. Exceptions apart, the credentials of the Indian media as guardians of public interest are suspect. Most journalists and television anchors now combine the role of presenter, prosecutor and judge in the service of their masters' preferred agendas. That the pillars of Indian democracy have frayed over the years is an inescapable conclusion tested on the touchstone of practised politics and constitutional philosophy.

The worrying indifference of the citizenry

But the failure of India's politics to promote substantive democracy does not rest with any one party, leader or an institution. The indifference of a vast section of the citizenry to the brazen aberrations of constitutional governance has contributed to a gradual hollowing out of an otherwise promising democracy, rendered hostage to visceral animosities and ideological bankruptcy. Hannah Arendt, the philosopher, reminded us of the "banality of evil", implying the necessity of an enlightened citizenry to participate in the life of the nation in a dialectical relationship between politics and society. Amartya Sen's idea of democracy premised on "participatory living and government by discussion" eludes us. Indeed, the popular response against routinised state violence and atrocities against the weak has not been loud enough to invite the necessary structural changes in the processes of

governance. It is trite, therefore, that "the ballot box echoes the living room", leaving us Indians with the shell without the substance of democracy.

Because politics mirrors the state of society, and its values and failings, the task of national renewal must begin by looking inwards to apply the correctives. A social and political order that allows the brutalisation of a person in custody without meaningful recourse, which contents itself with illusory and wholly inadequate welfare schemes for crores of indigent persons and is not outraged enough at the unspeakable atrocities against children, youth, women and the marginalised, invites a decisive self-indictment. We know that "when society rewards greed, politics becomes transactional. When it condones deception and lies, leaders tend to follow".

Ennobling politics is not about manipulative conversations in which patriotism and truth are perceived as mutually exclusive. Politics that insists on a history made to order, negates the historical continuum and carries within the seeds of its rejection. Responsive democracy can thrive only in an inclusive society guided by a moral compass transcending the seductions of malpolitik. Elevating politics suffused with purpose presupposes a social milieu in which conscience prevails over power and where idealism is not dismissed as a utopian impossibility. The obvious needs reiteration, lest it is forgotten.

The choice before Indians

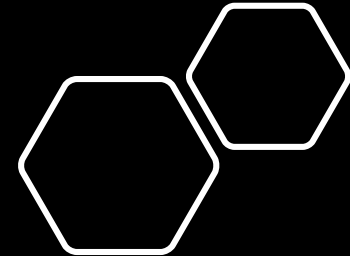
It is, therefore, for We, The People, to ensure that a larger political morality rooted in ethical fundamentals prevails over narrow identities in a renaissance of political culture that defers to justice, social, economic and political, as the ultimate command of the Constitution. Wisened by history and empowered by reason, it is for Indians, as inheritors of a free nation, to ensure that a democracy envisioned to enrich lives does not waste itself through acquiescence in iniquity of any kind.

The debt of gratitude owed to India's freedom fighters summons Indians at this transformative moment to make choices that will place them on the right side of history – on the side of freedom and justice for all.

In conclusion, this writer repeats what he had written when India turned 75. "It is time to conquer our fears, reclaim our freedom and anchor our politics in honour that values principle over power". And as Frantz Fanon had reminded us, it is for each generation to "discover its mission, fulfil or betray it". The outcome of the recent students' protest at Jantar Mantar had reminded us, it is for each generation to "discover its mission, fulfil or betray it". The outcome of the recent students' protest at Jantar Mantar carries a hopeful message that democracy and dignity, despite the challenges, are secure in the idealism of the youth, inspired by a purifying sense of justice.

The views expressed are personal

Indians must
confront the
country's
democratic
failings and
reclaim hope



- **Key Terms and Explanations**

- **Substantive Democracy vs. Procedural Democracy:** Procedural democracy refers strictly to institutional mechanics—regular multi-party elections, universal adult suffrage, and formal legislative procedures. Substantive democracy, by contrast, evaluates whether the democratic process actually delivers fundamental human dignity, social justice, the protection of minority rights, and an egalitarian distribution of power.
- **Constitutional Fraternity:** Enshrined in the Preamble, fraternity is the psychological and moral glue of a shared national identity. Dr. B.R. Ambedkar characterized fraternity as a sense of common brotherhood that undergirds liberty and equality, warning that without fraternity, equality and liberty cannot coexist.
- **Sentinel on the *Qui Vive*:** A legal doctrine articulated by Chief Justice Patanjali Sastri in *State of Madras v. V.G. Row (1952)*, designating the Supreme Court as the vigilant, ever-watchful guardian of fundamental rights against legislative and executive encroachment.
- **Barren Legalism:** A rigid, mechanical, and literalist approach to statutory interpretation that ignores the spirit of justice, equity, and constitutional purpose, often resulting in prolonged pre-trial incarceration and the denial of personal liberty.
- **Constitutional Morality:** The principled commitment of citizens and rulers alike to constitutional norms, institutional self-restraint, and pluralistic tolerance, rather than submitting to the shifting, emotional impulses of majoritarianism.
- **Government by Discussion:** A concept popularized by economists and political theorists, notably Amartya Sen and John Stuart Mill, viewing democracy fundamentally as a collective process of deliberative reasoning, public debate, and accommodation of dissent rather than raw electoral headcounts.
- **The Banality of Evil:** Formulated by political philosopher Hannah Arendt, this describes how ordinary citizens and bureaucrats normalize, accept, and participate in systemic injustices, not through active malice, but through passive unthinking compliance, indifference, and ideological apathy.



- **Main Arguments and Substantive Issues**

- The evolution of modern democratic governance presents a paradox: unprecedented techno-economic capabilities existing alongside a fragile social contract. Evaluating this state of affairs demands an unvarnished assessment of institutional vitality, political ethics, and civic participation.

- **Divergence Between Material Power and Social Cohesion:**

- India has achieved remarkable strides in macroeconomic expansion, space exploration, nuclear deterrence, and global diplomatic leverage.
- However, these material milestones have coincided with a steep erosion of social fraternity, characterized by deep communal cleavages, identity-based polarization, and the systematic "othering" of minority communities.

- **Decline of Institutional Accountability:**

- **The Union Parliament:** The highest deliberative platform faces shrinking session days, frequent disruptions, minimal committee scrutiny of landmark bills, and opportunistic party-switching that subverts the representative mandate.
- **The Higher Judiciary:** Despite groundbreaking rights jurisprudence (*Puttaswamy*, *Navtej Johar*), the judiciary faces criticism over adjudicatory delays, procedural formalism in bail matters under stringent special laws, and questions surrounding the transparency of the Collegium system.
- **Watchdog Institutions & Media:** The Election Commission encounters persistent scrutiny regarding level playing fields and regulatory independence, while mainstream broadcast media increasingly trades objective reporting for sensationalism and polarising narratives.

- **Transactional Politics and Structural Centralization:**

- The pursuit of political power often prioritizes transactional, short-term welfare hand-outs over long-term structural empowerment, accompanied by the pervasive influence of corporate finance and muscle power.
- Constitutional federalism is tested by intensifying friction between the Union and the States over resource allocation, the role of gubernatorial offices, and overlapping jurisdictions.

- **The Living Room Effect and Citizen Complicity:**

- Democratic decay is not solely an elite or institutional failure; it is sustained by widespread societal apathy.
 - When the citizenry passively normalizes custodial excesses, arbitrary executive actions, and the harassment of dissenters, politics inevitably mirrors this civic indifference.
-

- **Historical Evolution of the Issue**
- The modern Indian democratic framework has navigated continuous negotiations between majoritarian instincts, minority rights, and institutional equilibrium across key historical phases:
 - **The Foundational Phase (1947–1952):**
 - Born in the crucible of Partition, the Constituent Assembly crafted a liberal democratic framework guaranteeing universal adult franchise, fundamental rights, and asymmetric federalism.
 - In his historic final address to the Constituent Assembly (November 25, 1949), Dr. B.R. Ambedkar delivered a prophetic warning: political democracy would crumble if it failed to transition into a social democracy rooted in liberty, equality, and fraternity.
 - **The Era of One-Party Dominance and Deliberative Institution-Building (1950s–1960s):**
 - Characterized by the "Congress System" under Jawaharlal Nehru, this era established strong parliamentary conventions, respected parliamentary standing committees, and initiated linguistic reorganization to manage sub-national identities.
 - Significant state-led developmental planning, land reforms, and scientific institutions took root, though deep socio-economic inequalities persisted.
 - **The Centralization Shock and Judicial Correction (1970s–1980s):**
 - The proclamation of the Internal Emergency (1975–1977) suspended fundamental liberties and exposed institutional vulnerabilities (*ADM Jabalpur Case*).
 - The post-Emergency era witnessed a remarkable judicial resurgence: the expansion of Article 21 in *Maneka Gandhi (1978)* and the birth of Public Interest Litigation (PIL) to democratize access to justice for the marginalized.
 - **Coalition Dynamics, Market Reforms, and Identity Assertions (1990s–2000s):**
 - The implementation of the Mandal Commission recommendations, the rise of regional political forces, and the 1991 economic liberalization dismantled single-party hegemony.
 - Rights-based legislation flourished, creating systemic transparency through the Right to Information Act (2005), Mahatma Gandhi NREGA (2005), and the Forest Rights Act (2006).
 - **The Contemporary Era (2010s–Present):**
 - The return of decisive single-party parliamentary majorities has accelerated technological governance, digital public infrastructure, and national security infrastructure.
 - Concurrently, concerns have deepened over majoritarian tendencies, diminished parliamentary debate, the weaponization of investigation agencies, digital surveillance, and strained Centre-State fiscal ties.

KEY TERMS & CONCEPTS



Substantive Democracy
"Substantive Democracy, as belief constitutional democracy"



Constitutional Fraternity
Constitutional Fraternity or Constitutional Fraternity mumbered



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Banality of Evil
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PHILOSOPHICAL FOUNDATIONS



Ambedkar
Social Democracy Triad



Sen-Habermas
Public Debate



Arendt
Unthinking Conformity



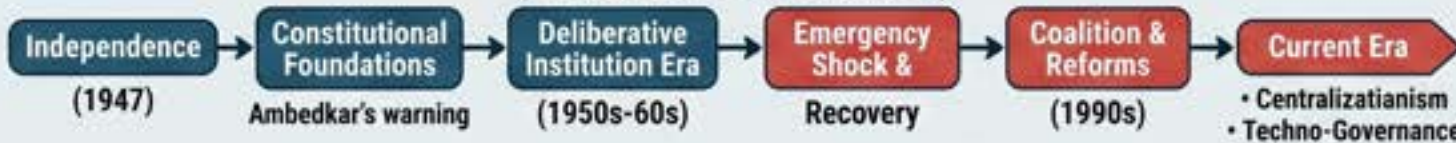
Fanon
Generational Mission



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COMPREHENSIVE ANALYSIS: ANATOMY OF INDIAN DEMOCRACY & NATIONAL RENEWAL (UPSC CSE & APSC GUIDE)



MULTIDIMENSIONAL DEMOCRACY HEALTH CHECK



UPSC & APSC SYLLABUS MAPPING



NCERT LINKAGES

- Class 11**
- Political Science
 - Sociology
- Class 12**
- Political Science
 - Sociology

PREVIOUS YEARS' QUESTIONS (PYQs)

- Prelims**
- Preamble objectives
 - Communal Objectivities
 - Communal Objectives
 - Constitutional Morality
 - Constitutional Morality
- Mains**
- Constitutional Morality
 - Constitutional Sicial Dissiom
 - Federal Challenges
 - Constitutional Morality

WAY FORWARD: ROADMAP FOR RENAISSANCE

1. PARLIAMENTARY REFORM



- Pre-Legislative Consultation
- Mandatory Committee Referral

2. JUDICIAL REFORM



- Restoring Sentinel Role
- Liberty Priority
- Transp. Collegium

3. WATCHDOG STRENGTHENING



- Independent Election Commission
- Self-Regulation of Media

4. DEEPENING DECENTRALIZATION



- Empower PRIs/ULBs
- Fiscal Devolution

5. DEEPENING CIVIC LITERACY



- Teach Human Rights and Constitutional History

JUSTICE, FREEDOM & HUMAN DIGNITY FOR ALL

- **Logical and Philosophical Base**
- The philosophical critique of democratic decline rests on enduring schools of political thought, ethics, and jurisprudence:
 - **The Ambedkarite Triad of Social Democracy:**
 - Ambedkar rejected the compartmentalization of liberty, equality, and fraternity, viewing them as an inseparable trinity.
 - Without equality, liberty produces the supremacy of the few over the many; without liberty, equality suffocates individual initiative; without fraternity, liberty and equality cannot become natural courses of things.
 - **The Sen-Habermas Model of Deliberative Democracy:**
 - Drawing on Jürgen Habermas's theory of communicative action and Amartya Sen's *The Idea of Justice*, democracy is conceptualized as an ongoing public dialogue.
 - Voting is merely a procedural snapshot; true legitimacy demands an open public sphere where uncoerced arguments, public scrutiny, and reasoned consensus shape public policy.
 - **The Arendtian Critique of Unthinking Conformity:**
 - Hannah Arendt's reflections on the trial of Adolf Eichmann showed that catastrophic structural violence does not require monstrous zeal; it thrives when ordinary citizens suspend their critical faculties and moral judgment.
 - Civic indifference to constitutional infractions represents a modern manifestation of this unthinking acquiescence.
 - **Fanonian Generational Duty and Transformative Constitutionalism:**
 - Frantz Fanon posited in *The Wretched of the Earth* that "each generation must discover its mission, fulfill it, or betray it."
 - Applied to constitutionalism, the founding document is not a static legal relic, but a transformative project demanding that every generation defend human dignity and challenge oppressive power structures.
 - **Kantian Deontology vs. Machiavellian Realpolitik:**
 - Immanuel Kant's Categorical Imperative dictates that human beings must always be treated as ends in themselves, never merely as means to political ends.
 - Majoritarianism reduces marginalized groups and dissenters to instruments for electoral consolidation, violating the moral foundations of a just political order.

- **Multidimensional Analysis**
 - **Social Dimension:**
 - *Fault Lines:* Escalating polarization, social media-driven echo chambers, and communal hostilities systematically fracture fraternity.
 - *Marginalization:* Marginalized castes, indigenous tribes, and religious minorities face persistent socio-economic exclusion and social vulnerability.
 - *Youth and Civic Space:* The energy of the youth population risks being channeled into digital radicalization rather than creative, rights-affirming civic engagement.
 - **Political Dimension:**
 - *Majoritarianism vs. Pluralism:* The rise of majoritarian triumphalism risks conflating the numerical majority with the democratic collective good.
 - *Criminalization & Electoral Integrity:* The pervasive influence of dark money, electoral bonds controversies, and candidates with criminal records subverts genuine voter autonomy.
 - *Legislative Marginalization:* Routine passage of complex bills via voice votes and bypassing parliamentary select committees weakens executive accountability.
 - **Legal and Constitutional Dimension:**
 - *Due Process Under Strain:* Summary demolitions and protracted pre-trial detentions under stringent anti-terror or money laundering statutes challenge Article 14 and Article 21 protections.
 - *Federal Disequilibrium:* Misuse of the Governor's office to stall state legislation and unilateral policy dictates strain constitutional federalism.
 - *Judicial Pendency:* Millions of pending cases create justice delays that disproportionately burden the poorest litigants.
 - **Ethical Dimension:**
 - *Collapse of Political Morality:* The normalization of disinformation, hate speech, personal vilification, and defection politics erodes public trust.
 - *Desensitization to Violence:* Collective societal silence in the face of custodial violence, hate crimes, and administrative excess reflects a weakened social conscience.
 - **Economic Dimension:**
 - *Widening Inequality:* A "K-shaped" economic trajectory concentrates wealth at the top while rural and informal sector wages experience wage stagnation.
 - *Transactional Welfarism:* Short-term populist cash transfers frequently replace systemic investments in high-quality public healthcare, education, and sustainable employment generation.
 - **International Dimension:**
 - *Soft Power and Democratic Capital:* India's global moral stature, foundational to its bid for a permanent UN Security Council seat, relies heavily on its democratic credentials and pluralism.
 - *Geopolitical Scrutiny:* Downgrades in international governance and press freedom indices invite diplomatic friction and risk deterring value-aligned foreign direct investment.



- **Linkages with NCERT Textbooks**
- **Class 11 Political Science: *Indian Constitution at Work***
 - *Chapter 1 (Constitution: Why and How?)*: Explores the Constitution as a charter of societal aspirations and the moral authority required to coordinate collective action.
 - *Chapter 2 (Rights in the Indian Constitution)*: Details Fundamental Rights, the writ jurisdiction of the Supreme Court and High Courts, and the doctrine of legal remedy.
 - *Chapter 6 (Judiciary)*: Examines judicial review, judicial activism, PILs, and the delicate balance between the Judiciary and the Executive.
 - *Chapter 8 (Federalism)*: Analyzes Centre-State relations, the role of Governors, and institutional dispute resolution mechanisms.
- **Class 11 Political Science: *Political Theory***
 - *Chapter 2 (Freedom)*: Distinguishes between negative and positive liberty, and evaluates the legitimate boundaries of state-imposed constraints.
 - *Chapter 3 (Equality)*: Differentiates formal legal equality from substantive equality of opportunity and affirmative action.
 - *Chapter 4 (Social Justice)*: Engages with John Rawls' theory of justice and Ambedkar's perspective on eliminating structural social hierarchies.
- **Class 12 Political Science: *Politics in India Since Independence***
 - *Chapter 1 (Challenges of Nation Building)*: Details the foundational struggle to forge national unity while safeguarding religious and cultural diversity.
 - *Chapter 6 (The Crisis of Democratic Order)*: Analyzes the systemic institutional breakdown during the 1975 Emergency and the subsequent restoration of democratic safeguards.
- **Class 12 Sociology: *Social Change and Development in India***
 - *Chapter 3 (The Story of Indian Democracy)*: Discusses the grassroots impact of the 73rd and 74th Constitutional Amendments and the tension between grassroots aspirations and elite power structures.



- **Linkages with UPSC CSE and State PSC Syllabus**
- **UPSC GS Paper II (Polity, Governance, Constitution):**
 - *Salient features of the Constitution:* Preamble, Fundamental Rights, Directive Principles of State Policy (DPSP), and the Basic Structure Doctrine.
 - *Separation of Powers & Dispute Redressal:* Judicial independence, the Collegium system, and checks and balances among the three organs of the State.
 - *Federal Challenges:* Devolution of powers, Governor's discretionary powers, and Union-State friction.
 - *Statutory, Regulatory & Quasi-Judicial Bodies:* Autonomy, functioning, and appointment processes of the Election Commission of India and investigative agencies.
- **UPSC GS Paper IV (Ethics, Integrity, and Aptitude):**
 - *Ethics in Public Administration:* Ethical governance, the distinction between legality and morality, and upholding constitutional morality over administrative expediency.
 - *Foundational Values for Civil Services:* Empathy, compassion for weaker sections, political neutrality, and intellectual integrity.
 - *Moral Thinkers & Philosophers:* Application of ideas from Hannah Arendt, B.R. Ambedkar, Immanuel Kant, and Mahatma Gandhi to modern governance dilemmas.
- **UPSC GS Paper I & III (Society and Inclusive Growth):**
 - *Social Issues (GS I):* Communalism, regionalism, secularism, and the preservation of multi-ethnic social cohesion.
 - *Economic Development (GS III):* Bridging the gap between headline GDP growth and inclusive human development.
- **Essay Paper:**
 - *Themes:* "Fraternity as the bedrock of constitutional democracy"; "The ballot is a necessary, but not sufficient, condition for freedom"; "When conscience yields to power, democracy falters."

- **Way Forward**

- **Revitalizing Parliamentary Institutions:**

- *Mandatory Pre-Legislative Consultation:* Institutionalize a minimum 30-day public feedback window for all draft legislation before introduction in Parliament.
- *Compulsory Committee Referral:* Mandate that major bills are automatically referred to Department-Related Parliamentary Standing Committees (DRPSCs) or Joint Parliamentary Committees (JPCs) for non-partisan scrutiny.
- *Strengthening the Anti-Defection Framework:* Amend the Tenth Schedule to vest the power to adjudicate disqualification petitions in an independent tribunal or the Election Commission, rather than the political office of the Speaker.

- **Judicial Reforms and Restoring Constitutional Sentinelship:**

- *Reaffirming Personal Liberty:* Reorient judicial bail jurisprudence around the principle of "Bail is the Rule, Jail is the Exception," especially under stringent statutory frameworks like UAPA and PMLA.
- *Zero-Tolerance for Extra-Judicial Retribution:* Strictly enforce accountability mechanisms against unauthorized executive actions, such as punitive administrative demolitions, while penalizing responsible officials.
- *Collegium Transparency:* Introduce objective criteria, institutionalized search-and-evaluation committees, and published selection metrics for judicial appointments to strengthen institutional legitimacy.

- **Strengthening Watchdog Bodies and Media Integrity:**

- *Securing the Election Commission:* Insulate the appointment process of the Chief Election Commissioner and Election Commissioners through an independent selection committee comprising the Prime Minister, the Chief Justice of India, and the Leader of the Opposition.
- *Independent Self-Regulation of Media:* Establish statutory, independent media regulatory bodies decoupled from executive influence to curb broadcast media trials and disinformation.

- **Deepening Grassroots Decentralization and Civic Literacy:**

- *Fiscal and Administrative Devolution:* Empower Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) with functional autonomy, financial resources, and administrative capacity.
- *Civic Education for Constitutional Morality:* Integrate substantive human rights, constitutional history, and critical thinking into school and university curricula to build an active, informed, and vigilant citizenry.

UPSC Civil Services Examination: Mains

- **2023 (GS Paper II):** "Explain the constitutional perspective of Gender Justice with the help of relevant constitutional provisions and case laws."
- **2022 (GS Paper II):** "Discuss the role of the Election Commission of India in the light of the evolution of the Model Code of Conduct."
- **2021 (GS Paper II):** "Constitutional Morality is rooted in the Constitution itself and is founded on its essential facets. Explain the doctrine of 'Constitutional Morality' with the help of relevant judicial precedents."
- **2020 (GS Paper II):** "Indian Constitution exhibits centralising tendencies to safeguard unity and integrity of the nation. In the light of the above, discuss the recent friction points in Centre-State relations."
- **2019 (GS Paper II):** "Individual liberty versus social order has been an enduring debate in constitutional law. How has the Supreme Court addressed this delicate balance in recent times?"
- **2018 (GS Paper II):** "Whether the Supreme Court Judgment (July 2018) can settle the political tussle between the Lt. Governor and the elected government of Delhi? Examine."
- **2021 (GS Paper IV - Ethics):** "What does 'constitutional morality' mean to a public servant? How can one practice it in day-to-day administrative decision-making?"
- **2019 (Essay Paper):** "Courage to accept, dedication to improve, and wisdom to balance are the essence of a vibrant democracy."

Financial democracy, the Jan Dhan transformation

Does ideology matter in governance? Yes, it does. A case in point is the Jan Dhan Yojana, which marks 12 years this Independence Day and has served the cause of Antyodaya, a concept propounded by both Mahatma Gandhi and Deendayal Upadhyaya. Simply put, it means that the most deprived should be considered the most deserving when it comes to the distribution of the fruits of development.

Independence Day is usually understood in political terms. India became a sovereign republic, established democratic institutions and introduced universal suffrage. But political independence alone does not guarantee economic liberty. For millions of Indians, even decades after 1947, the formal financial system remained distant. A bank account, formal credit, insurance or a reliable channel to receive government support could not be taken for granted. Add to this the menace of pilferage, and the systemic failure is complete. No wonder a former Prime Minister had to admit that when a rupee was sent from Delhi, only 15 paise reached the recipient.

The vision

On August 15, 2014, from the ramparts of the Red Fort, the newly elected Prime Minister, Narendra Modi, made financial inclusion part of his Independence Day address.

Among several major announcements made during the address, he announced the Pradhan Mantri Jan Dhan Yojana (PMJDY). The idea sounded simple: every household in India should have access to a bank account, a RuPay debit card and insurance cover. At Vigyan Bhawan on August 28, during the launch of the PMJDY implementation, Mr. Modi quoted Chanakya: *Sukhasya moolam dharmah* – the root of happiness is dharma; *Dharmasya moolam artha* – the root of dharma is artha; and *Arthasya*



Yinaay Sahasrabudhe

Member, NEC, Bharatiya Janata Party, Vice-Chairman, Rambhau Mhalgi Prabodhini, Mumbai, and former Member of Parliament, Rajya Sabha



Viraj Paranjape

CFSS Fellow, Bengaluru

Twelve years of Jan Dhan have led to financial inclusion and independence

moolam rajyam – the root of artha is the state. The argument was that economic means are fundamental to human well-being and, therefore, creating access to those means is also a responsibility of the state.

The bank account was not simply another government benefit; rather, it was an entry point into the formal economy. The PMJDY, therefore, deserves to be viewed through the lens of Independence Day and the Prime Minister's thought leadership. India's first independence was about freeing the country from colonial rule. The second challenge was to build a state in which freedom could actually be exercised by ordinary citizens. If a citizen cannot access formal finance, receive money directly, save securely or establish a connection with the institutions through which economic opportunity flows, political freedom remains incomplete in a very practical sense.

The PMJDY attempted to address one part of that gap.

The numbers tell a story

The architecture also reflected the idea of *Antyodaya*: the last person in the queue should not remain outside the system. A zero-balance account meant that having little money was no longer, in principle, a reason to remain outside the banking system. A RuPay card and an overdraft facility were intended to make the account something that could actually be used.

Financial inclusion is not merely about opening accounts; it is about becoming part of a system of savings, payments, credit, insurance and economic opportunity. Twelve years later, the scale of that first step is difficult to ignore. By July 2026, the PMJDY had crossed 58 crore accounts, with deposits running into ₹3 lakh crore. More than half of the accounts are held by women, while roughly three-fourths are in rural and semi-urban areas.

But Jan Dhan's real significance lies beyond the account numbers. It became the first layer of the larger JAM trinity architecture: Jan Dhan, Aadhaar and Mobile. Once citizens had bank accounts connected to digital identity and mobile infrastructure, the government had a much more direct channel through which benefits could reach them. This transformed the possibilities of Direct Benefit Transfer. The same infrastructure eventually became part of India's broader digital public infrastructure, alongside systems such as UPI. A bank account opened under Jan Dhan became part of an increasingly digital financial ecosystem. A woman who entered the formal banking system through a Jan Dhan account in 2014 and a merchant accepting a UPI payment in France or the other countries it can be used in, in 2026, may appear to belong to two different stories. In reality, they are connected by the same financial infrastructure built over the past decade.

An account, an identity

More importantly, a bank account also became a solid symbol of identity – something that faceless people from marginalised sections could rarely have. It served as a form of "recognition with respect" offered by the system. Financial democracy through Jan Dhan made those on the periphery visible, counted and, importantly, proudly identified.

Sixty-seven years after Independence, in 2014, the Prime Minister used the country's most symbolic political stage to speak about financial, digital literacy and inclusivity. Jan Dhan followed by UPI has now become a story of our everyday lives.

The "*Mera khaata, bhagya vidhata* (My account, the destiny maker)" tagline for Jan Dhan remains true as it shapes the destiny of Viksit Bharat 2047 by financial inclusivity and opportunities ahead.

- **Key Terms and Explanations**

- **Antyodaya:** A philosophical and policy doctrine meaning "*the rise or upliftment of the last person.*" Propounded in modern Indian political thought by Mahatma Gandhi (through the concept of *Sarvodaya through Antyodaya*) and Pandit Deendayal Upadhyaya, it dictates that developmental success must be judged by how effectively state benefits reach the most deprived citizen at the end of the socioeconomic queue.
 - **Financial Inclusion:** The universal delivery of formal banking and financial services—including basic savings accounts, affordable credit, payment infrastructure, insurance, and pensions—at an affordable cost to disadvantaged and low-income groups who were traditionally excluded from the formal financial perimeter.
 - **The JAM Trinity (Jan Dhan, Digital Identity, Mobile):** A three-pillar institutional architecture combining universal bank accounts, ubiquitous digital biometric identity, and mobile telecommunication penetration. Together, they create a friction-free, low-cost pipeline for citizen verification, transaction processing, and service delivery.
 - **Direct Benefit Transfer (DBT):** A governance mechanism that transfers state subsidies and welfare payments directly into the verified bank accounts of beneficiaries. This disintermediates welfare delivery, eliminating predatory middlemen, ghost beneficiaries, and administrative leakage.
 - **Digital Public Infrastructure (DPI):** Foundational digital systems—such as identity rails, interoperable instant payment networks like UPI (Unified Payments Interface), and secure data-sharing frameworks—built as open, public goods to enable public and private innovation and citizen-centric governance.
 - **RuPay & Overdraft (OD) Facility:** An indigenous domestic payment card scheme designed to lower transaction processing costs for Indian banks, bundled with inbuilt accident insurance and pre-approved overdraft limits to provide micro-liquidity cushions for vulnerable households.
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Main Arguments and Substantive Dimensions

The modern evolution of financial architecture in India demonstrates how political ideology and administrative design intersect to redefine citizenship and state capability:

- **Substantive Economic Citizenship vs. Procedural Political Freedom:** Political independence established democratic franchise and constitutional rights, but political democracy remains incomplete without economic democracy. An individual locked out of the formal banking system lacks the tools to save securely, build creditworthiness, or shield their household from economic shocks.
- **Ideology as a Blueprint for Governance:** Ideological commitments like Antyodaya cease to be abstract when translated into targeted policy architectures. Moving from a collateral-heavy, selective banking model to a universal zero-balance mandate illustrates how ideological intent can reshape institutional behavior.
- **Overcoming the Structural "Leakage Paradigm":** Historical welfare delivery was crippled by administrative friction and rent-seeking intermediaries, leading to massive fiscal leakages. Universal banking combined with digital identity fundamentally dismantled this structural bottleneck, ensuring near-total transmission efficiency of state resources.
- **Identity, Dignity, and Institutional Recognition:** A formal bank account serves as an instrument of state recognition and civic dignity for marginalized populations, particularly rural women. It transitions individuals from unrecorded economic agents into recognized stakeholders with verified financial footprints.
- **The Scalability of India's DPI Ecosystem:** Universal account opening provided the foundational user base that powered the exponential rise of India's digital transaction ecosystem. This indigenous, low-cost, high-volume model now serves as an international benchmark for Digital Public Infrastructure across the Global South.

- **The Cooperative and Colonial Baseline (1904–1968):** Early efforts relied on the Cooperative Credit Societies Act of 1904 and post-independence rural credit surveys (All India Rural Credit Survey Committee, 1954). However, credit remained monopolized by large landowners and informal moneylenders.
- **The Era of Social Banking (1969–1980s):** Nationalization aimed to steer credit toward agriculture and small enterprises. While physical branch networks expanded into rural heartlands, operational inefficiencies, high default rates, and cumbersome paperwork kept the poorest citizens outside the banking fold.
- **Decentralized Intermediation (1990s–2004):** Following financial sector deregulation, the focus shifted to financial sustainability. The Self-Help Group (SHG)-Bank Linkage Programme emerged as a vital grassroots vehicle for women's credit, yet formal individual banking remained elusive for millions.
- **Incremental Reforms (2005–2013):** The introduction of Basic Savings Bank Deposit Accounts (BSBDA) and the Business Correspondent framework laid valuable groundwork, but suffered from low transaction volumes, dormant accounts, and fragmented technological infrastructure.
- **The Mission-Mode Universal Push (2014–Present):** The launch of PMJDY transformed financial inclusion from a supply-side banking target into a nationwide mission. By providing zero-balance accounts, overdraft facilities, indigenous debit cards, and end-to-end digital integration, over 58 crore accounts were opened, creating the bedrock for direct welfare transfers and digital commerce.

'IDEOLOGY IN GOVERNANCE: A UPSC ANALYSIS - THE JAN DHAN YOJANA CASE'

THE CORE PRINCIPLE: **ANTYODAYA** (UPLIFTMENT OF THE LAST PERSON)



ANTYODAYA

GANDHI
↑
Dharma → Artha → Rajyam

UPADHYAYA
↑

- Antyodaya – define the ealion of the grattal (Upliftment of the last person)
- Antyodaya is to corporate relectiment and relating in ideology in revation of of ideology

HISTORICAL CONTEXT: PRE-2014 LANDSCAPE

LEAKAGE MENACE



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REMOTE BANKS



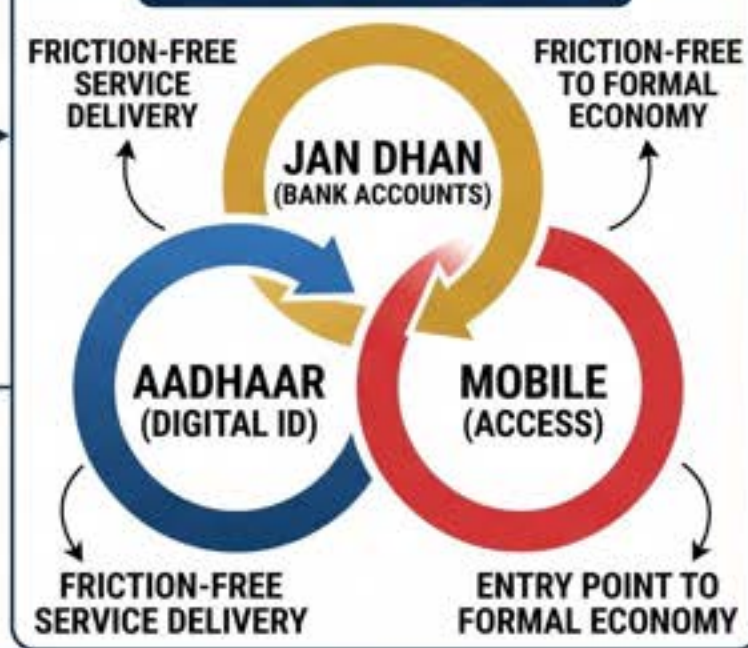
Remote banks to send on remote banks

JAN DHAN YOJANA VISION (AUG 15, 2014)



UNIVERSAL HOUSEHOLD BANKING RUPAY DEBIT CARDS INSURANCE COVER

JAM TRINITY DIAGRAM



12 YEARS LATER: MULTI-DIMENSIONAL IMPACT

58 CRORE+ ACCOUNTS



₹3 LAKH CR DEPOSITS



WOMEN BENEFICIARIES



RURAL & SEMI-URBAN



DBT & FISCAL SAVINGS



DPI ECOSYSTEM



DIGNITY & RECOGNITION



UPSC SYLLABUS & PYQ CONNECTIONS

SYLLABUS MAPPING

GS Paper 2

- Welfare Schemes
- Governance

GS Paper 3

- Inclusive Growth
- Economy
- DPI

NCERT Linkages

PYQ INSIGHTS

List of major PYQ themes:

- Major Themes
- PYQ samnars
- Romanriin & Cirtinisurs
- List of major PYQ themes

- **Logical and Philosophical Foundations**
- Public policy choices reflect deeper philosophical worldviews regarding the relationship between the state, the market, and the individual:
 - **Chanakya's Political Economy (*Arthashastra*):** The ancient Indian maxim—*Sukhasya moolam dharmah, dharmasya moolam artha, arthasya moolam rajyam*—articulates that ethical and societal well-being (*Dharma*) rests upon material and economic security (*Artha*), which is sustained by sovereign statecraft (*Rajyam*). The state bears an active duty to build institutional mechanisms that secure the material life of its populace.
 - **The Gandhian Constructive Programme:** Mahatma Gandhi's *Talisman* challenges policymakers to test any action by asking if it will restore the poorest and weakest individual (*Daridranarayana*) to control over their own life and destiny. Accessible, unmediated banking operationalizes this self-reliance at the grassroots level.
 - **Integral Humanism:** Propounded by Deendayal Upadhyaya, this philosophy advocates an indigenous, holistic model of human-centric development. It rejects both unbridled individualistic capitalism and state-dominated collectivism, arguing that social harmony requires economic decentralization where the weakest person is integrated into the economic mainstream.
 - **Amartya Sen's Capability Approach:** Sen defines development not as raw GDP growth, but as the expansion of human freedoms and capabilities. Financial exclusion constitutes an institutional capability deprivation; formal banking equips individuals with the capability to manage risk, accumulate savings, and exercise economic agency.
 - **Rawlsian Distributive Justice:** John Rawls's *Difference Principle* posits that socioeconomic structures are just only if they maximize the benefit of the least advantaged members of society. Designing state infrastructure to prioritize low-income, unbanked citizens aligns directly with this standard of justice.



- **Multidimensional Analysis**
 - **Social Dimension:**
 - *Feminization of Banking:* More than 55% of basic savings accounts are held by women, shifting intra-household bargaining dynamics and asset ownership.
 - *Erosion of Usurious Informal Credit:* Formal accounts reduce dependence on exploitative local moneylenders who historically trapped rural families in intergenerational debt cycles.
 - **Political Dimension:**
 - *Direct State-Citizen Compact:* Removing local intermediaries creates an unmediated relationship between citizens and the state, strengthening public trust in administrative systems.
 - *Deepening Democratic Legitimacy:* When welfare delivery is transparent, the state's legitimacy is reinforced across previously alienated demographic and geographic margins.
 - **Legal and Constitutional Dimension:**
 - *Directive Principles of State Policy (DPSPs):* Implements Article 38 (promoting the welfare of the people and minimizing income inequalities) and Article 39 (preventing wealth concentration and ensuring equitable distribution of resources).
 - *Right to Dignity (Article 21):* Access to public resources and social security without harassment or bribery directly upholds the right to live with human dignity.
 - **Ethical Dimension:**
 - *Fairness and Transparency in Public Spending:* Administrative systems have an ethical obligation to prevent leakage of public funds. Digital DBT honors taxpayer contributions while serving vulnerable populations.
 - *Empowerment vs. Paternalism:* Providing direct financial resources enables individuals to make independent choices based on their household needs rather than relying on state-dictated in-kind rations.
 - **International Dimension:**
 - *Global South Leadership:* India's Digital Public Infrastructure (DPI) model offers a replicable, low-cost template for emerging economies seeking financial inclusion without relying on expensive legacy banking networks.
 - *Multilateral Integration:* Cross-border payment linkages (such as linking UPI with Singapore's PayNow, the UAE's Jaywan, and European payment systems) enhance remittance efficiency for migrant workers and international travelers.
 - **Economic Dimension:**
 - *Mobilization of Idle Savings:* Bringing billions in small, informal cash savings into the organized banking system expands the aggregate domestic deposit base and improves credit creation capacity.
 - *Fiscal Consolidation:* Eliminating duplicate records, ghost beneficiaries, and administrative overhead generates substantial fiscal savings that can be redirected toward capital expenditure.

Linkages with NCERT Textbooks		
Class & Textbook	Chapter Reference	Pedagogical Connection to Financial Inclusion
Class IX: Economics	Chapter 1: The Story of Village Palampur & Chapter 2: People as Resource	Illustrates the rural credit market, contrasting high-interest informal moneylenders with formal credit, and highlights human capital development through access to institutional finance.
Class X: Economics	Chapter 3: Money and Credit	Directly explores formal vs. informal sources of credit, terms of credit, collateral requirements, and the institutional role of Self-Help Groups (SHGs) and banks in rural development.
Class XI: Indian Economic Development	Chapter 6: Rural Development & Chapter 8: Infrastructure	Analyzes rural banking infrastructure, micro-credit expansion, agricultural diversification, and the critical role of social and economic infrastructure in poverty alleviation.
Class XI: Political Science (Political Theory)	Chapter 3: Equality & Chapter 4: Social Justice	Provides the theoretical basis for economic equality, affirmative state action, and John Rawls's concepts of fair distribution and social justice.
Class XII: Sociology (Social Change and Development in India)	Chapter 4: Change and Development in Rural Society	Highlights agrarian class structures, structural inequalities, debt cycles, and the role of state-mediated institutional interventions in empowering marginalized castes and women.

Linkages with UPSC CSE Syllabus & Optionals

- **General Studies Paper 1:**

- *Social Empowerment*: Enhancing the economic autonomy of Scheduled Castes, Scheduled Tribes, and rural artisans.
- *Women's Empowerment*: Direct control over financial assets and savings instruments.

- **General Studies Paper 2:**

- *Welfare Policies & Implementation*: Design and performance of social safety nets.
- *e-Governance & Citizen Charters*: Direct state-citizen interfaces that bypass bureaucratic gatekeeping.

- **General Studies Paper 3:**

- *Inclusive Growth*: Ensuring equitable distribution of the benefits of economic growth.
- *Government Budgeting & Subsidies*: Fiscal consolidation through rationalized subsidy pipelines.

- **General Studies Paper 4:**

- *Ethical Governance & Public Trust*: Fulfilling administrative duties to protect public funds from corruption and ensure equitable service delivery.

- **Optional Subjects:**

- *Public Administration*: Shift from traditional bureaucratic administration to citizen-centric, technology-enabled digital governance.
- *Political Science & International Relations (PSIR)*: The welfare state's role in balancing market forces with distributive justice.



- **Comprehensive Way Forward**

- To convert baseline bank account ownership into sustained economic resilience and upward mobility, policy must address key second-generation challenges:

- **Deepening Financial Literacy and Digital Hygiene:** Moving beyond basic account operation to educate rural and semi-urban account holders on cybersecurity, fraud prevention, credit scores, investment diversification, and micro-pension schemes.
- **Revitalizing the Business Correspondent (Bank Mitra) Ecosystem:** Upgrading the viability of rural banking agents by rationalizing commission structures, ensuring reliable broadband connectivity in remote geographies, and providing specialized training for doorstep banking to the elderly and persons with disabilities.
- **Graduating from Savings to Formal Micro-Credit:** Leveraging transactional histories from Jan Dhan accounts to offer collateral-free micro-loans through platforms like PM SVANidhi and MUDRA, reducing reliance on informal lenders for working capital.
- **Strengthening Data Governance and Consent Architecture:** Fully operationalizing the Account Aggregator (AA) network and data privacy protections under the *Digital Personal Data Protection (DPDP)* framework to prevent predatory lending while enabling secure, consent-based financial data sharing.
- **Integrating Climate-Resilient Social Safety Nets:** Linking basic bank accounts with automated index-based weather and crop micro-insurance to deliver immediate relief to vulnerable agrarian and coastal communities following climate shocks.

- **UPSC CSE Mains**

- **GS Paper 3 (2014):** *"Pradhan Mantri Jan Dhan Yojana (PMJDY) is necessary for bringing the unbanked to the institutional finance fold. Do you think it will help in eradicating poverty in rural India? Elucidate."*
- **GS Paper 2 (2015):** *"Two parallel streams of governance—e-governance and direct welfare transfers—are transforming the rural administrative landscape. Critically evaluate."*
- **GS Paper 3 (2016):** *"Pradhan Mantri Jan Dhan Yojana has led to unprecedented financial inclusion. However, the problem of dormant accounts and low financial literacy remains. Suggest measures to make this inclusion meaningful."*
- **GS Paper 3 (2017):** *"Examine the impact of the JAM (Jan Dhan, Aadhaar, Mobile) Trinity on Direct Benefit Transfers and the elimination of leakages in India's welfare architecture."*
- **GS Paper 3 (2021):** *"Explain the meaningful steps taken toward achieving inclusive growth through digital public goods and financial technology in India."*





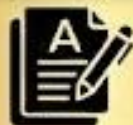
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