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INDEX

Examine the concept of the 'Orange Economy' as envisioned in the Union Budget 2026. Evaluate the institutional and policy frameworks required to harness India's creative industries for socio-economic empowerment and the enhancement of its global soft power.

Introduction

Globally valued at over **$2 trillion** and **employing 50 million people (UNESCO),** the creative economy has emerged as a growth frontier; **Budget 2026 formally integrates India's 'Orange Economy'** into national development strategy.

Understanding the 'Orange Economy': Concept and Origins

1. The 'Orange Economy' refers to economic activities where value originates from **creativity, culture, ideas and intellectual property**.

2. The term was popularised by **Iván Duque Márquez and Felipe Buitrago** in their 2013 book **The Orange Economy: An Infinite Opportunity**, associating 'orange' with culture, creativity and identity.

3. It encompasses cultural industries (heritage, crafts, performing arts) and creative industries such as design, fashion, cinema, music, advertising, architecture, and the fast-growing **AVGC sector (Animation, Visual Effects, Gaming and Comics)**.

4. For India, with its civilisational depth and demographic dividend, the orange economy represents a convergence of **economic growth, employment generation and cultural diplomacy**.

Orange Economy in Union Budget 2026: Strategic Recognition

1. The Union Budget 2026 mainstreams the creative economy as a **services-led growth engine**. Key announcements include the expansion of AVGC content creator labs across 15,000 secondary schools and 500 colleges through the Indian Institute of Creative Technologies, Mumbai, addressing the projected demand of two million professionals by 2030.

2. The proposal for a new **National Institute of Design in eastern India** aims at regional balance in creative education.

3. Further, the development of 15 archaeological sites into immersive cultural destinations reflects a shift from monument-centric tourism to an **experience-based heritage economy**, leveraging digital storytelling and interpretation technologies."

Socio-Economic Empowerment Potential

1. India's creative industries already contribute nearly $30 billion and employ about 8% of the workforce (MoHUA, 2024).

2. Budgetary emphasis on AVGC, live entertainment and design can create **high-value, non-routine jobs** resilient to automation.

3. Case studies such as the Jaipur Literature Festival—contributing over ₹100 crore to the local economy in five days—demonstrate strong spillovers to hospitality, MSMEs and urban services.

4. Creative clusters can also empower women, informal artists and rural artisans, aligning with **inclusive growth** and **vocal-for-local** objectives."

Institutional and Policy Frameworks Required

1. To unlock this potential, robust institutional support is essential. First, **IPR strengthening** is critical to protect creators, especially in the age of AI-generated content and digital piracy, echoing WIPO recommendations.

2. Second, **regulatory simplification**, including single-window clearances for events and productions, is necessary to reduce transaction costs.

3. Third, granting the creative sector formal **'industry status'** would ease access to credit, insurance and venture capital.

4. Fourth, export promotion frameworks—similar to **South Korea's support for the 'Hallyu wave'**—can scale India's cultural exports, enhancing soft power.

5. Finally, skill development must be aligned with NEP 2020 to integrate arts, technology and entrepreneurship."

Orange Economy and India's Global Soft Power

1. The creative economy functions as a tool of **non-coercive influence**, projecting narratives, values and identities.

2. India's cinema, gaming content, festivals and heritage tourism reinforce cultural diplomacy, complementing initiatives like 'Festivals of India' abroad.

3. As Joseph Nye argues, soft power flows from attraction rather than coercion—an advantage India can amplify through creative exports."

Conclusion

As President A.P.J. Abdul Kalam envisioned culture-led development, the Orange Economy can transform India's demographic dividend into creative capital, provided institutions convert cultural abundance into sustainable livelihoods and global influence.

Examine the governance blueprint in the Union Budget for managing India's 'Goldilocks' economy with 'judgement and resilience.' Evaluate the role of institutional frameworks in balancing fiscal consolidation with social welfare mandates amidst global economic and geopolitical uncertainties.

Introduction

Amid global fragmentation, India's 'Goldilocks' economy—moderate inflation with robust growth—faces governance challenges; the Union Budget, guided by Economic Survey insights, seeks to balance fiscal prudence, resilience, and welfare-led stability.

India's 'Goldilocks' Economy: Context and Constraints

1. India currently occupies a rare macroeconomic sweet spot: GDP growth above 6.5%, inflation within the RBI's tolerance band, and declining headline fiscal deficits.

2. However, the Economic Survey warns that persistent current account deficits, volatile capital flows, and geopolitical shocks—tariffs, export controls, and tech fragmentation—can quickly destabilise this balance.

3. In such conditions, governance must move beyond expansionary populism toward calibrated decision-making, combining discretion ('judgement') with shock-absorption ('resilience')."

Fiscal Consolidation with Judgement: Quality over Quantity

1. The Budget's governance blueprint emphasises fiscal credibility not merely through deficit numbers but through **expenditure composition**.

2. The fiscal deficit has declined from 9.2% of GDP in FY21 to 4.4% in FY26, while capital expenditure has expanded to ₹11.2 lakh crore.

3. This aligns with IMF and World Bank evidence that public capex has a higher fiscal multiplier than revenue spending.

4. By prioritising infrastructure, logistics and clean energy, the Budget aims to 'crowd in' private investment rather than pre-empt domestic savings—a concern highlighted by the FRBM Review Committee, which identified a sustainable CAD of around 2–2.5% of GDP."

Resilient Federalism: Role of State Finances

1. Judgement and resilience are equally relevant at the sub-national level. State deficits have risen to over 3% of GDP, with debt near 28% of GDP.

2. In integrated sovereign debt markets, state slippages elevate borrowing costs economy-wide. The Budget's increased capex-linked grants to States (₹1.6 lakh crore) reflect **cooperative fiscal federalism**, encouraging discipline through incentives rather than coercion.

3. However, as Finance Commission reports note, durable resilience requires shared fiscal rules, transparency, and reforms in State Development Loan markets.

Private Investment as the Stability Bridge

1. The Budget recognises that macro-stability without private investment cannot sustain growth.

2. With investment rates stabilised near 30% of GDP and corporate balance sheets deleveraged, institutional reforms—simplified regulations, faster contract enforcement, and MSME payment discipline—seek to lower the economy-wide cost of capital.

3. This reflects OECD findings that regulatory certainty is as critical as tax incentives in unlocking investment."

Climate, Trade and Competitiveness Institutions

1. Resilience is increasingly climate-contingent. The Budget links industrial competitiveness with decarbonisation through support for carbon capture, green steel, and rationalised customs duties.

2. This anticipates carbon border taxes such as the EU's CBAM, safeguarding export access. By aligning Atmanirbharta with 'friend-shoring' and trade agreements, India operationalises what Mark Carney terms governance in a 'disorderly transition'—building alliances across trade, energy and climate.

Human Capital and Urban Institutions

1. Long-term resilience rests on people and cities. With unemployment declining to 4.8% and female labour participation crossing 41%, the Budget reinforces skilling, AI-led productivity, and City Economic Regions.

2. Strengthened municipal finance—through municipal bonds and property tax reforms—addresses agglomeration benefits highlighted by the World Bank's urbanisation studies.

Conclusion

As President R. D. Sharma once stressed fiscal responsibility with compassion, the Budget reflects **Schumpeterian 'creative destruction'**—governing growth with restraint, resilient institutions, and social purpose amid global uncertainty.

Examine the 16th Finance Commission's recommendations in the context of India's evolving fiscal federalism. Evaluate whether 'cautious nudges' are sufficient to restore Center-State balance, or if fundamental structural changes are imperative to address growing vertical and horizontal financial imbalances.

Introduction

Tabled in **2026 amid GST centralisation and rising State debt**, the **16th Finance Commission sought to recalibrate fiscal federalism,** balancing stability and incentives, yet raised questions on adequacy of incremental reform.

Fiscal Federalism under Strain

1. India's fiscal federalism is undergoing a structural stress-test. States today face a **'triple bind': the end of GST compensation (2022), constrained borrowing under FRBM limits, and a shrinking effective divisible pool** due to expanding cesses and surcharges.

2. RBI's State Finances Report (2024) notes that States now finance even revenue expenditure increasingly through market borrowings, **with State Development Loans (SDLs) rising sharply.**

3. Against this backdrop, the **16th Finance Commission (FC-16), chaired by Dr. Arvind Panagariya**, was expected to offer not just redistribution, but restoration of balance.

The 'Cautious Nudges': What FC-16 Changes

The FC-16 largely favours continuity over disruption, offering calibrated adjustments rather than structural overhaul.

1. **Vertical Devolution Continuity:** Retaining States' share at **41% of the divisible pool** for 2026–31 reflects **fiscal conservatism.** While this ensures **Union macro-stability**, it **disregards States' demand for 50%,** despite expanding State responsibilities in health, education and welfare under **Articles 243G–W.**

2. **Horizontal Formula Recalibration:** A notable innovation **is replacing 'tax effort' with 'contribution to GDP'** and raising its weight from **2.5% (FC-15) to 10%**. This modestly **rewards productive, industrialised States such as Tamil Nadu and Maharashtra**, aligning with recommendations of the Economic Survey that incentives should reflect efficiency, not only need.

3. **Performance-Linked Transfers:** About **20% of local body grants** are now tied to outcomes like solid waste management and **property tax mobilisation**, nudging States towards accountability and outcome-based governance.

Why Cautious Nudges May Be Insufficient

Despite these refinements, the deeper structural distortions remain largely unaddressed.

1. **Vertical Imbalance and the 'Divisible Pool Trap': Article 270-based devolution** is undermined by **Article 271 cesses and surcharges**, whose share in **Gross Tax Revenue** has risen from **about 11% in 2015 to nearly 20% by 2026.** The FC-16 acknowledges this erosion but stops short of recommending their inclusion in the divisible pool—arguably the most critical reform needed.

2. **CSS-Driven Centralisation:** Nearly 42% of the increase in transfers in 2026–27 comes via **Centrally Sponsored Schemes (CSS).** As **NIPFP studies show**, CSS often convert States into implementing agencies of Union priorities, diluting fiscal autonomy and violating the spirit of cooperative federalism.

3. **Phasing Out Revenue Deficit Grants:** The discontinuation of **RDGs assumes uniform fiscal capacity, overlooking structural disadvantages** of hill States, aspirational districts, and conflict-affected regions, contrary to the equity principle emphasised by earlier Commissions.

Horizontal Balance: A Zero-Sum Adjustment?

1. The FC-16 attempts to bridge North–South tensions—especially amid 2027 delimitation anxieties—by balancing population weight with GDP contribution.

2. However, without expanding the overall pool, horizontal rebalancing becomes a zero-sum game, intensifying inter-State contestation rather than cooperative growth.

Way Forward: Need for Structural Reset

Restoring fiscal federalism requires **a 'grand bargain':**

- **Inclusion or capping of cesses and surcharges**,
- **Time-bound increase in vertical devolution (e.g., to 45%)**,
- **Stricter, uniform fiscal rules for both Centre and States**, and

- **Greater reliance on untied transfers over CSS**, as advocated by **the Sarkaria and Punchhi Commissions.**

Conclusion

As B. R. Ambedkar warned against excessive centralisation, durable federal balance needs structural reform; without fixing the divisible pool, FC-16's cautious nudges may only postpone India's fiscal reckoning.

Examine how the 2026 Delhi Declaration signifies a maturing of India's 'Link West' policy. Analyze how the declaration's explicit positions on regional security and its strategic silences reflect India's sophisticated balancing of ideological commitments with pragmatic national interests.

Introduction

Adopted in January 2026 amid West Asian fragmentation, the Delhi Declaration marks a new phase in **India's 'Link West' policy, reflecting strategic maturity** as India balances norms, security, and economic interests.

From 'Look West' to 'Link West': Strategic Evolution

1. India's **West Asia policy** has evolved from transactional energy-diaspora ties to a **multidimensional 'Link West' strategy** encompassing security, connectivity, and technology.

2. As highlighted in the **MEA's Annual Report (2024–25**), West Asia accounts for over **US$240 billion in trade, 60%** of crude oil imports, and hosts nearly nine million Indians.

3. The 2026 Delhi Declaration institutionalises this engagement by reviving India–Arab League dialogue after a decade, signalling India's intent to act as a stabilising stakeholder rather than a passive balancer.

Explicit Positions: Strategic Clarity in a Volatile Region

"The Declaration demonstrates unusual clarity on issues aligning with India's core interests.

1. **Normative Commitment to the Two-State Solution:** By explicitly endorsing a **sovereign Palestinian State on 1967** borders and reaffirming the **Arab Peace Initiative (2002),** India reiterates its historical **anti-colonial and Global South ethos**, consistent with Nehruvian diplomacy and India's voting record at the UNGA, while maintaining de-hyphenated ties with Israel.

2. **Zero Tolerance for Terrorism:** The **Arab League's condemnation of terrorism**, including cross-border terror and misuse of emerging technologies by non-state actors, reinforces India's long-standing **narrative post-26/11 and aligns with UNSC Resolution 1373**. It reflects convergence on internal security concerns amid rising drone and AI-enabled threats.

3. **Maritime Security and Global Commons:** The Declaration's emphasis on securing the **Red Sea, Bab al-Mandab, and Gulf of Aden aligns with India's SAGAR doctrine** and mission-based naval deployments. Given that nearly **12% of global trade passes through these chokepoints (World Bank)**, India's proactive stance enhances its image as a net security provider.

Strategic Silences: Autonomy through Non-Interference

What the Declaration omits is equally revealing of India's diplomatic sophistication.

1. **Neutrality in Intra-Arab Rivalries:** By avoiding references **to Saudi–UAE competition** in **Sudan, Libya, and Somalia**, India preserves its partnerships across fault lines, reflecting its **doctrine of 'multi-alignment' rather than bloc politics.**

2. **Non-Intervention in Domestic Politics:** Silence on governance **transitions in Sudan, Yemen, and Libya** reinforces India's principled commitment to sovereignty and territorial integrity, echoing the Bandung spirit and contrasting with Western interventionist approaches.

3. **Caution on Iran–US Escalation:** The omission of Iran-related tensions allows **India diplomatic flexibility,** crucial for safeguarding interests like **Chabahar connectivity** to **Central Asia**, even amid US sanctions pressure, as noted in the **Economic Survey (2025–26).**

Future-Oriented Engagement: Beyond Oil and Diaspora

The Declaration pivots India–Arab ties toward the future economy.

1. **Energy Transition and Connectivity:** Focus on green hydrogen and the **India–Middle East–Europe Economic Corridor (IMEC) reflects** India's aspiration to integrate **West Asia into global value chains** while supporting its net-zero commitments.

2. **Digital Public Infrastructure (DPI):** India's offer to share **India Stack (UPI, ONDC) positions** it as a development partner, reinforcing South–South cooperation and soft power leadership.

Conclusion

As **President K. R. Narayanan argued**, foreign policy must blend ideals with interests; the Delhi Declaration reflects this synthesis, marking India's confident transition from cautious engagement to calibrated leadership in West Asia.

Analyze the structural resilience of the India–US partnership in navigating transient trade frictions and personality-driven diplomacy. Evaluate how a deep institutional architecture and strategic convergence have insulated this durable relationship from being derailed by single-issue disruptions in a volatile global order.

Introduction

Despite **tariff shocks and 'America First' politics**, India–US ties remain resilient; underpinned by strategic convergence, bilateral trade of **over $190 billion**, and institutional depth built since the post–Cold War realignment.

Structural Resilience and Transactional Tensions to Strategic Patience

1. Trade frictions during the Trump years—**Section 232 tariffs on steel and aluminium, GSP** withdrawal, and disputes over agricultural and ICT market access—tested the partnership.

2. India's calibrated response of **'restrained reciprocity'** reflected strategic patience rather than retaliatory escalation.
3. This approach recognised that episodic trade disputes are tactical irritants, not strategic fault lines, in a relationship driven by **long-term geopolitical convergence.**
4. The eventual 2026 trade deal closure demonstrates crisis management through diplomacy, not coercion.

Dense Institutional Architecture as Strategic Shock Absorber: Institutionalisation Over Personalities

The durability of India–US ties lies in a multi-layered institutional architecture that transcends leadership styles:

1. **2+2 Ministerial Dialogue** anchors defence and foreign policy coordination, ensuring continuity across administrations.
2. **Defence Integration** has moved from buyer–seller to co-production, exemplified by the GE F414 jet engine manufacture in India and foundational agreements (LEMOA, COMCASA, BECA).
3. **Initiative on Critical and Emerging Technology (iCET)** embeds cooperation in semiconductors, AI, quantum, and space—areas defined as 'strategic assets' in the US National Security Strategy (2025).

This institutional density makes the partnership 'personality-proof', consistent with neoliberal institutionalist theory in international relations.

Strategic Convergence as the Gravitational Core

The China Factor and Indo-Pacific Alignment

1. A shared concern over **China's revisionist behaviour** in the Indo-Pacific constitutes the **structural glue of India–US relations.**

2. The **Quad's institutionalisation**—covering maritime domain awareness, resilient supply chains, and vaccine diplomacy—has elevated bilateral ties into a **plurilateral framework, reducing vulnerability to bilateral frictions.**

3. The **US Indo-Pacific Strategy and India's SAGAR doctrine converge** on preserving a rules-based order and preventing regional hegemony.

Technology Sovereignty and 'Friend-shoring'

1. Both countries view critical technologies as determinants of national power. India's emergence as a **'trusted geography'** for supply-chain diversification aligns with US 'de-risking, not decoupling' from China.

2. Semiconductor collaboration and **defence industrialisation reinforce mutual interdependence,** converting economic cooperation into a security imperative.

Managing Persistent Frictions without Strategic Rupture

Strategic Autonomy and Issue-Based Differences

1. India's continued engagement with **Russia—S-400 acquisition and discounted oil** imports—illustrates its strategic autonomy.

2. Yet, these differences have not derailed ties, **reflecting Washington's acceptance of India** as **a 'non-allied partner' rather than a treaty ally.**

3. Similarly, **legal and consular irritants** (visas, transnational investigations) test diplomatic maturity but are managed through institutional channels rather than public coercion.

Pakistan and Russia: Declining Spoilers

1. Contrary to **Cold War-era hyphenation, Pakistan no longer enjoys strategic parity** with India in US calculations, given widening economic and geopolitical asymmetry.

2. Russia's relative decline in **India's strategic calculus further** limits its potential as a spoiler, especially as US–Russia tactical engagement itself continues.

Implications in a Volatile Global Order

1. The India–US partnership exemplifies 'resilient alignment'—a relationship capable of absorbing shocks from protectionism, leadership idiosyncrasies, and global uncertainty.

2. As global governance fragments and power transitions accelerate, such structurally anchored partnerships gain salience.

Conclusion

As Kautilya advised enduring alliances rest on interests, not affection; backed by institutions and convergence, India–US ties reflect this realism, proving resilient amid storms, shaping Asia's balance of power.

Examine the paradox of 'visible progress and invisible exclusion' in India's economic trajectory. Analyze whether a growth model prioritized on 'clinical efficiency' is structurally marginalizing the labor force, and evaluate strategies required to ensure truly inclusive and job-led development.

Introduction

India's **7% growth, record capex and Digital Public Infrastructure** contrast sharply with persistent informality, a youth **NEET rate near 25%,** and widening wage–productivity gaps, revealing a paradox of progress without inclusion.

Visible Progress: The Architecture of 'Clinical Efficiency'

Capital-Intensive Growth and Technological Precision

1. India's **post-pandemic growth model prioritises** capital formation as the organising principle of fiscal policy.

2. **Public capex has risen** from about **12% of total expenditure in 2020–21 to over 22%** by 2026–27, aligned with infrastructure-led productivity gains.

3. **Digital Public Infrastructure—Aadhaar, UPI, ONDC**—and AI-enabled governance have delivered **'frictionless efficiency' in** service delivery, tax compliance and financial inclusion, reinforcing macro-stability and ease of doing business.

Industrial Policy Bias toward Automation

1. **Production Linked Incentive (PLI) schemes** in electronics, semiconductors and pharmaceuticals have boosted output and exports, but these sectors are inherently capital- and technology-intensive.

2. As **the ILO (Global Employment Trends) notes**, such sectors exhibit low employment elasticity, generating fewer jobs per unit of investment compared to textiles, food processing or leather.

Invisible Exclusion: Labour at the Margins of Growth

Jobless Growth and Weak Employment Elasticity

1. Despite high GDP growth, labour absorption remains sluggish. **CMIE and PLFS data show** that construction **employment elasticity declined from 0.59 (2011–19)** to about 0.42 post-COVID, even as infrastructure spending peaked.

2. Simultaneously, agriculture has reabsorbed labour, with employment elasticity rising to over **1.5—signalling distress-driven fallback** rather than structural transformation, contrary to Lewis and Kuznets models of development.

Informality, Gig Work and Social Security Deficits

1. Formalisation through GST and digital compliance has often squeezed labour-intensive MSMEs, pushing workers into informal self-employment or the gig economy.

2. Platform work offers flexibility but lacks pensions, health insurance and wage security, rendering labour 'statistically efficient but socially invisible', as noted in NITI Aayog's gig economy reports.

Wage–Productivity Divergence

1. Annual Survey of Industries data reveal that net value added per worker has grown much faster than average emoluments.

2. Efficiency gains from infrastructure and automation are captured as profits rather than labour income, exacerbating inequality and constraining mass consumption demand.

Is 'Clinical Efficiency' Structurally Marginalising Labour?

Growth without Breathing Employment

1. The current model treats employment as a residual outcome of growth, **not a co-equal policy objective.**

2. As **Amartya Sen argues**, development divorced from livelihoods undermines capability expansion.

3. Persistently **high NEET rates among youth (15–29 years)** indicate that the demographic dividend risks turning into a demographic liability.

Towards Human-Centric and Job-Led Development

1. Reorienting Industrial and Fiscal Incentives: India must complement PLI with **Employment-Linked Incentives (ELI)** to reward firms that generate quality jobs. Labour-intensive sectors—textiles, food processing, tourism—require **targeted credit, technology upgradation and export support,** as seen in Vietnam's manufacturing-led employment strategy.

2. **MSME and Agro-Processing Revival:** Strengthening **MSME clusters** through easier compliance, patient capital and logistics integration can raise labour absorption. Agro-processing and allied activities can create non-farm rural employment, aligning with the **World Bank's 'farm-to-firm' transition framework.**

3. **Investing in the Care and Green Economy:** Health, education, childcare, eldercare and climate-resilient infrastructure are inherently labour-intensive and generate a 'social wage'. **OECD evidence shows such sectors combine inclusion** with **productivity spillovers.**

4. **Skill–Technology Alignment:** Skilling must move beyond certification to **firm-linked apprenticeships,** as **recommended by the Economic Survey,** ensuring youth are employable in Industry 4.0 without excluding the semi-skilled.

Conclusion

As **Mahatma Gandhi** warned against growth without employment, India must align efficiency with dignity of work; only labour-centred development can convert headline growth into **'Viksit Bharat', echoing UN SDG-8.**

Analyze the strategic drivers of the 2026 'reset' in UK–China relations. Evaluate whether Trump's trade protectionism acts as a primary catalyst for this shift, and examine how London balances economic pragmatism with the imperatives of national security and the transatlantic partnership.

Introduction

Keir Starmer's 2026 China visit reflects **post-Brexit economic stress,** global trade fragmentation, and US tariff uncertainty, **reviving UK–China engagement amid declining trust**, security anxieties, and a volatile transatlantic order.

Strategic Drivers of the 2026 'Reset' in UK–China Relations

Post-Brexit Economic Imperatives

1. Brexit structurally altered the **UK's growth model by exiting the EU single market**, its largest trading partner.

2. The **UK's GDP growth has remained sluggish**, compounded by a cost-of-living crisis and weak investment sentiment.

3. According to the IMF (World Economic Outlook), Britain's medium-term growth prospects lag behind peer advanced economies. **Against this backdrop, China**—now the **world's second-largest economy** and a major source of **capital—re-emerges as a critical economic partner.**

4. The **$15 billion AstraZeneca investment signals London's attempt** to attract long-term, high-value foreign direct investment in **life sciences, a comparatively 'low-security-risk' sector.**

Global Trade Fragmentation and Multipolar Realignments

1. The World Trade Organization has warned of **'slowbalisation'** and rising trade barriers.

2. The **erosion of multilateral trade norms** has pushed middle powers like the **UK towards diversification.** China, simultaneously seeking to **reduce overdependence on US markets,** finds convergence with Britain's need for alternative demand and capital flows.

3. This mutual **hedging explains tariff reductions** on **British whisky and negotiations** on services trade, leveraging the UK's comparative advantage as the world's second-largest services exporter.

Is Trump's Trade Protectionism the Primary Catalyst?

Trump as a 'Trigger', Not the Sole Cause

1. President Trump's **renewed tariff threats against allies**, including the UK, act as an accelerant rather than the root cause.

2. The **second Trump administration's 'America First 2.0'**—marked by **unilateral tariffs and scepticism toward alliances**—has strained the assumed reliability of the **'special relationship'.**

3. As **Susan Strange's theory** of structural power suggests, uncertainty in market access forces states to rebalance economic dependencies. However, UK–China ties were already thawing due to domestic economic pressures and China's global market diversification strategy.

Strategic Hedging by a Middle Power

1. Rather than bandwagoning with China, London is engaging in strategic hedging—maintaining ties with multiple power centres to reduce vulnerability.

2. Similar behaviour is visible among EU states and Canada, indicating that Trump's protectionism catalyses but does not singularly determine the reset.

Balancing Economic Pragmatism with Security Imperatives

Security Guardrails and 'Clear-Eyed Engagement'

1. The **UK's approach reflects** what policymakers call **'clear-eyed engagement'**.

2. Restrictions on **Huawei, scrutiny of Chinese investments under the National Security and Investment Act (2021),** and concerns over espionage highlight firm security red lines.

3. Issues like **Hong Kong's autonomy, Xinjiang human rights,** and alleged surveillance activities remain unresolved, demonstrating that economic engagement is compartmentalised from strategic trust.

Managing the Transatlantic Partnership

1. London continues to anchor its security posture in **NATO, AUKUS, and intelligence cooperation through Five Eyes**.

2. China engagement is **carefully calibrated to avoid undermining US strategic priorities**, particularly in critical technologies and defence supply chains.

3. This mirrors **Australia's 'trade with China,** security with the US' doctrine, though with greater caution given Britain's intelligence exposure.

Assessment: A Fragile, Transactional Reset

1. The 2026 reset is neither a return to the **'Golden Era' of 2015 nor a strategic realignment** away from Washington.

2. It is a **transactional, sector-specific engagement** shaped by economic necessity, global uncertainty, and strategic restraint.

3. The pervasive atmosphere of digital security precautions during **Starmer's visit symbolises the trust deficit underlying the rapprochement.**

Conclusion

As Palmerston observed, nations have **'permanent interests, not friends';** UK–China ties reflect pragmatic hedging in a fragmented order, constrained by security anxieties and enduring transatlantic commitments, not a full strategic convergence.

Examine the evolving jurisprudence on platform liability in India, balancing the 'Safe Harbor' principle with the imperative of founder accountability. Evaluate how recent judicial interventions regarding intermediary due diligence impact digital entrepreneurship and the protection of user rights in the burgeoning digital economy.

Introduction

India's digital economy, projected to reach **$1 trillion by 2030 (MeitY–IBEF),** faces rising platform-liability disputes, as **courts recalibrate 'safe harbor' protections amid online fraud**, deepfakes, and escalating intermediary accountability.

Evolution of Platform Liability Jurisprudence in India

From Neutral Intermediaries to Conditional Immunity

1. The foundation of platform liability lies in **Section 79 of the Information Technology Act, 2000**, which grants intermediaries **'safe harbor' from liability for third-party content.**

2. However, this immunity is conditional upon adherence to **'due diligence' and non-involvement in content initiation**, **modification, or transmission.**

3. The **Supreme Court** in **Shreya Singhal v. Union of India (2015)** clarified that **'actual knowledge' triggering liability arises** only through court orders or government notifications, thereby protecting platforms from arbitrary policing."

Judicial Shift toward Fact-Specific Scrutiny

1. Recent cases, including **Anupam Mittal v. State of Telangana (2026),** mark a jurisprudential shift from blanket immunity to contextual examination.

2. The Supreme Court's insistence that **High Courts assess whether allegations** disclose any offence at all reflects a move towards **'merit-based liability'**, rather than procedural shortcuts such as reliance on low punishment thresholds **(as cautioned in Arnesh Kumar).**

Safe Harbor vs. Founder Accountability

Piercing the Corporate Veil in the Digital Context

1. A notable trend is the naming of **founders and CEOs in FIRs,** effectively 'piercing the corporate veil'.

2. Law enforcement increasingly invokes **Bharatiya Nyaya Sanhita (BNS)** provisions on cheating and breach of trust to **bypass IT Act protections.**

3. This represents a transition from platform-level to **individual-level accountability**, particularly where alleged negligence in verification or grievance redressal exists.

Due Diligence 2.0: From Reactive to Proactive Compliance

1. The **IT Rules, 2021 (amended 2023),** mandate grievance officers, **traceability (for significant social media intermediaries),** and proactive content moderation.

2. Courts now assess whether platforms followed their own safety protocols, cooperated with investigations, and adopted reasonable verification measures.

3. In the **Shaadi.com case**, the core issue is whether absence of mandatory ID verification amounts to criminal negligence or remains within permissible intermediary discretion.

Impact on Digital Entrepreneurship

Chilling Effect on Innovation and Startups

1. India hosts over **100,000 startups,** many operating **'trust-based' platforms** such as **matrimonials, EdTech, and HealthTech.**

2. The threat of founder arrest for **off-platform user crimes** risks creating a **'regulatory chill', discouraging entrepreneurship and innovation.**

3. Smaller startups may be **disproportionately affected**, as **compliance-heavy regimes** favour capital-rich Big Tech, undermining the government's 'Ease of Doing Business' and 'Startup India' objectives.

Rising Compliance Costs and Digital Exclusion

1. Enhanced verification norms increase operational costs and may exclude users lacking formal **identification, exacerbating the digital divide.**

2. The **World Bank's Digital Development Report** warns that **excessive gatekeeping** can marginalise vulnerable populations, particularly women and rural users, from online platforms.

Protection of User Rights in the Digital Economy

1. Victim-Centric Concerns in the Age of AI Fraud: With the proliferation of AI-generated profiles, deepfakes, and romance scams, victims increasingly perceive **'safe harbor' as a shield for platform irresponsibility**. **NCRB data indicates** a sharp rise in cyber fraud cases, intensifying demands for platform accountability.

2. Judicial Balancing through Proportionality: The Supreme Court's approach in remitting the Mittal case underscores **proportionality—protecting founders from arbitrary criminalisation** while ensuring platforms cannot hide behind neutrality if due diligence is demonstrably absent. This signals a gradual shift from **'notice-and-takedown' to a 'duty of care' model,** without adopting the stringent **EU-style Digital Services Act wholesale.**

Conclusion

As **Dr. A.P.J. Abdul Kalam** envisioned technology as an **enabler of inclusive growth**, India's courts now seek equilibrium—fostering digital innovation while embedding responsibility, fairness, and trust within an increasingly complex online ecosystem.

Examine the recent financial turnaround of Indian DISCOMs through reduced AT&C losses and narrowed ACS-ARR gaps. Evaluate if this progress reflects structural resilience or if continued reliance on state subsidies and debt takeovers masks persistent systemic vulnerabilities.

Introduction February

India's 72 DISCOMs reported a collective PAT of ₹2,701 crore in FY2024-25 for the first time in a decade, driven by RDSS reforms, smart metering, and payment discipline, signalling a potential inflection point in power sector governance.

Visible Financial Turnaround: Quantifiable Gains in Efficiency

1. **AT&C Loss Compression:** Aggregate **Technical and Commercial losses** declined sharply from **22.6% in 2014 to about 15.04% in FY25**, reflecting improvements in energy accounting, feeder segregation,

and theft reduction. States like **Gujarat and Odisha** illustrate how **privatization and franchisee models improve collection efficiency.**

2. **ACS-ARR Convergence:** The gap between **Average Cost of Supply and Average Revenue Realised narrowed** to ₹0.06/kWh in FY25 from ₹0.78/kWh in 2013-14, indicating near **cost-recovery pricing**. This aligns with recommendations of the **Kelkar Committee on Fiscal Consolidation** advocating user-charge rationalization.

3. **Payment Discipline and Liquidity Management: Late Payment Surcharge Rules, 2022** forced DISCOMs to clear over **₹1.31 lakh crore of legacy dues via EMIs,** restoring generator confidence and reducing systemic liquidity stress. This also strengthened India's renewable energy payment ecosystem.

Structural Fragilities Beneath the Surface Recovery

1. **The Subsidy-Dependent Profitability Trap:** Power subsidies crossed ₹2.62 lakh crore in 2025, with several DISCOMs reporting profits only after state-led tariff subsidies and loss takeovers. For instance, **Tamil Nadu's TNPDCL** posted profits solely due to ₹31,000+ crore fiscal support, as flagged by **PFC's Integrated Rating Exercise (2026)**.

2. **Debt Overhang and Fiscal Spillovers:** Despite improved cash flows, cumulative DISCOM debt remains near ₹7 trillion, often transferred to state balance sheets. The **16th Finance Commission** cautioned that such 'debt parking' weakens sub-national fiscal sustainability.

3. **Uneven Reform Geography:** While Punjab and select Rajasthan utilities turned profitable, Telangana and Tamil Nadu together account for nearly one-third of national accumulated losses. This reveals a persistent **political economy of free power** and tariff populism.

Liquidity Turnaround vs Structural Resilience: An Evaluation

1. Policy-Induced Recovery, Not Market Discipline: The turnaround remains largely state-engineered rather than efficiency-driven, with limited tariff autonomy for **State Electricity Regulatory Commissions (SERCs).**

2. **Labour and Cost Pressures Ahead:** Upcoming pay revisions and rising renewable integration costs may reverse gains unless backed by productivity improvements. **World Bank (2023) notes** India's distribution reforms lag behind generation reforms in depth.

The Road Ahead: From Bailouts to Business Models

1. **Tariff Rationalisation with Targeted Subsidies: Direct Benefit Transfer** of electricity subsidies, as **piloted in Punjab agriculture**, can delink welfare from utility balance sheets.

2. **Technology-Led Demand Management:** Time-of-Day tariffs, **AI-enabled loss detection**, and **universal smart metering** can flatten peak demand and reduce procurement costs.

3. **Structural Reforms in Governance:** Privatisation experiments in Odisha and franchisee models in **Maharashtra demonstrate the gains** from professional management and accountability.

Conclusion

As **President A.P.J. Abdul Kalam** observed, 'Economic growth without institutional reform is illusionary.' DISCOM viability demands cost-reflective tariffs, political restraint, and consumer trust to convert policy-led recovery into enduring structural resilience.

Evaluate the strategic potential of sodium-ion technology in mitigating India's critical mineral dependencies. Analyze how transitioning from lithium-ion to sodium-based systems can enhance supply-chain resilience and secure India's energy independence in an increasingly volatile global mineral market.

Introduction

India's battery demand is projected to grow over **6-fold by 2030 (IEA),** yet lithium import dependence above **80%** exposes strategic vulnerabilities, necessitating alternatives like sodium-ion technology for energy sovereignty.

Critical Mineral Dependence: The Structural Vulnerability of Lithium-ion

1. **Geopolitical Concentration Risk:** Lithium, cobalt, and nickel are geographically concentrated in the **Lithium Triangle**, DRC, and China-dominated refining chains. As per **World Bank (2023)**, mineral demand for clean energy may rise **3–4 times by 2040**, intensifying geopolitical choke points—akin to pre-1991 oil dependence.

2. **Import-Driven Cost and Security Stress:** India imports nearly all lithium-ion cells, making EV and storage targets vulnerable to **price volatility**, export controls, and supply shocks, as seen during post-COVID and Ukraine-war disruptions.

Strategic Potential of Sodium-ion: Redefining Material Security

1. **Abundance-Led Mineral Security:** Sodium is the **6th most abundant element**, extractable from salt and soda ash. India's long coastline and inland reserves ensure **domestic material availability**, reducing exposure to cartelised mineral markets.

2. **Critical-Mineral Substitution Advantage:** Most sodium-ion chemistries eliminate **lithium, cobalt, nickel, and copper**, using aluminium current collectors instead—lowering critical mineral intensity, a key goal under **India's Critical Minerals Strategy (2023)**.

Supply Chain Resilience through Manufacturing Compatibility

1. **Infrastructure Reusability and Industrial Flexibility:** Sodium-ion cells can be produced using existing **Li-ion gigafactories** with minor modifications. This enables **technology hedging**, reducing stranded asset risk under the **PLI-ACC Scheme**.

2. **Logistics and Safety as Strategic Enablers:** Na-ion batteries can be transported and stored at **0 volts**, unlike Li-ion (restricted to ≤30% SoC). This reduces logistics costs and aligns with **India's tropical safety requirements**, especially for rail-road multimodal transport.

Energy Security and Sectoral Fit: Where Sodium-ion Excels

1. **Grid Storage and Renewable Integration:** For stationary storage, where **energy density is secondary to cost and safety**, sodium-ion batteries are ideal. With India targeting **500 GW non-fossil capacity by 2030**, resilient grid storage is indispensable.

2. **Mobility for the Masses:** Sodium-ion suits **e-rickshaws, two-wheelers, and urban mobility**, supporting inclusive electrification rather than premium EVs alone—aligning with India's developmental priorities.

Limitations and the Transition Logic

1. **Energy Density Trade-off:** Lower gravimetric density (~140–160 Wh/kg) limits long-range EV and aviation use. Hence, sodium-ion should be viewed as a **complement, not a replacement**, to lithium-ion—especially LFP.

2. **Nascent Domestic Ecosystem:** Hard-carbon anodes and Prussian Blue cathodes need scaling. Focused R&D through **DST, CSIR, and Mission Innovation** is essential.

Way Forward: Strategic Integration, Not Technological Substitution

1. **Policy and Regulatory Alignment:** Expand **PLI-ACC** to explicitly include sodium-ion, develop **BIS standards** for Na-ion safety and performance and support pilot deployments in DISCOM-linked storage and public transport.

2. **Strategic Outcome:** A diversified battery chemistry portfolio enhances **strategic autonomy**, reduces mineral risk, and insulates India from global mineral volatility.

Conclusion

Echoing **Dr. A.P.J. Abdul Kalam's** vision of technological self-reliance, sodium-ion batteries offer India a strategic hedge—ensuring the clean-energy transition is **secure, inclusive, and sovereign**.

Analyze the 'hop-on, hop-off' nature of global climate governance and its reliance on procedural milestones over substantive outcomes. Evaluate the extent to which this 'illusion of progress' hinders real-world implementation, and suggest reforms to ensure accountability in international climate negotiations.

Introduction

Despite three decades of UN-led negotiations, global emissions touched **57.4 $GtCO_2e$ in 2024** (UNEP), revealing a widening gap between climate ambition and action, often masked by procedural optimism.

Understanding the 'Hop-on, Hop-off' Nature of Climate Governance

1. **Procedural Multilateralism without Obligation:** Global climate governance under the **UNFCCC–Paris architecture** is largely **voluntary and consensus-driven**. Countries hop on to ambitious declarations at COPs but hop off during domestic implementation, citing development priorities, fiscal constraints, or political transitions.

2. **Politics over Planetary Boundaries:** National interest routinely overrides global urgency. As seen after the **U.S. withdrawal and re-entry into the Paris Agreement**, climate commitments remain hostage to electoral cycles, weakening policy continuity and credibility.

The 'Illusion of Progress': Process Substituting Outcomes

1. **The NDC Treadmill Effect:** Countries repeatedly revise **Nationally Determined Contributions (NDCs)**, yet most lack **sector-wise implementation roadmaps, financing plans, or legal backing**. According to **Climate Action Tracker (2024)**, existing NDCs place the world on a **2.5–2.7°C pathway**, far from the 1.5°C goal.

2. **Global Stocktake without Enforcement:** The **Global Stocktake (GST)** offers diagnostic clarity but no corrective mechanism. Emissions continue rising despite repeated acknowledgements that mitigation efforts are insufficient, highlighting the limits of **name-and-shame transparency frameworks**.

3. **Finance Gap and Accounting Illusions:** While COPs reiterate climate finance pledges, actual flows remain inadequate. Developing countries require **$2.4–3 trillion annually** (UNFCCC), but current flows are under **$400 billion**, often inflated through loan-heavy or re-labelled aid accounting.

How the Illusion of Progress Hinders Real-World Implementation

1. **Delayed Mitigation and Lock-in Effects:** Non-binding fossil-fuel phase-down language has enabled continued investment in carbon-intensive infrastructure, creating **carbon lock-ins** incompatible with net-zero trajectories.

2. **Adaptation and Loss & Damage Deficits:** Adaptation finance remains marginal, and the **Loss and Damage Fund**, though operationalised, is under-capitalised—exposing vulnerable nations to climate shocks without commensurate support.

3. **Erosion of Trust and Equity:** Failure to honour **Common but Differentiated Responsibilities (CBDR)** deepens North–South mistrust, weakening collective action and reducing developing countries' willingness to enhance ambition.

Structural Barriers Embedded in Climate Governance

1. **Consensus-Based Paralysis:** The unanimity rule allows a few fossil-fuel-dependent states to dilute outcomes, producing lowest-common-denominator texts heavy on intent, light on obligation.

2. **Fragmented Institutional Architecture:** Multiple overlapping workstreams under CMP, CMA, and subsidiary bodies prioritise **process compliance over emissions outcomes**, leading to governance drift rather than decisive action.

Reforms to Ensure Accountability and Action

1. **From Voluntary to Conditional Commitments:** Introduce **binding sectoral targets** for power, transport, and industry. Link ambition to **measurable implementation benchmarks**

2. **Trade and Technology as Enforcement Tools:** Align climate goals with **trade instruments** like CBAMs. Protect green subsidies while disincentivising carbon-intensive exports

3. **Radical Transparency and Monitoring:** Use **satellite data, AI-based MRV systems**, and independent verification to move beyond self-reporting.

4. **Institutional Streamlining:** Establish a lean **Climate Executive Mechanism** empowered to fast-track technical decisions and monitor compliance

Conclusion

As **Dr. A.P.J. Abdul Kalam** reminded, Vision without action is a dream. Climate governance must move beyond negotiated optics to accountable action—measured in **emissions reduced, finance delivered, and lives protected**.

Examine the role of AI and energy in redefining global rules within a fragmented world order. Analyze the impact of stable oil prices, despite geopolitical volatility, on the competitive corridor between fossils and renewables and its implications for international strategic autonomy.

Introduction

By 2026, amid wars, sanctions and supply shocks, stable oil prices and rapid AI diffusion signal a shift in global power, where technological capability and energy resilience increasingly define strategic autonomy.

Fragmented World Order and the Changing Grammar of Power

1. **From Rule-based Multilateralism to Transactional Realism:** The contemporary world order is no longer anchored in shared norms but in transactional bargains driven by relative power. Military strength and GDP now coexist with **technological depth** and **energy security** as determinants of influence. Institutions persist, but compliance is selective, producing a fragmented, interest-driven geopolitics.

2. **Hierarchy over Ideology:** In this hierarchy, attention gravitates toward regions of strategic value, not humanitarian urgency. This explains why energy chokepoints, AI supply chains, and semiconductor hubs command greater diplomatic focus than climate vulnerability or civil conflicts.

Artificial Intelligence as a Rule-Making Instrument

1. **AI as Strategic Infrastructure, Not Just Technology:** AI has transitioned from a productivity tool to sovereign infrastructure. Control over the **AI stack**—data, algorithms, compute power, and energy-intensive data centres—now underpins governance, defence, and economic competitiveness. Reports by **OECD and McKinsey** estimate AI could add **$13–15 trillion** to global GDP by 2030, but benefits remain uneven.

2. **Geo-economic Leverage and Digital Asymmetry:** Countries leading in AI standards and platforms shape global norms by default. The US–China rivalry over chips, export controls, and model governance illustrates how AI is redefining rules without treaties. Nations lacking AI capacity risk becoming **'digital dependents'**, deepening North–South divides.

The Oil Paradox: Stability Amid Geopolitical Turbulence

1. **Structural Supply Buffering Volatility:** Despite sanctions on Russia, instability in West Asia, and collapsing producers like Venezuela, oil prices have remained relatively stable.According to **IEA (2025)**, non-OPEC supply growth from the US, Brazil, and Guyana has structurally exceeded demand growth, acting as a **geopolitical shock absorber**.

2. **Decoupling Conflict from Energy Panic:** Unlike the 1970s oil shocks, contemporary conflicts no longer automatically translate into price spikes. This weakens the coercive power of energy disruptions and alters strategic calculations for both producers and importers.

The 'Narrowing Competitive Corridor': Fossils vs Renewables

1. **Economic Headwinds to the Green Transition:** Stable fossil fuel prices compress the cost differential between fossils and renewables. For developing economies, this narrows the **economic incentive** to rapidly decarbonise, especially when green technologies face mineral constraints.

2. **Critical Mineral Bottlenecks:** Energy transition is no longer carbon-constrained but mineral-constrained. **S&P Global** projects a **10 million-ton copper deficit by 2040**, while lithium, cobalt, and rare earths are geopolitically concentrated, raising the risk of replacing oil dependence with mineral dependence.

3. **Industrial Policy Replacing Price Signals:** As market signals weaken, states increasingly rely on industrial policy. Subsidies, PLIs, carbon border adjustments, and localisation rules turn the energy transition into a race for **factories, jobs, and supply chains**, not merely emissions reductions.

Implications for Strategic Autonomy

1. **Energy-AI Convergence as Power Multiplier:** Strategic autonomy now lies in integrating AI with energy systems. AI-enabled grids, demand forecasting, and storage optimisation enhance resilience, while domestic manufacturing reduces exposure to external shocks.

2. **India's Balancing Imperative:** For India, stable oil prices offer fiscal space but also strategic temptation. Long-term autonomy demands diversification—renewables, nuclear, alternative batteries, and indigenous AI capacity—while maintaining diplomatic flexibility in a transactional world.

Conclusion

Echoing **Dr A.P.J. Abdul Kalam's** vision of self-reliance, true strategic autonomy lies not in reacting to volatility, but in mastering technology and energy together to shape, not follow, global rules.