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Nations facing tariffs must unionise, says Lula

Brazilian President pitches for UN seats; speaks of lessons learned from PM Manmohan in 2005

Brazil and India were the two highest tariffed countries by the U.S., hit with 50% duties each

Small countries negotiating individually always lose, the Global South must act together, he says

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NEW DELHI

Instead of negotiating with the U.S. on tariffs separately, countries should form "negotiating blocs", Brazil's President Luiz Inacio Lula da Silva said here on Sunday, advocating for "unionisation" of those suffering from the tariffs.

Mr. Lula, himself a trade union leader in the 1980s before he founded Brazil's ruling Workers Party, said that while he did not wish to comment on the internal workings of the U.S. where the Supreme Court struck down the tariffs imposed globally by President Donald Trump, last year, he hoped that all countries would be "treated equally" by the U.S. on the issue.

"I want to tell the U.S. President that we don't

want a new Cold War. We don't want interference in any other country, we want all countries to be treated equally." Mr. Lula said, answering questions from presspersons at the end of his four-day visit to Delhi.

Brazil and India were the two highest tariffed countries by the U.S., slapped with 50% duties on exports each, and face tariff threats from Mr. Trump over their membership of the BRICS grouping, trade with Iran, and imports of Russian oil. Neither country has thus far concluded a trade deal with the U.S. Mr. Lula, who is expected to visit Washington next month, said he hopes to put all outstanding issues with the U.S. "on the table" for Mr. Trump.

"When a small country negotiates with a bigger country, the agreement



Close ties: Narendra Modi with Luiz Inacio Lula da Silva in New Delhi on Saturday. PTI

will always be harmful for the smaller country. This is the experience that I bring from the trade union and labour movement. To negotiate with the employer, all workers must get together and confront the

company policy. If they do it individually, they all lose," he said, likening international trade to his trade union negotiations, adding that countries in the Global South, as well as others must "act together"

in negotiating with global superpowers.

'Need UNSC reforms'
Mr. Lula also called for UN Security Council reforms, and in particular, seats in the Council for India, Bra-

zil, and others. "Why is India not a permanent member of the UN Security Council, a country that has 1.4 billion people? Why Brazil is not there at the UN Security Council," he said, adding others such as Germany, Mexico, Nigeria and Egypt as well to the list. He said that as a result, the UN today does not have much efficacy.

"UN is capable of making a diagnosis but it doesn't have the capability to prescribe medication or do the treatment," he said.

He said India had taught him some lessons in economic management, recounting a story from his visit to India in 2005, during his previous tenure as President, when he was hosted by then Prime Minister Manmohan Singh.

"It was in India in 2005 that, for the very first time, I perceived the importance

- Reduces vulnerability to unilateral tariffs.
- Enhances bargaining capacity in WTO and bilateral talks.
- Risk: Fragmentation of global trade order.
- 2. Global South Solidarity
 - India and Brazil positioning as leaders of Global South.
 - Strengthening South-South cooperation mechanisms.
 - BRICS as alternative economic platform.

KEY HIGHLIGHTS

Context of the News

- During his recent visit to India, Luiz Inácio Lula da Silva advocated that countries affected by U.S. tariffs should form "negotiating blocs" instead of negotiating individually.
- India and Brazil reportedly face high tariff barriers from the U.S.
- Lula emphasized collective bargaining by Global South nations, drawing from trade-union principles.
- He also reiterated demand for reform of the United Nations Security Council, seeking permanent membership for India and Brazil.
- Cooperation agreements signed in critical minerals, steel mining, and digital partnership.
- Reference to India's forex reserve management (2005) as a model for Brazil.

Key Points for Prelims

- BRICS = Brazil, Russia, India, China, South Africa (expanding membership).
- Objective: Promote multipolar world order, South-South cooperation.
- WTO permits formation of negotiating groups (e.g., G77, G20 developing countries).
- UNSC Composition:
 - 5 Permanent Members (P5) – US, UK, France, Russia, China
 - 10 Non-permanent Members (2-year term)
- UN Charter Article 108 → Amendment requires:
 - 2/3rd majority of General Assembly
 - Ratification by all P5
- Foreign Exchange Reserves:
 - Used to manage Balance of Payments (BoP)
 - Provide buffer against capital flight and currency volatility

Key Points for Mains

1. Collective Negotiation in Trade

- Addresses asymmetry between developed and developing nations.

3. UNSC Reform

- Current structure reflects post-World War II realities.
- Under-representation of:
 - Africa
 - Latin America
 - South Asia
- India's claim based on:
 - Population (1.4+ billion)
 - Largest democracy
 - Major troop contributor to UN Peacekeeping
 - Fast-growing economy

Static Linkages

- Trade Creation vs Trade Diversion (Customs Union theory)
- Most Favoured Nation (MFN) principle under WTO
- Balance of Payments adjustment mechanisms
- Bretton Woods Institutions (IMF & World Bank)
- South-South Cooperation
- Article 51 (Promotion of international peace & security)
- Strategic Autonomy in foreign policy

Critical Analysis

Positives

- Strengthens developing countries' negotiating power.
- Promotes multipolar global governance.
- Encourages diversification of trade relations.
- Aligns with India's strategic autonomy doctrine.

Challenges

- Divergent interests within Global South.
- Risk of retaliation by major economies.
- WTO dispute settlement mechanism currently weak.
- Internal asymmetry in BRICS (China's dominance concern).

Way Forward

- Strengthen BRICS institutional coordination.
- Reform WTO dispute settlement system.
- Push G4 coalition (India, Brazil, Germany, Japan) for UNSC reform.
- Diversify export markets.
- Maintain adequate forex reserves.
- Balance collective action with national interests.

Parliament's historic law, an extended wait for women

When Parliament passed the Women's Reservation Act in September 2023, millions of Indian women believed that their moment had finally arrived. One-third of all Lok Sabha and State Assembly seats would be reserved for them. The legislation was hailed as a historic victory for gender justice, ending decades of parliamentary stalemate. But the Act contains a clause that changes everything: reservation will begin only after the first Census taken after the year 2026 and the subsequent delimitation of constituencies. Thus, on the Act's own terms, implementation in 2029 is constitutionally impossible.

This is not a political prediction. It is a legal and logical certainty. The next general election will be held in 2029 – before the constitutional prerequisites can be completed. Unless Parliament amends the Constitution again, Indian women cannot exercise their guaranteed representation until at least 2034.

The constitutional roadblock
The timeline is unforgiving. The Act mandates two sequential steps: first, a national Census; second, a delimitation exercise based on that Census data. Both are constitutionally required. Neither can be bypassed.

The next Census is scheduled for 2027. After enumeration, the data must be verified, compiled, and officially published – a process that, historically, has taken between 12 to 18 months. Only after official publication can the President of India constitute a Delimitation Commission under Article 82.

That Commission then faces an unprecedented task: redrawing 543 parliamentary constituencies and over 4,000 State Assembly constituencies. As this writer examined in these pages recently, the Commission must balance population distribution, administrative boundaries, geographic compactness, community representation, and the creation of reserved constituencies for Scheduled Castes, Scheduled Tribes, and now women.

India has constituted four Delimitation Commissions since Independence. Not one completed its work in fewer than three years. The most recent, established in 2002, took six years – and it was an exercise which only redrew internal boundaries without relocating seats among States. The next Commission will be far more complex, reallocating seats among States for the first time since 1976 while implementing women's reservation simultaneously.

Even on the most optimistic timeline – Census completed in 2027, data published by early 2029, the Commission working with unusual speed – delimitation cannot commence before 2032 or 2033. But these days, anything is possible. Without a new constitutional amendment removing the Census-delimitation linkage,



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women's reservation cannot be implemented in 2029. Was this delay accidental or by design? The political arithmetic provides the answer. If reservation was implemented immediately within the existing 543 seat Lok Sabha, 181 constituencies would become women-only, displacing an equal number of male incumbents overnight. No political party wanted to bear that electoral cost.

The solution was elegant in its political logic: tie reservation to delimitation. After the 2027 Census, when constituencies are redrawn, the total number of Lok Sabha seats is expected to increase substantially – possibly to around 800, perhaps even 888. With an enlarged House, one-third of seats can be reserved for women without displacing current male Members of Parliament.

The political pain is absorbed by expansion rather than replacement. This explains the mechanism. It does not justify the consequence: another decade-long delay for half of India's population.

A history of waiting
Indian women have already waited several years for this legislation. The first Women's Reservation Bill was introduced in 1996. It was debated, amended, reintroduced, and blocked repeatedly. The Bill lapsed with successive Lok Sabhas. It passed the Rajya Sabha in 2010 but never came to a vote in the Lok Sabha.

The 2023 Act was supposed to end that wait. Instead, it has extended it. If delimitation is completed in 2032 or 2033, reservation will apply only from the 2034 general election. Women who celebrated the Act's passage in 2023 will wait through another full election cycle before they can contest a single reserved seat.

By tying women's representation to delimitation, the Act has entangled gender justice with India's most divisive demographic issue: the north-south seat distribution imbalance. When delimitation occurs, States with faster population growth will demand significantly more parliamentary seats. States that invested in population control will see their proportional representation decline. This tension is precisely why delimitation was frozen in 1976 and extended in 2001. By linking women's reservation to this unresolved federal arithmetic, Parliament has placed women's rights hostage to a debate that has paralysed consensus for half a century. This deadlock could further delay delimitation – and with it, women's reservation.

Why should half of India's citizens wait for an exercise that has nothing to do with gender equality? The constitutional timeline is not the only problem. The Act leaves critical design questions unanswered.

First, why does reservation exclude the Rajya Sabha and State Legislative Councils? The Act applies only to directly elected lower houses.

Second, the Act provides no sub-reservation for Other Backward Class (OBC) women, even though Scheduled Caste and Scheduled Tribe women receive proportional sub-quotas. OBC women constitute nearly 40% of India's female population.

Third, the Act mandates that reserved constituencies will rotate after each general election but offers no operational clarity: Will women candidates shift constituencies every five years? How will rotation work when delimitation itself reshuffles boundaries?

These unanswered questions compound the implementation crisis. Without clear rules, political parties will exploit ambiguities, legal challenges will multiply, and women candidates will bear the costs.

A straightforward solution
The constitutional barrier is real, but not inevitable. Parliament created it; Parliament can remove it.

There is no constitutional necessity tying women's reservation to delimitation. Article 15(3) already empowers the State to make "special provisions" for women and children. Parliament can exercise that power again to enable immediate implementation.

The solution is straightforward: amend the Constitution to permit reservation before delimitation, either by modestly expanding the reserved seats or by applying reservation within current constituencies for two election cycles.

Alternatively, Parliament could expand the House incrementally – adding 180 seats earmarked exclusively for women – before full delimitation concludes. This would deliver on the reservation promise while avoiding displacement of incumbents.

None of these approaches is technically impossible. What is required is political will.

The government must clarify its road map now. Will it delink reservation from delimitation through amendment? Will it expand the Lok Sabha preemptively? Will it freeze State-wise seat allocation to prevent the north-south debate from derailing women's representation?

Parliament must also address the design gaps: extend reservation to the Upper Houses, include OBC sub-reservation, and publish clear rotation rules developed in consultation with women's organisations and constitutional experts.

Above all, Parliament must recognise one principle: representation delayed is representation denied.

India cannot afford another historic law that waits endlessly to take effect. If reservation is a constitutional promise – and the 2023 Act declares that it is – then it must now become a constitutional reality. Not in 2034. Not after another election cycle. Now.

India's women have waited long enough.

- Delimitation frozen by:
 - 42nd Amendment (1976) – Freeze till 2001
 - 84th Amendment (2001) – Extended freeze till 2026
- Current women representation in Lok Sabha: ~15%.
- Panchayats: Minimum 33% (many States provide 50%) under 73rd & 74th Amendments.

Static Connections

- Concept of Substantive Equality under Articles 14 & 15.
- Delimitation Commission appointed by President; decisions have force of law.
- Constitutional amendment procedure under Article 368.
- Federal concerns due to post-2026 seat reallocation among States.

KEY HIGHLIGHTS

Context

- Parliament passed the 106th Constitutional Amendment Act, 2023 (Nari Shakti Vandana Adhiniyam).
- Provides 33% reservation for women in:
 - Lok Sabha
 - State Legislative Assemblies
- Implementation is conditional upon:
 - a. First Census conducted after 2026
 - b. Delimitation based on that Census
- Since Census is expected in 2027 and delimitation may take several years, implementation before 2029 General Elections is unlikely.

Key Constitutional Provisions

- Inserts Articles 330A & 332A – Reservation for women in Lok Sabha & State Assemblies.
- Provides 1/3rd reservation within SC/ST reserved seats.
- Adds sunset clause: Reservation valid for 15 years (can be extended by Parliament).
- Linked with:
 - Article 82 – Readjustment of seats after Census
 - Article 170(3) – State Assembly readjustment
 - Article 15(3) – Special provisions for women

Important Facts for Prelims

- Does NOT apply to Rajya Sabha & Legislative Councils.
- Rotation of reserved constituencies after each election.

Issues for Mains

1. Implementation Delay
 - Reservation effective only after Census + Delimitation.
 - Possible implementation only in 2034 elections.
2. Federal Tension
 - Delimitation may increase seats of high population growth States.
 - Southern States may lose proportional representation.
3. Design Gaps
 - No OBC sub-quota.
 - No clarity on rotation mechanism.
 - Exclusion of Upper Houses.
4. Political Economy
 - Immediate implementation would displace ~181 MPs.
 - Linking to seat expansion reduces political resistance.

Way Forward

- Consider delinking reservation from delimitation through amendment.
- Time-bound roadmap for Census & Delimitation.
- Clarify rotation policy through legislation.
- Debate on OBC sub-reservation.
- Strengthen internal party democracy for women candidates.

India's leap, from back office to global brain trust

The narrative of India as the 'world's back office' has been officially retired. By early 2026, a profound transformation had occurred. India has become a strategic nerve-centre for the global corporate elite. What were once known as captive centres are now Global Capability Centres (GCCs), which are sophisticated hubs that do not merely support the parent company but also define its future. This transition from cost-cutting centres to global growth engines marks a watershed moment in India's economic history.

The evolution of Indian GCCs has progressed through four distinct waves, culminating in the current GCC 4.0 era. Initially, centres were established to exploit labour arbitrage and handle routine IT and business process tasks. However, in the last few years, there has been a decisive move toward end-to-end product ownership.

Today, nearly 58% of GCCs in India are investing heavily in Generative AI, which are autonomous Artificial Intelligence (AI) systems that can reason and execute complex tasks, thereby moving beyond mere experimentation to enterprise-scale deployment. These centres now manage global strategy, high-end research and development (R&D), and proprietary intellectual property (IP) creation, making them indispensable nodes in the global value chain.

Benefits for companies and the nation
For multinational corporations (MNCs), the Indian GCC offers a unique competitive advantage: access to a multi-dimensional talent pool at a scale found nowhere else. With India housing over 1,800 GCCs and employing nearly two million professionals, companies can now drive faster innovation cycles through a follow-the-sun model. Beyond technology, these centres have become global "Centres of Excellence" (CoEs) for finance, legal, and human resources, allowing parent companies to centralise their most critical functions in a high-skill, high-efficiency environment. Today, Indian GCCs act as global CoEs that



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India's Global Capability Centre revolution is drawing eyeballs, but there are challenges as talent gaps, cyber threats and fiscal pressures

drive high-end R&D in fields such as quantum computing, semiconductor design, and Agentic AI. These centres no longer support the parent company. They have end-to-end product lifecycles, from initial conceptualisation and architecture to global deployment and customer feedback loops. This evolution means that the shadow leadership housed in Indian GCCs often possesses greater technical depth and execution power than the traditional headquarters.

For the Indian population, the GCC boom has catalysed high-value employment and regional development. These roles are intellectually stimulating and offer compensation far above that of traditional service-sector jobs, creating a new class of global professionals. Perhaps, most significantly, growth is finally trickling down into Tier-II and Tier-III cities such as Coimbatore (Tamil Nadu), Indore (Madhya Pradesh), and Kochi (Kerala). This geographic diversification reduces the strain on saturated metros such as Bengaluru and Hyderabad while stimulating local real estate, infrastructure, and retail economies across India.

Steering through challenges

Despite the record growth, the GCC ecosystem faces challenges that could threaten its momentum. The primary risk is the widening of the talent gap. Although India produces millions of engineers, the demand for niche skills in AI architecture, cloud architecture and quantum-resistant cryptography vastly outstrips the supply. This has triggered a fierce war for talent, leading to wage inflation that could eventually erode the value proposition of multinational corporations (MNCs).

Furthermore, GCCs hold more critical global data and have become prime targets for state-sponsored cyber-attacks. With the implementation of the Digital Personal Data Protection (DPDP) Act, the pressure on GCCs to maintain flawless cybersecurity governance has reached unprecedented levels. Simultaneously, the introduction of the Organisation for Economic Co-operation and Development's

Global Minimum Tax (Pillar Two) fundamentally alters the tax arbitrage benefit that many MNCs previously enjoyed. With a global floor of 15% tax and the continued bone of contention regarding India's 24% markup for software R&D under Safe Harbour rules, fiscal predictability has become a top-tier board concern.

Finally, geopolitical volatility and protectionism pose long-term risks to investment. As of early 2026, global trade professionals are increasingly wary of United States tariff volatility and reshoring policies that encourage MNCs to return critical data operations to their home markets.

While India remains an attractive destination, owing to its scale, any shift toward digital sovereignty in western nations could slow the pace of new GCC setups. Additionally, as India-based centres now handle 13.7% of global cyber-attack incidents (Cyfirma Report, 2023), the threat of state-sponsored espionage and intellectual property theft has made cybersecurity the most expensive operational mandate for modern GCCs.

Need for proactive policymaking

To secure India's position as the world's innovation capital, policymakers must transition from regulators to active facilitators. The National GCC Policy Framework, proposed in the 2026-27 Budget cycle, is a step in the right direction, but execution is the key. The government should introduce a "Single-Window Clearance" system specifically for GCCs to streamline the establishment of legal entities. Additionally, rationalising transfer pricing norms and providing tax safe harbours for R&D-intensive operations will provide the fiscal certainty that global boards demand. By fostering deeper industry-academia collaborations to upskill the workforce in deep tech and offering capital subsidies for Tier-II expansion, India can ensure that its GCC revolution remains sustainable for the next decade.

The views expressed are personal

- OECD Pillar Two:
 - Minimum 15% effective corporate tax globally
- Safe Harbour Rules:
 - Predefined margins to reduce transfer pricing disputes

Key Issues

- Talent gap in deep tech (AI security, quantum computing).
- Cybersecurity risks; India a major cyber-attack target (industry reports).
- Wage inflation reducing cost competitiveness.
- Global protectionism & digital sovereignty trends.
- Compliance burden under DPDP Act.

KEY HIGHLIGHTS

Context

- India has transitioned from being the "world's back office" to becoming a strategic innovation hub for multinational corporations (MNCs).
- Captive units have evolved into Global Capability Centres (GCCs) with end-to-end product ownership and global leadership roles.
- India hosts 1,800+ GCCs, employing nearly 2 million professionals (Economic Survey; industry data).
- Nearly 58% of GCCs are investing in advanced AI systems, including enterprise-level AI applications.
- Policy focus: Proposed National GCC Policy Framework (Budget 2026-27).
- Regulatory backdrop: Digital Personal Data Protection Act, 2023; OECD Global Minimum Tax (Pillar Two); Safe Harbour Rules (Income Tax Act).

Key Points for Prelims

- Services sector contributes ~54% of India's GDP (Economic Survey).
- IT-BPM exports exceed \$200 billion annually (PIB/NASSCOM references).
- GCC evolution phases:
 - a. Cost arbitrage (BPO/IT support)
 - b. Functional excellence (finance, HR, analytics)
 - c. Innovation & R&D
 - d. End-to-end product ownership & IP creation
- Digital Personal Data Protection Act, 2023:
 - Consent-based data processing
 - Obligations on Data Fiduciaries
 - Cross-border transfer subject to conditions

Static Linkages

- Demographic dividend and human capital (NCERT Macro Economics).
- Endogenous growth theory – Role of R&D and innovation.
- Article 19(1)(g) – Freedom of profession.
- Article 301 – Freedom of trade, commerce, and intercourse.
- Puttaswamy Judgment (2017) – Right to Privacy.
- Global Value Chains (Economic Survey chapter on trade).

Critical Analysis

Positives

- Boosts high-value employment.
- Enhances India's role in Global Value Chains.
- Promotes regional growth (Tier-II/III cities).
- Strengthens services exports and forex earnings.

Challenges

- Skill mismatch despite large engineering output.
- Rising cyber vulnerabilities.
- Tax certainty concerns post OECD reforms.
- Dependence on global geopolitical stability.

Way Forward

- Implement Single-Window Clearance for GCCs.
- Rationalise transfer pricing norms.
- Strengthen industry-academia collaboration.
- Expand deep-tech skilling initiatives.
- Enhance cybersecurity infrastructure (CERT-In capacity).
- Promote Tier-II/III city expansion through targeted incentives.

Tariffs in trouble

The U.S. Supreme Court has done well to limit Trump's presidential powers

In a major blow to a central pillar of U.S. President Donald Trump's foreign policy, the country's Supreme Court (SCOTUS) has ruled by a 6-3 margin that his use of the International Emergency Economic Powers Act (IEEPA) to impose tariffs on numerous countries is not in accordance with law and must be struck down. With Chief Justice John Roberts and two other conservative justices appointed by Mr. Trump siding with the three liberal justices on the subject, the Court ruled that Mr. Trump's assertion of "extraordinary power to unilaterally impose tariffs of unlimited amount, duration, and scope", is contravened by the absence of "clear congressional authorization" to exercise it. It also observed that the IEEPA contained no reference to tariffs or duties and that the executive had not identified any statute that used the word "regulate" to authorise taxation. Arguing that until now no President has read IEEPA to confer such power, the SCOTUS concluded that all the evidence available and its reading of the statutes implied that the Court believed that "IEEPA does not authorize the President to impose tariffs." Unsurprisingly, Mr. Trump reacted angrily on social media, posting that he would be raising his global tariff rate to 15%, after initially suggesting that it would be imposed at 10%, under the authority conferred to the White House for 150 days under Section 122 of the Trade Act of 1974. Tariffs imposed under laws other than the IEEPA, including those on aluminium and steel under Section 232 of the Trade Expansion Act of 1962, are unaffected by this ruling although Mr. Trump would face challenges in bringing fresh tariff rounds under this umbrella.

While multiple countries were slapped with tariffs earlier, including India at a whopping overall rate of 50% owing to Washington's objections to New Delhi purchasing oil from Russia, the impact of the SCOTUS ruling will vary based on the specifics of trade agreements struck, if any. Indian negotiators seeking to conclude the terms of a free trade agreement would not be blamed for feeling like they were suspended in limbo after the ruling has changed the terms of debate on which sectors to open up to concessionary rates in bilateral trade, especially after the American side's punitive potential has now been defanged to an extent. At a broader level, the ruling is to be welcomed by anyone valuing robust democratic checks and balances. The two administrations of Mr. Trump have stretched, and in some cases exceeded, the scope of permissible policy actions under domestic and international law. Until this ruling by the court, there has been a deafening silence on containing such actions by institutions rooted in constitutional authority that are capable of imposing a countervailing force.

KEY HIGHLIGHTS

Context of the News

- The Supreme Court of the United States ruled (6-3 majority) that former U.S. President Donald Trump cannot use the International Emergency Economic Powers Act (IEEPA) to impose tariffs.
- The Court held that:
 - IEEPA does not explicitly authorize tariffs or taxation powers.
 - There is no clear congressional authorization permitting unlimited tariff imposition.
- Tariffs under Section 232 of the Trade Expansion Act (national security grounds) remain valid.
- Temporary tariffs may be imposed under Section 122 of the Trade Act for 150 days.
- India had faced tariffs up to 50% in earlier U.S. trade actions.
- The ruling impacts India-U.S. trade negotiations and global tariff regimes.

Key Points for Prelims

- IEEPA (1977):
 - Enacted to address "unusual and extraordinary threats" to U.S. national security.

- Permits regulation of financial transactions and foreign assets.
- Does not mention "tariffs" or "duties".
- Section 232 (1962 Act):
 - Allows tariffs on imports threatening national security (used for steel/aluminium).
- Section 122 (1974 Act):
 - Temporary safeguard tariffs (max 150 days) to address balance-of-payments deficits.
- U.S. Constitution:
 - Power to levy taxes lies primarily with Congress.
- WTO Context:
 - GATT Article XXI allows national security exceptions.
 - Excessive use may undermine multilateral trade rules.

Static Linkages

- Separation of powers and checks & balances.
- Delegated legislation and limits of executive discretion.
- Taxation powers and legislative supremacy.
- Trade protectionism vs. free trade.
- National security exception in global trade law.
- Impact of developed country policies on developing nations.
- India's Foreign Trade Policy framework.

Mains Analysis

1. Significance of the Judgment

- Reinforces constitutional limits on executive authority.
- Strengthens institutional checks and balances.
- Ensures trade taxation remains under legislative oversight.
- Promotes predictability in global trade policy.

2. Implications for India

- Reduced uncertainty in bilateral trade negotiations.
- Potential easing of arbitrary tariff threats.
- Steel/aluminium exports remain exposed under Section 232.
- Enhances bargaining space in India-U.S. FTA discussions.

3. Global Trade Dimension

- Signals judicial resistance to protectionist overreach.
- May reduce misuse of "national security" justification.
- Strengthens rules-based international trade order.

4. Concerns

- Section 232 still permits broad executive discretion.
- Trade policy politicisation remains possible.
- WTO dispute settlement mechanism currently weakened.

Way Forward

- Strengthen multilateral trade frameworks (WTO reform).
- Promote institutional safeguards against executive overreach.
- India to diversify export markets to reduce dependency.
- Accelerate balanced, interest-driven FTAs.
- Enhance domestic competitiveness (PLI schemes, infrastructure).

Lines in the sand

The Pax Silica alliance holds benefits, but could also tie India down

India's entry into the Pax Silica alliance represents a strategic manoeuvre to secure its technological future by aligning with a U.S.-led coalition focused on the infrastructure for Artificial Intelligence (AI) and critical minerals. Its membership could boost domestic industrial goals by complementing initiatives such as India Semiconductor, IndiaAI, and National Critical Mineral Missions. By joining this ecosystem, India will aim to secure raw materials supply and advanced equipment, attract investment, and influence global tech and security standards. India does not currently possess significant capacity in processing critical minerals nor does it extract them in large quantities. That said, for the rest of the world, including the Pax Silica group, the more important implication is in India's potential to shift the centre of gravity for global manufacturing and consumption. India's massive demand can be useful to financially justify new supply chains, especially ones not pegged to China; the country can also provide the engineering talent and assembly capacity required to diversify the global technology supply chain. India's participation could also add significant geopolitical weight to the bloc's efforts to establish democratic governance for critical technologies, rendering the coalition's standards more viable.

Of course, there is no such thing as a free lunch. The implications for India include potential economic retaliation from China, such as trade friction, slower market access, or pressure on upstream inputs such as minerals and active pharmaceutical ingredients. The Pax Silica partnership's focus on "trusted ecosystems" could also translate into rigid expectations regarding export controls and technology-transfer guardrails, which could clash with India's preference for not locking itself into alliances but, instead, pursuing what External Affairs Minister S. Jaishankar has called "issue-based alignments". The government could open itself up to more criticism at home particularly if the U.S.-led bloc also begins to shape India's domestic AI rules in ways that look externally driven. Smaller Indian firms attempting to join global value chains could also face significant financial burdens and longer timelines due to stricter security audit requirements. In the end, the success of Pax Silica will depend on whether its partners go beyond talks to build a real-world supply chain where raw minerals are mined, refined, turned into chips, and used to power AI systems, all among the pact's members, creating a secure technology network that drives India's economic growth while protecting the alliance from disruptions.

KEY HIGHLIGHTS

Context of the News

- India has joined the Pax Silica alliance, a U.S.-led coalition aimed at securing supply chains for:
 - Artificial Intelligence (AI),
 - Semiconductors,
 - Critical minerals.
- The initiative seeks to build a "trusted technology ecosystem" among democratic countries and reduce dependence on China.
- India's participation aligns with:
 - India Semiconductor Mission (ISM) (MeitY),
 - IndiaAI Mission (2024),
 - National Critical Mineral Mission (2023-24 Budget announcement).
- Development occurs amid increasing U.S.–China technological rivalry and supply chain realignment.

Key Points for Prelims

- Critical Minerals: Lithium, cobalt, nickel, rare earth elements — essential for:
 - Semiconductors,
 - EV batteries,
 - Renewable energy,
 - Defense systems.
- India:
 - Has limited capacity in mineral processing/refining.

- Is not a major global rare earth producer.
- Depends heavily on imports for semiconductor components.
- China:
 - Dominates global rare earth processing.
 - Major supplier of electronics components and APIs to India.
- PLI Scheme:
 - Aims to integrate India into global value chains.
 - Focus on electronics, semiconductors, solar modules, etc.

Static Linkages

- Strategic autonomy and multi-alignment in India's foreign policy.
- Supply chain resilience post-COVID-19.
- Semiconductor value chain: Design → Fabrication → ATMP (Assembly, Testing, Marking, Packaging).
- Export control regimes (e.g., Wassenaar Arrangement).
- Rare earth elements in modern industrial economy.
- WTO-compatible industrial policy instruments.

Critical Analysis

Advantages

- Reduces overdependence on China in critical technology supply chains.
- Attracts FDI in semiconductor manufacturing.
- Enhances India's role in AI and tech governance standards.
- Boosts domestic industrial initiatives (PLI, ISM, Critical Minerals Mission).
- Large domestic demand can justify alternative global supply chains.

Challenges

- Risk of economic retaliation from China.
- Limited domestic refining and fabrication capacity.
- Possible constraints on strategic autonomy due to export control compliance.
- Higher compliance costs for Indian MSMEs.
- Concerns over external influence in domestic AI regulatory frameworks.

Way Forward

- Develop domestic mineral refining capacity.
- Increase semiconductor R&D funding.
- Maintain balanced diplomacy (issue-based alignment).
- Support MSMEs in meeting global compliance standards.
- Build strategic reserves of critical minerals.
- Strengthen inter-ministerial coordination in tech diplomacy.

We need to underline value of collaboration on climate change



R.R. RASHMI

IN A world where the US has exited many major international treaties and decided to walk away from its commitment to protect climate, multilateralism is clearly under great stress. The moral and ethical architecture of international climate policy is shaken. It is not just the absence of the largest economy from multilateral bodies that poses a threat to global cooperation. There is also a long-term threat to rule-based engagements. Increased preference for bilateral and plurilateral deals indicates loss of confidence in the consensus-based legal order and replacement by arrangements that are driven by reciprocal gains rather than internationally agreed goals.

This exposes climate to a double whammy. As per scientific assessments, we are on our way to miss the global climate goal and overshoot the temperature-stabilisation target of 1.5 degree Celsius. The policy shift in the US is likely to dampen both public and private sector investments in clean energy transition and further accentuate the gap in achievement of the global goal.

It was the recognition of this challenge that prompted the presidency of COP30 to focus more on the implementation of agreed climate actions than on seeking consensus based legal legitimacy for future actions. The Global Implementation Accelerator is a result of this recognition. It reflects an awareness that the threat to multilateralism can be partially tackled through the reengineering of global processes. The two-tier arrangement evolved at Belém, one aimed at continued efforts to enhance legal commitments, and the other aimed at implementation was a step in this direction.

In the current scenario, it makes sense to avoid getting entangled in procedural legitimacy and focus more on actions that all major stakeholders can take. While the presidency prioritised a few actions of its own choice in the form of non-CO₂ mitigation, ecosystem restoration, among others, the larger international community is still struggling with the perennial issues of climate finance, just energy transition, and equity based global framework of actions.

Finance remains the stickiest issue. A recent NITI Aayog report on the financing needs of India's Net Zero transition underscores the global and national financing gap. Current global flows estimated at about \$19

trillion annually are far short of \$6-9 trillion required to stay on the 1.5-degree trajectory. India alone needs \$80-200 trillion or \$200-400 billion annually by 2070 to meet its goal while current flows are only about \$135 billion. This implies huge additional and upfront investments to protect domestic consumption and avoid welfare losses. The need for greater and closer engagement amongst willing partners to keep the momentum of global financial flows for a clean and just energy transition has never been greater.

It is also important that multilateral cooperation is insulated from the threat of unilateral trade actions in the name of protecting climate. There is a tendency amongst global powers to use trade as an instrument of enforcing domestic environmental goals. Forcing global standards for carbon consumption is an example. The world urgently needs a mutually shared understanding of domestic policies that are compatible with a legally mandated international climate regime.

The value of collective actions aimed at protecting our environment lies in how they protect vulnerable people. Development must ensure that the voices of the marginalised are included in its planning and execution. One of the ways in which global players can do so while serving the interest of multilateralism is to build trust in an equitable and inclusive decision-making process.

India has been the leading voice of the developing world in these matters. It has pursued equity-based cooperation at the global level while pushing aggressive domestic goals for climate. It will have the chance to revisit these issues in partnership with global leaders and stakeholders when they gather in Delhi this month during the 25th Edition of the World Sustainable Development Summit hosted by TERI. The summit has served as a platform to foster dialogue and collaborative climate action amongst partners of the developed and developing world in the larger interest of consensus-based global goals. This provides an opportunity for India to reaffirm its leadership of the Global South and commitment to multilateralism through adherence to the principles of Vishvaikavya Katanubakum and Sabka Saath Sabka Vikas.

The writer is distinguished fellow, TERI and India's former principal negotiator for climate change at UNFCCC

- Loss and Damage Fund: Agreed at COP27 to support vulnerable nations.

Key Points for Mains

Issues

- Weakening of rule-based multilateralism.
- Shift toward bilateral/plurilateral climate arrangements.
- Trade-climate conflicts (e.g., CBAM vs WTO norms).
- Persistent climate finance shortfall.
- Just Energy Transition challenges in developing countries.

India's Position

- Advocates equity-based climate action.
- Promotes lifestyle for environment (LiFE).
- Panchamrit commitments (COP26).
- Leadership of Global South in climate negotiations.

India has been the leading voice of the developing world in these matters. It has pursued equity-based cooperation at the global level while pushing aggressive domestic goals for climate

KEY HIGHLIGHTS

Context of the News

- The United States has moved away from active multilateral climate engagement, weakening global climate consensus.
- This development threatens implementation of commitments under the Paris Agreement.
- COP30 presidency (Belém, Brazil) has emphasized implementation over new legal negotiations.
- India will host the 25th edition of the World Sustainable Development Summit organized by The Energy and Resources Institute (TERI), reinforcing its Global South leadership.
- Climate finance and equity remain unresolved issues in multilateral negotiations.

Key Points for Prelims

- Paris Agreement (2015):
 - Aim: Limit global temperature rise to well below 2°C, pursue 1.5°C.
 - Nationally Determined Contributions (NDCs) framework.
- CBDR-RC Principle: Recognizes historical responsibility of developed countries.
- Climate Finance Gap:
 - Global flows: ~\$1.9 trillion annually.
 - Required: \$6–9 trillion annually (NITI Aayog).
- India's Net Zero Target: 2070.
 - Estimated requirement: \$10–20 trillion by 2070.
- Carbon Border Adjustment Mechanism (CBAM): Trade measure to impose carbon cost on imports.

Static Integration Points

- Article 48A – Protection of environment (DPSP).
- Article 51A(g) – Fundamental Duty.
- Intergenerational equity principle.
- Sustainable Development Goal 13.
- WTO principles: Most Favoured Nation (MFN), National Treatment.

Critical Analysis

Positives

- Implementation-focused approach may accelerate emission reduction.
- Greater role for coalitions of willing countries.
- Opportunity for India to shape Global South agenda.

Concerns

- Undermines consensus-based global climate regime.
- Reduced financial flows from developed countries.
- Risk of protectionism under environmental pretext.
- Equity concerns sidelined.

Way Forward

- Reform Multilateral Development Banks for climate financing.
- Ensure trade measures are WTO-compatible.
- Strengthen South-South cooperation.
- Operationalize Loss & Damage mechanism.
- Balance climate ambition with developmental needs.

Gujarat move on parental consent is regressive

WHEN A government demands parental permission for consenting adults to marry, it breaches several red lines. It infringes on the private lives of citizens; undermines civil liberties; infantilises women by presuming that they are uniquely susceptible to deception and incapable of independent choice or judgement. The proposal by the Gujarat government to mandate parental consent for the registration of marriages stands to institutionalise all these unacceptable intrusions. Dressed up as a shield against "love jihad", the Bhupendra Patel government's amendments to the Gujarat Registration of Marriages Act, 2006, also threaten to deepen communal fault lines. This regressive step in the name of "protecting dignity of girls and sanatana dharma" by a BJP government sits uneasily with the Prime Minister's frequent invocations and projections of "nari shakti" as a pillar of India's development, and his government's claims that it is working for "sabka Vishwas".

While the Gujarat government's bid to constrict individual freedom and legitimise the politically contrived spectre of "love jihad" is outrageous, it is unfortunately not an aberration. Across states, suspicion and prejudice threatens to recast families, communities and public authorities as self-appointed gatekeepers, treating consensual adult relationships as dangers to be contained, and as problems to be solved. A majoritarian anxiety, cloaked in the language of care, entrenches control, especially over women. In Uttar Pradesh and Madhya Pradesh, laws purportedly targeting "forced conversions" have worked as dragnets around interfaith unions. The Uttarakhand Uniform Civil Code compels couples in live-in relationships to register with authorities. Each measure, presented as a safeguard, has expanded state scrutiny and invasion of intimate spaces.

From *Lata Singh v State of Uttar Pradesh* (2006) to *Shafin Jahan v Asokan KM* (2018) to *Laxmibai Chandaragi B v State of Karnataka* (2021), constitutional jurisprudence has consistently interpreted Article 21's promise of protection of life and personal liberty to include the freedom to choose one's partner without external interference. In judgment after judgment, the apex court has made clear that neither family nor community can claim a veto over adult choice, that the state's duty is to protect this autonomy, not subject it to paternalistic scrutiny. The Gujarat government's proposal marks a regressive turn in the state's relationship with adult citizens. It must be scrapped.

KEY HIGHLIGHTS

Context of the News

- The Government of Gujarat proposed amendments to the Gujarat Registration of Marriages Act, 2006.
- The proposal reportedly seeks mandatory parental consent for marriage registration, particularly in certain categories of marriages.
- The move is justified by the State as a safeguard against alleged "love jihad" and to protect young women.
- Raises constitutional concerns regarding adult autonomy, privacy, and personal liberty.
- Similar legal developments:
 - Uttar Pradesh – Prohibition of Unlawful Conversion of Religion Act, 2021.
 - Madhya Pradesh – Freedom of Religion Act, 2021.
 - Uttarakhand – Uniform Civil Code provisions mandating registration of live-in relationships.

Key Constitutional & Legal Points

- Entry 5, List III (Concurrent List) – Marriage and divorce.
- Article 21 – Right to life and personal liberty (includes right to choose a partner).
- Article 14 – Equality before law.
- Article 15(1) – Prohibition of discrimination on grounds of religion, caste, sex.
- Article 19(1)(a) & (c) – Freedom of expression and association.
- Right to Privacy – Recognized in *Puttaswamy* (2017) as intrinsic to Article 21.

- Special Marriage Act, 1954 – Provides civil marriage irrespective of religion.

Supreme Court Jurisprudence

- *Lata Singh v State of Uttar Pradesh* – Adults have the right to marry a person of their choice.
- *Shafin Jahan v Asokan K.M.* – Right to choose a spouse is part of fundamental rights under Article 21.
- *Laxmibai Chandaragi B v State of Karnataka* – State must protect consenting adult couples.

Judiciary has consistently held that family/community cannot veto adult marriage choices.

Static Linkages

- Doctrine of Constitutional Morality
- Basic Structure Doctrine
- Fundamental Rights vs Reasonable Restrictions
- Directive Principles – Article 44 (Uniform Civil Code)
- Federalism – Concurrent List legislation
- Protection against Honour Crimes (Law Commission & SC guidelines)

Critical Analysis

Concerns

- May violate Article 21 (Decisional Autonomy).
- Expands state scrutiny into private sphere.
- Potential misuse against interfaith/inter-caste marriages.
- Conflicts with established Supreme Court jurisprudence.
- Risk of undermining constitutional morality in favour of social morality.

Government's Justification

- Claimed protection against coercion or fraudulent religious conversion.
- Ensuring informed consent and preventing exploitation.

Constitutional Tension

- Individual liberty vs State paternalism.
- Social morality vs Constitutional morality.
- Federal competence vs Fundamental Rights limits.

Way Forward

- Align state legislation with Supreme Court precedents.
- Strengthen safeguards against forced conversion through due process.
- Promote awareness and legal literacy among women.
- Ensure any regulation passes tests of reasonableness and proportionality.
- Judicial review to ensure constitutional compliance.