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- The Karnataka High Court's ruling of **6 November 2026** is important far beyond the Enforcement Directorate. It raises a larger constitutional question: **Can an investigative agency enlarge its own jurisdiction when the statute creating that agency does not expressly authorise it to do so?**
- The Court's answer was essentially **no**. It described ED's authority under the Prevention of Money Laundering Act, 2002 as **"derivative and not original"** and held that ED cannot create the very predicate offence on which its money-laundering jurisdiction depends by filing a private criminal complaint after the competent agency declines to act.

ED is not a 'super cop', can't file private plaint: Karnataka HC

Directorate of Enforcement's power under PMLA is 'derivative and not original', says the High Court; ED cannot initiate money-laundering probe through private complaint when other agencies decline to prosecute scheduled offence, it says

Krishnaprasad
BENGALURU

Declaring that the Directorate of Enforcement (ED) is "not a super cop," the High Court of Karnataka said the agency cannot file a private complaint to initiate a money-laundering probe when the competent agencies decline to prosecute a scheduled offence based on the information filed by the ED.

The court ruled that the ED's power under the Prevention of Money Laundering Act (PMLA) is "derivative and not original," and that filing a private complaint under Section 200 of the Code of Criminal Procedure or Section 223 of the Bharatiya Nagarik Suraksha Sanhita was not contemplated under the PMLA Act.

"One institution in the country does not become supreme so that it is in a position to abuse the powers conferred on it. The ED is not a super cop to investigate anything and everything which comes into its notice," the court said, adding that the ED must exercise only those powers expressly conferred on it by the PMLA.

> One institution in the country does not become supreme so that it is in a position to abuse the powers conferred on it. Law recognises the requirements of checks and balances
> KARNATAKA HIGH COURT



Justice M.I. Arun passed the order while allowing a batch of writ petitions filed by Malur MLA and Congress leader K.Y. Nanjegowda, who also chairs the Kolar and Chikkaballapur Milk Union Ltd. (KOMUL) and the Malur Land Grant Committee, and others.

Case background

The case stemmed from a private complaint about an alleged "land scam" on the basis of which the ED registered an Enforcement Case Information Report (ECIR) in November 2023. While probing this, the ED reportedly found evidence of a "job scam" involving KOMUL, and shared its information with the police. As they did not act on this information, the ED itself filed a private complaint on this matter.

The petitioners challenged the ED's ECIR, the order confirming seizure of articles, summons issued to them, and the private complaint filed by the ED before a special court.

"If the ED is permitted to file a private complaint, it will be in a position to file a private complaint against any person by itself and take up investigation against them. This is not contemplated under the provisions of the PMLA," the court clarified.

The petitioners argued that once the predicate offence collapses, even on technical grounds, the ED cannot continue PMLA proceedings. If the ED uncovers a different scheduled offence, its only permissible course is to share information with the competent agency, not to file a separate private complaint and probe it, they said.

Accepting petitioners' contentions, the court held that Section 66(2) of the PMLA casts a duty on the ED to intimate the concerned agency, not to take up the investigation itself.

"In law, where an act is to be done in a particular way, it must be done in that way and in no other way," the court said, invoking the constitutional separation of powers and the need for checks and balances.

Allowing the ED to prefer a private complaint by itself, when the other government authorities deem it inappropriate to initiate proceedings, "would amount to permitting the ED to act as a super cop and it goes against the philosophy of the Act which requires a predicate offence to be in existence for the ED to initiate proceedings as contemplated under the PMLA," the court said.

- **Key Terms and Conceptual Framework**
  - **Enforcement Directorate (ED):** A multi-disciplinary central investigative agency operating under the Department of Revenue, Ministry of Finance. Its mandate is strictly defined by three economic legislations: the Prevention of Money Laundering Act, 2002 (PMLA), the Foreign Exchange Management Act, 1999 (FEMA), and the Fugitive Economic Offenders Act, 2018 (FEOA).
  - **Predicate / Scheduled Offence:** The foundational crime that generates illicit wealth ("proceeds of crime"). Money laundering is not a standalone offense in substantive inception; it is inextricably tethered to an underlying registered crime listed under the Schedules of the PMLA (such as fraud under the IPC/BNS, corruption under the Prevention of Corruption Act, or narcotics smuggling under the NDPS Act).
  - **Derivative vs. Original Jurisdiction:** An authority possessing *original jurisdiction* can take cognizance of a crime independently and register a case on its own motion (e.g., state police registering an FIR). In contrast, *derivative jurisdiction* means an agency's authority to act is secondary—it activates exclusively when another competent body has legitimately established or registered a scheduled offence.
  - **Private Complaint (Section 200 CrPC / Section 223 BNSS):** A procedural route allowing an individual or entity to directly petition a Magistrate to initiate criminal proceedings without prior police intervention. While private individuals use this to seek redress when police refuse to file an FIR, statutory enforcement bodies cannot use this mechanism as a backdoor to bypass jurisdictional ceilings.
  - **Section 66(2) of the PMLA (Information-Sharing Mandate):** A statutory clause requiring the ED to share any evidence or intelligence regarding other criminal offenses it discovers during an inquiry with the relevant state police or central investigative agency. Crucially, this provision requires referral, not self-directed assumption of investigative jurisdiction.
  - **The Principle of Statutory Exclusivity (*Taylor v. Taylor* Doctrine):** A foundational rule of administrative law stating that where a statute authorizes an act to be performed in a particular manner, it must be performed in that designated manner or not at all. All other modes of performance are closed.

- **Substantive Arguments and Constitutional-Legal Dimensions**
- The conceptual friction between executive enforcement and procedural legality highlights three major constitutional and administrative issues:
  - **Rejection of the "Super Cop" Premise:** The doctrine of checks and balances dictates that no administrative agency can exercise unbounded, omnipotent jurisdiction. When an enforcement agency assumes the power to investigate any collateral wrongdoing it stumbles upon—regardless of statutory boundaries—it threatens the constitutional guarantee of due process under Article 21. Administrative action must remain strictly within statutory boundaries.
  - **Integrity of Predicate Offence Architecture:** Money laundering operates as a parasitical offense; without an existing, legally viable predicate crime, the offense of money laundering cannot exist. If the agency having original jurisdiction declines to prosecute or closes the scheduled crime, the ED cannot circumvent that statutory refusal by stepping into the shoes of the local police to initiate proceedings on its own.
  - **Protection of Federal Division of Powers:** Under the Seventh Schedule of the Constitution, "Police" and "Public Order" reside exclusively within the State List (List II, Entries 1 and 2). Allowing a central agency to file private complaints and prosecute non-mandated local offenses directly would erode state police jurisdiction and undermine cooperative federalism through administrative overreach.
  - **Misuse of the Private Complaint Mechanism:** Criminal jurisprudence creates the private complaint window as a remedial avenue for aggrieved citizens against executive inaction, not as an investigative shortcut for well-funded central agencies. Transforming statutory agencies into private complainants disrupts established criminal procedure, bypassing statutory pre-conditions and procedural safeguards.

- **Historical Evolution of Economic Crime Investigation**
  - **Post-Independence Foreign Exchange Controls (1947–1973):** Following independence, foreign currency was exceptionally scarce. The Foreign Exchange Regulation Act (FERA) of 1947 was instituted, leading to the creation of the "Enforcement Unit" within the Department of Economic Affairs in 1956 (renamed the Directorate of Enforcement in 1957). The draconian FERA of 1973 treated foreign exchange violations as severe, non-bailable criminal offenses.
  - **Economic Liberalisation and Decriminalisation (1991–1999):** The 1991 balance-of-payments crisis and subsequent market liberalisation rendered FERA's criminal sanctions counterproductive. In 1999, FEMA replaced FERA, decriminalising foreign exchange infractions and reframing them as civil, compoundable offenses subject to monetary penalties rather than imprisonment.
  - **Global Pressures and the Rise of PMLA (1989–2005):** Commitments to the Financial Action Task Force (FATF), the UN Convention Against Illicit Traffic in Narcotic Drugs (Vienna, 1988), and the Palermo Convention (2000) led Parliament to pass the Prevention of Money Laundering Act, 2002, which came into force in July 2005. The primary focus was seizing proceeds linked to terrorism and the narcotics trade.
  - **Statutory Expansion through Amendments (2009–2019):** Across successive legislative amendments, the schedule of predicate offenses was expanded to cover ordinary crimes under the Indian Penal Code, environmental laws, and intellectual property violations. The Finance Act amendments of 2019 substantially broadened the definition of "proceeds of crime" and relaxed arrest thresholds, giving the agency extensive powers.
  - **Judicial Calibrations (2022–Present):** While the Supreme Court's *Vijay Madanlal Choudhary* verdict (2022) broadly upheld the constitutionality of the PMLA's stringent provisions, subsequent rulings (such as *Pavana Dibbur* and *Pankaj Bansal*) have reinforced strict statutory boundaries—affirming that where the predicate offence collapses or cannot be lawfully sustained, secondary money laundering proceedings must cease.

- **Way Forward**
  - **Institutionalising Standard Operating Procedures for Section 66(2):** When a financial intelligence agency uncovers a secondary or distinct offense outside its direct jurisdiction, standard procedures should dictate formal, transparent information sharing with state authorities. A clear statutory timeline can be established for local agencies to evaluate and report on the material shared.
  - **Judicial Recalibration of the Predicate Requirement:** Higher courts must continue to enforce the derivative nature of the PMLA. Clear procedural firewalls prevent specialized economic intelligence units from morphing into parallel, catch-all policing units that destabilize normal procedural codes.
  - **Establishing Independent Review Panels:** To resolve impasses where central agencies allege that local police are deliberately suppressing a genuine predicate crime, an independent judicial review mechanism (such as an economic crimes referee or special bench) could evaluate the merits rather than allowing an agency to file unilateral private complaints.
  - **Rebalancing Procedural Safeguards with FATF Compliance:** Anti-money laundering enforcement must remain fully compliant with FATF standards without infringing upon constitutional guarantees under Articles 14, 20, and 21. Enforcing strict adherence to the *Taylor v. Taylor* doctrine ensures efficiency does not come at the expense of statutory discipline.

UPSC CSE Prelims

- **2021:** With reference to the "Financial Action Task Force (FATF)", consider the following statements:
  - It is an inter-governmental body established by the G7 Summit in Paris.
  - It was initially set up to examine and develop measures to combat money laundering.
  - It also works to counter terrorism financing. *Which of the statements given above are correct?*
- **2020:** Consider the following statements:
  - The Enforcement Directorate falls under the administrative control of the Ministry of Home Affairs.
  - Investigation of cases under the Prevention of Money Laundering Act, 2002 is carried out solely by the Central Bureau of Investigation. *Which of the statements given above is/are correct?*
- **2012:** Which one among the following is the nodal agency for the implementation of the Prevention of Money Laundering Act, 2002 in India? *(a) Financial Intelligence Unit-IND*
- *(b) Central Economic Intelligence Bureau*
- *(c) Directorate of Enforcement*
- *(d) Central Vigilance Commission*

UPSC CSE Mains

- **2021 (GS Paper 3):** Discuss how emerging technologies and cross-border money laundering contribute to the proliferation of black money. Analyze the adequacy of the Prevention of Money Laundering Act (PMLA) and the Enforcement Directorate's statutory powers in tackling this menace.
- **2019 (GS Paper 2):** "The independence and jurisdictional discipline of central regulatory and investigative agencies are vital to upholding cooperative federalism." Critically evaluate this statement in the context of recent frictions between central agencies and state governments.
- **2018 (GS Paper 3):** Money laundering poses a serious threat to country’s economic sovereignty. What is its significance for India and what steps are required to be taken to control this menace?
- **2013 (GS Paper 3):** Linkage of organized crime with terrorism is well established. How do the proceeds of such crimes get integrated into legitimate economic systems, and what institutional safeguards exist under the PMLA?

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ED is Not a 'Super Cop'

Karnataka High Court on ED's Powers under PMLA

A Constitutional Reminder on Jurisdiction, Checks and Balances and Rule of Law



The Verdict

- Karnataka HC (6 Nov 2026) held ED is "not a super cop".
- ED's power under PMLA is derivative, not original.
- ED cannot file a private complaint to initiate a predicate (scheduled) offence when competent agencies decline to act.
- Section 66(2) casts a duty on ED to share information with the concerned agency, not to prosecute itself.





The Core Principle

> "An investigative agency may be powerful, but it cannot be the source of its own jurisdiction."

Constitutional Basis

- **Article 14** – Non-arbitrariness
- **Article 21** – Fair and reasonable procedure
- **Article 22** – Safeguards on arrest
- **Federalism** – Police & public order (State subject)
- **Separation of Powers** – Institutional checks and balances

Why it Matters

- Prevents ED from creating its own jurisdiction.
- Reaffirms separation of powers and institutional limits.
- Strengthens federal balance between Centre and States.
- Protects citizens from potential overreach.

The Legal Chain under PMLA

Scheduled Offence (predicate) → Proceeds of Crime (illicit gains) → Money Laundering (Section 3) → ED Jurisdiction (under PMLA)

Key Legal Provisions

- **Section 3** – Offence of money laundering
- **Section 66(2)** – Share information with concerned authority
- **Section 200 CrPC / Section 223 BNSS** – Private complaint (not for ED)

Debate: Two Sides

Why Stronger ED Matters

- Tackles complex, multi-State and transnational laundering.
- Addresses possible inaction by local agencies.
- Helps trace, attach and confiscate illicit assets.

Risks of Unlimited Power

- Concentration of investigative, prosecutorial and punitive power.
- Possibility of "manufacturing" jurisdiction.
- Federal friction and overlap with State agencies.
- Higher risk of arbitrariness and abuse.

Evolution of ED and Anti-Money Laundering Framework

1956	1957	1960	1973	1999	2002	2005
Enforcement Unit established	Became Enforcement Directorate	Under Department of Revenue	FERA – stringent exchange control	FEMA – management of forex	PMLA enacted	PMLA in force (1 July)

Examination Angle (UPSC/APSC)

GS-II	Constitution, federalism, statutory bodies, judicial review.
GS-III	Money laundering, internal security, organised financial crime.
GS-IV	Accountability, abuse of discretion, ethical governance.
Essay	Liberty vs security, institutional checks, rule of law.
Interview	Should ED have greater powers? How to balance enforcement and constitutional limits?

Way Forward

1. Clear statutory demarcation of ED's jurisdiction.
2. Time-bound action by agencies receiving Section 66(2) references.
3. Written reasons for non-action and oversight review.
4. Stronger inter-agency coordination (ED, CBI, SFIO, DRI, State police).
5. Effective enforcement with strict adherence to Articles 14, 21 and 22.

- The Karnataka government's testing reportedly found that 11 out of 14 petrol samples contained more than 20% ethanol, with some reported concentrations exceeding 30%. Rahul Gandhi questioned whether consumers were receiving fuel that complied with E20 specifications.
- The Union government rejected the allegations, citing testing by public-sector oil marketing companies and questioning Karnataka's sampling methodology.
- Crucial distinction: A reported test result is not, by itself, conclusive evidence of widespread non-compliance. The reliability of sampling, laboratory analysis, chain of custody and applicable technical tolerances must be established.



Rahul questions Centre over 'excess ethanol' in petrol, calls for action; govt. rejects claims

The Hindu Bureau
NEW DELHI

Alleging that the amount of ethanol being blended into petrol was, in many cases, higher than the specified limit, the Leader of the Opposition in the Lok Sabha, Rahul Gandhi, on Saturday cited a report by the Karnataka government's Department of Food, Civil Supplies, Consumer Affairs and Legal Metrology, saying that 11 out of 14 samples tested by the State government contained more than 20% ethanol.

"E20 turned into 420 – stealing petrol from the public's cars," Mr. Gandhi said in a social media post. E20 is the ethanol-petrol blend, which is supposed to have only 20% ethanol, that is available at petrol pumps across the country.

Rahul Gandhi

Seeks answers

He demanded an answer from Prime Minister Narendra Modi. "Mr. Modi, tell us – what's being put in the country's tank? How much ethanol is actually in the petrol? When will action be taken against companies mixing in more than 20%? And the challenge to debate still stands. We'll add this issue too – who is actually benefiting from your policies?" Mr. Gandhi said.

The Centre has rejected Mr. Gandhi's allegations and questioned the sampling method used in the report.

The Congress leader said the Karnataka government collected petrol samples from seven districts and had them tested at an accredited lab. "Look at the results – 11 out of 14 samples contained more than 20% ethanol... 31.2% at Indian Oil Corporation (IOC) Limited, 30.5% at Hindustan Petroleum Corporation Limited (HPCL), Bharat Petroleum Corporation Limited (BPCL), Nayara, Shell – whether government-owned or private – all exceeded the limit and the companies' own labs didn't even report the ethanol content," Mr. Gandhi said.

"In other words, you've paying for expensive petrol, but ethanol is being pumped into your tank. Who loses out? You," he claimed, saying that cars were not built to handle that much ethanol and that this would lead to lower mileage and repeated trips to the mechanic.

"A car you bought with such enthusiasm is being ruined," he said. He added that there were no signs at filling stations telling customers what is being put in their tanks – "no choice at all".

Centre reacts

The Ministry of Petroleum and Natural Gas, in a press note, said the three public sector Oil Marketing Companies (OMCs) – IOCL, BPCL, and HPCL – have clarified that the claims, as reported, are not supported by testing conducted in accordance with the prescribed statutory and technical procedures. "E20 petrol supplied by the three OMCs across the country, including Karnataka, conforms to IS 17123, the Bureau of Indian Standards specification for ethanol-blended motor gasoline," the release said.

"They have also raised concerns regarding the sampling procedure and testing methodology adopted for the October 2026 exercise," it added.

Method questioned

The Ministry also questioned the sampling method used by the Karnataka government. "The Motor Spirit and High Speed Diesel (Regulation of Supply, Distribution and Prevention of Malpractices) Order, 2005, issued under the Essential Commodities Act, 1955, read with the Marketing Discipline Guidelines (MDG) 2024, prescribes a defined procedure for sampling, retention, testing and communication of results," it said.

"The prescribed procedure requires six one-litre samples to be drawn, with two samples handed over to the dealer against acknowledgement, two retained by the oil company or department, and two sent to a laboratory specified under Schedule III of the Control Order or notified in the Official Gazette," the Ministry said.

- **Key Terms and Explanations**
- **Ethanol Blended Petrol (EBP) Programme and E20 Fuel:** Ethanol (C_2H_5OH) is an anhydrous, high-octane biofuel derived primarily through the fermentation of biomass and sugar-rich or starchy feedstocks. In fuel nomenclature, "E" denotes ethanol and the accompanying numeral indicates the volumetric blending percentage in motor spirit (petrol). **E20** represents a fuel mix comprising 20% bio-ethanol and 80% conventional fossil gasoline. While intended to displace imported crude, burning ethanol produces approximately 30% less volumetric energy than unblended petrol, altering fuel efficiency dynamics.
- **IS 17021 (Bureau of Indian Standards Specification):** The Bureau of Indian Standards (BIS) prescribes national technical specifications to guarantee fuel uniformity. **IS 17021:2018** specifically standardizes motor gasoline blended with 20% ethanol (E20). It defines rigorous physical and chemical thresholds, including allowable water content, vapor pressure, distillation recovery profiles, and anti-knock octane ratings, ensuring fuel stability across varying climatic zones.
- **Control Order 2005 & Essential Commodities Act (ECA), 1955:** Petrol and diesel are categorized as essential commodities under the ECA, 1955. To curb adulteration and preserve supply integrity, the Union Government enacted the **Motor Spirit and High Speed Diesel (Regulation of Supply, Distribution and Prevention of Malpractices) Order, 2005**. This statutory framework defines procedural powers, inspection mandates, search protocols, and the legal definition of malpractices in fuel retail.
- **Marketing Discipline Guidelines (MDG) 2024:** Formulated collaboratively by public sector Oil Marketing Companies (OMCs) under ministerial oversight, the MDG establishes standard operating procedures for retail outlets. It outlines an unbroken chain of custody for fuel testing: inspectors must draw six identical 1-litre samples—two handed to the dealer, two preserved by the oil company, and two dispatched to an accredited test laboratory—to prevent sample tampering and procedural bias.
- **Phase Separation and Material Degradation:** In internal combustion engines, ethanol exhibits **hygroscopic properties**, meaning it naturally absorbs moisture from atmospheric humidity. When moisture surpasses a critical threshold, it triggers **phase separation**, causing ethanol and water to drop out of the petrol suspension to form a corrosive layer at the bottom of the fuel tank. This damages copper alloys, zinc carburetors, and rubber fuel hoses in engines not engineered to flex-fuel specifications.
- **Generational Biofuel Architecture:**
- *First-Generation (1G):* Produced directly from food crops such as sugarcane juice, molasses, broken rice, and maize.
- *Second-Generation (2G):* Synthesized from non-food, lignocellulosic agro-residues such as paddy straw, bagasse, and bamboo.
- *Third-Generation (3G):* Extracted from cultivated algae and aquatic microbes.
- *Fourth-Generation (4G):* Produced via genetically engineered microorganisms utilizing captured industrial carbon emissions.

- **Main Arguments and Substantive Parts**

- The debate over fuel quality assurance contrasts state-level consumer protection enforcement against centralized refining and supply protocols. Resolving this tension requires examining both the technical vulnerabilities voiced by consumers and the structural defenses presented by fuel distribution agencies.

- **Deviation from Blending Limits and Consumer Rights**:
  - *Quality Compliance*: Testing by legal metrology departments showing ethanol blending levels exceeding the 20% ceiling (reaching over 30%) indicates a breach of BIS IS 17021 parameters.
  - *Economic Loss*: Consumers pay premium commercial rates for motor spirit while receiving high percentages of lower-cost bio-ethanol. When combined with reduced mileage due to ethanol's lower energy density, this creates an uncompensated economic penalty.
  - *Information Asymmetry*: The absence of real-time dispenser labeling leaves motorists unaware of the exact blend entered into their tanks, violating fundamental consumer rights to product information under the Consumer Protection Act, 2019.
- **Mechanical Vulnerability and Fleet Compatibility**:
  - *Material Corrosion*: The existing national automobile fleet is diverse. While modern vehicles (BS-VI Stage 2) are engineered to tolerate E20, millions of legacy two-wheelers and older passenger cars (compliant only up to E5 or E10) face severe corrosion of aluminum components, fuel pump failures, and degraded fuel lines when exposed to excess ethanol.
  - *Engine Performance*: Blends exceeding vehicle calibration induce engine knocking, vapor lock in hot conditions, and premature mechanical wear, escalating maintenance costs for end-users.
- **Institutional Defense and Procedural Validity**:
  - *Strict Sampling Protocols*: Oil Marketing Companies (OMCs) maintain that allegations of excess blending often stem from flawed sample collection. Under the statutory Control Order of 2005, testing mandates the collection of six separate one-litre samples (retained jointly across dealers, supply officers, and certified laboratories). Non-standard sampling risks ambient moisture contamination, which skews lab results.
  - *Automated Depot-Level Precision*: Refining infrastructure utilizes automated inline blending systems managed by Supervisory Control and Data Acquisition (SCADA). These systems feature continuous density monitoring to ensure that fuel leaving dispatch gantries strictly adheres to national blending thresholds.
- **Macroeconomic and Geopolitical Imperatives**:
  - *Crude Import Substitution*: The EBP Programme serves as a vital macroeconomic shield, reducing India's crude import bill (over 85% import dependency) and conserving foreign exchange reserves.
  - *Agrarian Value Realization*: Ethanol procurement diverts surplus sugar and grains into bio-refining, injecting liquidity into rural economies and enabling mills to clear dues to sugarcane farmers promptly.

- **Historical Evolution of Biofuel Policy in India**
  - **Pre-Independence to Early Decades (1940s–1990s)** During the Second World War, fuel shortages led the colonial administration to blend surplus alcohol from distilleries with motor fuel, culminating in the *Indian Power Alcohol Act of 1948*. This Act mandated the blending of power alcohol with petrol whenever feasible. However, with the discovery of cheap West Asian crude oil in the 1950s and 1960s, these experiments were phased out in favour of low-cost petroleum imports, leaving ethanol production confined primarily to potable liquor and industrial chemicals.
  - **Inception of the Modern Blending Framework (2001–2009)** Volatile crude prices in the early 2000s prompted the Union Government to launch pilot blending initiatives in 2001 across Maharashtra and Uttar Pradesh. Building on these results, the Ministry of Petroleum and Natural Gas officially launched the **Ethanol Blended Petrol (EBP) Programme** in 2003, mandating a 5% blend across nine states and four union territories. The policy struggled due to state-to-state taxation barriers, excise duties, and erratic sugarcane cycles that periodically cut off feedstock supply.
  - **The 2009 Biofuel Policy and Institutional Setbacks** The first formal *National Policy on Biofuels* was unveiled in 2009 by the Ministry of New and Renewable Energy (MNRE), establishing an aspirational target of 20% ethanol and biodiesel blending by 2017. The policy relied strictly on non-food feedstocks grown on wastelands. Because barren-land cultivation models (such as Jatropha curcas) failed agronomically and economically, the actual national blending rate stagnated between 1.5% and 2% for nearly a decade.
  - **The Landmark 2018 Policy and Feedstock Diversification** Recognizing previous bottlenecks, the Union Cabinet approved the *National Policy on Biofuels–2018*. This framework introduced a tiered categorization:
    - **First Generation (1G):** Basic biofuels derived directly from food sources (sugarcane juice, sugar beet, damaged food grains like broken rice and surplus maize).
    - **Second Generation (2G):** Advanced biofuels synthesized from non-food biomass, agricultural residues (paddy straw, bagasse), and cellulose.
    - **Third Generation (3G):** Algae-based biofuels.
    - **Fourth Generation (4G):** Genetically engineered organisms capturing atmospheric carbon. The 2018 policy set a target of 20% ethanol blending by 2030 and opened multiple feedstock channels, ending the exclusive dependence on heavy molasses.
  - **The 2022 Acceleration to the Present Day** In June 2022, the Union Cabinet amended the National Policy on Biofuels to advance the target date for achieving 20% ethanol blending in petrol by five years—shifting the deadline from 2030 to financial year **2025–26**. Incentivised through administered pricing mechanisms, soft loans for dual-feed distilleries, and inter-ministerial coordination, the national average blending level surged from roughly 1.5% in 2014 to over 15% by 2024–2025, laying the groundwork for a complete nationwide E20 rollout.

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Ethanol in Petrol Controversy

E20 Policy, Allegations, Government Response and the Way Forward

UPSC / APSC
Prelims • Mains
Interview

The Controversy



- **Allegation:** Karnataka test found 11 of 14 petrol samples with **>20% ethanol** (some reported ~30%+).
- Rahul Gandhi questioned if consumers are receiving fuel as per E20 (20% ethanol).
- **Centre's response:** Claims rejected; OMCS (IOC, BPCL, HPCL) say supplies conform to IS 17021; Karnataka's sampling method also questioned.



What is E20?

- Petrol blended with ~20% ethanol and 80% petrol.
- Ethanol (C_2H_5OH) is a renewable alcohol fuel, generally from sugarcane, maize and other biomass.



Petrol vs Ethanol: Key Differences

Parameter	Petrol	Ethanol
Energy density	Higher	Lower
Octane rating	Lower	Higher
Origin	Fossil-based	Biomass-based (renewable)
Water affinity	Low	High (hygroscopic)
Engine use	Conventional	Depends on blend & design

Why is India Promoting Ethanol Blending?

- **Energy security:** Reduces crude oil imports.
- **Agriculture:** Demand for sugarcane, maize, etc.
- **Rural economy:** Distilleries, jobs and value chains.
- **Environment:** Can lower lifecycle GHG emissions.
- **Foreign exchange:** Reduced import bill.

Policy Framework



- **IS 17021:** Specification for ethanol-blended motor gasoline.
- **Motor Spirit & HSD Order, 2005.**
- **Essential Commodities Act, 1955.**
- **Marketing Discipline Guidelines (MDG) 2024:** Sampling, testing and communication of results.

Benefits

- Lower oil import dependence.
- Supports farmers and biofuel industry.
- Potentially lower emissions (lifecycle basis).
- Higher octane and cleaner combustion.

Concerns

- Possible mileage reduction.
- Food–fuel and water use trade-off.
- Need for vehicle compatibility and consumer awareness.
- Risk of quality variation without robust regulation.

Key Concerns Raised

- **Mileage:** Lower fuel economy due to lower energy content.
- **Engine compatibility:** Older vehicles may face wear, corrosion or seal issues.
- **Water contamination:** Ethanol absorbs moisture, requiring better storage.
- **Testing & reliability:** Need for standardised sampling, accredited labs and transparent results.

Way Forward

- Diversify feedstock (sugarcane, maize, biomass).
- Independent and representative fuel-quality testing.
- Transparent publication of results and enforcement.
- Clear consumer information on engine compatibility.
- Lifecycle assessment of economic and environmental impact.
- Ensure a balanced approach between energy security, farmer welfare, environment and consumer rights.

As Advani enters 100th year, PM Modi praises his political acumen

Veteran leader nurtured generations of activists and gave BJP a 'clear foundation rooted in the principle of Nation First', Modi says; Advani set a remarkable example working with Vajpayee, and changed the course of Indian politics, PM adds

The Hindu Bureau
NEW DELHI

As former Deputy Prime Minister and senior Bharatiya Janata Party (BJP) leader Lal Krishna Advani celebrated his 99th birthday and entered the 100th year of his life on Sunday, Prime Minister Narendra Modi said ideological clarity and intellectual sharpness set Mr. Advani apart as a leader. There were very few people whose lives had touched so many different chapters of modern India, Mr. Modi said in an article.

Born on November 8, 1927, Mr. Advani, as a young man in 1947, experienced the pain of leaving behind his familiar world in Sindh, Mr. Modi said. "He rebuilt his life from scratch without bitterness. This trait of being able to build from scratch, against all odds, has stayed with him throughout. It was seen while he was strengthening the Jana Sangh and later building the BJP," Mr. Modi wrote in the article, titled 'Bharat Ratna LK Advani Ji at 100!'.

Mr. Advani's tenure as BJP president saw the Congress falling sharply from 400 seats in Parliament to below 200 seats in 1989, and BJP become the single largest party in Parliament for the first time in 1996.



L.K. Advani greeting Narendra Modi in Ahmedabad, in 2007, after the latter was sworn-in as Gujarat CM for the third time. FILE PHOTO

Mr. Advani nurtured generations of activists and gave the BJP a "clear foundation rooted in the principle of Nation First", the Prime Minister said.

"Two qualities always set Advani Ji apart as a leader. First, his ideological clarity and intellectual sharpness. This was reflected in his speeches and writings. The Jana Sangh and BJP resolutions he authored remain worth reading even today, while his interviews were consistently incisive and precise. Second, the manner in which he exposed the pseudo-secularism propounded by a large section of the Indian polity for many years," Mr. Modi said in the article.

When Mr. Advani was BJP president, Congress fell sharply from 400 seats in Parliament to below 200 seats in 1989

Stating that Mr. Advani had taken up every responsibility with immense diligence, Mr. Modi said that, after working as a Rashtriya Swayamsevak Sangh (RSS) *pracharak* in Rajasthan, Mr. Advani went to Delhi, where he worked closely with the late former Prime Minister Atal Bihari Vajpayee. "History shows that it is rare for two towering political leaders to work together for several decades, cooperating with each other without becoming competitors. Advani Ji and Atal Ji set a remarkable example. Together, they changed the course of Indian politics," Mr. Modi said.

In the 1991 Lok Sabha elections, when Mr. Advani contested from Gandhinagar, Mr. Modi said he had been involved in the campaign. "The people of Gandhinagar sent him to Parliament time and again. As a voter of Gandhinagar, I also had the honour of voting for Advani Ji on numerous occasions. The care and attention he devoted to his constituency is something to learn from," Mr. Modi said.

Watershed moment

The Emergency was a watershed moment in Mr. Advani's life, the PM said, adding that the veteran leader had been at the forefront of saving democracy and protecting the Constitution. On Mr. Advani's contributions as an administrator, Mr. Modi said that as Deputy Prime Minister and one of India's longest-serving Home Ministers, Mr. Advani had been instrumental in strengthening India's security apparatus. "His work in improving the lives of our security forces is remembered with great fondness. His unequivocal stand against terrorism ensured India got a tough anti-terror law," the Prime Minister said.

Terming the Somnath-Ayodhya Rath Yatra as an iconic moment in Mr. Advani's life, Mr. Modi said it changed the course of Indian society for the better. "I consider it a privilege that I got the opportunity to be involved in this Yatra from the ideation stage to execution. Being present at Somnath when the Yatra began was particularly special. A Yatra can be very demanding, requiring long hours, constant travel, physical endurance and an ability to remain focused despite fatigue. Advani Ji embodied this endurance," the PM added.

Maintaining that Mr. Advani had always shown what probity in public life was about, Mr. Modi said the former was also a voracious reader, a big fan of cinema and theatre, and an enthusiastic film critic.

- **Key Terms and Explanations**
  - **Office of the Deputy Prime Minister:** A non-constitutional, conventional executive post created intermittently to provide political equilibrium within ruling coalitions or party hierarchies. The Constitution of India does not explicitly mention the post under Article 74 or 75. In *K.M. Sharma v. Devi Lal (1990)*, the Supreme Court clarified that describing a minister as Deputy Prime Minister is merely descriptive and confers no distinct constitutional powers beyond those of a Cabinet Minister.
    - *Example:* Sardar Vallabhbhai Patel, Morarji Desai, Chaudhary Charan Singh, Chaudhary Devi Lal, and Lal Krishna Advani occupied this office, functioning essentially as senior cabinet members entrusted with heavy domestic portfolios like Home Affairs.
  - **Probity in Public Life:** The institutional practice of maintaining unblemished integrity, absolute honesty, and adherence to the highest ethical benchmarks in official duties. In administrative ethics, it demands not merely passive lawfulness, but voluntary personal sacrifice to uphold institutional sanctity.
    - *Example:* In 1996, when allegations surfaced in the Hawala diaries case, L.K. Advani immediately resigned from the Lok Sabha and pledged not to contest elections until cleared by the judiciary, creating a benchmark for ethical accountability under the Nolan Committee's principle of integrity.
  - **Cadre-Based vs. Mass-Catch-All Political Parties:** Cadre-based parties rely on disciplined, ideologically trained, grassroots volunteers who form an enduring organizational spine independent of electoral outcomes. In contrast, mass-catch-all parties depend primarily on broad-based, diverse voter appeals and charismatic leadership.
    - *Example:* The transformation of the Bharatiya Jana Sangh (cadre-driven) into the Bharatiya Janata Party (BJP) represents a synthesis where cadre discipline was married to mass-mobilization techniques to build an all-India presence.
  - **Mass Mobilization and Yatra Politics:** A traditional Indian sociopolitical tool rooted in pilgrimage traditions, adapted into modern democratic statecraft to bypass traditional media, directly engage rural and urban electorates, and crystallize national political narratives.
    - *Example:* The Somnath-to-Ayodhya Rath Yatra (1990) served as a turning point in post-colonial Indian political mobilization, fundamentally shifting the discourse around secularism, cultural nationalism, and electoral alignment.
  - **Post-Kargil Security Architecture and Reforming National Security:** The comprehensive overhaul of India's intelligence, border management, and defense mechanisms initiated through the Group of Ministers (GoM) report in 2001, following the Kargil Review Committee.
    - *Example:* Under the Ministry of Home Affairs during 1998–2004, this led to the creation of the Multi-Agency Centre (MAC), dedicated Border Management divisions, and specialized anti-terror legislative frameworks like the Prevention of Terrorism Act (POTA), 2002.
  - **The "Congress System" and Bipolar Polity:** A conceptual framework formulated by political scientist Rajni Kothari to describe the first three decades of independent India, characterized by a dominant party of consensus (Congress) surrounded by fragmented parties of pressure. Its collapse between 1989 and 1996 gave way to a bipolar coalition era.
    - *Example:* The sharp drop of single-party dominance in the 1989 general elections, paving the way for multi-party coalition arrangements such as the National Front, United Front, and the National Democratic Alliance (NDA).

- **Main Arguments and Substantive Dimensions**
  - **De-hegemonization of the Single-Party Polity:**
    - Post-independence Indian political history was defined by the Congress-dominated party system until the late 1980s.
    - The systematic mobilization of opposition forces, ideological consolidation, and organizational structuring created an institutional counterweight.
    - This shifted Indian democracy from a single-dominant party system to an era of competitive multi-party federalism, compelling national parties to accommodate regional aspirations.
  - **Executive Dualism and the Statecraft of Coalition Management:**
    - Managing ideological purity alongside practical governance requires a functional division of labor within political leadership.
    - The partnership between Atal Bihari Vajpayee (the consensual, moderate statesman) and L.K. Advani (the organizational anchor and ideological strategist) served as an institutional model for coalition stability.
    - This dynamic enabled the National Democratic Alliance (NDA-I) from 1998 to 2004 to complete a full parliamentary term—a first for a non-Congress government in Indian constitutional history.
  - **Constitutional Vigilance and Resistance to Executive Overreach:**
    - Democratic systems depend on institutional resilience forged during constitutional crises.
    - The internal Emergency (1975–1977) tested the Indian democratic fabric; the detention of key opposition leaders inside jails functioned as a crucible for inter-party solidarity.
    - This cross-ideological coordination across socialists, regionalists, and nationalists led to the Janata Party experiment and the historic passage of the 44th Constitutional Amendment Act, 1978, which established strong safeguards against executive overreach.
  - **Re-engineering the Internal Security Paradigm:**
    - Post-1998 security statecraft shifted India from a reactive defense posture to an institutionalized counter-terrorism and border-management model.
    - Recommendations from the Kargil Review Committee were operationalized, resulting in the creation of specialized intelligence wings, joint intelligence committees, and dedicated border fencing along sensitive frontiers.
    - This period marked a doctrinal shift that directly coupled internal counter-insurgency with proactive international diplomacy against cross-border terrorism.
  - **Institutionalization of Political Probity as an Administrative Precedent:**
    - Institutional trust hinges on the moral authority of constitutional actors.
    - In parliamentary democracies, a formal court conviction is not the only threshold for stepping down; the standard of moral probity requires stepping aside at the stage of formal accusations to preserve the dignity of representative institutions.
    - Voluntarily relinquishing office and clearing one's name through judicial scrutiny reinforces the separation of powers and restores citizen faith in constitutional checks.

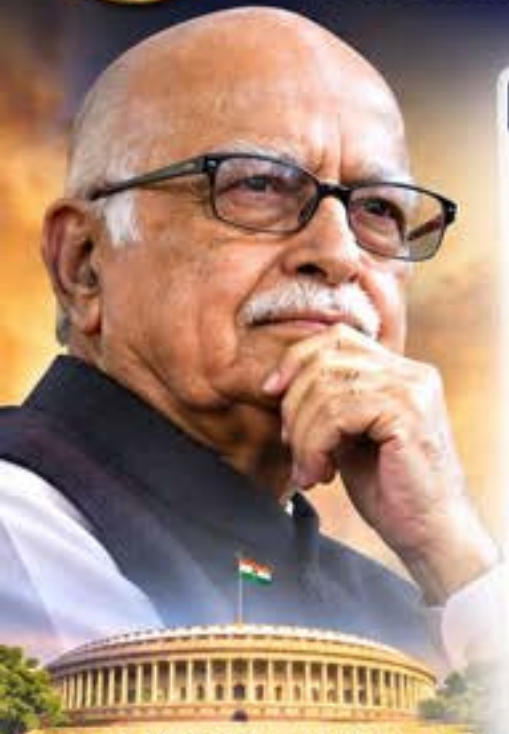
- **Historical Evolution: From Partition to Multi-Party Coalition Era**
  - **Pre-Independence Roots and the Crucible of Partition (1927–1951):**
    - Born in Karachi, Sindh, in 1927, Advani was shaped by the sociopolitical turmoil of pre-partition India and his early induction into the Rashtriya Swayamsevak Sangh (RSS) in 1942.
    - The trauma of the 1947 Partition and forced migration to post-independence India left an enduring impression, driving an emphasis on territorial integrity, refugee rehabilitation, and national unity.
  - **The Jana Sangh Decades and Institutional Opposition (1951–1975):**
    - When Dr. Syama Prasad Mookerjee founded the Bharatiya Jana Sangh in 1951, early organizers like Deendayal Upadhyaya, Atal Bihari Vajpayee, and L.K. Advani built an opposition structure centered on cultural nationalism and economic self-reliance.
    - Advani handled organizational duties, parliamentary affairs, and political journalism (editing *Organiser*), mastering legislative procedure and electoral mechanics in the Rajya Sabha from 1970 onwards.
  - **The Emergency, Incarceration, and the Janata Phase (1975–1979):**
    - The imposition of Emergency under Article 352 led to widespread arrests of opposition leaders. Advani was detained in Bangalore Central Jail for 19 months alongside leaders across the political spectrum.
    - Following the 1977 elections, he became the Union Minister for Information and Broadcasting in the Morarji Desai Cabinet.
    - In this role, he dismantled press censorship mechanisms, repealed the Prevention of Publication of Objectionable Matter Act, and laid the conceptual foundation for the eventual autonomy of state broadcasting through the Prasar Bharati framework.
  - **Birth of the BJP and the Transition to Bipolarity (1980–1990):**
    - The collapse of the Janata experiment over the issue of "dual membership" led to the formation of the Bharatiya Janata Party in Mumbai in April 1980, with Vajpayee as its first President.
    - After the party won just two Lok Sabha seats in 1984, Advani took over the presidency in 1986, pivoting the party toward active ideological articulation, challenging what it termed "pseudo-secularism," and supporting the Ram Janmabhoomi movement.
    - The 1990 Somnath-Ayodhya Rath Yatra transformed the party's electoral fortunes, elevating its seat share from 85 in 1989 to 120 in 1991, and ultimately making it the single largest party in 1996.
  - **Governance, Executive Leadership, and Deputy Premiership (1998–2004):**
    - Serving as Union Home Minister (1998–2004) and Deputy Prime Minister (2002–2004), Advani oversaw key national security decisions, including managing the aftermath of the 1998 Pokhran-II nuclear tests, the 1999 Kargil conflict, and the 2001 Parliament attack.
    - He steered legislative initiatives such as POTA (2002), implemented the post-Kargil GoM recommendations, and helped institutionalize coalition management frameworks across regional partners.
  - **Elder Statesman and Institutional Transition (2004–Present):**
    - Following the 2004 elections, he served as the Leader of the Opposition, mentoring successive tiers of central and state leadership.
    - He subsequently stepped back into an advisory role, receiving India's highest civilian honor, the Bharat Ratna, in 2024. This recognized more than seven decades of participation in building India's parliamentary opposition and democratic structures.

AXIA IAS ACADEMY
RISE ABOVE THE REST

L.K. Advani : Architect of BJP's Rise and a Transformative Figure in Indian Politics

From Jana Sangh to a Dominant National Party





Lal Krishna Advani
(1927 –)

> *A leader who gave organisational strength, ideological clarity and mass political direction to the BJP, and helped reshape India's party system.*

Key Milestones

1927	Born on 8 November in Karachi (then British India)
1951	Joins Bharatiya Jana Sangh (BJS)
1975–77	Imprisoned during the Emergency
1980	Co-founds the BJP with Atal Bihari Vajpayee
1990	Leads the Ram Rath Yatra, a mass mobilisation
1996	BJP becomes the single largest party in Lok Sabha
1998–2004	Deputy Prime Minister & Union Home Minister
2015	Awards Bharat Ratna (for public service)
2027	Enters 100th year – celebrated as a veteran statesman and nation-builder

Major Contributions

- Built a strong, disciplined political organisation
- Expanded BJP's mass base beyond traditional urban centres
- Gave political direction through the Ram Janmabhoomi movement
- Played a key role in the decline of the Congress system
- Served as Deputy PM & Home Minister, strengthening internal security and counter-terror architecture
- Mentored generations of political workers and leaders

Ideological Foundations

- Cultural nationalism & Hindutva
- Integral Humanism (Deendayal Upadhyaya)
- Strong national identity with constitutional framework
- Civilisational pride and majoritarian debates
- Debate on secularism, identity and pluralism

Transformation of India's Party System

- From Congress dominance (1950s–1980s) to a multi-party era
- Decline of the Congress system
- Rise of coalition politics (1990s)
- Emergence of BJP as a dominant national party (post-2014)
- Greater political participation and ideological polarisation

From a Small Party to a National Force

Bharatiya Jana Sangh (1951) → **BJP (1980)** → **Nationally Dominant Party (Post-2014)**

Critical Assessment

Positives	Concerns
✓ Expanded democratic participation	✗ Accusations of communal polarisation
✓ Strong party organisation and cadre-building	✗ Controversy around the Babri Masjid demolition (1992)
✓ Gave a long-term political alternative in India	✗ Debate on majoritarianism and its impact on social harmony

Assam & Northeast Linkages

- Expansion of national parties in the region
- Influence on regional identity movements
- Coalition politics and the Assam Accord (1985) era
- Balancing national integration with ethnic aspirations
- Greater political space for Northeast in national discourse

Constittional & Philosophical Dimensions

- Relationship between religion and politics
- Article 25 – Freedom of religion
- Secularism as part of the Basic Structure
- Democratic mobilisation and mass movements
- Minority rights and national integration
- Role of political leadership in deepening democracy

Relevance for UPSC / APSC

- **GS I** : Indian National Movement & Post-Independence Politics
- **GS II** : Party System, Secularism, Rights, Federalism
- **GS III** : Internal Security, Political Stability
- **GS IV** : Ethical Leadership & Public Life
- **Essay** : Leadership, Ideology and Democracy
- **Interview** : Political neutrality, constitutional duty and institutional accountability

Interview Pointers

- How should an officer distinguish ideological conviction from constitutional duty?
- Can strong political leadership coexist with institutional accountability?
- What does Advani's political journey teach about the evolution of Indian democracy?

Key Takeaway — L.K. Advani symbolises the transition of Indian politics from Congress dominance to a competitive, ideologically driven and electorally assertive era, with long-term implications for India's democracy, federalism and political culture.

Rajnath warns of evolving threats, calls for highest military readiness

Addressing personnel at key airbase near China frontier, Defence Minister warns of adversaries exploiting 'vulnerabilities'; reviews Army's LAC infrastructure, lauds initiatives along the border aimed at strengthening ties with local communities

The Hindu Bureau
NEW DELHI



Rajnath Singh shares sweets with Army personnel at Sukna Military Station in West Bengal's Darjeeling district. PTI

Defence Minister Rajnath Singh visited members of the armed forces at multiple locations in West Bengal on Saturday and highlighted a changing nature of warfare while describing the northeast as India's "first edge" rather than its "last edge".

The security landscape around the country has become increasingly complex and the armed forces must maintain the highest level of operational readiness to effectively counter any threats to national security, he told personnel at the Bagdogra Air Force station.

Delivering his message on the eve of Deepavali from the key airbase near the frontier with China in the Eastern sector, Mr. Singh, without naming any country, said the adversary now avoids direct confrontation but seeks to exploit certain "vulnerabilities".

He called upon the armed forces to keep special focus on strengthening domain awareness, cyber resilience, and information integrity to effectively counter emerging security threats, according to the Defence Ministry.

Describing Bagdogra as a strategically important region and a crucial link in India's security framework, Mr. Singh commended the courage and dedication of the defence personnel towards safeguarding national interests. He stated that the Air Force personnel deployed in the region serve as a robust shield for the security of the eastern sector, and their preparedness is fundamental to maintaining stability in the region.

The Defence Minister later reviewed the operational preparedness of the Army's Trishakti Corps at Sukna, with a focus on infrastructure development along the Line of Actual Control (LAC), deployment of advanced military equipment, and adoption of emerging technologies to enhance combat effectiveness.

Mr. Singh appreciated its contribution to infrastructure development and community welfare initiatives in border areas aimed at strengthening ties with local communities.

Highlighting the changing nature of warfare, he said security challenges were no longer confined to conventional exchanges of gunfire and artillery but increasingly involved hybrid warfare, proxy wars, cyberattacks, drone incursions, and information warfare.

He cautioned that adversaries were using social media to spread rumours, deploying drones to monitor sensitive locations, and attempting to compromise military systems through cyber attacks. He exhorted personnel to remain vigilant and prepared to tackle emerging threats across all domains.

Describing Sukna as a critical logistics hub for eastern India, Mr. Singh said its geographical sensitivity necessitated round-the-clock operational readiness. He highlighted its importance in the movement of supplies, weapons, food, medical provisions, and personnel to forward locations. Mr. Singh also stressed the importance of soldiers' mental health and emotional well-being, urging them to communicate openly with their colleagues and seek support to deal with stress arising from demanding duties and separation from families.

- The Defence Minister's emphasis on military preparedness near the India–China frontier highlights a fundamental transformation in national security: modern warfare is no longer confined to physical battlefields; it extends into cyberspace, information networks, technology, economic systems and public psychology.

- **Key Terms and Conceptual Framework**
  - **Hybrid Warfare:** A military strategy that blends conventional kinetic capabilities (infantry, artillery, armor) with unconventional instruments—such as cyberattacks, disinformation campaigns, economic coercion, and proxy networks. Unlike classical warfare, where victory is pursued through direct battlefield destruction, hybrid warfare aims to destabilize an adversary from within by exploiting internal political, socio-economic, and technological fault lines.
  - **Grey-Zone Warfare:** Hostile interactions between nation-states that fall above the threshold of peaceful diplomacy but deliberately remain below the threshold of open, full-scale military conflict. The objective is to make incremental gains (often called *salami-slicing*) without triggering a formal military response. China's dual-use *Xiaokang* border villages, sudden drone incursions along the frontier, and persistent infrastructure build-up close to contested alignments epitomize this concept.
  - **The "First Edge" Strategic Paradigm:** A fundamental doctrinal pivot in India's border-management philosophy. Historically, frontier tracts in the North and Northeast were treated as distant "last outposts" or passive buffer zones—deliberately left underdeveloped to slow down potential invasions. The modern "First Edge" doctrine views these remote frontiers as India's primary defensive vanguard and strategic gateways, demanding top-tier physical infrastructure, socio-economic integration, and forward-deployed military capabilities.
  - **Multi-Domain Awareness (MDA):** The ability to continuously track, correlate, and understand activities, movements, and threats across all operational environments—land, sea, air, space, cyberspace, and the electromagnetic spectrum. Along mountainous frontiers, MDA integrates satellite reconnaissance, synthetic aperture radars, unmanned aerial vehicles (UAVs), and ground-based electronic surveillance into a single operational picture.
  - **Cyber Resilience and Information Integrity:** Cyber resilience refers to the structural capacity of military and critical national infrastructure networks to anticipate, absorb, withstand, and rapidly recover from hostile cyber intrusions. Information integrity focuses on protecting public cognitive spaces and operational communications from adversary-driven information warfare, such as psychological operations, social media manipulation, deepfakes, and coordinated rumor generation designed to panic border populations and confuse field commanders.
  - **The Trishakti Corps (XXXIII Corps) and the Siliguri Corridor:** Headquartered at Sukna near Siliguri, West Bengal, the Trishakti Corps is the strategic formation responsible for guarding the sensitive frontiers of North Bengal, Sikkim, and the approaches to Bhutan. It sits astride the vulnerable Siliguri Corridor—a narrow geographical choke point roughly 20 to 22 kilometers wide (the "Chicken's Neck") that connects mainland India with the eight northeastern states.
  - **Civil-Military Synergy:** The conscious, institutional integration of civilian communities residing in forward border areas with armed forces personnel. Moving beyond mere logistical co-existence, this approach treats border populations as vital strategic partners—acting as local early-warning eyes and ears while the military supports remote villages through border infrastructure, economic livelihoods, and social welfare programs.

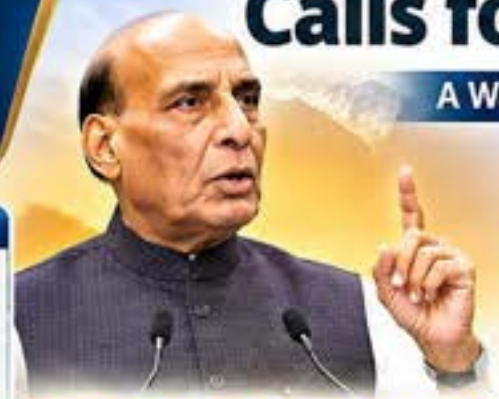
- **Strategic Arguments and Operational Dimensions**
- India’s contemporary eastern border architecture faces a multi-dimensional transformation. Analysing these shifts helps unpack the tactical and strategic realignments underway:
  - **Deterrence Against Asymmetric Exploitation:** Direct military confrontation along mountainous borders carries high escalatory risks and severe economic costs. Consequently, regional adversaries increasingly avoid conventional clashes, focusing instead on asymmetric leverage points. This involves testing India's digital command nodes, testing forward logistics corridors through psychological posturing, and exploiting local ethnic, economic, or logistical vulnerabilities along the frontier.
  - **The Geostrategic Sensitivity of the Eastern Choke Point:** The operational focus on the Sukna-Bagdogra axis underscores the vital importance of the Siliguri Corridor. An adversary seeking to alter the status quo along the Line of Actual Control (LAC)—particularly in Sikkim or the Chumbi Valley tri-junction—has historically eyed the interdiction of this narrow sliver of land. Maintaining round-the-clock readiness at staging hubs like Sukna and forward operating bases like Bagdogra Air Base guarantees immediate kinetic and logistical reinforcement across the Eastern Command, deterring any attempt to isolate the Northeast.
  - **Frontier Infrastructure as an Active Deterrent:** Border roads, dual-use airfields, bridges capable of supporting heavy combat vehicles, and advanced staging posts are no longer built merely for defensive patrol movement. Instead, forward infrastructure serves as active deterrence. By ensuring rapid troop mobilization and the deployment of advanced surveillance, sensor-fused munitions, and long-range artillery, modern logistics nullify the adversary's advantages in inner-line mobility.
  - **The Cognitive and Electronic Battlefield:** The nature of border friction has broadened beyond infantry posturing. Modern reconnaissance employs drone swarms to map defensive works, weaponized social media channels to amplify localized grievances, and automated electronic eavesdropping to compromise tactical communication networks. Securing the frontier now demands hardening cyber firewalls, preserving information hygiene, and countering psychological operations with equal vigilance.
  - **Border Communities as the First Line of Defense:** Depopulation along remote border districts presents a serious national security hazard. If local residents migrate inward due to harsh terrain, poor connectivity, or lack of economic opportunity, forward territories become vacant spaces ripe for creeping incursions. Strengthening military-civilian ties, purchasing local produce, providing telemedicine, and integrating villagers into the frontier security framework transforms local populations into active guardians of territorial sovereignty.
  - **Institutionalization of Soldier Mental Health:** High-altitude deployments, prolonged separation from families, extreme climatic conditions, and the unrelenting stress of continuous combat-readiness take a heavy psychological toll on personnel. Operational readiness is fundamentally tied to cognitive and emotional health. Military sustainability depends on open institutional communication, proactive mental health support, and addressing frontline psychological friction with the same urgency as equipment modernization.

- **Historical Evolution of India’s Eastern Frontier Security**
- India's border policy along the Eastern LAC has evolved from British colonial buffer concepts to modern, technology-driven forward defence:
  - **Colonial Architecture and the 1914 Simla Convention:** Under the British Raj, frontiers were viewed as tiered administrative zones. The 1914 Simla Accord delineated the McMahon Line as the formal boundary between British India and Tibet. However, the colonial administration preferred indirect rule over forward administrative integration, establishing the Inner Line Regulation (1873) and treating tribal tracts as an isolated, defensive buffer.
  - **Post-Independence Hesitance and the "Policy of Neglect" (1947–1962):** Following Indian independence, boundary delineation in the eastern sector was hampered by differing interpretations and cartographic aggression. Influenced by early geopolitical theories and severe fiscal constraints, Indian planners adopted a policy of deliberate underdevelopment along the border, fearing that building roads to the McMahon Line would give advancing Chinese forces easy access down into the Brahmaputra plains.
  - **The 1962 Sino-Indian War and its Strategic Fallout:** The conflict in the Kameng and Lohit sectors of Arunachal Pradesh (then NEFA) exposed the fatal flaws of underdeveloped border infrastructure, inadequate logistical lines, and poor civil-military cohesion. The conflict triggered a structural overhaul of India's eastern defences, prompting the creation of specialised mountain divisions, the establishment of the Border Roads Organisation (BRO), and a permanent military footprint across Assam and North Bengal.
  - **The 1967 Nathu La and Cho La Clashes:** In September and October 1967, Indian troops at Nathu La and Cho La in Sikkim repelled aggressive Chinese incursions with artillery fire. This stand restored tactical confidence, checked Beijing's forward probing near the Chumbi Valley, and demonstrated India’s willingness to defend vital strategic approaches to the Siliguri Corridor with decisive kinetic force.
  - **The Confidence-Building Era (1988–2013):** Prime Minister Rajiv Gandhi’s visit to Beijing in 1988 initiated institutional attempts to manage boundary disputes through confidence-building measures (CBMs). The 1993 Border Peace and Tranquility Agreement, followed by bilateral protocols in 1996, 2005, and 2013, sought to maintain status-quo peace along the LAC through unarmed patrolling norms and diplomatic mechanisms like the Working Mechanism for Consultation and Coordination (WMCC).
  - **The 2017 Doklam Standoff:** A 73-day military face-off erupted at the Doklam tri-junction when Indian troops prevented Chinese road construction toward the Jampheri Ridge in Bhutan. The standoff brought the vulnerability of the Siliguri Corridor back to the center of Indian defence planning, highlighting the risk of Chinese positions gaining direct visual and artillery command over India's logistical artery to the Northeast.
  - **Post-2020 Galwan Rebalancing to the Present:** The deadly hand-to-hand combat at Galwan Valley in 2020 dismantled the old CBM architecture, proving that unarmed border protocols were obsolete against revisionist tactics. In response, India executed a massive strategic rebalancing:
    - Shifting strike corps assets (such as Mathura-based 1 Corps) from the western front facing Pakistan toward the northern and eastern borders facing China.
    - Accelerating high-altitude border infrastructure (e.g., Sela Tunnel, Nechiphu Tunnel, all-weather high-altitude road grids).
    - Launching the **Vibrant Villages Programme (VVP)** to stem border out-migration.
    - Transitioning permanently from passive border policing to active, round-the-clock technological deterrence.

AXIA IAS ACADEMY
RISE ABOVE THE REST

Rajnath Warns of Evolving Threats, Calls for Highest Military Readiness

A Wake-up Call for a New-Age, Multi-Domain National Security





KEY TAKEAWAYS

- Security environment is more complex and multi-dimensional.
- Adversaries exploit vulnerabilities without direct confrontation.
- Border infrastructure and connectivity are strategic multipliers.
- Technology, drones and cyber tools are central to modern warfare.
- Local communities are key partners in border security.
- Mental health and welfare of soldiers are critical for operational readiness.

WHAT IS MODERN / HYBRID WARFARE?

- Modern warfare extends beyond battlefields to cyber, information, economic and psychological domains.
- Hybrid warfare combines military and non-military tools to achieve strategic goals below the threshold of open war.

NORTHEAST: INDIA'S FIRST STRATEGIC EDGE

- Critical to India's border defence and Act East Policy.
- Hosts key military assets (Bagdogra, Sukna – Trishakti Corps).
- Gateway to Southeast Asia.
- Builds military, economic and people-to-people connectivity.
- Needs a balance between security, development and environment.

EVOLVING SECURITY THREATS



STRATEGIC GEOGRAPHY: KEY LOCATIONS



CONSTITUTIONAL & INSTITUTIONAL FRAMEWORK

- **Art. 53** – Supreme command of Defence Forces.
- **Art. 246 & Seventh Schedule** – Defence under Union List.
- **Art. 355** – Union's duty to protect States against external aggression.
- **Art. 51** – Promotion of international peace and security.
- **Key institutions** – NSC, CDS, Defence Cyber Agency, Defence Space Agency.

POLICY WAY FORWARD

- Integrated theatre preparedness.
- Resilient border infrastructure.
- Indigenous defence technologies (AI, drones, EW, surveillance).
- Cyber and information security.
- Civil–military cooperation and community engagement.
- Focus on soldier wellness and family support.
- Sustained diplomacy with strategic firmness.

THE MULTI-DOMAIN WARFARE MATRIX



HISTORICAL EVOLUTION: INDIA–CHINA SECURITY CONTEXT

1962	1967	1986–87	2017	2020	2024	2025–26
War – exposed preparedness gaps	Nathu La & Cho La clashes	Sumdorong Chu confrontation	Doklam standoff	Galwan clash – major shift	Patrolling arrangements in select areas	Continued focus on infrastructure, technology and readiness

UPSC / APSC SYLLABUS LINKAGE

GS I	Geography of Himalayas & Northeast
GS II	India–China relations, diplomacy
GS III	Border management, cyber security, defence
GS IV	Leadership, duty and military ethics
Essay	National security, tech & development

MAINS PRACTICE QUESTIONS

1. "Modern warfare is increasingly fought through the exploitation of vulnerabilities rather than direct military confrontation." Discuss. (250 words)
2. Analyse the strategic importance of Northeast India in the context of India's evolving security challenges. (250 words)

- Manipur has inaugurated an AI-enabled Career Intelligence Hub at Tamphasana Girls' Higher Secondary School, Imphal, under the Members of Parliament Local Area Development Scheme (MPLADS).
- The initiative aims to integrate artificial intelligence into school-level career guidance through personalised counselling, identification of students' aptitudes and information about emerging employment opportunities.
- Its importance extends beyond technology. It represents an attempt to address the gap between education, employability and informed career choices, particularly in a region affected by geographical isolation, limited professional exposure and social instability.

Northeast's first AI-enabled career intelligence facility starts operation in Manipur

The Hindu Bureau
GUWAHATI



Manipur CM Yumnam Khemchand Singh interacts with students at a science event in Imphal on Saturday. SPECIAL ARRANGEMENT

Conflict-scarred Manipur has become the first State in the northeastern region to get an artificial intelligence (AI)-enabled facility that aims to mould careers.

Chief Minister Yumnam Khemchand Singh on Saturday inaugurated the AI-enabled Career Intelligence Hub at the Tamphasana Girls' Higher Secondary School in Imphal, the State's capital.

Established under the Members of Parliament Local Area Development Scheme as the region's first-of-its-kind facility, the initiative marked a "significant step towards integrating AI into the education and career guidance ecosystem in the State".

The Chief Minister said the government undertook the initiative to provide students with technology-driven career guidance, personalised counselling, and information on emerging career opportunities.

He commended students who focused on their education and future instead of participating in agitations over the past few months, advising others to pursue dialogue as the preferred means of resolving any differences and addressing critical issues.

"AI has advanced significantly and is increasingly transforming various fields and professions," he said, underscoring the need for students to upgrade for the career challenges ahead.

Earlier, the Chief Minister lauded two districts–Imphal West and Pherzawl–for achieving 'su-*rakshit*' safe status in October under the National AIDS Control Organisation's (NACO) Mobilisation for AIDS Suraksha initiative.

"This achievement means that 95% of the estimated number of people living with Human Immunodeficiency Virus (HIV) in a district are aware of their status, 95% of those aware of their status are receiving antiretroviral therapy (ART), and 95% of those undergoing ART have achieved viral suppression," he said.

- **Key Terms and Explanations**
- **Artificial Intelligence (AI) in Career Intelligence:** This refers to the deployment of machine learning algorithms, natural language processing, and predictive analytics to assess a student's psychometric profile, cognitive strengths, and academic history. Rather than relying on generic, one-size-fits-all advice, the system generates customized career roadmaps aligned with evolving industry demands.
- **Members of Parliament Local Area Development Scheme (MPLADS):** A Central Sector Scheme formulated in 1993 enabling Members of Parliament (MPs) to recommend developmental works in their constituencies, focusing on the creation of durable community assets based on locally felt needs. Under current guidelines, the annual entitlement per MP is ₹5 crore, managed through the Ministry of Statistics and Programme Implementation (MoSPI).
- **The 95-95-95 Epidemiological Target (UNAIDS/NACO):** A global benchmark set by UNAIDS and adopted under India's National AIDS Control Organisation (NACO) National AIDS Control Programme (NACP-V) to end the AIDS epidemic as a public health threat by 2030. The three cascading targets mandate that:
- 95%of all people living with HIV (PLHIV) know their HIV status.
- 95%of all people diagnosed with HIV receive sustained Antiretroviral Therapy (ART).
- 95%of all people receiving ART achieve viral suppression, rendering the virus non-transmissible.
- **'Surakshit' (Safe) District Certification:** A targeted administrative status conferred under NACO's Mobilisation for AIDS Suraksha initiative. It formally recognizes geographic districts that have achieved saturation across the 95-95-95 continuum of care, signaling effective containment of community transmission.
- **Demographic Dividend in Borderland Geographies:** The socio-economic growth potential realized when the working-age population expands relative to dependents. In volatile or borderland contexts, harnessing this dividend hinges on whether local youth acquire modern technical capabilities or succumb to structural unemployment and socio-political polarization.

- **Main Arguments and Substantive Parts**
- The structural modernization of governance in frontier regions hinges on a dual imperative: insulating social infrastructure from political fragility and modernizing human capital delivery. The conceptual dimensions of this transformation reflect several key dynamics:
- **Decentralizing Frontier Technology to the Grassroots:** Setting up state-of-the-art AI facilities within public secondary schools disrupts the historical lag where technological innovations remained confined to metropolitan hubs. By democratizing access to data-driven career counseling, state institutions lower the friction faced by students in non-metropolitan geographies when competing in high-value global knowledge economies.
- **Human Capital Formation as a Peacebuilding Mechanism:** Sustained civil unrest disrupts academic calendars and channels youth energy toward protracted protests. Deploying specialized, technology-driven educational assets serves a stabilizing function: it anchors youth aspirations in productive, future-ready vocations, making constructive dialogue and institutional engagement more appealing than civil agitation.
- **Strategic Repurposing of Grassroots Capital:** Utilizing MPLADS allocations for artificial intelligence labs represents a qualitative shift in public expenditure. Moving beyond physical assets (like community halls or footbridges) toward intellectual infrastructure models how public representatives can directly address regional skill deficits.
- **Co-existence of Healthcare Milestones and Educational Modernization:** Sustainable development cannot occur in siloes. The simultaneous containment of public health crises—demonstrated by Imphal West and Pherzawl attaining the 95-95-95 HIV target—alongside digital education illustrates the multi-sectoral resilience required to stabilize peripheral societies.
- **Operational Constraints and Counterarguments:**
- *Digital Exclusion and Power Reliability:* Advanced AI interfaces require consistent, high-speed broadband and uninterrupted power, both of which face frequent disruptions in hilly and conflict-vulnerable borderlands.
- *Algorithmic Bias and Contextual Relevance:* AI models trained primarily on urban, private-sector datasets may misjudge career prospects for students in tribal or ecologically sensitive zones, where civil services, local biodiversity, and indigenous entrepreneurship dominate viable livelihoods.
- *Teacher Substitution Risk:* Technology must assist rather than replace teachers; without adequate digital literacy among educators, high-end AI hubs risk becoming decorative community assets.

- **Historical Evolution of the Issue**
- **Pre-Independence Era (Colonial Frontier Policy):**
- Colonial governance viewed peripheral hill tracts primarily through an administrative and security lens, relying on instruments like the Inner Line Regulation (1873) and the creation of "Excluded and Partially Excluded Areas" under the Government of India Act, 1935. Formal education was largely decentralized to Christian missionary institutions, while technical and career-oriented infrastructure remained virtually absent.
- **Early Post-Independence to 1980s (Institutional Nation-Building and Health Shocks):**
- Following the recommendations of the Kothari Commission (1964–66) and the National Policy on Education (1968), the state expanded primary schooling into border regions. However, infrastructure remained fragile. Simultaneously, during the late 1980s, the geographical proximity of the Northeast to the "Golden Triangle" transit corridor led to an influx of illicit narcotics, triggering a severe dual crisis of intravenous drug use and an HIV/AIDS epidemic that devastated the demographic profile of youth across the region.
- **1990s to 2000s (Decentralized Outlays and Targeted Intervention):**
- The early 1990s marked institutional turning points:
- *1992:* Establishment of the National AIDS Control Organisation (NACO) and the rollout of the National AIDS Control Programme (NACP), shifting public health strategy toward targeted high-risk interventions and harm reduction.
- *1993:* Introduction of MPLADS, creating direct financial avenues for local MPs to construct localized infrastructure.
- *2001:* The Sarva Shiksha Abhiyan (SSA) catalyzed school enrollments, yet career guidance remained unorganized and urban-centric.
- **2010s to Present (NEP 2020 and the Fourth Industrial Revolution):** The shift from the "Look East" to the "Act East" policy emphasized socio-economic connectivity. The National Education Policy (NEP) 2020 formally mandated the integration of vocational training, computational thinking, and AI-driven pedagogical tools from secondary levels. Concurrently, public health campaigns transitioned from mere awareness to the clinical precision of the UNAIDS 95-95-95 targets, enabling local districts to systematically suppress viral loads and safeguard the working-age population.

- **Way Forward and Strategic Interventions**
- **Deploying Resilient Edge-AI Architecture:** To counter recurring internet disruptions and hilly topography in the Northeast, the state should transition from purely cloud-based AI to "Edge AI" and hybrid offline servers. Caching localized career databases, vocational aptitude tests, and regional labor market trends directly onto local school servers ensures uninterrupted guidance even during network blackouts.
- **Synergistic Blended Funding Models:** While MPLADS provides vital seed capital, recurring operational expenditure—such as software licensing, hardware upgrades, and mentor honorariums—demands a sustainable funding architecture. State governments should create a convergence pool linking MPLADS with Corporate Social Responsibility (CSR) funds from national public sector undertakings (PSUs) and allocations from the Ministry of Development of North Eastern Region (MDoNER).
- **Institutionalizing the "Human-in-the-Loop" Mentorship Model:** Artificial intelligence should augment, not replace, human empathy. State education departments must institute specialized training modules for government teachers, transforming them into "AI-enabled Career Facilitators." These educators can contextualize algorithmic recommendations against regional realities, such as state civil service examinations, defense recruitments, and agricultural entrepreneurship.
- **Integrating Youth Health and Educational Hubs:** The administrative machinery that successfully delivered the 'Surakshit' HIV status in districts like Imphal West and Pherzawl should be linked with educational hubs. Utilizing these career intelligence centers to disseminate peer-led health education, mental wellness counseling, and substance de-addiction awareness creates a protective shield around vulnerable youth.
- **Establishing Regional Skill-to-Market Corridors:** Career guidance must be tied to tangible economic off-ramps. State skill development missions should partner with industry bodies (e.g., NASSCOM, CII) to map AI-recommended career paths directly to apprenticeships, remote gig-economy hubs, and cross-border trade opportunities emerging under the Act East initiatives.

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Northeast's First AI-Enabled Career Intelligence Hub

Manipur Integrates Artificial Intelligence in School Education for Career Guidance



The Development

- Manipur inaugurates the Northeast's first AI-enabled Career Intelligence Hub at Tamphasana Girls' Higher Secondary School, Imphal.
- Established under the Members of Parliament Local Area Development Scheme (MPLADS).
- Aims to provide technology-driven career guidance, personalised counselling and information on emerging opportunities.





Significance for Northeast India

- Bridges information and opportunity gaps in remote and hill areas.
- Supports employment diversification beyond government jobs.
- Provides constructive opportunities for youth in conflict-affected regions.
- Empowers young women through awareness of STEM and professional careers.
- Demonstrates effective use of MPLADS for education and technology.



What is an AI-Enabled Career Intelligence Hub?

A data-driven platform that helps students understand their abilities, interests and potential career pathways using artificial intelligence.



Key Functions / Features

- **Aptitude assessment** – identify strengths.
- **Personalised career mapping** – align interests with career options.
- **Labour-market intelligence** – emerging sectors (AI, biotech, renewable energy, etc.).
- **Skill-gap identification** – required competencies.
- **Educational guidance** – courses, scholarships, institutions.
- **AI-assisted career counselling** – with human support.



Policy & Constitutional Linkages

- **Article 21A** – Right to education.
- **Article 14 & 15(3)** – Equality and special provisions for women/children.
- **Article 41 & 46** – Education and economic interests of weaker sections.
- **NEP 2020** – Technology integration, vocational education and career awareness.
- **IndiaAI Mission** – Strengthening AI ecosystem.
- **DPDP Act, 2023** – Protection of students' data.

Challenges

- Algorithmic bias and inaccuracies.
- Digital divide, especially in rural areas.
- Student data privacy and cybersecurity.
- Shortage of trained counsellors.
- Gender stereotypes in data and design.
- AI cannot replace human judgement and socio-emotional support.

Evolution: From Conventional to AI-Driven Career Guidance

1986	2009	2015	2020	2024	2026
Vocational emphasis in education	Right to Education Act	Skill India Mission	NEP 2020 – multidisciplinary & technology integration	IndiaAI Mission approved	AI-enabled Career Hub in Manipur

Assam Perspective: How It Can Be Replicated



- ✓ Set up AI-assisted career centres in government schools & colleges.
- ✓ Focus on tea, agri-tech, energy, tourism, logistics and digital economy.
- ✓ Ensure multilingual and accessible interfaces.
- ✓ Train professional counsellors and ensure reliable internet connectivity.
- ✓ Link with state skill missions and industrial development plans.

Way Forward

- ✓ Combine AI tools with trained human counsellors.
- ✓ Use regional labour-market data and industry partnerships.
- ✓ Ensure privacy-by-design and independent algorithmic audits.
- ✓ Adopt a multilingual, inclusive and gender-sensitive approach.
- ✓ Track outcomes: better courses, skill acquisition and employment.



- The U.S. midterm elections are held halfway through a President's four-year term. They determine the composition of Congress and are widely interpreted as a political assessment of the incumbent administration.
- The central issue is whether presidential authority translates into sustained democratic legitimacy when voters become dissatisfied with economic conditions, foreign policy, or governance.
- The supplied account describes a Democratic victory that deprives President Donald Trump of Republican control over Congress. However, several specific election outcomes and candidate claims in the account require independent verification. They should not be treated as confirmed results solely on this basis.

Why are the U.S. midterm elections significant?

What do the results tell us about American voters' attitudes towards President Donald Trump? What do they mean for Democrats and Republicans? What lies ahead for Democrats? Why are these results so important for the rest of the world?

Narayan Lakshman

The story so far:

Midterm elections in the U.S. earlier this week ended President Donald Trump's trifecta control of the federal government, as Democrats swept the polls and the Republican Party lost control of both the Senate and the House of Representatives.

The election result was particularly significant for Democrats as they won historically "red States" such as Texas, South Carolina, North Carolina, Iowa, Kansas, Ohio, and Maine, besides holding onto their traditional strongholds, such as Colorado, Oregon, and Illinois, and retaining control of key swing States, such as Georgia, Michigan, and Virginia.

Mr. Trump will now have to work with Democratic lawmakers on major policy issues including the economy and cost of living, immigration enforcement, and foreign policy, particularly the war in Iran and its impact on global oil prices.

Meanwhile, a Democrat-controlled Congress will challenge the policies and actions of the Trump White House, likely putting the brakes on numerous initiatives of the President over the remaining two years of his term.

How does this election boost the Democratic Party?

The loss of both houses of Congress implies that Mr. Trump will now have to strike deals with Democratic lawmakers to get his policies passed. Under the U.S. constitutional division of powers, Congress controls appropriations, has the authority to introduce and pass legislation, and can hold hearings and conduct investigations, including into federal agencies and private corporations that affect consumers. It also has the power to approve or reject nominations made by the President to government offices.

On the flip side for the Democrats, the President still holds the right to veto bills passed by Congress, and this limits the extent to which Congress can rewrite laws and regulations in areas such as immigration enforcement.



Democratic candidate Chris Pappas, seen with his partner Tara Bentley, celebrates his election to the Senate, in New Hampshire, 4/11/2026

On the flip side for the Democrats, the President still holds the right to veto bills passed by Congress, and this limits the extent to which Congress can rewrite laws and regulations in areas such as immigration enforcement. Despite their strong showing in the midterm elections, Democrats lack the two-thirds supermajority required to override the presidential veto.

The so-called "bluemanti" also saw some new records set at the State level: Democrats won a Senate seat in Texas for the first time since 1988 after James Talarico ousted Republican Ken Paxton; in Texas, Gina Hinojosa is poised to become the first Latina Governor, defeating the high-profile, Trump-backed Republican incumbent, Greg Abbott; Democrat Abdul El-Sayed became the first Muslim Senator in history when he swept the Michigan race; Chris Pappas of New Hampshire made news as the first openly gay person to be elected to the Senate; and Senate Minority Leader Hakeem Jeffries will soon be the first African American Speaker of the House.

What is the Republican position after the loss?

On the Republican side, the election results might have come as a shock even though Mr. Trump's job approval ratings were at an all-time low for his second term before the votes came in. On the one hand, Mr. Trump framed that it was because his name was not on the ballot that the Republican cause collapsed, yet, ironically, for many voters the midterm election was in fact a referendum on the second Trump administration's performance in office.

If the President intends to do more than serve as a lame duck, by preserving his policy agenda in the hope of leaving a legacy of his political values after two more years of governance, he will have to build bridges and negotiate and compromise with Democrats in Congress. The signs are not good as he has, in the days following the election, appointed hardliner aide Stephen Miller as his Chief of Staff, a move that might portend a tightening White House posture on the Iran war and immigration issues.

Simultaneously, fractures may be appearing in the Republican firmament as Vice President J.D. Vance said on social media that the primary reason for the election loss was the Iran war.

Which issues has the election foregrounded?

Most analyses of the election outcome suggest that voters vented their frustration at soaring oil prices, specifically the price of gas at the pump. While Brent crude traded at around $70 per barrel prior to military action against Iran in late February 2026, it spiked past $80-$88 over the spring and summer of this year, only dropping below $100 after the midterm election results were in. Making matters worse, Mr. Trump's tariff regime also appears to have led to a setback to American households, whose costs rose sharply by $1,700 to $2,500 per year, as per the Joint Economic Committee of Congress.

Similarly, the widespread raids by Immigration and Customs Enforcement (ICE) and deportation of ever-greater numbers of undocumented migrants led to protests across States and galvanised progressives around immigration reform. Matters reached a flash point when U.S. citizens Alex Pretti and Renée Good were killed by ICE agents on the streets of Minneapolis, Minnesota in January, and especially after Mr. Trump labelled Pretti as "insurrectionist" and "agitator".

What is the way forward for Democrats?

Democrats are celebrating their victory and planning a series of investigations into, and interrogations of, the functioning of the Trump White House, to introduce accountability into the functioning of a runaway Trump machine. Yet they might consider that overreaching – for example, by initiating fresh impeachment proceedings against Mr. Trump – may score political points but yield little in the way of more inclusive, equitable, and democratically accountable policies for the people. A potentially more rewarding way forward for congressional Democrats may be to engage with the White House to address the pain points arising from the policies of the past two years. These include health insurance policies in some States that have moved away from the principles of the Affordable Care Act, and the internecine trade war with neighbouring countries, in which tariffs have been weaponised.

How could the post-election scenario impact world politics?

The Democrat-controlled Congress could now set clear limits on U.S. involvement in conflicts abroad by curtailing military appropriations and refusing to certify war efforts that the White House may unilaterally embark upon, such as reckless nuclear adventurism with Iran. Similarly, through greater oversight of federal government agencies such as the Justice Department and ICE, the Senate and House could put pressure on enforcement policies involving the unlawful targeting of minorities, the inhumane treatment of migrants and asylum seekers, and the persecution of religious minorities seeking entry into the country.

In February 2026, despite being packed by Mr. Trump and his Republican predecessors with conservative justices, the U.S. Supreme Court upheld a lower court ruling that Mr. Trump lacks the authority to impose tariffs under the International Emergency Economic Powers Act. Now, a "blue" Congress may not be able directly impact tariffs as it does not have the supermajority required to override the presidential veto, yet it could exert pressure on the White House and force compromise on this matter by agreeing to other avenues of cooperation that the administration values.

- **Key Terms and Explanations**
- **Midterm Elections:** General elections held near the midpoint of a US President's four-year term. The entire 435-seat House of Representatives and approximately one-third of the 100-seat Senate are contested. Unlike India's parliamentary model, where the executive falls if it loses its legislative majority, the US executive remains in office regardless of midterm outcomes, though often facing constrained legislative authority.
- **Trifecta Governance:** A political configuration where a single party commands the White House, the House of Representatives, and the Senate simultaneously. A unified trifecta streamlines budgetary approvals, judicial appointments, and flagship statutory reforms; losing either chamber fractures this monopoly and forces cross-party negotiation.
- **Divided Government:** An institutional condition where the executive branch belongs to one party while one or both legislative chambers are held by the opposition. This division activates the constitutional doctrine of checks and balances, requiring bipartisan compromise to avert administrative gridlock and fiscal shutdowns.
- **Congressional Power of the Purse:** Grounded in Article I, Section 9 of the US Constitution, this principle vests all federal spending, revenue-raising, and budgetary appropriations exclusively in Congress. The legislative branch can legally curb executive initiatives or military engagements by restricting financial appropriations.
- **Presidential Veto and Supermajority Override:** The constitutional mechanism under Article I, Section 7 enabling the President to reject bills passed by Congress. Overriding a presidential veto demands a rigorous two-thirds supermajority vote in both the House and the Senate.
- **Lame-Duck Status:** A political condition where an elected official's institutional influence declines because their tenure is approaching its conclusion and cannot be renewed, or because they lack legislative backing to advance significant policy programs.
- **International Emergency Economic Powers Act (IEEPA):** A 1977 federal statute granting the executive emergency authority to regulate foreign commerce during declared national emergencies. Recent judicial review has evaluated the constitutional limits of executive emergency authority regarding unilateral tariff impositions.

- **Main Arguments and Substantive Parts**
- The dynamics of midterm political realignments demonstrate how voter behavior, constitutional friction, and macroeconomic pressures interact within a presidential democracy.
- **Electoral Verdict as a Governance Referendum:** Midterm balloting functions as a popular referendum on the sitting executive's policies. When inflationary pressures, rising living expenses, and foreign engagements strain domestic households, the electorate frequently rebalances power by strengthening the legislative opposition.
- **Shifting Levers of Legislative and Oversight Authority:** Transitioning from unified control to a divided legislature strips the executive of unilateral legislative capabilities. The opposition gains committee chairmanships, investigative subpoena authority, statutory power over federal budgets, and confirmation control over judicial and administrative appointments.
- **Economic Vulnerabilities and Cost-of-Living Catalysts:** Voter decisions are driven by kitchen-table economics. Geopolitical escalations that elevate global crude oil benchmarks—such as crude climbing above $110 per barrel—combined with broad-based tariff structures that increase household expenditures, create substantial public pushback against incumbent policy.
- **Social Polarization and Law Enforcement Accountability:** Aggressive domestic enforcement actions and incidents involving federal agencies deepen sociopolitical polarization. Midterm shifts allow the legislature to deploy oversight mechanisms across departments such as Justice and Homeland Security, targeting institutional conduct and civil liberties protections.
- **Geopolitical Repercussions and Trade Scrutiny:** Legislative realignments alter international relations. A newly empowered opposition can constrain overseas military actions by withholding funding and leverage statutory negotiations to soften unilateral tariff regimes, shifting foreign policy away from executive unilateralism toward institutional debate

- **Historical Evolution of the Issue**
- **Madisonian Foundations (1787–1800s):** The framers of the US Constitution, influenced by Montesquieu's theory of separation of powers, engineered deliberate institutional friction. James Madison argued in *Federalist No. 51* that "ambition must be made to counteract ambition." Staggered two-year House tenures, six-year Senate terms, and a four-year presidency were designed to prevent hasty majoritarian rule and temper executive authority through frequent legislative evaluations.
- **The Era of Presidential Dominance (1930s–1960s):** The Great Depression and the Second World War led to a major expansion of presidential powers under Franklin D. Roosevelt's New Deal. During the early Cold War, the concept of the "Imperial Presidency" emerged, wherein chief executives exercised extensive discretion over foreign diplomacy, executive orders, and undeclared overseas military interventions with limited congressional pushback.
- **Post-Watergate Statutory Boundaries (1970s):** Deep public disillusionment over the Vietnam War and the Watergate scandal prompted Congress to reassert its constitutional authority. Key legislative milestones included the War Powers Resolution of 1973 (limiting presidential military deployment without legislative consent), the Congressional Budget and Impoundment Control Act of 1974, and the International Emergency Economic Powers Act of 1977, each designed to restrict executive discretion.
- **The Rise of Partisan Polarization and Midterm Swings (1990s–2010s):** Starting with the 1994 "Republican Revolution" during Bill Clinton's presidency and continuing through the 2010 Tea Party wave during Barack Obama's administration, midterm elections became recurring referendums against the incumbent executive. These elections frequently ushered in divided governance, fiscal standoffs, and government shutdowns.
- **Contemporary Era of Executive Orders and Judicial Review (2016–Present):** With polarized legislatures frequently gridlocked, presidents increasingly rely on unilateral mechanisms like emergency declarations, trade tariffs, and executive actions. In response, the judiciary has re-examined the limits of statutory delegation, reaffirming that broad emergency statutes cannot bypass legislative authority over taxation and trade.

- **Way Forward**
- **Pivoting from Partisan Retribution to Policy Bipartisanship:** An incoming legislative majority should balance investigative oversight with pragmatic policymaking. Over-relying on impeachment inquiries or procedural gridlock can stall vital social programs. Instead, both branches can seek common ground on broad-interest issues such as public health affordability, infrastructure renewal, and consumer price protections.
- **Reasserting Statutory Limits on Emergency and War Powers:** Congress must clearly define statutory terms within trade and emergency statutes, including the International Emergency Economic Powers Act (IEEPA). Reaffirming the constitutional authority of the legislature over military actions and international trade prevents foreign policy overextension and preserves global commercial stability.
- **Instituting Consultative Trade and Tariff Mechanisms:** Unilateral tariffs risk triggering domestic cost-of-living spikes and counter-tariffs from trading partners. Establishing mandatory legislative consultation before implementing broad import duties protects household budgets and supports international trade stability.
- **Strengthening Independent Oversight Over Law Enforcement:** Legislative committees should utilize investigative hearings to establish clear human-rights standards, accountability mechanisms, and civil liberty protections within federal enforcement and border management agencies.
- **Comparative Insights for Parliamentary Democracies:** In parliamentary systems like India, executive authority is directly tethered to legislative confidence. Adapting robust committee-stage scrutiny, bipartisan review mechanisms, and proactive budget analysis helps ensure the executive remains accountable between general election cycles.

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U.S. Midterm Elections

Why are they Significant?

UPSC/APSC
GS–II (IR, Polity)
GS–III (Economy)
Essay | Interview



What are U.S. Midterm Elections?

- Elections held halfway through the President's 4-year term.
- Decide the composition of Congress – the House of Representatives and the Senate.
- A political assessment of the incumbent administration's performance.

The U.S. Political System at a Glance



Why are they Significant?

- **Referendum on Governance:** Reflects public satisfaction or discontent with the President's performance.
- **Checks and Balances:** An opposition Congress can scrutinise, investigate and restrict the executive.
- **Divided Government:** May encourage negotiation and accountability, but can also lead to legislative gridlock.
- **Broader Impact:** Influences U.S. domestic policy, external engagement and global economic sentiment.

Key Issues Driving the Election

- **Economic Insecurity** – inflation, energy prices, healthcare costs.
- **Immigration** – border security, labour needs and humanitarian concerns.
- **Foreign Policy** – military conflicts, fiscal costs and U.S. global role.
- **Political Polarisation** – deep partisan divide and debate on democratic norms.

Implications for India & the World

- **India–U.S. Relations** – trade, tariffs, defence cooperation, technology transfers and immigration.
- **Global Geopolitics** – U.S. role in West Asia, Russia–Ukraine and strategic competition with China.
- **Global Economy** – fiscal decisions, trade restrictions, investment sentiment and commodity markets.

Relevance for Assam & Northeast

- **Trade linkages** – tea, agro and other exports indirectly influenced by U.S. trade policy.
- **Strategic partnership** – relevance for Indo-Pacific, connectivity and regional stability.
- **Investment and supply chains** – potential opportunities for the Northeast.

Historical Pattern: Key Midterms

1994	Republicans captured both chambers (Clinton era)
2006	Democrats gained both chambers (Iraq War discontent)
2010	Republicans captured the House (Obama era)
2018	Democrats regained the House (Trump's first term)
2022	Republicans gained the House (Biden era)
2026	Midterm during Trump's second term

U.S. vs India: Key Differences

Dimension	United States	India
System	Presidential	Parliamentary
Executive tenure	Fixed 4-year term	Dependent on Lok Sabha confidence
Executive–legislative relation	Separation of powers	Fusion of executive and legislature
Opposition majority	Does not remove President	Can remove government (no-confidence)
Legislative elections	Staggered (midterms every 2 years)	Lok Sabha normally every 5 years

Key Takeaways for Exams

- Reflects democratic accountability.
- Reinforces checks and balances.
- Can lead to divided government and policy gridlock.
- Has significant implications for global politics, economy and India–U.S. relations.
- For India, a stable, bipartisan engagement with the U.S. is essential.

Way Forward

- Encourage bipartisan cooperation in the U.S.
- Ensure institutional restraint and democratic norms.
- India should maintain a long-term and multi-party engagement with the U.S.
- Leverage opportunities in trade, technology, energy and regional security.



Why is the use of voter IDs for welfare schemes contentious?

What did Panchayati Raj Minister Rajiv Ranjan Singh say? Have voter IDs been used before? What are the concerns?

Sobhana K. Nair

The story so far:

On November 3, Union Minister for Panchayati Raj Rajiv Ranjan Singh alias Lalan Singh announced that voter cards, along with biometric authentication, will replace Aadhaar as the basis for identifying beneficiaries and processing payments for welfare schemes. He argued that Aadhaar cards can be easily made at every street corner, implying that they can lead to fraudulent beneficiaries. He presented the use of voter cards along with biometric authentication as a possible mechanism to deal with such cases.

Are voter IDs used as identification documents to access welfare schemes?

In common Hindi parlance, the voter ID is often referred to as *pehchaan patra* (identity card). Like the ration card, it has often served as an entry document on the basis of which other entitlement documents are issued. For example, to obtain a job card under the Mahatma Gandhi National Rural Employment Guarantee Act, voter IDs were among the documents that could be used.

In some States, such as Delhi, governments have made voter IDs compulsory for accessing certain pension schemes. A beneficiary requires endorsement from the local councillor or legislator to be enrolled under the pension programme. However, voter IDs have so far not been used exclusively as the identifying or verifying document for welfare delivery across the country. Beginning with Madhya Pradesh and Rajasthan, 30 States have also introduced "family cards", recognising that many schemes are targeted not at individuals but at families or households.

The government has not clarified whether Singh's proposed identification formula will be extended to all welfare schemes

What are the concerns about using voter IDs for accessing welfare programmes?

Opposition parties have linked this announcement to the Special Intensive Revision (SIR) of electoral rolls, in which more than 13 crore electors have been removed. They argue that disenfranchisement will now be coupled with exclusion from welfare programmes.

In West Bengal, Chief Minister Suvendu Adhikari has already moved to restrict beneficiary lists to those whose names feature on the electoral rolls. On June 4, the West Bengal government issued an order through its Food and Supplies Department linking State-run welfare schemes, including Public Distribution System ration cards, to electoral rolls.

Nikhil Dey, founder member of the Mazdoor Kisan Shakti Sangathan (MKSS), said the move is questionable in its intent. He says, "The government had introduced Aadhaar as the single solution to plug leaks from the public exchequer. Now it is saying Aadhaar is no longer enough. It can be argued that Aadhaar serves as a financial address, since it is linked to beneficiaries' bank accounts. What purpose does the voter ID serve?"

Mr. Dey argued that the measure would heighten insecurity and inject panic, given the mass disenfranchisement associated with the SIR process. He pointed out that 22 lakh people in West Bengal had appealed against the Election Commission of India's decision to remove them from the electoral rolls and of them, 21 lakh are still awaiting a decision from judicial tribunals, which are expected to take decades to clear the backlog. Outside West Bengal too, there are numerous examples of alleged illegal exclusion.

"Now exclusion will operate at two levels: first by taking away people's right to vote and then by taking away their access to welfare," he said.

What could the proposed change mean for welfare delivery?

In a post on X on November 6, following a push back from Opposition parties and to counter Leader of Opposition Rahul Gandhi's remarks on the issue, Mr. Singh asserted that no rightful beneficiary would be left out. He also indicated that the voter ID would be used along with Aadhaar, a distinction he had not made earlier.

The Panchayati Raj Ministry itself does not administer welfare schemes aimed directly at individual beneficiaries. Instead, it works through gram sabhas. The Sixteenth Finance Commission, for the award period 2026-31, has recommended grants totalling ₹4,35,236 crore for 2.55 lakh panchayats and traditional local bodies. The distribution of these funds falls directly within the Ministry's ambit.

As the arm of government that deals with gram sabhas, the Ministry indirectly influences the delivery of a range of rural welfare programmes. So far, however, the government has not clarified whether Mr. Singh's proposed identification formula will be extended to all welfare schemes.

Mr. Dey cautioned that the proposal should not be dismissed as an empty threat, citing the precedent set in West Bengal.

- The proposal to use Voter ID (EPIC) as an identification document for accessing government welfare schemes has generated debate over the relationship between electoral identity, social security, citizenship, and administrative accountability.
- Union Minister Rajiv Ranjan Singh, also known as Lalan Singh, suggested using voter cards alongside biometric authentication to identify beneficiaries and reduce fraudulent claims.
- The controversy becomes particularly significant against the backdrop of the Special Intensive Revision (SIR) of electoral rolls in Bihar and West Bengal.
- The central question is: Should eligibility for social welfare depend on a document originally designed to establish electoral identity?



- **Key Terms and Foundational Concepts**
  - **Elector’s Photo Identity Card (EPIC) / Voter ID:** A statutory identification document issued by the Election Commission of India (ECI) under Article 324 of the Constitution and the Representation of the People Act, 1950. Its principal objective is establishing the holder's adult suffrage eligibility, citizenship, and residential jurisdiction. Unlike welfare-specific documents, it certifies political franchise rather than socio-economic deprivation.
  - **Direct Benefit Transfer (DBT) & Financial Address:** A targeted delivery framework initiated to eliminate leakages, intermediaries, and administrative delays by transferring subsidies straight into beneficiary bank accounts. In this architecture, an Aadhaar-linked bank account functions as a "financial address" via the Aadhaar Payment Bridge System (APBS), facilitating digital routing that a standard voter card cannot inherently perform.
  - **Special Intensive Revision (SIR):** A thorough, ground-level physical verification exercise executed by the Election Commission of India across select constituencies. Booth Level Officers (BLOs) conduct door-to-door enumeration to eliminate duplicate, deceased, and permanently migrated entries from the electoral roll. Administrative lapses during this exercise risk erroneous mass disenfranchisement.
  - **Exclusion Error vs. Inclusion Error:** Fundamental concepts in welfare economics and social policy. An *inclusion error* (Type II) happens when an ineligible or affluent beneficiary fraudulently claims a public entitlement. An *exclusion error* (Type I) occurs when a genuinely impoverished, eligible citizen is denied sustenance due to biometric mismatch, missing paperwork, or clerical purging. Welfare jurisprudence prioritizes eliminating exclusion errors over chasing zero inclusion errors.
  - **Family Entitlement Cards (Composite Household Identifiers):** State-level digital registry instruments—such as Rajasthan’s *Jan Aadhaar* or Madhya Pradesh’s *Samagra*—that recognize the household as the fundamental socio-economic unit. Because programs like the Public Distribution System (PDS) and rural housing target domestic units rather than isolated individuals, family cards aggregate entitlement rights better than individual identification cards.
  - **Gram Sabha Oversight:** The constitutionally entrenched direct-democracy pillar under Article 243A (73rd Constitutional Amendment Act, 1992). The Gram Sabha serves as the sovereign village body mandated to conduct social audits, identify local beneficiaries for central and state schemes, and oversee funds devolved by Finance Commissions.

- **Main Arguments and Substantive Policy Tensions**
- The proposal to mandate or interlink Voter Identity Cards with biometric authentication for welfare disbursement introduces a critical debate on administrative gatekeeping, state capacity, and fundamental rights. Evaluating both perspectives reveals the tensions between fraud mitigation and social security.
- **The Administrative Rationale (Integrity and Fraud Prevention)**
  - **Countering Document Vulnerability:** The push to bring Voter IDs into the verification matrix stems from growing concerns over unverified local enrollment centers and duplicated identity records. Proponents argue that introducing a secondary verification layer deters identity theft and ghost beneficiaries.
  - **Geographical and Jurisdictional Verification:** Voter IDs are anchored to localized residential constituencies. Combining electoral verification with local body oversight ensures that regionally targeted subsidies reach verified local residents, preventing cross-state duplicate claims under parallel welfare setups.
  - **Reinforcing Grassroots Accountability:** Routing beneficiary validation through localized databases allows Panchayati Raj institutions and traditional village councils to scrutinize applicant eligibility directly, aligning resource disbursal with grassroots demographic realities.
- **Counterarguments and Human Rights Concerns**
  - **Compounding Vulnerabilities (Dual Exclusion):** Tying social security directly to electoral rolls risks severe double jeopardy. When legitimate electors are wrongfully struck off voter lists during administrative roll revisions, they instantly forfeit both their democratic franchise and their survival safety net (e.g., subsidized food grains, old-age pensions, and rural work).
  - **Technical and Operational Mismatches:** Unlike the Aadhaar system, which was deliberately built as a digital financial pipeline, Voter ID lacks native integration with core banking software (NPCI and APBS). Introducing it as a prerequisite for payments adds redundant bureaucratic red tape without improving payment speed or accuracy.
  - **Judicial Bottlenecks and Asymmetric Redress:** Resolving electoral register disputes is notoriously slow. Contesting an improper deletion from an electoral roll often takes years before statutory tribunals or High Courts. Depriving impoverished citizens of basic welfare during these prolonged legal delays endangers their fundamental Right to Life under Article 21.
  - **Violation of the Proportionality Test:** Landmark jurisprudence requires state intrusions into welfare access to meet the tests of legality, legitimate aim, and proportionality. Imposing cumbersome documentary barriers that disenfranchise the vulnerable fails this constitutional benchmark by prioritizing bureaucratic streamlining over human dignity.

- **Historical Evolution of Welfare Identification in India**
  - **Colonial Roots and Early Independence (1940s–1950s):** Targeted welfare administration originated amid the food crises of World War II and the Bengal Famine of 1943, giving rise to statutory rationing and paper cards. Following independence, the adoption of Article 326 granted universal adult franchise without property or educational qualifications. However, electoral rolls and social welfare schemes remained strictly separated: electoral lists recorded political franchise, while physical ration cards governed food distribution.
  - **Paper Bureaucracy and the Rise of the Ration Card (1960s–1980s):** As poverty alleviation initiatives like the Integrated Rural Development Programme (IRDP) expanded, the household ration card turned into India's primary *pehchaan patra* (identity proof). Because institutional identity cards were rare, ration cards served double duty as proof of residence, family lineage, and economic standing. This reliance created severe operational weaknesses, including ghost beneficiaries, dealer-driven siphoning, and widespread document forgery.
  - **The T.N. Seshan Reforms and EPIC (1990s):** Under Chief Election Commissioner T.N. Seshan, the Election Commission launched the Electors Photo Identity Card (EPIC) in 1993 to stop impersonation and booth-capturing. Concurrently, the 73rd and 74th Constitutional Amendments empowered Panchayats and Urban Local Bodies to identify local beneficiaries, bringing decentralized democratic discretion into welfare distribution.
  - **The Biometric Revolution and the JAM Trinity (2000s–2016):** Recognizing that paper credentials allowed massive welfare leakages, the Union Government set up the Unique Identification Authority of India (UIDAI) in 2009. Aadhaar shifted the governance model from documentary verification to biometric authentication. Anchored by the JAM Trinity (Jan Dhan, Aadhaar, Mobile) and formalized by the Aadhaar Act, 2016, direct welfare payments were tied to 12-digit unique identifiers to eliminate intermediaries.
  - **Judicial Boundaries and Contemporary Crosscurrents (2018–Present):** In *K.S. Puttaswamy v. Union of India (2018)*, the Supreme Court upheld Section 7 of the Aadhaar Act for subsidies paid from the Consolidated Fund of India, but struck down mandatory linkages for private services, emphasizing proportionality and privacy. Subsequent measures, such as the Election Laws (Amendment) Act, 2021, enabled voluntary seeding of Voter IDs with Aadhaar to clean electoral databases. Current administrative experiments that reverse this dynamic—using voter databases to gatekeep public welfare—mark a sensitive new chapter in Indian federalism, administrative law, and human rights.

- **Strategic Way Forward**
- **Adopt an Unconditional "Zero-Exclusion" Architecture:** Social security policy must treat food, essential work, and emergency health support as fundamental socio-economic rights under Articles 21, 39, and 41 of the Constitution. Administrative guidelines should explicitly state that technical, biometric, or documentary discrepancies cannot justify denying basic entitlements. Robust fallback protocols—such as offline register overrides, OTP authentication, and village head verification—must be legally preserved.
- **Strictly Decouple Electoral Rolls from Welfare Entitlements:** The processes governing electoral roll upkeep (under the independent mandate of Article 324) should remain administrative silos distinct from welfare delivery pipelines. An individual's socio-economic survival must not depend on electoral revision cycles. Resolving citizenship or residency challenges in voter lists must follow its own legal procedures without interrupting ongoing welfare benefits.



Use of Voter ID for Welfare Schemes:

Debate, Concerns & Way Forward

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What is the Issue?

The proposal to use Voter ID (EPIC) as an identification document for accessing government welfare schemes has triggered debate on efficiency, inclusion, privacy and citizens' rights.

Why the Proposal?

- Strengthen beneficiary identification
- Reduce duplicate and fraudulent claims
- Enable inter-departmental verification
- Improve targeting and accountability

Why is it Contentious?

- May exclude eligible people without EPIC
- Electoral rolls are not a universal population register
- Raises privacy and data-linkage concerns
- Could convert electoral documentation issues into welfare exclusion
- Affects migrants, women, elderly and marginalised groups disproportionately



Constitutional Dimensions

Art. 14:	Art. 21:	Art. 326:	Art. 38 & 39:	Art. 41:	Art. 47:
Equality before law	Right to life and dignity	Adult suffrage	Social justice and livelihood	Public assistance	Nutrition and public health

Aadhaar vs Voter ID (EPIC): Key Differences

Parameter	Aadhaar	Voter ID (EPIC)
Primary purpose	Identity authentication	Electoral identification
Issuing authority	UIDAI	Election Commission of India
Age criterion	No minimum	Generally 18 years
Biometric	Yes	No
Welfare relevance	Widely used under scheme rules ...	May be accepted as an additional identity document

Key Concerns in Assam & the Northeast

- Floods and riverbank erosion destroy documents
- Documentation issues among tea-garden communities
- Interstate migration and residence mismatches
- Legacy of migration and citizenship verification
- Administrative challenges in remote and border areas

Ethical & Governance Lens



Amartya Sen:
Welfare should enhance people's real capabilities to live a dignified life.



John Rawls:
Policies must be judged by their impact on the least advantaged.

What Should Be the Approach?

- Accept Voter ID as an additional identity document, not a mandatory one
- Retain multiple acceptable documents
- Ensure no automatic cancellation of welfare for electoral-roll deletion
- Provide prior notice, hearing and appeal
- Adopt data minimisation and privacy safeguards
- Use assisted and offline verification mechanisms
- Give special consideration to vulnerable groups and vulnerable geographies

Way Forward



- The central policy problem concerns the relationship between military efficiency, employment security and the cost of maintaining trained manpower.
- The original model sought to create a younger military force, reduce long-term personnel expenditure and facilitate a continuous inflow of recruits. However, it also generated concerns about short service duration, uncertainty of civilian employment and the loss of trained personnel after four years.
- The revised arrangement attempts to reconcile competing objectives:
  - Operational efficiency: Retain personnel who already possess military training and field experience.
  - Human resource optimisation: Reduce repeated expenditure on recruiting and training replacements.
  - Career continuity: Offer additional employment to Agniveers not selected during the initial retention exercise.
  - Selection quality: Provide a longer observation period for assessing professional competence and discipline.
  - Force modernisation: Preserve the younger recruitment profile while improving the availability of experienced personnel.

What are the changes to the Agnipath scheme?

What has changed for Agniveers? Why has the government introduced these changes? What did the assessment of the Agnipath scheme after four years of implementation show? How will the changes benefit Agniveers and the armed forces?

Saurabh Trivedi

The story so far:

On November 4, in a major overhaul of the Agnipath scheme, the government announced that Agniveers set to exit the military at the end of their four-year tenure will be given an additional two-year extension. This will be followed by an opportunity to join the armed forces as regular soldiers. The decision was approved by the Cabinet on the recommendations of the three services.

Under the revised arrangement, the existing provision of enrolling 25% of Agniveers into the regular cadre after completion of their initial four-year tenure will remain unchanged. However, the remaining 75%, who were earlier required to leave the service after four years, will now be offered a second engagement period of two years. At the end of this extended tenure, they will also be considered for regular enrolment, subject to their willingness and meeting the objective selection criteria.

The government has also approved higher remuneration and an enhanced Seva Nidhi package (a one-time lump-sum financial benefit paid to Agniveers upon completing their four-year engagement) for those opting for the second engagement period. However, upon regular enrolment, they will be placed one rank below those inducted directly into the regular cadre after the initial four-year tenure under the 25% retention provision.

Based on evaluations and feedback from the services, the armed forces recommended an additional two-year engagement period for the 75% of Agniveers who were not selected for regular enrolment



A newly recruited Agniveer embraces family members during a passing-out parade, in Patna, on May 31, 2026. PTI

Why has the government changed the scheme?

The decision follows a comprehensive assessment of the Agnipath scheme after four years of implementation. Introduced on June 14, 2022, the scheme envisaged recruitment of young personnel for a four-year tenure, with up to 25% of each batch being retained in the regular cadre. The remaining 75% were to return to civilian life with a financial package and other benefits.

As the first batch of 18,000 Agniveers approaches the completion of its four-year tenure, the armed forces have undertaken a detailed evaluation of their performance, skills, physical fitness, motivation, and operational contribution. The assessment is aimed at determining whether the existing four-year engagement model adequately serves the organisational requirements of the three services and the aspirations of the recruits.

Chief of Defence Staff General N.S. Raja Subramani said the scheme was never intended to remain unchanged and that the armed forces had committed to periodically reviewing its implementation and the performance of Agniveers. According to him, a centralised database was maintained across the Army, Navy, and Air Force to track the performance of Agniveers, with annual assessments conducted against objective parameters. Based on these evaluations and feedback from the services, the armed forces recommended an additional two-year engagement period for the 75% who were not selected for regular enrolment. The recommendation, he said, had been under discussion for the past three or four months before receiving Cabinet approval.

What did the four-year assessment reveal?

The government's assessment identified several positive outcomes of the scheme, including recruitment from a wider range of districts across the country and a more standardised and transparent selection process. The armed forces reported high levels of physical fitness, morale, motivation, competitive spirit, and discipline among Agniveers. The technological adaptability, skill development, and educational qualifications of Agniveers were cited as important gains. Another significant outcome was the opening up of various branches of the armed forces to women.

The decision to provide an additional engagement period was aimed at making better use of this trained manpower. General Raja Subramani said the fact that an Agniveer was not selected among the initial 25% did not mean that the individual was unsuitable or had performed poorly. The selection was relative, based on the requirements and available vacancies in the organisation. The additional two years would allow these personnel to gain further experience, improve their skills, and demonstrate their suitability for regular service.

What does the second engagement period mean for Agniveers?

It provides a longer service opportunity to those who would otherwise have exited after four years. At the end of the six-year engagement, they will be considered for enrolment as regular soldiers provided they are willing and meet the criteria. Because all willing Agniveers now have a pathway to stay in the armed forces rather than exiting prematurely, they are no longer eligible for post-service reservation benefits in the Central Armed Police Forces or State Police forces that were previously announced.

What changes for the armed forces?

For the armed forces, the arrangement is expected to help retain personnel who have already undergone military training and acquired operational experience. It could also reduce the need for them to repeatedly invest in training new recruits to meet certain organisational requirements.

- **Key Terms and Conceptual Explanations**
  - **Tour-of-Duty Paradigm:** A recruitment architecture wherein soldiers are contracted for a fixed, short-term engagement rather than a lifelong career. Unlike the traditional colour-service model (15 to 17 years), this framework seeks to maintain an agile, youthful frontline while curbing non-operational overheads.
  - **The 4+2 Engagement Architecture:** A two-tier recruitment mechanism. An initial four-year contractual deployment is followed by an optional two-year extension for the non-retained cohort. This enables the military to balance short-term operational tours with prolonged institutional evaluation before granting permanent commissions.
  - **Seva Nidhi Package:** A structured, tax-exempt financial corpus accrued throughout the contractual tenure. Composed of a monthly employee contribution (30% of salary) matched equally by the Union Government with accumulated interest, it functions as an economic bridge to support post-service civilian reintegration, higher education, or entrepreneurship without creating recurring pension obligations.
  - **Regular Cadre Absorption & Relative Merit System:** The statutory mechanism through which a designated cohort (initially fixed at 25%) is permanently absorbed into the military's permanent cadre. Selection is governed by an automated, tri-service performance matrix assessing operational proficiency, physical discipline, and weapon handling.
  - **Seniority Inversion Safeguard:** An administrative protocol that places personnel permanently absorbed after the secondary two-year engagement one rank junior to those retained immediately after the initial four-year cycle. This preserves command hierarchy, eliminates inter-batch friction, and protects traditional promotion avenues.
  - **Teeth-to-Tail Ratio & Revenue-Capital Balancing:** The ratio between combat elements (*teeth*) and support/administrative elements (*tail*). A leaner standing army reduces revenue expenditure (salaries and pensions), freeing fiscal space for capital expenditure (procurement of fifth-generation fighter jets, unmanned systems, and precision-guided munitions).

- **Main Arguments and Substantive Dynamics**
- The structural recalibration of short-service recruitment reflects an ongoing institutional effort to balance fiscal sustainability with operational readiness.
  - **Operational Continuity vs. Premature Demobilisation:** A four-year tenure proved insufficient for highly specialised, technology-intensive trades such as electronic warfare, mechanized infantry, air defence, and naval sonar operations. Retaining trained personnel for an additional two years preserves operational expertise within active combat units and prevents premature loss of institutional memory.
  - **Amortisation of Training Costs:** The original model required training an entirely new intake every four years. Extending active service to six years amortises induction, technical, and tactical training expenditures across a longer operational window, lowering turnover costs and steadying battalion-level combat readiness.
  - **Meritocracy and Pan-India Inclusivity:** Field evaluations show that broad-based national recruitment has diversified recruitment patterns beyond traditional catchment zones. High physical fitness, digital literacy, and the successful induction of women across operational branches demonstrate measurable qualitative gains in military human capital.
  - **Workforce Retention vs. Civilian Absorption Safety Nets:** Because candidates now have an extended internal path to regular military absorption, statutory reservations in Central Armed Police Forces (CAPFs) and state police organisations have been deprioritised. This trade-off removes an assured post-service placement bridge, meaning those exiting after six years must rely primarily on corporate absorption or entrepreneurial initiatives.
  - **Preserving Regimental Cohesion (*Esprit de Corps*):** A central concern in modern military doctrine is whether individual performance assessments for retention undermine battlefield altruism. The secondary two-year engagement eases individual retention anxieties, helping channel competitive pressures back into collaborative unit cohesion and combat solidarity.

- **Historical Evolution of Indian Military Recruitment & Manpower Reforms**
  - **Pre-Independence & the Colonial Martial Class Construct (1857–1947):** Following the 1857 uprising, the Peel Commission (1859) formalised the "Martial Races" theory, deliberately recruiting from communities perceived as politically loyal. Regiments were raised on single-caste or regional lines, structuring a military framework designed primarily for internal policing and imperial garrisoning.
  - **Post-Independence Democratisation & All-India Expansion (1947–1990s):** Independent India gradually opened armed forces recruitment to all citizens, establishing the All-India All-Class (AIAC) composition across several arms while retaining historic class-composition infantry regiments. The service model relied on long-term colour service (15 to 17 years), which guaranteed pension rights but steadily pushed the average combat soldier's age past 30.
  - **The Kargil Conflict & the K. Subrahmanyam Committee (1999–2000):** High-altitude warfare along the Line of Control revealed the tactical need for a younger combat profile. The Kargil Review Committee highlighted that modern infantry combat requires peak physical endurance and recommended lowering the army's average frontline age from mid-30s to mid-20s. It also called for integrating tri-service human resource policies and controlling ballooning defence pension liabilities.
  - **The Shekatkar Committee Directives (2016):** Appointed to recommend measures to enhance combat capability and rebalance defence spending, the Committee of Experts under Lt. Gen. D.B. Shekatkar flagged that rising pension and establishment costs were crowding out weapon modernisation. It urged rightsizing non-combat components, improving the teeth-to-tail ratio, and adopting flexible short-service enlistment strategies.
  - **The Short-Service Transformation & Empirical Course Correction (2022–Present):** The launch of the Tour-of-Duty framework in 2022 marked a shift from lifetime entitlement to a dynamic, contract-based military force. The operational recalibration to a 4+2 structure reflects empirical adjustments based on tri-service field assessments, reconciling combat youthfulness with tactical experience.

- **Way Forward: Strategic Recommendations and Policy Imperatives**
  - **Differentiated, Branch-Specific Retention Quotas:** Combat arms (infantry, armoured corps) benefit from higher turnover to maintain peak physical youth, but technical branches (signals, aviation, naval engineering, cyber defence) need higher retention ceilings. The absorption quota should be tailored by specialization rather than applied as a flat percentage across all military arms.
  - **Institutionalised Lateral Absorption into Homeland Security:** Exiting personnel possess field training, weapons proficiency, and operational discipline. The Union and state governments should establish formal lateral transfer pathways into Central Armed Police Forces (BSF, CRPF, ITBP), state tactical units, and critical infrastructure protection forces, preventing redundant training expenditures across national security organs.
  - **Formalised Academic and Industrial Credit Systems:** To safeguard the socioeconomic prospects of transitioning soldiers, military training should directly convert into civilian university credits through established National Skills Qualification Framework (NSQF) equivalencies. Formal corporate partnerships can channel veteran personnel into logistics, civil aviation, supply chain security, and defence industrial manufacturing.
  - **Calibrating Assessment Metrics to Preserve Unit Solidarity:** Evaluation algorithms must balance individual technical and physical benchmarks with assessments of collective teamwork, selfless conduct, and battalion loyalty. Peer reviews and commanding officer discretion should carry sufficient weight to ensure that personal career competition does not undermine battlefield camaraderie.
  - **Long-Term Contributory Pension & Health Insurance Bridges:** For personnel who transition back to civilian life after an extended six-year tenure, the Seva Nidhi fund should be paired with portable, lifelong access to contributory medical coverage (such as an extended ECHS model). This would offer long-term social protection without imposing unsustainable pension liabilities on the capital defence budget.

- **UPSC Civil Services Examination: Mains (General Studies Paper III)**
  - **UPSC Mains 2023 (GS Paper III):** "The restructuring of the recruitment framework in the Indian Armed Forces is aimed at lowering the average age profile and improving fiscal headroom for modernisation." Critically analyse the operational, administrative, and socioeconomic challenges associated with this short-service model.
  - **UPSC Mains 2022 (GS Paper III):** Discuss the vital recommendations of the Committee of Experts under the Chairmanship of Lt. Gen. D.B. Shekatkar regarding measures to enhance combat capability and rebalance defence expenditure of the armed forces.
  - **UPSC Mains 2020 (GS Paper III):** How does civil-military integration and the creation of theater commands enhance jointness and operational efficiency in multi-domain modern warfare? Discuss in the light of recent military reforms.
  - **UPSC Mains 2018 (GS Paper III):** Analyze the internal and external security implications of the disproportionate share of revenue expenditure versus capital expenditure in India's defence budget. How does this fiscal reality constrain border infrastructure development?

- **Assam Public Service Commission (APSC CCE): Prelims & Mains**
  - **APSC CCE Prelims 2022 (General Studies Paper I):** The 'Agnipath' scheme launched by the Government of India is primarily related to which of the following? *(A) Digital literacy and employment drive in remote border districts (B) Contractual induction of soldiers into the three branches of the Armed Forces (C) Skill re-orientation programmes for retiring paramilitary personnel (D) Integrated development of border outposts along international boundaries*
  - **APSC CCE Mains 2023 (GS Paper III - Security Architecture & Northeast Challenges):** Assam and the broader Northeastern region serve as critical hubs for armed forces recruitment and border security operations. Examine how changes in short-service military recruitment could affect youth employment, regional security, and the availability of trained manpower for disaster management operations in the state.
  - **APSC CCE Mains 2020 (GS Paper V - Assam Context & State Governance):** Discuss the role of regular armed forces and Central Armed Police Forces in sustaining peace and border stability in Assam. What policy interventions can ensure smooth socioeconomic rehabilitation for demobilised service personnel within the state?

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AGNIPATH SCHEME REFORMS, 2026

Comprehensive UPSC/APSC Analysis

GS II | GS III | Essay | Interview



What has changed?

Earlier (Agnipath – up to 2024)	Now (Reforms, 2026)
4-year tenure for all Agniveers	Initial 4-year tenure remains.
Up to 25% retained as regular soldiers after 4 years	First 25% retention provision continues.
Remaining 75% exited after 4 years	Remaining 75% can get an additional 2-year engagement.
	After 6 years, they may again be considered for regular enrolment subject to willingness and objective selection criteria.
	Higher remuneration and enhanced Seva Nidhi during second engagement.
	Those opting for extension are no longer eligible for previously announced CAPF/State Police post-service reservation benefits.

Why was the scheme changed?

- Better use of trained manpower.
- Reduce repeated training costs.
- Give non-retained Agniveers another opportunity.
- Improve skill development and operational experience.
- Align military needs with recruit aspirations.

What did the 4-year assessment reveal?

- Wider recruitment base across districts.
- More standardised and transparent selection process.
- High physical fitness, morale, motivation, and discipline.
- Better adaptability, skill development, and educational gains.
- More opportunities for women in the armed forces.
- Non-selection in the first 25% does not automatically imply poor performance.

Implications for Agniveers

4 Years Service (Initial Tenure)

- **25%** Regular Enrolment
- OR
- **75%** Second Engagement (Additional 2 Years)

→ **Possible Consideration for Regular Service after 6 Years** (Subject to willingness and objective selection criteria)

- Longer military career opportunity.
- More income and enhanced benefits.
- More time to prove suitability.
- But no guarantee of permanent enrolment.

Implications for Armed Forces

- Retains already trained personnel.
- Increases operational continuity.
- Reduces repetitive training burden.
- Improves manpower utilisation.
- Balances youthful profile with experience.

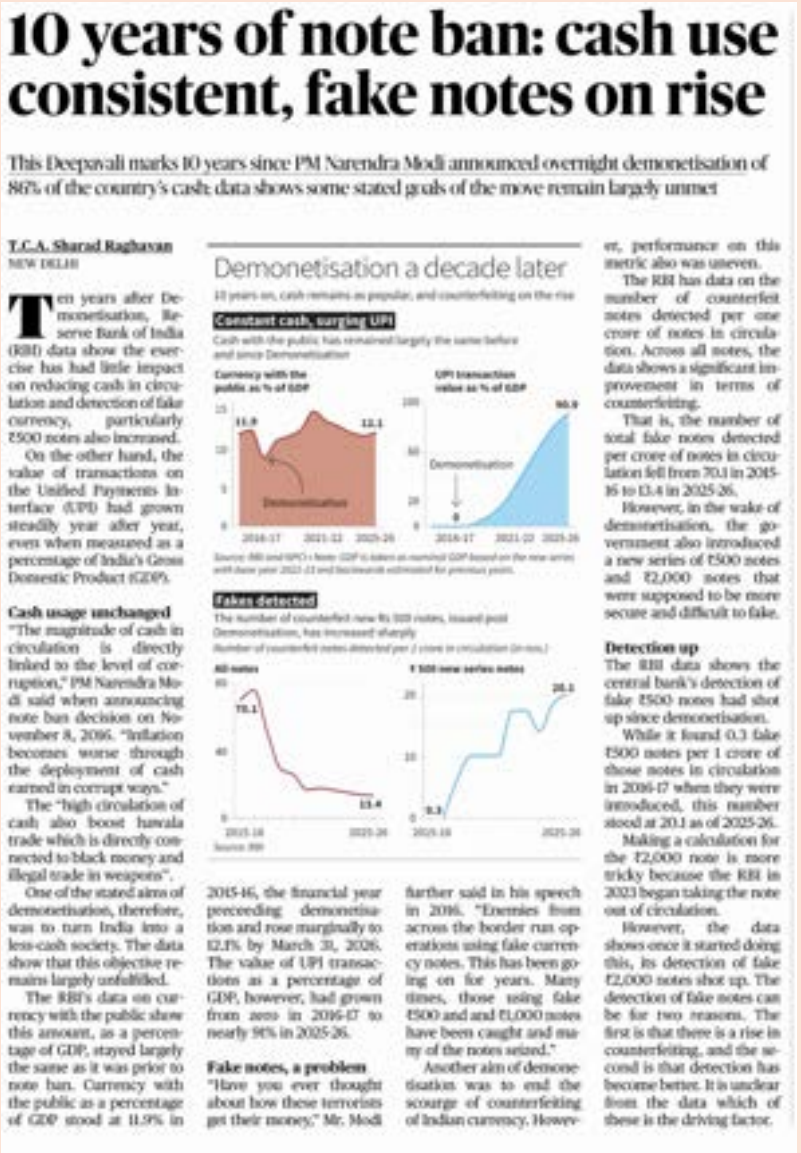
Advantages vs Concerns

Advantages	Concerns
Better manpower optimisation.	Continued uncertainty for permanent service.
Longer service window.	Impact on post-service opportunities.
More experienced force pool.	Need for transparent criteria.
Improved morale for non-retained Agniveers.	Fiscal and administrative implications.

Way Forward

- Transparent evaluation criteria.
- Strong skilling and resettlement support.
- Clear communication of career pathways.
- Periodic review based on operational outcomes.

- Central question: Did demonetisation eliminate black money and counterfeit currency, or did it primarily accelerate India's transition towards digital payments?
- On 8 November 2016, the Government of India withdrew the legal tender status of the existing ₹500 and ₹1,000 banknotes, representing approximately 86% of the value of currency in circulation.
- A decade later, the evidence presents a mixed picture: digital payments have expanded dramatically, but cash remains economically significant, while counterfeit detections in the new ₹500 series have increased.



10 years of note ban: cash use consistent, fake notes on rise

This Deepavali marks 10 years since PM Narendra Modi announced overnight demonetisation of 86% of the country's cash; data shows some stated goals of the move remain largely unmet

T.C.A. Sharad Raghavan
NEW DELHI

Ten years after Demonetisation, Reserve Bank of India (RBI) data show the exercise has had little impact on reducing cash in circulation and detection of fake currency, particularly ₹500 notes also increased.

On the other hand, the value of transactions on the Unified Payments Interface (UPI) had grown steadily year after year, even when measured as a percentage of India's Gross Domestic Product (GDP).

Cash usage unchanged

"The magnitude of cash in circulation is directly linked to the level of corruption," PM Narendra Modi said when announcing note ban decision on November 8, 2016. "Inflation becomes worse through the deployment of cash earned in corrupt ways."

The "high circulation of cash also boost hawala trade which is directly connected to black money and illegal trade in weapons".

One of the stated aims of demonetisation, therefore, was to turn India into a less-cash society. The data show that this objective remains largely unfulfilled.

The RBI's data on currency with the public show this amount, as a percentage of GDP, stayed largely the same as it was prior to note ban. Currency with the public as a percentage of GDP stood at 11.9% in 2015-16, the financial year preceeding demonetisation and rose marginally to 12.1% by March 31, 2026. The value of UPI transactions as a percentage of GDP, however, had grown from zero in 2016-17 to nearly 98% in 2025-26.

Fake notes, a problem

"Have you ever thought about how these terrorists get their money," Mr. Modi further said in his speech in 2016. "Enemies from across the border run operations using fake currency notes. This has been going on for years. Many times, those using fake ₹500 and and ₹1,000 notes have been caught and many of the notes seized."

Another aim of demonetisation was to end the scourge of counterfeiting of Indian currency. However, performance on this metric also was uneven.

The RBI has data on the number of counterfeit notes detected per one crore of notes in circulation. Across all notes, the data shows a significant improvement in terms of counterfeiting.

That is, the number of total fake notes detected per crore of notes in circulation fell from 70.3 in 2015-16 to 13.4 in 2025-26.

However, in the wake of demonetisation, the government also introduced a new series of ₹500 notes and ₹2,000 notes that were supposed to be more secure and difficult to fake.

Detection up

The RBI data shows the central bank's detection of fake ₹500 notes had shot up since demonetisation.

While it found 0.3 fake ₹500 notes per 1 crore of those notes in circulation in 2016-17 when they were introduced, this number stood at 20.1 as of 2025-26.

Making a calculation for the ₹2,000 note is more tricky because the RBI in 2023 began taking the note out of circulation.

However, the data shows once it started doing this, its detection of fake ₹2,000 notes shot up. The detection of fake notes can be for two reasons. The first is that there is a rise in counterfeiting, and the second is that detection has become better. It is unclear from the data which of these is the driving factor.

Demonetisation a decade later

10 years on, cash remains as popular, and counterfeiting on the rise

Constant cash, surging UPI

Cash with the public has remained largely the same before and since Demonetisation

Currency with the public as % of GDP

11.9

12.1

Demonetisation

2016-17 2021-22 2025-26

UPI transaction value as % of GDP

98.9

Demonetisation

0

2016-17 2021-22 2025-26

Source: RBI and NPCI • Note: GDP is taken as nominal GDP based on the new series with base year 2022-23 and backwards estimated for previous years.

Fakes detected

The number of counterfeit new Rs 500 notes, issued post Demonetisation, has increased sharply

Number of counterfeit notes detected per 1 crore in circulation (in nos.)

All notes

70.1

13.4

2015-16 2025-26

₹ 500 new series notes

20.1

0.3

2015-16 2025-26

Source: RBI

- **Key Terms and Conceptual Framework**
- **Demonetisation and Legal Tender Status**: Legal tender refers to currency notes and coins that cannot be legally refused by any citizen or creditor in settlement of a debt or financial obligation, as sanctified under Section 26 of the Reserve Bank of India (RBI) Act, 1934. Demonetisation represents the sovereign withdrawal of this legal backing, stripping specific denominations of their exchange value. For instance, the 2016 withdrawal of ₹500 and ₹1,000 Specified Bank Notes (SBNs) revoked their status as debt-settling instruments, rendering them invalid for commercial trade.
- **Currency with the Public (CwP) and Currency-to-GDP Ratio**: Currency with the Public represents the total physical currency (banknotes and coins) held by households, enterprises, and non-bank entities, calculated by deducting cash held in commercial bank vaults from the total Currency in Circulation (CiC). The Currency-to-GDP ratio expresses this physical cash stock as a percentage of nominal Gross Domestic Product. It serves as an indicator of an economy's structural dependence on physical liquidity versus institutional banking channels.
- **Unified Payments Interface (UPI) and Velocity of Money**: Developed by the National Payments Corporation of India (NPCI) atop the Immediate Payment Service (IMPS) rail, UPI is an open-architecture, interoperable retail payment protocol facilitating real-time fund transfers. In macroeconomic terms, UPI significantly elevates the *velocity of money*—the rate at which a single unit of currency changes hands—by reducing transaction friction, even while the aggregate *stock* of physical money remains high.
- **Fake Indian Currency Notes (FICN) and Counterfeit Density**: FICN refers to unauthorized, illicit reproductions of sovereign currency notes designed to mimic authentic security features. Institutional monitoring measures this risk through *counterfeit density*, typically defined as the number of detected fake notes per million or per crore (ten million) genuine notes in active circulation.
- **Hawala Networks and Parallel Economy**: Hawala is an informal, trust-based value transfer system operating outside formal banking oversight and regulatory reporting. By settling cross-border and domestic financial accounts through book-balancing, trade misinvoicing, or physical cash handoffs, hawala networks provide the foundational infrastructure for the parallel (shadow) economy, tax evasion, and illicit trade.
- **Clean Note Policy**: Formulated by the Reserve Bank of India, this operational policy mandates banks and currency chests to withdraw soiled, mutilated, or obsolete banknotes from circulation and replace them with crisp, high-security notes, safeguarding currency integrity without triggering macroeconomic liquidity shocks.

- **Core Arguments and Empirical Realities**
- A comprehensive assessment of currency trends over the past decade reveals a clear structural paradox: the exponential surge of digital payments has coexisted with a persistent, unyielding demand for physical cash, while illicit counterfeiting networks have adapted to new currency architectures.
- *Baseline recorded upon introduction in 2016-17.
- **The Persistence of Physical Cash**: The foundational premise that suppressing high-denomination notes would permanently reduce physical cash usage has faced empirical limits. While Currency with the Public contracted sharply during the 2016-17 liquidity squeeze, it rebounded steadily to 12.1% of GDP by 2025-26, slightly above the pre-demonetisation baseline of 11.9% in 2015-16. This demonstrates that in an expanding economy with a massive informal footprint, cash remains indispensable as a store of value and transactional buffer.
- **Digital Substitution vs. Store of Value**: UPI has achieved phenomenal adoption, with annual transaction value expanding from negligible levels in 2016-17 to roughly 91% of India's GDP by 2025-26. However, empirical evidence indicates that digital payments have primarily replaced cash in its *medium of exchange* function for micro and retail transactions, rather than displacing cash in its *store of value* function, where physical currency provides anonymity and insulates users from tax scrutiny.
- **Denomination-Specific Counterfeiting Trends**: Counterfeit detection across all currency denominations dropped from 70.1 fake notes per crore in 2015-16 to 13.4 per crore in 2025-26. However, this aggregate drop masks an acute concentration in high-value denominations: detected fake notes of the redesigned ₹500 denomination surged from 0.3 per crore upon release to 20.1 per crore by 2025-26. This divergence suggests that illicit syndicates gradually cracked and replicated new security parameters.
- **The ₹2,000 Note Life Cycle and Scrutiny Distortions**: The introduction of the ₹2,000 note in 2016 solved remonetisation bottlenecks but created an efficient vehicle for wealth hoarding. When the RBI initiated its phased withdrawal in 2023, detection figures for counterfeit ₹2,000 notes spiked. This surge illustrates a classic measurement dilemma: higher detection figures can reflect an absolute rise in illicit counterfeiting, or simply the mathematical artifact of heightened institutional scrutiny during mandatory bank-return windows.
- **Resilience of Shadow Assets**: Sovereign cash withdrawal operates under the assumption that illicit wealth is held predominantly in liquid currency hoards. Ground-level data indicates that black wealth swiftly transforms into illiquid assets—real estate, gold, benami holdings, and offshore entities—limiting the long-term deterrent effect of physical currency intervention on systemic corruption.

- **Historical Evolution of Currency Interventions in India**
- India's historical experience with high-denomination currency sanitization spans eight decades, marked by shifts between abrupt administrative shocks and phased regulatory withdrawals.
- **Pre-Independence Measures (1946)**: In January 1946, the British colonial administration promulgated an emergency ordinance demonetising banknotes of ₹500, ₹1,000, and ₹10,000. The primary objective was to penalize black-market war profiteering during World War II and unearth unrecorded business profits. However, the economic impact was localized to urban elites, and high-denomination currency was reintroduced in 1954 under the RBI Act to facilitate commercial transactions.
- **The Post-Independence Exercise (1978)**: Following the recommendations of the Direct Taxes Enquiry Committee (Wanchoo Committee, 1971), the Janata Party government enacted the High Denomination Bank Notes (Demonetisation) Act, 1978. This law demonetised ₹1,000, ₹5,000, and ₹10,000 notes. Because these high-value notes constituted less than 2% of total currency in circulation, the intervention caused minimal disruption to the wider public, though it also left the informal, cash-driven retail economy untouched.
- **The 2016 Structural Intervention**: On November 8, 2016, the Union Government invoked Section 26(2) of the RBI Act, 1934, demonetising ₹500 and ₹1,000 notes. This move abruptly drained 86% of the country's currency value from active circulation. Its stated objectives extended beyond tax evasion to tackling cross-border counterfeit currency, crippling terror financing networks, and accelerating digital payment infrastructure.
- **Judicial Review and Constitutional Endorsement (2023)**: In *Vivek Narayan Sharma v. Union of India (2023)*, a five-judge Constitution Bench of the Supreme Court upheld the legality of the 2016 demonetisation by a 4:1 majority. The court ruled that the decision met the constitutional test of proportionality and was carried out in valid consultation with the RBI Central Board. Justice B.V. Nagarathna's dissent noted that a move of such systemic magnitude should have originated through parliamentary legislation rather than executive notification.
- **Phased Rationalisation via Clean Note Policy (2023–2024)**: Learning from past liquidity bottlenecks, the RBI announced the gradual withdrawal of ₹2,000 banknotes in May 2023 under its Clean Note Policy. By maintaining legal tender status while directing banks to halt fresh issuances and accept deposits over an extended window, the central bank retired the highest-denomination note without causing macroeconomic shockwaves or enterprise distress.

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10 Years of Demonetisation (2016–2026)

Cash remains resilient, digital payments surge, and counterfeit trends show a mixed picture





Key Question: ***Did demonetisation eliminate black money and fake notes, or did it mainly accelerate digital payments?***

1. BACKGROUND

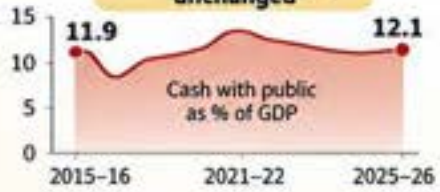
- On 8 November 2016, the Government withdrew the legal tender status of old ₹500 and ₹1,000 notes.
- These notes accounted for about **86%** of the value of currency in circulation.

2. KEY DATA SNAPSHOT (2016–2026)

Cash with public / GDP	UPI transaction value / GDP	Counterfeit detections, all notes	Counterfeit detections, new ₹500 notes
11.9% (2015–16) → 12.1% (2025–26)	0 (2016–17) → 90.9% (2025–26)	70.1 → 13.4 per crore notes	0.3 → 20.1 per crore notes

3. KEY TRENDS IN CHARTS

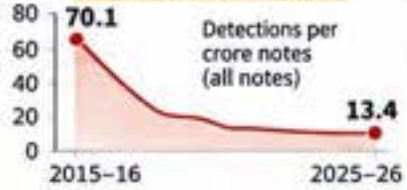
Cash use largely unchanged



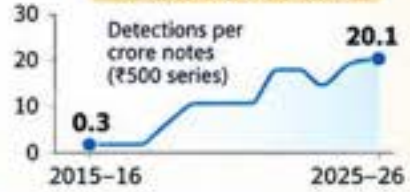
UPI has surged



Overall fake-note detections declined



New ₹500 fake-note detections increased



4. OBJECTIVES vs OUTCOMES

Objectives (What was intended?)	Outcomes (What did the data suggest?)
Black money	Limited success against black money
Less-cash economy	Cash remains significant in the economy
Fake currency control	Mixed results on counterfeit currency
Terror-funding disruption	Temporary disruption possible, durable impact uncertain
Formalisation of economy	Digital and formal transactions expanded

5. WHY CASH PERSISTS

- Large informal economy
- Rural and low-connectivity dependence
- Ease of use and universal acceptance
- Trust, privacy and immediate settlement

Core Insight

- Digital growth does not automatically mean cash decline.
- Demonetisation targeted currency stock, not the full ecosystem of black wealth.
- UPI emerged as the biggest long-term transformation.
- Policy effectiveness must be judged by durable outcomes, not only bold intent.

Exam Relevance

- **GS III:** Indian Economy, money & banking, digital economy
- **GS II:** Governance and policy evaluation
- **Essay:** Reform, technology, inclusion, unintended consequences
- **Interview:** Cash vs digital economy, formalisation, public policy

A decade later, demonetisation appears more successful in accelerating digital payments than in reducing the economy's long-term dependence on cash.


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