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VIDHVATH IAS KAS ACADEMY & STUDY CENTRE

DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

DATE: 23/06/2026 (TUESDAY)



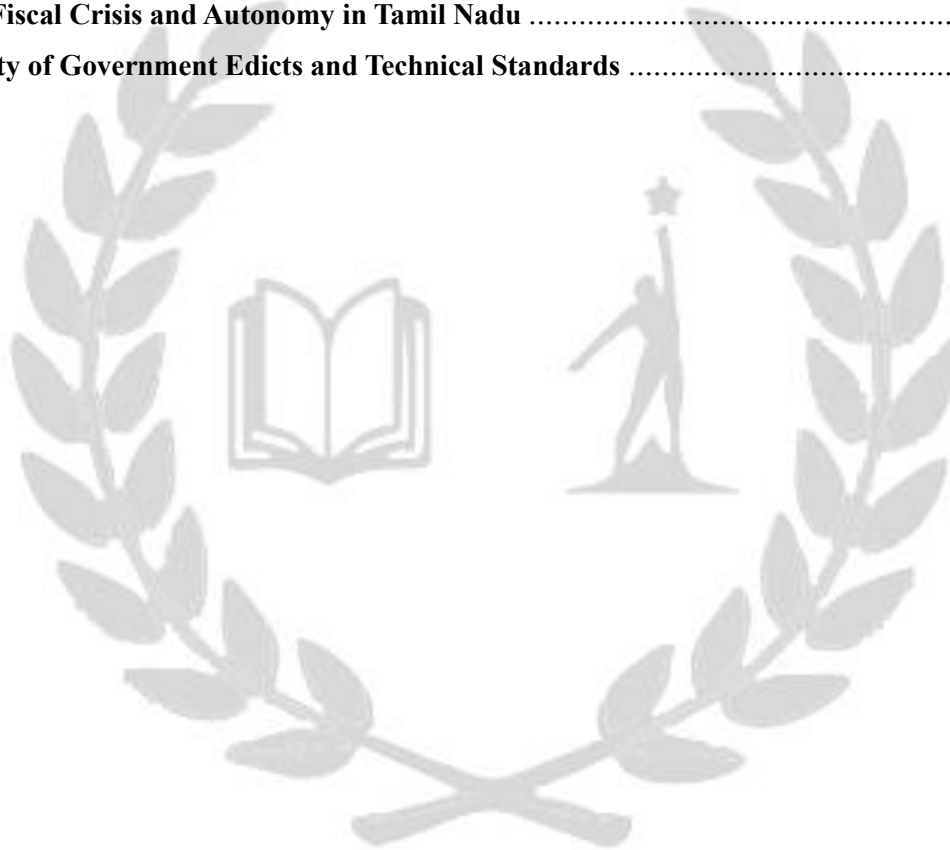
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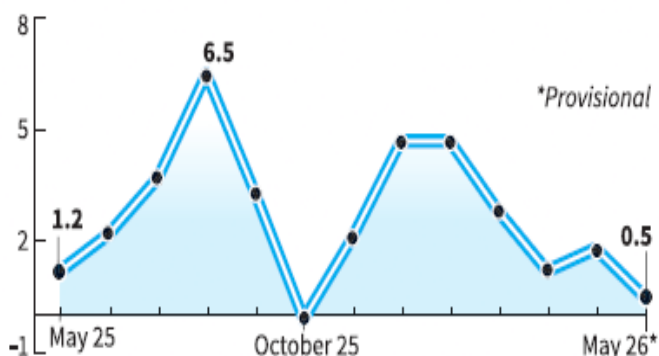
1. Slowdown in India's Core Sector Growth

Key Summary Points

- **Growth Deceleration:** India's eight core industrial sectors witnessed a sharp slowdown, with year-on-year growth dropping to 0.5% in May 2026. This marks the second-lowest expansion registered in the past 21 months.
- **Widespread Contraction:** Five out of the eight core industries experienced a net contraction in production. The single worst performance within the preceding period occurred in October 2025, when the core index contracted by 0.1%.
- **Energy and Hydrocarbon Slump:** The decline was primarily led by key energy sectors hit by international disruptions. Coal output dropped by 9.3%, refinery products fell by 8.7%, natural gas declined by 4.9%, and crude oil output contracted by 4.6%.
- **Agricultural Stress:** The fertilizer sector contracted for the third consecutive month, dropping by 0.9% in May. However, this represents an improvement over the sharper contractions of 8.6% in April and 24.6% in March.
- **Positive Outliers:** Only three infrastructure-linked sectors recorded positive growth. Electricity generation expanded by 8.7%, cement production quickened marginally by 8.4%, and steel output expanded by 5%, though steel hit a 13-month growth low.
- **Underlying Causes:** Economists attribute the slowdown to a combination of external factors, including the ongoing West Asia geopolitical crisis, softening global commodity prices, and high baseline figures from preceding periods.

Growth slump

After touching 6.5% in August 2025, core sector growth has slowed to 0.5% in May 2026, the second slowest in 21 months



SOURCE: MINISTRY OF COMMERCE & INDUSTRY

Key Definitions

- **Index of Eight Core Industries (ICI):** A high-frequency production volume index that measures the collective and individual output performance of eight infrastructural sectors chosen for their strong multiplier effect on the broader economy.
- **Index of Industrial Production (IIP):** A composite macroeconomic indicator tracking the short-term volume changes in industrial production across predefined sectors (Mining, Manufacturing, and Electricity) during a given period.

Core Sector Structural Weightage

The core industries comprise a substantial 40.27% weight of the total items included in the IIP. The individual weights allocated within the ICI, ranked in descending order, are as follows:



Core Industry	Individual Weightage (%)
Petroleum Refinery Products	28.04%
Electricity Generation	19.85%
Steel Production	17.92%
Coal Production	10.33%
Crude Oil Production	8.98%
Natural Gas Production	6.88%
Cement Production	5.37%
Fertilizer Production	2.63%

Administrative and Institutional Framework

- **Compiling Authority:** The ICI is compiled and released monthly by the Office of the Economic Adviser (OEA), Department for Promotion of Industry and Internal Trade (DPIIT), under the Ministry of Commerce and Industry.
- **Base Year:** The index is currently evaluated using the fixed base year of 2011-12=100.
- **Statistical Formula:** It uses a standard Laspeyres-type fixed-weight volume formula, tracking quantity changes rather than nominal monetary valuations to eliminate inflationary distortions.

Constitutional and Legal Provisions

- **Entries in the Seventh Schedule:** Industrial development and regulation are subject to federal distribution under the Constitution of India. Entry 52 of the Union List (List I) empowers the Central Government to regulate industries declared by Parliament to be of public interest. Concurrently, Entry 24 of the State List (List II) governs general industries, subject to central provisions.
- **Statistical Baseline Legislation:** Under Entry 94 of the Union List and Entry 45 of the Concurrent List (List III), Parliament enacted the Collection of Statistics Act, 2008, which provides the legal mandate for statutory agencies to collect industrial production data from public and private establishments.

Conclusion

The slump in India's core industrial expansion to 0.5% underscores a structural vulnerabilities to geopolitical turbulences and global supply chains, particularly within the energy and hydrocarbon segments. While structural resilience in infrastructure sectors like steel and cement offers temporary cushion, prolonged deceleration in core inputs could heavily drag down manufacturing momentum and impact subsequent quarterly GDP growth.

UPSC Relevance

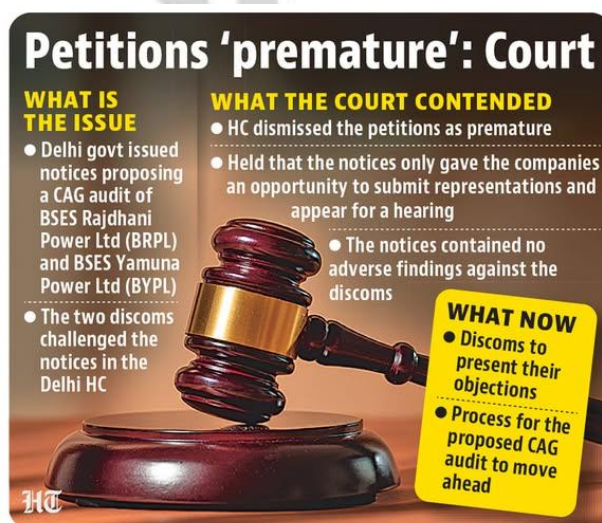
- **Preliminary Examination:** High probability of factual testing on the ranking of core sectors by weightage, the relationship between ICI and IIP, base years, and compiling ministries.
- **Main Examination (General Studies Paper III):** Essential data point for questions addressing Indian Economy, industrial growth infrastructure trends, manufacturing bottlenecks, and energy security.



2. Delhi HC Dismisses Discoms' Pleas Against CAG Audit

Key Summary Points

- **Judicial Verdict:** The Delhi High Court dismissed petitions filed by private electricity distribution companies (discoms), BSES Rajdhani and BSES Yamuna, challenging the Delhi government's proposal for a Comptroller and Auditor General (CAG) audit, terming their challenge premature.
- **Core Contention:** The ruling political administration alleges financial non-scrutiny and inflation of regulatory assets by discoms, leading to higher consumer tariffs, while opposition leaders cite previous orders for special audits via CAG-approved empanelled auditors to protect pensioner interests.
- **Accountability Metric:** The case brings back focus on the legal boundaries of state governments in mandating constitutional audits of private utility monopolies operating under public-private setups.
- **Regulatory Assets Issue:** Discoms have historically deferred cost recoveries as "regulatory assets," creating an underlying financial friction between corporate bookkeeping, state subsidies, and public accountability.
- **Precedential Continuity:** The dismissal reinforces the judicial stance that preliminary state actions seeking public audits cannot be blocked at the threshold by private utility providers handling public revenues.



Key Definitions

- **Comptroller and Auditor General (CAG):** An independent constitutional authority empowered to audit all receipts and expenditures of the Government of India and the State Governments, acting as the guardian of the public purse.
- **Discoms (Distribution Companies):** Utility companies responsible for operating and maintaining the electricity distribution network and supply infrastructure to end consumers.

Constitutional and Legal Provisions

- **Article 149:** Empowers Parliament to prescribe the duties and powers of the CAG in relation to the accounts of the Union, States, and any other authority or body.
- **CAG (DPC) Act, 1971:** Section 20 of the Duties, Powers, and Conditions of Service Act allows the audit of accounts of non-governmental bodies or authorities upon the request of the Governor/Administrator if public interest is involved.
- **Article 239AA:** Special provisions governance framework for the National Capital Territory (NCT) of Delhi, defining the legislative and executive competencies of the elected Delhi Government versus the Lieutenant Governor.
- **Electricity Act, 2003:** Section 86 mandates State Electricity Regulatory Commissions (SERCs) to regulate electricity tariffs and ensure transparency in the financial books of licensees.



Conclusion

The High Court's refusal to stall the proposed CAG audit highlights the expanding jurisprudence favoring fiscal transparency in utility sectors. For public-private partnerships and public utilities handling citizen welfare resources, constitutional oversight remains an indispensable tool to check corporate overreach and protect consumer pricing.

UPSC Relevance

- **Preliminary Examination:** Indian Polity provisions related to the powers, terms, and jurisdiction of the CAG under the DPC Act 1971, alongside the regulatory mechanisms of the Electricity Act.
- **Main Examination (GS Paper II & III):** Issues concerning statutory/regulatory bodies, statutory auditing of public utilities under Public-Private Partnerships (PPP), governance friction in NCT Delhi, and consumer welfare versus corporate governance.

3. Parliamentary Panel Visit to Jammu and Kashmir

Key Summary Points

- **Mandate Clarification:** The Chairman of the Parliamentary Standing Committee on External Affairs, Shashi Tharoor, clarified that the panel's visit to Jammu and Kashmir (J&K) and Ladakh is strictly confined to international relations and bilateral administrative setups, rather than evaluating domestic political or internal security situations.
- **Core Agenda:** The study tour focuses on three specific dimensions: Indo-Pakistan relations, Sino-Indian bilateral dynamics, and the operational efficacy of Passport Offices and Passport Seva Kendras (PSKs) in the border region.
- **Administrative Delays:** The committee flagged systemic delays impeding passport issuance across Kashmir, Jammu, and Leh, emphasizing the need for accelerating passport delivery systems to assist applicants in border zones.
- **Institutional Boundaries:** The panel emphasized that internal domestic administration falls outside its institutional purview, preserving the clear jurisdictional divide separating the External Affairs Committee from committees handling internal home affairs.
- **Border Security Assessment:** During the tour, panel members visited forward border areas to review field conditions and commended the Border Security Force (BSF) for maintaining territorial integrity and security.



Key Definitions

- **Parliamentary Standing Committees:** Permanent, bipartisan committees constituted periodically under the Rules of Procedure of Parliament to ensure continuous legislative oversight over executive ministries.
- **Passport Seva Kendra (PSK):** Extended administrative arms of the Central Passport Organization, operating under the Ministry of External Affairs, to deliver front-end passport issuance services to citizens.



Constitutional and Legal Provisions

- **Article 105:** Confers constitutional powers, privileges, and immunities upon Members of Parliament and Parliamentary Committees to function effectively without executive interference.
- **Rule 268 to 273 (Lok Sabha Rules):** Governs the composition, working mechanisms, powers to send for persons, papers, and records, and the reporting procedures of Departmentally Related Standing Committees (DRSCs).
- **The Passports Act, 1967:** The statutory framework regulating the issuance of passports and travel documents. Since it is administered directly by the Ministry of External Affairs, its regional operational efficiency falls under the auditing mandate of this specific standing committee.
- **Union List (Seventh Schedule):** Foreign affairs, diplomatic representation, treaties, and passports fall under Entries 10 to 19 of List I, providing exclusive legislative and oversight authority to the Union Parliament.

Conclusion

The parliamentary panel's visit highlights the critical balance between diplomatic oversight and administrative accountability in strategic border regions. By auditing passport delivery alongside geopolitical parameters, the committee exercises parliamentary control to ensure smooth public service delivery and robust border management.

UPSC Relevance

- **Preliminary Examination:** Indian Polity mechanics concerning Departmentally Related Standing Committees (DRSCs), their jurisdiction, composition, and the legal provisions of the Passports Act, 1967.
- **Main Examination (GS Paper II):** Parliament and State Legislatures—structure, functioning, conduct of business, powers & privileges, and executive accountability through legislative committees.

4. Ecologically Sensitive Area (ESA) Demarcation in Western Ghats

Key Summary Points

- **Geographical and Ecological Identity:** The Western Ghats stretch across a 1500-km long mountain chain through six states (Gujarat, Maharashtra, Goa, Karnataka, Kerala, and Tamil Nadu), recognized globally as a major biodiversity hotspot possessing high endemism.
- **The Contention of Demarcation:** The Ministry of Environment, Forest and Climate Change has issued multiple draft notifications to demarcate roughly 56825sq km (about 37% of the region) as an Ecologically Sensitive Area (ESA) based on the K. Kasturirangan committee report, following the rejection of the stricter Madhav Gadgil panel recommendations.
- **State-Level Resistance:** The six states have consistently resisted full implementation, raising concerns over livelihood impacts, demanding the exclusion of human settlements, plantations, and agricultural fields from the final ESA map.
- **Sanjay Kumar Committee Mandate:** Appointed in 2022, this high-level expert committee is currently carrying out village-level ground-truthing and reconciling satellite data with land revenue records to break the center-state deadlock.

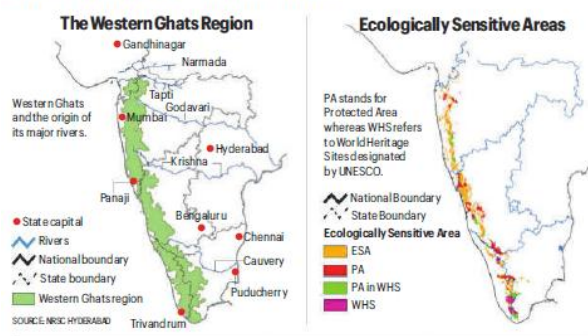


- **Prohibited Economic Activities:** The proposed ESA framework mandates a complete ban on red-category highly polluting industries, commercial mining, quarrying, sand auditing, large-scale thermal power plants, and major construction townships.

Key Definitions

- **Ecologically Sensitive Area (ESA):** A buffer zone or transition area notified by the Central Government around protected ecosystems where developmental activities are regulated to minimize environmental degradation.
- **Biological Diversity Hotspot:** A biogeographic region characterized by exceptional levels of plant and animal endemism that faces serious threats of habitat destruction.

THE EXTENT OF DEMARCATION



Constitutional and Legal Provisions

- **Article 48A:** Directive Principle of State Policy directing the State to protect and improve the environment and safeguard the wildlife of the country.
- **Article 51A(g):** Fundamental duty of every citizen to protect and improve the natural environment including forests, lakes, rivers, and wildlife.
- **Environment (Protection) Act, 1986:** Section 3(2)(v) provides the statutory authority to the Central Government to restrict areas in which industries or processes shall not be carried out or subject to certain safeguards.

Conclusion

The long-standing impasse over the Western Ghats ESA notification underscores the challenge of balancing environmental sustainability with regional developmental aspirations. Resolving this requires an inclusive, collaborative approach that integrates local communities through economic incentives, such as payments for ecosystem services, while strictly prohibiting destructive commercial exploitation.

UPSC Relevance

- **Preliminary Examination:** Mapping of the Western Ghats, comparative features of the Gadgil and Kasturirangan reports, and statutory powers under the Environment (Protection) Act, 1986.
- **Main Examination (GS Paper III):** Conservation, environmental pollution, degradation, and Environmental Impact Assessment (EIA) challenges in federal environmental governance.

5. Political Instability in the UK and Global Governance Lessons

Key Summary Points

- **Executive Resignation:** British Prime Minister Keir Starmer resigned as PM and leader of the Labour Party, just two years after securing a landslide majority of 412 seats in the 2024 elections.
- **Domestic Policy Backlash:** The resignation followed severe public and party disapproval over austerity measures, including cutting winter fuel subsidies, spending cuts of approximately \$8 billion, and controversial decisions like the "two-child benefit cap."



- **Ethics and Public Trust:** Starmer's administration faced immediate ethical challenges regarding transparency, driven by a public backlash over Cabinet ministers accepting high-value gifts and political donations, driving down approval ratings.
- **The Brexit Hangover:** A decade after the Brexit referendum, the UK continues to face severe economic challenges, including a 2.8% contraction in economic growth, fiscal deficit pressures, high borrowing, and persistent inflation.
- **Fragmentation of Duopoly:** The political landscape is shifting from a traditional Labour-Conservative duopoly toward a multi-party system, evidenced by the electoral rise of Reform UK and the Green Party.



Key Definitions

- **Austerity Measures:** Official economic policies aimed at reducing government budget deficits through spending cuts, tax increases, or a combination of both.
- **Political Duopoly:** A party system dominated heavily by two major political entities, making it extremely difficult for third-party groups to win executive power.

Comparative Constitutional Provisions (India vs. UK)

- **Executive Accountability:** Both India and the UK follow the Westminster model of parliamentary governance, where the executive is drawn from and remains strictly accountable to the legislature.
- **Prime Minister's Tenure:** In both systems, a Prime Minister holds office only as long as they command the confidence of the majority in the lower house. However, in the UK, inner-party rebellion can force a PM to step down without a formal parliamentary floor test, a dynamic less frequent in India due to strict anti-defection laws under the Tenth Schedule.
- **Inner-Party Democracy:** The UK parliamentary system grants backbench MPs substantial institutional power to challenge and remove their party leader through formal internal no-confidence votes, whereas Indian political parties exhibit centralized high-command structures.

Conclusion

The rapid collapse of a government with a historic parliamentary majority highlights that electoral mandate alone cannot guarantee stability without sustained economic performance and ethical transparency. It underscores the deep-seated structural vulnerabilities of post-Brexit British governance and the limits of executive dominance in a Westminster system.

UPSC Relevance

- **Preliminary Examination:** Features of the Westminster model of governance and structural differences between Indian and British parliamentary systems.
- **Main Examination (General Studies Paper II):** Comparison of the Indian constitutional scheme with that of other countries, executive accountability, and international relations involving bilateral partnerships with the UK amid changing leaderships.



6. The Challenge of India's Digital Sovereignty

Key Summary Points

- **Sovereignty Vulnerabilities:** Recent security breaches, including the compromise of Indian CCTV networks via foreign software (EseeCloud) and the abrupt denial of cloud access to Nayara Energy due to unilateral overseas sanctions, expose severe risks to India's digital autonomy.
- **Foreign Infrastructure Monopoly:** Critical national digital infrastructure, including authentication layers, corporate data, and productivity suites, remains heavily dependent on foreign technology conglomerates capable of enforcing external state mandates.
- **Defense Vulnerabilities:** Modern hardware is governed by foreign software configurations, rendering sophisticated defense platforms susceptible to remote range degradation or battlefield intelligence redirection by external sovereigns during active conflicts.
- **Global Precedent and Theory:** European nations are actively transitioning to domestic software alternatives. Concurrently, Power Transition Theory indicates that established hegemonic powers naturally attempt to constrain rising autonomous entities like India.
- **Indigenous and Collaborative Resiliency:** Overcoming these strategic choke points requires a multipronged approach: expanding domestic initiatives like UPI, NavIC, and the Zoho central email migration, combined with deep private-sector defense partnerships.
- **The R&D Deficit:** India's low research and development spending (averaging 0.74% of GDP compared to the 2.07% global average) creates a structural technology deficit that threatens long-term economic competitiveness and national security.

Key Definitions

- **Digital Sovereignty:** The constitutional authority and capacity of a nation-state to govern its digital infrastructure, data generation, and technological networks without coercive foreign interference.
- **Power Transition Theory:** A structural geopolitical theory positing that parity between a rising power and an established hegemon significantly increases systemic friction and containment measures.



Constitutional and Legal Provisions

- **Article 19(2) & Article 21:** Digital security is fundamentally linked to the "sovereignty and integrity of India" under reasonable restrictions of speech, and the Right to Privacy as a core component of personal liberty.
- **Information Technology Act, 2000:** Section 69A grants the Central Government power to issue directives for blocking public access to information or software to safeguard national security and public order.
- **National Cyber Security Policy:** Framework intended to secure public and private computing spaces, protect critical information infrastructure, and minimize vulnerabilities to global tech supply chains.



Conclusion

Achieving comprehensive technological sovereignty is no longer optional for India but a prerequisite for strategic autonomy. Safeguarding the digital ecosystem requires addressing the chronic R&D funding gap, expanding indigenous cloud frameworks, and fostering public-private defense integration to prevent external tech weaponization.

UPSC Relevance

- **Preliminary Examination:** Features of national security frameworks, indigenous tech systems (NavIC, UPI), and statutory provisions under the IT Act, 2000.
- **Main Examination (GS Paper II & III):** Challenges to internal security through cyber threats, indigenization of technology, intellectual property rights, and geopolitical balancing of strategic autonomy.

7. China's Selective Revisionism and Global Governance

Key Summary Points

- **Strategic Vacuum:** Disruptive shifts in United States foreign policy—marked by global trade tariffs and regional conflicts—have diverted international focus, allowing Beijing an open diplomatic window to rapidly scale up its presence in global governance.
- **Dual Nature of Global Order:** The international order functions across institutional frameworks (UN, WTO, Bretton Woods) and normative standards (human rights, sovereignty, rule of law). China embraces the former while rewriting the latter.
- **Institutional Investment:** Beijing acts as a non-revolutionary power by working within existing institutions, elevating its UN budget contribution to over 20% by 2025 and driving parallel platforms like the New Development Bank and SCO.
- **Normative Revisionism:** Through four global initiatives (Development, Security, Civilization, Governance), China dilutes universal concepts. It casts human rights as culturally contingent and privileges outcome-based material delivery over democratic political participation.
- **Contradictory Behavior:** Beijing's geopolitical actions challenge its self-proclaimed commitment to Westphalian sovereignty, visible in its rejection of the 2016 South China Sea arbitration and prolonged border standoffs along boundaries with India and Bhutan.
- **Implications for Sovereign Equality:** The primary risk is not the absolute collapse of multilateral institutions, but a gradual dilution of foundational values like sovereign equality and civil liberties, presenting a deep challenge to India's long-term geopolitical interests.



Key Definitions

- **Norm Entrepreneurship:** The systematic process by which a state or international actor conceptualizes, promotes, and institutionalizes alternative behavioral standards and values globally.



- **Westphalian Sovereignty:** The foundational principle of international law establishing the absolute territorial integrity and domestic political independence of sovereign states without external intervention.

Legal and Constitutional Context

- **Article 51:** Directive Principles of State Policy in the Constitution of India mandate the State to foster respect for international law and treaty obligations in the dealings of organized peoples with one another.
- **UN Charter & UNCLOS:** The structural basis of international rule of law. China's actions violate Article 2(4) of the UN Charter on territorial integrity and the statutory limits defined by the United Nations Convention on the Law of the Sea (UNCLOS).

Conclusion

China operates not as a revolutionary destroyer of the global framework, but as a selective revisionist hollowing out liberal international norms. To counter this structural redefinition, democratic actors must reinforce accountable multilateralism and defend rule-based territorial frameworks.

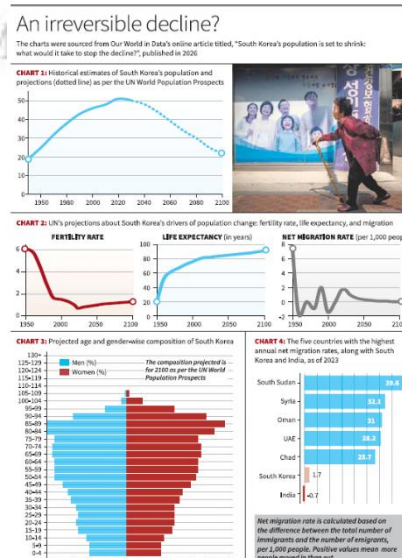
UPSC Relevance

- **Preliminary Examination:** Global groupings (AIIB, NDB, SCO), parameters of UNCLOS, and India's maritime and terrestrial border demarcations.
- **Main Examination (GS Paper II):** Bilateral, regional, and global groupings involving India or affecting India's interests, effect of policies and politics of developed and developing countries on India's sovereign interests, and India-China international dynamics.

8. Reversing South Korea's Demographic Crisis

Key Summary Points

- **Projections of Decline:** United Nations projections indicate South Korea's population could decline from 52 million in 2026 to 22 million by 2100, a massive 58% reduction over less than eight decades.
- **Fertility Reversal Scenario:** The total fertility rate has collapsed from six children per woman in 1960 to 0.75. Stabilizing the current population purely via births requires an unprecedented "baby boom," raising fertility to 2.1 by 2050.
- **Unrealistic Lifespan Extension:** To counteract low birth rates using longevity, average life expectancy would need to rise from 83 to 130 years by 2050. This requires a velocity of medical advancement 7.5 times faster than global historical peaks.
- **Migration Pivot:** Stabilizing the population through open-border policies requires raising the net migration rate from 1.3 to 9 immigrants per 1,000 residents annually, representing a seven-fold expansion over current levels.
- **The Viable Synthesis:** Demographers suggest that a realistic stabilization model demands a strong policy pivot targeting a long-term fertility rebound to 2.3 alongside structural adjustments to immigration frameworks.





Key Definitions

- **Total Fertility Rate (TFR):** The average number of children a woman would give birth to during her childbearing years (ages 15-49) based on current age-specific fertility rates.
- **Replacement-Level Fertility:** The specific TFR (typically 2.1 in low-mortality settings) required for a population to exactly replace itself from one generation to the next without migration.

Constitutional and Policy Implications

- **Demographic Dividend vs. Disaster:** While India currently leverages a large youth cohort, South Korea's crisis offers institutional lessons on public finance strains, workforce shrinkage, and unsustainable dependency ratios.
- **Article 47 (Indian Context):** Directs the State to raise the level of nutrition and the standard of living and to improve public health, which serves as India's primary constitutional link to population welfare policy and family planning governance.
- **Malthusian vs. Neo-Malthusian Theories:** The transition from concerns of global overpopulation to structural "underpopulation traps" presents a fundamental paradigm shift in modern macroeconomic and administrative planning.

Conclusion

South Korea's demographic contraction demonstrates that extreme fiscal incentives fail to naturally reverse sub-replacement fertility loops once deep socio-economic trends take root. Resolving such structural population crises requires a multi-sectoral approach combining labor market formalization, aggressive housing accessibility, and managed immigration paths.

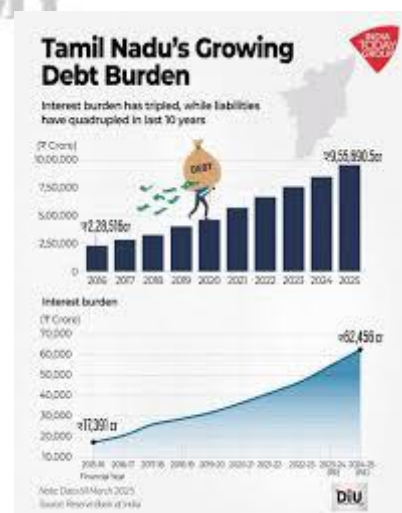
UPSC Relevance

- **Preliminary Examination:** Global demographic terminologies (TFR, Replacement level, Dependency Ratio), trends in UN Population Prospects, and demographic transitions.
- **Main Examination (GS Paper I & III):** Population and associated issues, poverty and developmental issues, effects of globalization on social structures, economic growth bottlenecks, and cross-country aging challenges.

9. Structural Fiscal Crisis and Autonomy in Tamil Nadu

Key Summary Points

- **Unsustainable Deficit Structure:** A white paper on Tamil Nadu's economy reveals that a substantial portion of its borrowing is deployed to fund current consumption (revenue deficit) rather than capital asset creation, with approximately 60 paise of every borrowed rupee spent on operational costs.
- **Erosion of Revenue Base:** The State's Own Tax Revenue (SOTR) to Gross State Domestic Product (GSDP) ratio has experienced a structural decline from 7.92% in 2011-12 to 5.45% in 2025-26, highlighting an acute compression in domestic tax mobilization capacity.
- **Asymmetrical Devolution:** Vertical and horizontal imbalances have penalized the State for its developmental success. The Finance





Commission's high weightage on per capita income distance and population has systematically reduced Tamil Nadu's share in the divisible pool from 5.305% (12th FC) to 4.023% (16th FC).

- **Fiscal Non-Discretionary Squeeze:** Pre-committed liabilities—comprising government salaries, pensions, and interest payments—consume 64% of total revenue receipts, escalating to 87% when combined with inflexible operational obligations, severely limiting the fiscal space for new development programs.
- **The Demographic Scissors Effect:** As India's fastest-aging major state (median age 34.25 years), Tamil Nadu faces a structural contraction of its working-age tax base alongside an escalating old-age dependency ratio, projected to rise to 32.7 by 2036. This creates an imbalance where revenue generation capacity falls as welfare expenditure demands rise.

Key Definitions

- **Fiscal Deficit:** The total margin by which a government's aggregate expenditure exceeds its non-borrowed receipts (tax revenues, non-tax revenues, and debt recoveries) within a financial year.
- **Revenue Deficit:** The excess of a government's current revenue expenditure (salaries, subsidies, interest payments) over its total revenue receipts, indicating borrowing for consumption rather than asset generation.
- **Scissors Effect:** A macroeconomic condition where a country's or state's revenue-generating capacity shrinks due to an aging demographic while its mandatory social security and healthcare expenditure obligations expand.

Constitutional and Legal Framework

- **Article 246A & 279A:** Provisions governing the Goods and Services Tax (GST) framework and the GST Council, which centralized major indirect taxation powers, reducing the independent tax autonomy of manufacturing states.
- **Article 270 & 280:** Governs the distribution of Union taxes and mandates the constitution of the Finance Commission to recommend criteria for vertical and horizontal resource devolution.
- **Cess and Surcharges (Article 271):** The increasing imposition of non-shareable cesses and surcharges by the Union government excludes substantial revenue streams from the divisible pool, reducing untied transfers to state governments.

Conclusion

Tamil Nadu's fiscal stress stems not from structural profligacy, but from structural traps embedded in modern cooperative federalism and demographic shifts. Overcoming this double crunch requires widening the local services tax base, plugging leakages in real estate and mineral sectors, and recalibrating federal fiscal negotiations to reward developmental performance over demographic volume.

UPSC Relevance

- **Preliminary Examination:** Indian Polity and Economy concepts surrounding Article 280 devolution metrics, components of the divisible pool, definitions of budget deficits, and GST institutional frameworks.
- **Main Examination (GS Paper II & III):** Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of finances, and mobilization of resources, growth, and fiscal policy management.



10. Accessibility of Government Edicts and Technical Standards

Key Summary Points

- **The Accessibility Principle:** The core principle that rules governing public life must be accessible to citizens dates back to Emperor Ashoka's rock edicts. Today, this logic applies to regulatory instruments, such as public safety and infrastructure specifications.
- **The Legal Status of Standards:** Technical bodies like the Indian Roads Congress (IRC) and the Bureau of Indian Standards (BIS) create guidelines that carry the force of law. These standards are regularly integrated into subordinate legislation, transport regulations, and judicial evaluations.
- **The Copyright Contention:** Non-profit initiatives scanning and hosting these public safety standards face copyright takedown notices from state-linked entities claiming proprietary control over documents that govern public safety.
- **The BIS Precedent:** A seven-year Public Interest Litigation in the Delhi High Court highlighted that restriction models are inefficient. The Ministry subsequently directed that all official Indian Standards be made freely downloadable.
- **The Shadow Instrument Challenge:** Think tanks and corporate experts argue for the elimination of "shadow instruments"—administrative circulars, office memoranda, and technical guidelines that carry legal force but remain hidden behind paywalls or scattered across unindexed platforms.
- **The Global Framework Model:** International courts, including the United States Supreme Court and the European Union constitutional bench, have ruled that mandatory safety standards form an integral part of the law and must remain in the public domain under the maxim "no man shall own the law."



Key Definitions

- **Edicts of Government:** Non-statutory or statutory instruments—including regulations, master circulars, technical standards, and notifications—that carry binding normative force over the public.
- **Works of Government:** Informational, research, or cultural documents produced by state agencies using public funds that do not carry binding legislative power but enrich public knowledge.

Constitutional and Legal Provisions

- **Article 19(1)(a):** The Right to Information is judicially recognized as an integral part of the Fundamental Right to freedom of speech and expression, enabling citizens to access the laws that govern them.
- **The Jan Vishwas Act:** Legislative framework aimed at improving the ease of doing business by decriminalizing minor offenses and reviewing subordinate legislations to eliminate regulatory ambiguities.
- **The Copyright Act, 1957:** Section 52 defines certain acts as fair dealing. Unlike foreign frameworks that bar copyright on government works, Indian law retains state copyright but permits replication for judicial proceedings or legislative reporting.

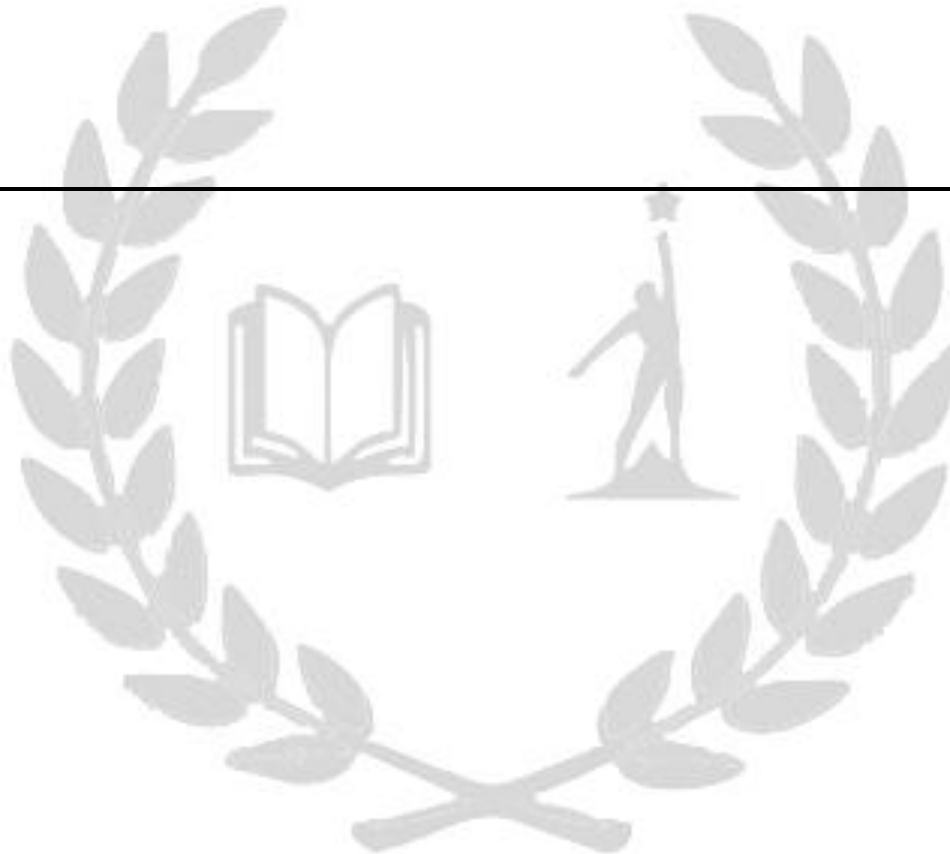


Conclusion

Enforcing transparency for official technical and safety standards is essential to protect democratic accountability and advance industrial initiatives like "Make in India." Implementing the Jan Vishwas framework should include publishing all government edicts on a single central website, such as India Code, rendering any inaccessible regulatory instrument null and void.

UPSC Relevance

- **Preliminary Examination:** Statutory provisions of the Right to Information Act, the role of the Bureau of Indian Standards, and the ambit of the Jan Vishwas framework.
- **Main Examination (GS Paper II & III):** Separation of powers, statutory, regulatory, and quasi-judicial bodies, e-governance applications, models, successes, limitations, and potential.



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