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DAILY BRIEF



PSIR OPTIONAL BY
Amit Pratap Singh
| ForumIAS |

ABOUT THIS INITIATIVE

Briefs, scans the best academic platforms, national newspapers & leading think tanks to pick the most relevant articles & research. It converts them into crisp, high-impact points you can directly use in your mains answers.

SOURCES SCANNED TODAY



ARTICLE 01

States, surcharge and Entry 54 of List II : Bar & Bench

ARTICLE 02

US midterms: a verdict on Trump's record : The Indian Express

ARTICLE 03

What holds the rules-based order together : Lowy Institute

ARTICLE 04

The Ganges Treaty at 30, and sediments : ORF

ARTICLE 05

Doing business with the Myanmar junta : The Hindu

Daily Brief · Source Plan (Monday to Saturday)

Common Daily

The Hindu · The Indian Express · Deccan Herald · The Statesman

read every day, alongside the day's sources below

Day-wise Sources

Monday	**ORF** (Observer Research Foundation) · **Foreign Affairs** · **The Diplomat**
Tuesday	**MP-IDSA** · **EPW** (Economic & Political Weekly) · **Gateway House**
Wednesday	**Firstpost** · **South Asia Monitor** · **ICWA** (Indian Council of World Affairs)
Thursday	**ORF** · **Frontline** · **Bar & Bench** · **World Focus**
Friday	**MP-IDSA** · **Carnegie Endowment** · **VIF** (Vivekananda International Foundation)
Saturday	**Firstpost** · **Project Syndicate** · **The Economist**

As per relevance, articles from other relevant sources such as NatStrat, ThePrint and The Telegraph (India) will also be included.

Supreme Court upholds power of State legislatures to impose additional levy on sales tax

The legal question was referred to a larger bench nearly 27 years ago.

Debayan Roy

Published on: 04 Nov 2026, 11:17 am · 3 min read

Context

A seven-judge Constitution Bench led by Chief Justice of India Surya Kant held on 4 November that State legislatures may impose an additional tax, surcharge or cess calculated on an existing sales or purchase tax. The reference had waited nearly twenty-seven years: the conflicting approaches were placed before seven judges in 1999, and the dispute itself came from Section 5A of the Orissa Sales Tax Act, 1947.

The constitutional question was where such a levy sits. Entry 54 of List II lets States tax the sale or purchase of goods; Entry 82 of the Union List gives Parliament the power to tax income. The appellants argued that a surcharge measured as a percentage of sales tax payable was in substance a tax on a dealer's income, and so beyond the State's competence.

The Bench answered the reference without deciding it afresh. Because the statutes under which the levies were imposed have since been substituted or replaced, it held the question academic and left the field to S Kodar v. State of Kerala, the five-judge ruling of an earlier era. Justice KV Viswanathan wrote a concurring opinion examining Hoechst and India Cement.

Supreme Court upholds power of State legislatures to impose additional levy on sales tax

Facts

- **The Bench and the reference :** The seven-judge Constitution Bench comprised CJI Surya Kant and Justices KV Viswanathan, SVN Bhatti, Joymalya Bagchi, NV Anjaria, Arun Palli and V Mohana. The conflicting approaches adopted in earlier Supreme Court judgments led to the reference being placed before seven judges in 1999, and the judgment delivered was pronounced by CJI Kant.

- **The levy under challenge :** The dispute arose from a challenge to Section 5A of the Orissa Sales Tax Act, 1947, which imposed additional tax at 10 per cent on dealers having annual turnover between ₹10 lakh and ₹1 crore, and 15 per cent on those exceeding ₹1 crore. The appellants questioned whether such a levy could be imposed under Entry 54 of the State List.

- **The precedents in play :** S Kodar v. State of Kerala, a five-judge bench, upheld additional sales tax and rejected the contention that the levy was effectively a tax on income. Hoechst Pharmaceuticals v. State of Bihar, a three-judge bench, upheld a surcharge on sales tax. The appellants relied on India Cement v. State of Tamil Nadu, which the nine-judge ruling in Mineral Area Development Authority v. Steel Authority of India later overruled.

Analytical Crux

1. The Court said that the statutes under which the levies were imposed have since been substituted or replaced, and therefore the question did not survive for adjudication; the question referred to is of no practical significance and now academic, and the reference has to be answered accordingly.

2. An additional tax or surcharge computed as a percentage of the sales tax payable is an enhancement of the rate of sales tax and a tax on the sale or purchase of goods within Entry 54 of List II, as it then stood; that decision continues to hold the field, and the legislative competence of the State legislature to levy the impugned surcharge itself shall be governed by the law declared in S Kodar.

Analytical Crux (contd.)

3. Legislative competence must be determined by the nature of the tax rather than its additional character; the appellants had relied on the seven-judge bench decision in India Cement v. State of Tamil Nadu, which invalidated a cess connected with mining royalty; however, the nine-judge bench ruling in Mineral Area Development Authority v. Steel Authority of India had overruled India Cement.

Verbatim Quotes

"The question referred to is of no practical significance and now academic"

- Supreme Court of India

Democrats win House and Senate: Why Donald Trump failed the midterm test

Democrats win House and Senate: Why Donald Trump failed the midterm test

The single biggest backlash against the Trump administration in the midterms stems from the reversal of its campaign promise not to start new wars. The cost of the Iran war has landed squarely on American households

Written by:
Vivek Mishra

5 min read
Nov 4, 2026 01:14 PM IST

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Context

Americans voted in the midterm elections on 3 November 2026, and Vivek Mishra reads the result as a verdict on a record rather than a swing of the pendulum. His frame is the 2024 presidential election, which defied expected voting patterns and expressed a desire for change; the midterms, on his account, measure how that change is faring, and every vector points one way.

The backlash he describes is economic before it is political. The promise to end the forever wars was reversed, and the cost of the Iran war reached American households as the prices of food, fuel, mortgages, farm inputs and travel. The tariff wars were built on the premise that other countries would pay America's bill, and the evidence he cites points the other way.

Democratic control of both chambers hands Congress the power of the purse and the authority to conduct oversight. Mishra argues, even so, that the executive has towered over the legislature, and at times the judiciary, throughout the second term, and that foreign policy will not bend to the new arithmetic.

Democrats win House and Senate: Why Donald Trump failed the midterm test

Facts

- ***Who actually paid the tariffs :*** A January 2026 study by the Kiel Institute for the World Economy analysed some 25 million shipments worth nearly $4 trillion and found that US importers and consumers bore around 96 per cent of the tariff burden, with foreign exporters absorbing only about 4 per cent.

- ***Where the 2024 coalition frayed :*** Texas is the clearest case: no Democrat had won a Senate race there since 1988, and James Talarico defeated Ken Paxton with almost 55 per cent of the vote share. Mishra also records Democratic wins in Ohio, Iowa and Kansas, and in the swing states of North Carolina, Georgia and Michigan.

- ***The executive did not pause for the vote :*** The administration struck Qeshm Island only hours before Americans went to the polls, which Mishra reads as a sign that executive overreach in external affairs will continue whatever Congress now looks like.

Analytical Crux

1. Voters rallied behind Trump in 2024 to reverse illegal immigration, bring investment to America, create jobs at home and end the forever wars; his record on each of these promises has now been judged.

2. The tariff wars rested on the premise that other countries would foot America's bill and the evidence now points the other way; investment does not translate directly into jobs, and job creation depends on training and skills development, which take years to bear fruit.

Analytical Crux (contd.)

3. Democratic control of both houses could alter the domestic course of a markedly executive-heavy administration, but the executive's remarkable capacity to tower over the legislature has withstood the test of time and circumstance, and countries would be mistaken to place their bets on the American legislature rather than on a pugnacious executive.

Verbatim Quotes

"Far from taxing other countries, the tariffs have proved an own goal, falling on the American economy."

– Vivek Mishra

What's happened to the global rules-based order?

Trump's tariffs bruise trade, but self-interest keeps economic cooperation largely intact.

Stephen Grenville

4 November 2026 5 min read

Context

Two readings of the rules-based order sit side by side, and the piece sets them against each other. For those who come to it from international relations and security, the rules are fixed tablets, and the assault on trade is a break in history. For economists, the rules are an accumulation of agreements and understandings that make international dealing easier, and they will bend rather than break.

The economists' case rests on a reading of how globalisation actually grew. World trade as a share of output rose steeply after 1950, but the Bretton Woods machinery that is supposed to explain it had already weakened: the fixed exchange rates took effect late, broke down within a decade, and ended with Nixon in 1971. Globalisation went on growing as the institutions atrophied.

What follows is an argument about what holds cooperation together. If the economic rules are kept in place by mutual self-interest rather than by a hegemon enforcing them, then tariffs damage the country imposing them and trade reroutes. Where self-interest does not operate, the author is far less sanguine: aid, refugee programmes and the response to climate change have no such self-correcting force.

What's happened to the global rules-based order?

Facts

- **How far globalisation ran :** World trade, imports and exports taken together as a share of GDP, rose from 15 per cent in 1950 to almost 60 per cent in 2024. International investment grew from almost nothing after the Second World War to around 5 per cent of GDP in 2007, carrying managerial and technical knowhow as well as finance. International trade grew faster than GDP until 2008 and has kept pace since.

- **The institutions weakened early :** The Bretton Woods conference was held in 1944. Its fixed exchange rates did not come into practical effect until the late 1950s and largely broke down within a decade, with the final nail hammered home by President Nixon's ending of gold convertibility in 1971. Successive GATT rounds of tariff reduction ran out of steam even before the failed Doha Round in 2001.

- **Where the rules were already honoured in the breach :** The most-favoured-nation principle of the GATT and WTO requires countries to treat all countries alike. In practice blocs such as the European Union discriminate against outsiders and maintain substantial protection for politically favoured agriculture, and preferential arrangements styled as free-trade agreements have become common. Public assent never followed: demonstrations against the WTO took place in Seattle in 1999.

Analytical Crux

1. Economists agree that this globalisation was hugely beneficial for growth and living standards, but they argue that much of this would have happened without any hegemon orchestrating the process or enforcing the rules; globalisation grew even as the Bretton Woods institutions atrophied, and the enabling environment pre-dated the system and didn't end with its effective demise.

2. Most of the economic rules are self-policing, self-adjusting and maintained by the powerful incentivising force of mutual self-interest; developing and maintaining such rules relies on both parties benefitting, otherwise they will not sign up, and global trade is intrinsically win-win, not the zero-sum tussle Trump envisages.

Analytical Crux (contd.)

3. Beyond international trade the damage may be greater: not all international interactions are motivated and maintained by self-interest: international aid and humanitarian efforts have been weakened, and collective-action challenges, notably efforts to contain climate change, benefit from a coordinating hegemon, so the departure from the Paris Accord is a serious blow.

Verbatim Quotes

"Trade finds a way around barriers, like flowing water."

– Stephen Grenville

The Ganges Treaty at 30: Why water sharing is not enough

The Ganges Treaty at 30: Why Water S Enough

AUTHOR : NILANJAN GHOSH

Expert Speak Terra Nova

Published on Nov 03, 2026

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Context

The 1996 Ganges Water-Sharing Treaty between India and Bangladesh completes its thirty-year term on 12 December 2026, and its operational phase is already over: the last scheduled quantum of water flowed from the Farakka Barrage to Bangladesh on 31 May 2026. What follows is either a renewal, a renegotiation, or a further politicisation of water between two riparian neighbours.

The politics has changed around the river. Sheikh Hasina's removal in 2024 and the emergence of a BNP-led government under Tarique Rahman have altered the diplomatic setting, and the BNP's long criticism of the Farakka arrangements makes guaranteed dry-season flows a sensitive demand. The piece insists that geography does not move with politics, and that sub-national interests in Bihar and West Bengal must inform India's position.

Its central objection is conceptual. The 1996 Treaty divides a quantity of water and stops there. It recognises neither the river's sediment regime nor its ecosystem services, and a fixed minimum guarantee of the kind Bangladesh seeks would load the whole burden of climate-induced shortage on the upstream state while telling us nothing about what the delta itself needs.

The Ganges Treaty at 30: Why water sharing is not enough

Facts

- ***What the Treaty actually divides :*** Flows are shared at Farakka between 1 January and 31 May in ten-day allocation periods. When availability is 70,000 cusecs or less the water is divided equally; between 70,000 and 75,000 cusecs Bangladesh receives 35,000 cusecs and India the balance; above 75,000 cusecs India receives 40,000 cusecs and Bangladesh the remainder. Flows below 50,000 cusecs trigger immediate consultations between the governments.

- ***The guarantee Bangladesh wants back :*** Bangladesh seeks to reinstate a minimum guarantee similar to the provision in the 1977 agreement, under which it was guaranteed at least 80 per cent of its scheduled allocation during specified lean-season periods even when actual availability fell short. The author holds that such a binding volumetric floor would place an asymmetric burden of hydrological risk on the upstream country.

- ***The measurement nobody expected :*** Dry-season flows recorded at the Hardinge Bridge in Bangladesh were generally higher than releases from Farakka during the period examined, with contributions from tributaries including the Mahananda and possible groundwater interactions offered as explanations. These numbers favour upstream India in hydrodiplomacy, which has been arguing for a higher share in the renegotiations.

Analytical Crux

1. The agreement emerged from a paradigm often described elsewhere as reductionist or arithmetic hydrology; this approach reduces the complexity of river systems to quantities of water available for allocation, often neglecting the ecological, geomorphological, economic, and institutional processes that sustain the river basin.

2. A fixed volumetric guarantee that remains binding irrespective of actual flows could impose an asymmetric burden of hydrological risk on the upstream country, and could leave India bearing a disproportionate share of climate-induced shortages, regardless of its domestic needs; river flows cannot be assumed to follow historically observed patterns indefinitely.

Analytical Crux (contd.)

3. Environmental flows are not merely minimum quantities of water passing through a particular point in a river; they encompass the quantity, timing, duration, frequency, quality, and variability of flows required to sustain aquatic ecosystems; consequently, an unconditional minimum allocation determined through international bargaining bears little relation to the river's ecological requirements, and reverses the logic of sustainable water governance.

Verbatim Quotes

"geopolitical diversification cannot alter the geographical reality of hydrological interdependence"

- Nilanjan Ghosh

Business, unusual: On engaging with the Myanmar junta

Engaging with the Myanmar junta is a short-sighted move

Updated - November 04, 2026 12:54 am IST

Context

Months after an election that installed junta chief Min Aung Hlaing as Myanmar's civilian President, the military is still at war with its own population, and the editorial begins from the indifference that has let it continue. More than a lakh people are estimated to have died since the 2021 coup, many of them in fighting between the junta and the anti-coup People's Defence Forces and ethnic armed organisations.

Around that indifference a queue of suitors has formed. China wants an outlet to the Indian Ocean and security for its oil and gas pipelines, and has dealt with the junta and with powerful rebel groups at the same time. New Delhi wants to revive its stalled Act East policy, including the Kaladan Multi-Modal Transit Transport Project. Washington is after heavy rare earths.

The editorial's objection is practical rather than moral alone. Every commercial case being made assumes a settled country, and the junta is the reason there is not one. ASEAN still swears by its Five-Point Consensus while its members do business with a regime that has flouted every point of it.

Business, unusual: On engaging with the Myanmar junta

Facts

- **The scale of the war :** More than a lakh people are estimated to have died since the 2021 coup. The junta has killed thousands of civilians in air strikes on villages in rebel-held areas to terrorise communities into giving up their resistance. Russia and China are its principal arms suppliers, with the former supplying jets that were used to bomb civilians.

- **Beijing playing both sides :** Beijing tacitly allowed three ethnic armed organisations to launch an offensive in Shan and Rakhine States in late 2023, and has since pressured two of them into ceasefires and into returning seized territory. It also backed the January election, while dealing with rebel groups such as the Kachin Independence Organisation, whose territory is rich in rare earths and jade, and the United Wa State Army, which runs a massive tin mine.

- **The queue of visitors :** Since being sworn in, Min Aung Hlaing has visited India, Thailand, Vietnam and three other ASEAN member-states. United States officials reportedly held secret talks with the junta in Tokyo in June and October, and a senior delegation met Min Aung Hlaing in Naypyidaw in September. Japan is reportedly pressing the Financial Action Task Force to take Myanmar off its blacklist.

Analytical Crux

1. The junta has exploited that indifference and a shifting geopolitical situation to act with impunity; Russia and China, its principal arms suppliers, have stood by it, with the former supplying jets that were used to bomb civilians.

2. ASEAN still swears by its Five-Point Consensus, which calls for an end to violence and dialogue, yet its members seem more than eager to do business with a regime that has flouted every point.

Analytical Crux (contd.)

3. What these short-sighted overtures miss is that trade thrives in a country at peace, not one where armed groups are perennially battling for control; the junta which has killed its citizens and has scuttled every move towards democracy cannot deliver that peace, and unless the generals are made to answer for their war crimes, Myanmar will remain a war zone.

Verbatim Quotes

"trade thrives in a country at peace, not one where armed groups are perennially battling for control"

– The Hindu

UPSC LINK

- **PSIR Paper I, 2026:** Evaluate the Centre-State relation with reference to Article 293 and analyze its implications for the Indian federal structure.

- **PSIR Paper I, 2026:** Discuss the causes and consequences of inter-State water disputes in India.

- **PSIR Paper II, 2026:** Discuss the main features of the land-boundary agreement between India and Bangladesh.

- **GS Paper II, 2026:** Examine how the separation of powers is practised in India compared to the rigid presidential model of the United States of America. In this context, compare the actual authority of the Indian Prime Minister with that of the President of the USA.

- **GS Paper I, 2026:** “Water resources are both an asset and a source of conflict in South Asia.” Examine this statement giving examples.

- **PSIR Paper II, 2025:** How successful has the ‘ASEAN Plus Three’ been in addressing regional problems? Support your answer with specific examples.

- **PSIR Paper II, 2024:** “Deglobalisation is displacing globalisation.” Comment.

- **PSIR Paper II, 2024:** Discuss the implications of the scrapping of the Free Movement Regime with Myanmar by the Indian Government on the complex ethno-political dynamics of the north-eastern region.

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