

**The Hindu Important News Articles & Editorial For UPSC CSE**  
**Saturday, 14 Feb, 2026**

**Edition : International Table of Contents**

<p><b>Page 03</b> Syllabus : GS II: International Relations / Prelims Exam</p>	<p>India believed that Panchsheel pact settled border with China, says CDS</p>
<p><b>Page 03</b> Syllabus : GS II : Governance / Prelims Exam</p>	<p>CJI's office received 8,630 complaints against judges from 2016 to 2025: Minister</p>
<p><b>Page 06</b> Syllabus : GS III : Indian Economy / Prelims Exam</p>	<p>Overdue upgrade: The new CPI series will aid policymaking and bolster data stability</p>
<p><b>Page 06</b> Syllabus : GS III : Indian Economy / Prelims Exam</p>	<p>The labour codes redefine wages, empower the worker</p>
<p><b>Page 06</b> Syllabus : GS II: International Relations</p>	<p>A decisive mandate: India, Bangladesh have an opportunity to reset ties with the defeat of Jamaat</p>
<p><b>Page 06 : Editorial Analysis</b> Syllabus : GS II : International Relations</p>	<p>India tested, from U.S. sanctions to one-sided trade deal</p>

**Page 03 : GS II : International Relations**

The 1954 Panchsheel Agreement (officially the Agreement on Trade and Intercourse between the Tibet Region of China and India) was envisioned as a cornerstone of peaceful coexistence. However, General Anil Chauhan's recent analysis suggests that while India viewed the pact as a tacit settlement of the northern border, China viewed it strictly as a functional trade arrangement. This fundamental disconnect laid the groundwork for the 1962 conflict and continues to influence the current standoff along the Line of Actual Control (LAC).

## India believed that Panchsheel pact settled border with China, says CDS

**Ishita Mishra**  
NEW DELHI

Chief of Defence Staff (CDS) General Anil Chauhan on Friday said that independent India was keen on building a good relationship with China. After Independence, it was for India to decide where the frontiers lay, he said.

"[Jawaharlal] Nehru probably knew that we had something like the McMahon Line in the east, and we had some kind of claim in the Ladakh area, but it was not clearly defined. That is why he wanted to go in for the Panchsheel Agreement... probably," General Chauhan said.

"And the Chinese also, when they had so-called liberated Tibet and had moved into Lhasa and into Xinjiang, this particular area was extreme from both ends. So, they probably wanted stability in this region and that is why this area assumed priority," the CDS added.

He said that once Tibet was occupied by China, "India gave up those privi-



**The Himalayan buffer that existed between us and Tibet evaporated and was converted into a direct border**  
**GENERAL ANIL CHAUHAN**  
Chief of Defence Staff

leges". "India recognised China and supported its permanent seat in the United Nations. The Himalayan buffer that existed between us and Tibet evaporated and was converted into a direct border," he said.

### Legitimacy of border

The CDS added that in 1954, India recognised Tibet as part of China, and both countries signed the Panchsheel Agreement. With this, India assumed that it had settled its northern border and the only area not settled through a formal treaty, from India's perspective, rested on the Panchsheel Agreement, he said.

General Chauhan said India believed that the legi-

timacy of the border was reinforced by identifying six passes through which trade and pilgrimage would take place - Shipki La, Mana, Niti, Kungri Binqri, Darma, and Lipulekh. "However, the Chinese position was that the agreement was negotiated only for trade and did not reflect their stand on the border dispute," he added.

The CDS underlined the increasing strategic importance of the Himalayan frontiers.

He highlighted the government's focused efforts on infrastructure development in border areas and emphasised the need for integrated, forward-looking strategic planning.

General Chauhan was speaking during the inaug-

uration of Bharat Himalayan International Strategic Manch (BHISM), a think tank in Dehradun.

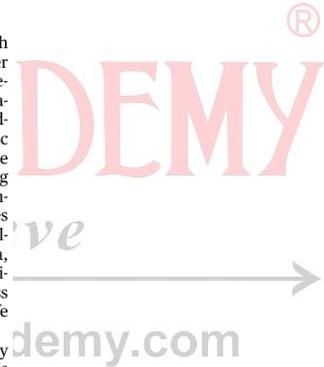
### Policy issues

He noted that issues such as climate change, water security, border management, military modernisation and disaster preparedness required a holistic Himalayan perspective. He said the ideas emerging from the forum could transcend regional boundaries and influence national policy - much like the Ganga, which originates in the Himalayas and flows across the country, sustaining life and progress.

Lieutenant General Ajay Kumar Singh (retd.), who is part of the BHISM, outlined the objectives of the think tank and stated that the forum would provide informed policy recommendations to the Government of India on strategic issues related to the Himalayan region, while fostering collaboration with academic and research institutions in and around Dehradun.



www.lakshyaacademy.com



### Key Highlights from the CDS's Analysis

#### 1. The Transition: Buffer Zone to Direct Border

**The Evaporation of the Buffer:** Traditionally, Tibet acted as a "Himalayan buffer." With China's "liberation" of Tibet and India's subsequent recognition of Tibet as a part of China in 1954, this buffer disappeared, creating a direct, sensitive border.

**Giving up Privileges:** Post-independence, India voluntarily relinquished extra-territorial rights in Tibet (inherited from the British) to foster goodwill and stability with the new People's Republic of China.

**Add- 21/B, Om Swati Manor Chs, J.K. Sawant Marg, Opp. Shivaji Natyamandir, Behind Cambridge Showroom, Dadar (West) Mumbai - 400028**  
**Con.- 09820971345, 9619071345, 9223209699**  
**G-mail-lakshyaacademymumbai@gmail.com**

### 2. Border vs. Frontier: A Conceptual Conflict

#### The CDS distinguished between two critical concepts:

Frontier: A vague, diffused zone of civilizational interaction, shaped by custom and tradition.

Border: A legally defined, political line marked on a map and defended on the ground.

The Miscalculation: India assumed the identification of six mountain passes for trade (Shipki La, Mana, Niti, Kungri Bingri, Darma, and Lipulekh) implicitly validated the entire border. China, conversely, maintained that these passes were merely for commerce and did not signify territorial agreement.

### 3. Strategic "Assumptions" of the Era

The Nehruvian Perspective: Prime Minister Nehru likely sought the Panchsheel Agreement to gain stability in an undefined region (Ladakh and the McMahon Line) where India's administrative reach was then limited.

The Chinese Priority: China sought stability while consolidating control over Lhasa (Tibet) and Xinjiang; for them, the agreement was a tactical pause rather than a final settlement.

#### Relevance for UPSC

#### Historical Significance

The Panchsheel principles (Mutual respect for sovereignty, Non-aggression, Non-interference, Equality, and Peaceful coexistence) became the bedrock of the Non-Aligned Movement (NAM). However, the lack of a "Dispute Resolution Mechanism" proved to be its fatal flaw.

#### Strategic Importance of the Himalayan Region

Infrastructure: The CDS emphasized that the government is now focusing on integrated strategic planning and infrastructure to rectify historical gaps.

Middle Sector Importance: While Ladakh (West) and Arunachal (East) see frequent friction, the CDS highlighted that the Middle Sector (Uttarakhand) is where the initial seeds of the dispute germinated and remains strategically vital.

#### The "BHISM" Think Tank

The inauguration of the Bharat Himalayan International Strategic Manch (BHISM) signifies a shift toward "terrain-conscious" and "forward-looking" strategic thought, moving away from reactive policies to proactive management of Himalayan security, climate change, and water security.

#### Conclusion

**Add- 21/B, Om Swati Manor Chs, J.K. Sawant Marg, Opp. Shivaji Natyamandir, Behind Cambridge Showroom, Dadar (West) Mumbai - 400028**  
**Con.- 09820971345, 9619071345, 9223209699**  
**G-mail-lakshyaacademymumbai@gmail.com**

General Chauhan's remarks underscore a vital lesson in Realpolitik: Diplomatic moralism without strategic clarity can lead to territorial vulnerability. The Panchsheel Agreement was a triumph of idealism but a failure of boundary definition. For modern India, the path forward involves balancing the "spirit of interaction" in the Himalayas with the "rigor of border defense," ensuring that "customary frontiers" are backed by "well-guarded borders."

### UPSC Prelims Exam Practice Question

**Ques: The Panchsheel Agreement between India and China (1954) is based on which of the following principles?**

1. Mutual respect for territorial integrity and sovereignty
2. Mutual non-aggression
3. Mutual non-interference in internal affairs
4. Equality and mutual benefit
5. Peaceful coexistence

**Select the correct answer using the code below:**

- (a) 1, 2 and 3 only
- (b) 1, 2, 3 and 4 only
- (c) 1, 2, 3, 4 and 5
- (d) 2, 4 and 5 only

**Ans : c)**

### UPSC Mains Exam Practice Question

**Ques:** Critically examine whether India's assumption that the Panchsheel Agreement settled the boundary dispute with China was strategically misplaced. **(250 words)**

**Page 03 : GS II : Governance / Prelims Exam**

The Union Law Minister recently informed Parliament that the Office of the Chief Justice of India (CJI) received 8,630 complaints against sitting judges between 2016 and 2025. This data underscores a growing public demand for transparency in the higher judiciary and brings the "In-House Procedure" for judicial misconduct back into the legislative and public spotlight.

## CJI's office received 8,630 complaints against judges from 2016 to 2025: Minister

**Ishita Mishra**  
 NEW DELHI

The office of the Chief Justice of India (CJI) received 8,630 complaints against sitting judges in the last decade, Law Minister Arjun Ram Meghwal informed the Lok Sabha on Friday.

The information came in response to a question raised in the House by Dravida Munnetra Kazhagam MP V.S. Matheswaran who had sought the database of complaints regarding corruption, sexual misconduct, or other serious impropriety received against judges of the High Courts or the Supreme Court.

Responding to the query, Mr. Meghwal submitted that 8,360 complaints against judges were recorded between 2016 and 2025.

As per the data shared by the Minister, the CJI's office got 729 complaints against judges in 2016, followed by 682 in 2017, 717 in 2018, and 1,037 in 2019. In 2020 and 2021, such complaints stood at 518 and 686 respectively. In 2022, 1,012 complaints were received, followed by 977 in 2023, 1,170 in 2024, and 1,102 in 2025.

### Court scrutiny

Under the judiciary's in-house mechanism, complaints against judges are handled internally by the CJI and Chief Justices of the High Courts, with no public disclosure on outcomes



Though Mr. Matheswaran asked if any action had been taken on the complaints, the Minister did not address the query.

To another question by the MP on whether the Centre was aware of any system maintained by the apex court to track complaints related to corruption, sexual misconduct, or other serious impropriety against judges of the higher judiciary, the Minister said that under the existing "in-house procedure", the Chief Justice of India and the Chief Justices of the High Courts are

authorised to receive and handle such complaints.

The Minister further noted that complaints submitted through the Centralised Public Grievance Redress and Monitoring System (CPGRAMS) or other channels are forwarded to the CJI or the respective High Court Chief Justices.

The MP also enquired if the government intended to introduce guidelines to ensure proper documentation, monitoring, and accountability in dealing with complaints against members of the higher judiciary. However, the Minister did not address it.



### Key Data Trends (2016–2025)

The data reveals a fluctuating but generally upward trajectory in the number of complaints filed:

Year	Number of Complaints
------	----------------------

# Daily News Analysis

Year	Number of Complaints
2016	729
2019	1,037 (First major spike)
2020	518 (Dip likely due to Pandemic)
2024	1,170 (Highest in the decade)
2025	1,102

Analysis: The breach of the 1,000-complaint mark in recent years suggests increased awareness among litigants and perhaps a rising dissatisfaction with judicial conduct or procedural delays.

## The Mechanism: How Complaints are Handled

The Law Minister clarified that there is no external oversight body; instead, the judiciary relies on its "In-House Procedure."

### 1. The In-House Procedure

Adopted in 1997, this internal mechanism allows the judiciary to police itself to maintain independence from the Executive.

Authority: Only the CJI (for SC and HC judges) and Chief Justices of High Courts (for HC judges) are authorized to act.

Process: Complaints received via the CPGRAMS (Centralised Public Grievance Redress and Monitoring System) or directly are forwarded to the respective Chief Justice.

Verification: The CJI determines if a complaint is frivolous or has substance. If the latter, a three-member committee of judges investigates.

### 2. The Role of the Executive

The Government's role is strictly limited to that of a "post-office." Under the principle of Separation of Powers, the Ministry of Law and Justice cannot investigate judges; it can only forward grievances to the judicial side.

## Core Issues and UPSC Perspectives

### A. Accountability vs. Independence

The primary challenge is balancing Article 124/217 (Judicial Independence) with the need for a "Reasonable Restriction" on conduct. Critics argue that the In-House Procedure lacks transparency because:

**Add- 21/B, Om Swati Manor Chs, J.K. Sawant Marg, Opp. Shivaji Natyamandir, Behind Cambridge Showroom, Dadar (West) Mumbai - 400028**  
**Con.- 09820971345, 9619071345, 9223209699**  
**G-mail-lakshyaacademymumbai@gmail.com**

There is no statutory backing for the procedure.

### B. Legislative Vacuum

The Minister's silence on whether the government intends to introduce new guidelines is notable. The Judicial Standards and Accountability Bill, which sought to create a formal mechanism, lapsed years ago, leaving a vacuum that is currently filled only by internal judicial protocols.

### C. Nature of Complaints

While the MP sought specific data on corruption and sexual misconduct, the Ministry provided a lump sum figure. This lack of categorization makes it difficult to assess whether the judiciary is facing a systemic crisis of integrity or a surge in procedural grievances.

### Conclusion

The sheer volume of 8,630 complaints indicates that the "In-House Procedure" is under significant pressure. While judicial independence is a "Basic Structure" of the Constitution, it cannot be a shield against accountability. For a healthy democracy, the "shield" of independence must be paired with a "sword" of effective grievance redressal. The current data may serve as a catalyst for renewed debate on the National Judicial Commission or a revised Judicial Accountability Act.

### UPSC Prelims Exam Practice Question

**Ques: The Centralised Public Grievance Redress and Monitoring System is commonly known as:**

- (a) e-Courts Portal
- (b) CPGRAMS
- (c) NJDG
- (d) e-Samiksha

**Ans: (b)**

### UPSC Mains Exam Practice Question

**Ques: The absence of a transparent statutory framework for handling complaints against judges raises concerns regarding public trust in the judiciary. Critically analyse. (250 words)**

**Page 06 : GS III : Indian Economy / Prelims Exam**

After an 11-year gap, the Ministry of Statistics and Programme Implementation (MoSPI) has replaced the 2012 base year with 2024. This revision is based on the Household Consumption Expenditure Survey (HCES) 2023-24, reflecting the dramatic shift in Indian consumption—from a food-dominant economy to one increasingly driven by services, digital goods, and lifestyle changes.

**Key Structural Changes: 2012 vs. 2024**

Feature	Old Series (Base 2012)	New Series (Base 2024)
Food & Beverages Weight	45.86%	36.75%
Housing Weight	10.07%	17.67%
Total Item Basket	299 Items	358 Items
Classification	6 Broad Groups	12 Divisions (COICOP 2018)
Market Coverage	2,295 (Rural + Urban)	2,860 (Rural + Urban)

**1. The "Engel's Law" Shift**

The reduction in food weightage (down ~9 percentage points) validates Engel's Law, which states that as household income rises, the proportion of income spent on food decreases. This shift is also influenced by the National Food Security Act (NFSA), as 80 crore people receiving free foodgrains reduces their out-of-pocket expenditure on cereals.

**2. Digital & Modern Inclusions**

For the first time, the CPI basket acknowledges the "Digital India" reality:

E-commerce: Data is now collected from 12 online marketplaces.

New Items: OTT streaming (Netflix/Hotstar), AirPods, Smartwatches, Hand Sanitisers, and even Rural House Rent (introduced for the first time).

Removed Items: VCR/VCD players, radios, and tape recorders (obsolete technology).

**Strategic Implications for Policy**

**A. Monetary Policy (RBI)**

**Add- 21/B, Om Swati Manor Chs, J.K. Sawant Marg, Opp. Shivaji Natyamandir, Behind Cambridge Showroom, Dadar (West) Mumbai - 400028**  
**Con.- 09820971345, 9619071345, 9223209699**  
**G-mail-lakshyaacademymumbai@gmail.com**

**Overdue upgrade**

The new CPI series will aid policymaking and bolster data stability

The new series of the Consumer Price Index (CPI), released on Thursday, has addressed the many shortcomings of the previous series. The new series has a base year of 2024, and is pegged to consumption patterns from the Household Consumption Expenditure Survey 2023-24. The previous series had a base year of 2012 and was based on consumption patterns of 2011-12. As Chief Economic Adviser V. Anantha Nageswaran noted, India has changed markedly over the last decade or so, including consumption behaviour and the composition of household expenditure. For example, 80 crore households receive free foodgrain now, which naturally reduces how much they need to spend on food. Simultaneously, several new service offerings have emerged, such as over-the-top (OTT) video streaming, and online marketplaces. The new series commendably tries to address these changes. The weightage of food and beverages in the overall CPI has been reduced to 36.75% from the earlier 45.86%. This is significant since food inflation was having an outsized influence on the overall CPI, despite forming a shrinking part of households' monthly expenditures. The index also covers more items, increasing its granularity and representativeness. Notably, this increase includes a larger number of goods and services. India's service economy is growing faster than the economy's average growth rate, and so price levels here are an increasingly important factor. The new index also collects data from more marketplaces across the country, and, for the first time, includes 12 online marketplaces.

More accurate inflation data have several implications for macroeconomic stability and monetary and fiscal policy. Food inflation in India is notoriously volatile, quickly reflecting supply bottlenecks as well as the vagaries of the weather. A more realistic weightage for food in the CPI stands to make the overall index more stable. This, in turn, can increase predictability in Budget-making, since some aspects are linked to the CPI, such as inflation-indexed dearness allowance and dearness relief. As far as monetary policy is concerned, an updated CPI gives the Reserve Bank of India's Monetary Policy Committee a more accurate picture of inflation as it decides the various policy interest rates. At the moment, MoSPI provides a 'linking factor' and leaves it to the public to calculate how earlier inflation data would have looked like under the new methodology. It should, instead, provide the back data itself, to ease comparative analysis. It should also stick to its plan to revise the CPI every five years, and not wait another 11 years to update it.

Reduced Volatility: Since food prices are volatile (supply-side shocks), a lower weightage means Headline Inflation will be more stable.

Core Inflation Focus: The RBI's Monetary Policy Committee (MPC) can now focus more on "Core Inflation" (non-food, non-fuel), which better reflects aggregate demand in the economy.

### B. Fiscal Policy & Welfare

Dearness Allowance (DA): More accurate CPI data ensures that wage adjustments for government employees are aligned with actual cost-of-living increases.

Poverty Estimation: The new series provides a more precise deflator for calculating real GDP and identifying the "real" purchasing power of the poor.

### Conclusion

The 2024 CPI series is a "structural reset" that brings India's inflation measurement in line with international standards (COICOP 2018). While the "break in data series" makes historical comparison difficult in the short term, the granularity—such as state-wise data and inclusion of online prices—provides a high-fidelity map of the Indian economy. As we move forward, the government's commitment to a 5-year revision cycle will be crucial to prevent data from becoming "overdue" again.

*Aim, Think & Achieve*

www.lakshyaacademy.co | www.lakshyaaiasacademy.com

### UPSC Prelims Exam Practice Question

**Ques: Which of the following best explains the term "linking factor" in price indices?**

- (a) A mechanism to connect CPI with WPI
- (b) A statistical coefficient used to compare old and new base year series
- (c) A method to calculate core inflation
- (d) A formula to adjust GST rates

**Ans: b)**

### UPSC Mains Exam Practice Question

**Add- 21/B, Om Swati Manor Chs, J.K. Sawant Marg, Opp. Shivaji Natyamandir, Behind Cambridge Showroom, Dadar (West) Mumbai - 400028**  
**Con.- 09820971345, 9619071345, 9223209699**  
**G-mail-lakshyaacademymumbai@gmail.com**

**Ques:** How does an updated CPI series improve the effectiveness

of monetary policy in India? Examine. (250 words)

**Page 06 : GS III : Indian Economy / Prelims Exam**

India has consolidated 29 fragmented central labour laws into four comprehensive codes: Code on Wages (2019), Industrial Relations Code (2020), Code on Social Security (2020), and Occupational Safety, Health and Working Conditions Code (2020). The primary objective is to balance "Ease of Doing Business" with "Universal Social Security," shifting the focus from mere regulation to worker empowerment and financial inclusion.

# The labour codes redefine wages, empower the worker

The implementation of India's labour codes marks a decisive shift towards greater financial inclusion of the workforce by embedding social security, income protection, and long-term financial safeguards into the employment relationship. By consolidating multiple fragmented labour laws, the codes aim not only to modernise labour governance but also to ensure that the gains of economic growth are shared more equitably with workers.

While some trade unions have responded with nationwide strike calls, a closer examination of the labour codes reveals that these reforms are fundamentally designed to correct long-standing exclusions and integrate millions of workers into formal systems of financial and social security.

### The reform of a definition

One of the most significant financial inclusion outcomes is the reform of the 'wage' definition. Establishments which used to pay lower wages (basic pay, dearness allowance and retaining allowance) of just 30%-35% of the total remuneration to reduce social security contributions, will now be required to ensure that wages constitute at least 50% of the remuneration. This will increase social security contribution and benefits, which will lead to higher provident fund (PF) accumulation, pension, and gratuity, thus enhancing long-term social security.

Moreover, fixed-term employees are now entitled to gratuity after completing one year of service. This change recognises the realities of modern labour markets and ensures gratuity payments for fixed-term employment.

For decades, workers engaged on fixed-term contracts contributed productively to enterprises but exited employment without any terminal financial benefit. By extending gratuity coverage, the labour codes convert short-term employment into a mechanism for asset creation and income security. PF, pension and gratuity thus function not merely as a retirement benefit, but as a tool for financial inclusion, enabling workers to build savings, manage life-cycle risks and reduce vulnerability during job transitions.

This change has naturally increased the



**R. Mukundan**

is President-Designate, the Confederation of Indian Industry (CII), and the Managing Director and CEO of Tata Chemicals Limited

There will be an expansion of worker benefits, his financial inclusion, and an enhancement of his long-term social security

financial liability of large corporations, including well-known companies such as TCS, Infosys, HCLTech, and L&T, where workforce size and reliance on fixed-term employment are significantly high.

Reports suggesting that companies have been "hit by crores" due to gratuity provisions must be viewed in proper perspective. The financial outgo arising from the new labour codes translates directly into enhanced income security for workers, strengthening their financial capacity and purchasing power. This, in turn, has positive multiplier effects on the economy through increased consumption, savings and social security coverage. The increased social security benefits also signify a more equitable redistribution of value towards labour rather than any erosion of employer interests. This also underscores the success of the labour codes in advancing fairness, dignity, and long-term stability in employment relations.

### The macroeconomic impact

Financial inclusion under the labour codes extends well beyond social security benefits for organised sector workers. The expansion of social security coverage to gig, platform and unorganised workers is a landmark reform. For the first time, these workers have been formally recognised within India's labour law framework, enabling access to insurance, PF mechanisms, and welfare schemes. Portability of benefits across States and employment is particularly significant for migrant and informal workers, who have historically remained excluded from stable financial systems. The Code on Wages further strengthens income security by introducing a universal wage definition, ensuring statutory minimum wages across sectors, limiting arbitrary deductions, and mandating timely payment.

Collectively, these measures stabilise incomes and enhance workers' ability to participate meaningfully in the formal economy.

The redistribution of income towards workers has important macroeconomic implications. Enhanced income security increases workers' purchasing power, leading to higher consumption, improved savings behaviour and

greater engagement with formal financial institutions. Unlike shareholder income, which may be invested in financial markets or external assets, worker income largely circulates within the domestic economy, generating demand-led growth. From this perspective, the labour codes function as instruments of inclusive growth. By strengthening the financial base of the workforce, they reduce vulnerability to economic shocks and contribute to social stability.

### Earlier labour laws were outdated

Despite these advances, sections of trade unions continue to oppose the labour codes, often portraying them as anti-worker reforms. While apprehensions about proper implementation and enforcement are legitimate, blanket opposition overlooks the tangible gains embedded in the legislation. In several instances, strike calls appear to be driven by sheer opposition to reforms than by the substantive provisions of the codes themselves. This risks diluting public understanding of reforms that are, in many respects, pro-worker and welfare oriented. It is also important to acknowledge that labour law reform in a country as large and diverse as India cannot be static. The earlier labour laws had become fragmented, outdated and ill-suited to a rapidly changing labour market. Consolidation into four labour codes simplifies compliance, improves transparency and creates a more predictable regulatory environment which benefits workers and employers.

India's labour codes should be understood not merely as regulatory restructuring but as a structural intervention aimed at greater financial inclusion. By extending gratuity, expanding social security coverage and closing long-standing legal exclusions, the codes facilitate a gradual but meaningful redistribution of economic value from capital to labour. This shift strengthens income security, enhances financial dignity, and aligns economic growth with social justice. The true success of the labour codes will lie not in resistance or rhetoric, but in ensuring their effective implementation so that every worker becomes an active participant in India's growth story.



## 1. The Redefinition of "Wages": A Game Changer

The most critical structural change is the new, uniform definition of wages across all four codes.

**Add- 21/B, Om Swati Manor Chs, J.K. Sawant Marg, Opp. Shivaji Natyamandir, Behind Cambridge Showroom, Dadar (West) Mumbai - 400028**  
**Con.- 09820971345, 9619071345, 9223209699**  
**G-mail-lakshyaacademymumbai@gmail.com**

The 50% Rule: Previously, companies kept "Basic Pay" low (30–35% of CTC) and "Allowances" high to minimize their contribution to social security. Now, "Wages" (Basic + DA + Retaining Allowance) must comprise at least 50% of total remuneration.

Impact on Workers: \* Higher Social Security: Since PF and Gratuity are calculated on "Wages," workers will have significantly larger retirement corpuses.

Short-term vs. Long-term: While "take-home" pay might slightly decrease due to higher deductions, long-term financial security increases.

## 2. Empowering the Modern Workforce

The codes move beyond the traditional "permanent employee" model to include the modern, flexible labor market.

### A. Fixed-Term Employment (FTE)

Gratuity parity: FTE workers are now entitled to gratuity after just one year of service (down from five years).

Benefit parity: They must receive the same wages, hours, and social security as permanent workers doing similar work.

### B. Gig and Platform Workers

For the first time, workers for aggregators (like Swiggy, Zomato, Uber) are legally recognized.

Social Security Fund: A dedicated fund will be created for them, financed by a contribution of 1–2% of the annual turnover of aggregators.

### C. Unorganized and Migrant Workers

Universal Minimum Wage: The "National Floor Wage" ensures a statutory minimum income across all sectors (organized and unorganized).

Portability: Benefits like PDS (Ration) and ESIC are now portable across states, aiding the 40+ crore migrant/informal workforce.

## 3. Macroeconomic and Industry Perspectives

Consumption-Led Growth: Increased savings in PF and higher terminal benefits (gratuity) increase the future purchasing power of the masses, which fuels domestic demand.

Formalization: By simplifying 29 laws into 4, and introducing "One Registration, One License, One Return," the codes encourage small firms to grow and enter the formal economy.

Cost to Industry: Large firms (IT, Manufacturing) face higher immediate financial liabilities due to increased gratuity and PF outgo. However, this is viewed as a "redistribution of value" from capital to labor that ensures social stability.

**Add- 21/B, Om Swati Manor Chs, J.K. Sawant Marg, Opp. Shivaji Natyamandir, Behind Cambridge Showroom, Dadar (West) Mumbai - 400028**  
**Con.- 09820971345, 9619071345, 9223209699**  
**G-mail-lakshyaacademymumbai@gmail.com**

#### 4. Challenges and Criticisms

Despite the benefits, there is significant pushback from Trade Unions:

**The 300-Worker Threshold:** The Industrial Relations Code allows firms with up to 300 workers (up from 100) to lay off staff without prior government permission, leading to fears of "Hire and Fire."

**Restricted Strike Rights:** New rules require a 14-day notice for strikes in all industrial units, which unions argue dilutes their bargaining power.

**Complexity in Rules:** Since "Labour" is a Concurrent Subject, asymmetry in state-level rules may hinder pan-India implementation.

#### Conclusion

The Labour Codes represent a shift from a "Restrictive" to a "Regulated" labor market. While industry views this as a move toward "Financial Inclusion" and "Asset Creation" for workers, the challenge lies in its execution. To succeed, the government must ensure that the transition doesn't lead to "contractualization of permanent jobs" and that the Social Security Fund for gig workers is effectively utilized.

#### UPSC Mains Exam Practice Question

**Ques:** Redefinition of wages under the new labour codes has long-term implications for financial inclusion and social security. Discuss. **(250 Words)**

[www.lakshyaacademy.co](http://www.lakshyaacademy.co) | [www.lakshyaaiasacademy.com](http://www.lakshyaaiasacademy.com)

**Page 06 : GS II: International Relations**

The 2026 elections were notable as the first "Gen Z-inspired" democratic exercise in Bangladesh. For the first time in two decades, the BNP has returned to power with an absolute majority, while the Jamaat-e-Islami has emerged as a potent opposition force. Concurrent with the election, a national referendum on the "July Charter" has paved the way for sweeping constitutional reforms, including the introduction of a bicameral parliament and term limits for the Prime Minister.

**Election & Referendum Results: By the Numbers**

The mandate was clear and decisive, effectively making the BNP the dominant political force while sidelining the proscribed Awami League.

**A decisive mandate**

India, Bangladesh have an opportunity to reset ties with the defeat of Jamaat

With a landslide verdict in its favour, the Bangladesh Nationalist Party (BNP) is set to form the government in Dhaka, with its leader, Tarique Rahman, becoming the country's first male Prime Minister elected to the post in decades. Mr. Rahman's road to the post, two decades after being barred from elections (due to cases) and going into exile under the previous Awami League government, is dramatic, with his return to Bangladesh just days before the death of his mother and former Prime Minister, Khaleda Zia. The interim government led by Muhammad Yunus is expected to hand over the reins to Mr. Rahman. Despite its more than two-thirds of the elected seats in the Jatiya Sangsad, the BNP has many challenges ahead. As the first elected government since Sheikh Hasina's ouster in August 2024, the first order of business will be to restore old political institutions and effect a political reconciliation. This could mean releasing political prisoners and an outreach to the banned Awami League, many of whose supporters did not vote. The next will be to prepare for the challenge from the Jamaat-e-Islami, whose coalition won about 75 seats in Parliament, its best performance yet. As a more vocal opposition now, the Jamaat, whose leaders have pitched a regressive line on women's rights and for religious politics, will try and push the new centrist government to the right. Voters have also emphatically supported the "July Charter" referendum, that calls for a caretaker government, reforms that could shift the powers of the Prime Minister, and an upper house in Parliament with proportional representation. Meanwhile, Mr. Rahman must hit the ground running on reviving the economy and restoring trade links with India.

For New Delhi, keen to reset ties after they hit a nadir under Mr. Yunus, the outreach to the new government is important. The Modi government has had tensions with the BNP as it reduced engagement with the opposition in Bangladesh during Ms. Hasina's tenure. It must also take back the space ceded to Pakistan, the U.S. and China, which have each forged new relations with Bangladesh since Ms. Hasina's ouster. Perhaps more than bilateral relations, ruptured trade and connectivity, security and sporting ties, New Delhi and Dhaka must repair the frayed ties between their peoples. In Bangladesh, securing India's missions and ensuring the safety of minorities will be essential. For India, it is necessary to dial down the domestic rhetoric against Bangladesh, that is allowing political groups (many are affiliated to the ruling party), to threaten Bangladeshis in India. The Modi and Rahman governments will have to move most delicately, however, in managing the issue of Ms. Hasina, who remains a wanted fugitive in Dhaka and an honoured guest in Delhi, if they are intent on a fresh start in ties.

Category	Outcome / Statistic
BNP Alliance Seats	212 (Two-thirds majority in the 300-seat Jatiya Sangsad)
Jamaat-e-Islami & Allies	77 (The strongest opposition showing in the party's history)
Voter Turnout	Estimated at over 60% (Significant increase from 42% in 2024)
July Charter Referendum	Passed with a clear "Yes" majority (Approx. 60.26% turnout)
Reserved Seats for Women	50 (To be filled proportionally by elected parties)

**The "July Charter": A New Constitutional Order**

Voters did not just elect a government; they voted for a total overhaul of the political system. Supporting the "July Charter" means:

Term Limits: A strict 10-year (two-term) cap on any individual serving as Prime Minister.

Bicameralism: The creation of a 100-member Upper House (Senate) with proportional representation.

Anti-Defection Reform: Amending Article 70 to allow MPs to vote against party lines (except on money bills).

Identity Shift: Rebranding the national identity from ethnic "Bangalee" to a more inclusive civic "Bangladeshi."

**Add- 21/B, Om Swati Manor Chs, J.K. Sawant Marg, Opp. Shivaji Natyamandir, Behind Cambridge Showroom, Dadar (West) Mumbai - 400028**  
**Con.- 09820971345, 9619071345, 9223209699**  
**G-mail-lakshyaacademymumbai@gmail.com**

### 1. The Extradition Dilemma

Sheikh Hasina remains in India under state protection. In late 2025, she was sentenced to death in absentia by a war crimes tribunal in Dhaka. The new BNP government has made her extradition a top priority, while New Delhi has so far declined, citing concerns over trial fairness. This remains the biggest "thorn" in bilateral relations.

### 2. The Rise of the Right

While the BNP is centrist, the Jamaat-e-Islami's 77 seats give it unprecedented leverage. The party has already pushed regressive views on women's rights. The Rahman government must navigate this pressure without alienating the "Gen Z" youth who led the revolution.

### 3. Resetting with India

Prime Minister Modi was among the first to congratulate Tarique Rahman. Both nations are eager to move past the "Hasina era."

Priorities include:

Teesta Water Sharing: Renewing stalled negotiations.

Border Management: Ending "border killings" and enhancing security.

Trade Stability: Restoring disrupted supply chains and connectivity projects.

### Conclusion

The 2026 mandate gives Tarique Rahman the legitimacy needed to rebuild institutions, but the presence of a powerful Islamist opposition and the shadow of the exiled Awami League in India make the road ahead fragile. For India, the transition requires shifting away from "individual-centric" diplomacy toward "people-centric" engagement, ensuring that the geography that links the two nations becomes a bridge rather than a barrier.

### UPSC Mains Exam Practice Question

**Ques:** The recent political transition in Bangladesh presents both challenges and opportunities for India. Discuss. (250 words)

# India tested, from U.S. sanctions to one-sided trade deal

**D**espite all the fanfare and furore in Parliament, it may be premature to celebrate or criticise the India-United States Bilateral Trade Agreement, simply because it has not yet been forged. Yet, last week's announcement of a "Framework for an Interim Agreement on reciprocal trade" (where the agreement itself is expected to be announced in the next few weeks), follows a procedure and a path that should be disquieting for all. While the baseline objective for the Narendra Modi government must be to enhance the Indian economy, and ease the unbearable burden that the U.S. Trump administration had imposed on it through 50% tariffs, the question it must ask is this: how, and at what cost? The Indian government must consider if this will be the template for all other India-U.S. agreements, strategic, economic or defence in the future.

## America's unilateral announcements

Every announcement on the deal thus far has been made by Washington unilaterally, with New Delhi racing to play catch-up. The first sign that the two countries had agreed on going ahead with negotiations that began in February 2025 came from a social media post by U.S. President Donald Trump on February 2, 2026. In it, he furnished several details of his conversation with Prime Minister Narendra Modi, all of which were incorporated into the Joint Statement and Executive Orders issued on February 6 – claims that Mr. Modi agreed to stop buying Russian oil, and to buy "much more" oil from the U.S.; that India would reduce tariffs and non-tariff barriers against the U.S. to "Zero" in return for 18% U.S. tariffs on Indian goods, and that Mr. Modi committed to "buy American" products to the tune of \$500 billion.

Mr. Modi's post that followed only divulged that the U.S. tariffs would be reduced. Four days later (U.S. time, 4 a.m.), Washington released the joint statement and two executive orders, on Russia and Iran, and subsequently a "Fact Sheet". The Press Information Bureau released the joint statement a few hours later. The government has since refused to engage with other documents in its public comments. But the entire manner of bringing out a "joint statement" unilaterally, begs this question. Who is calling the shots?

The nuts and bolts of the eventual trade regime being discussed, which includes tariffs, non-tariff barriers and market access can be considered at a later date when India and the U.S. actually sign the "interim agreement" on trade, as they are expected to next month. However, the concessions given in order to secure the interim agreement are set out clearly, and are a major cause for concern. While the Ministry of External Affairs and Commerce and Industries Ministry have sought to separate the trade agreement from



Suhasini Haidar

Mr. Trump's Executive Orders pertaining to Russian oil, they are in fact part of the same raft. Mr. Trump's Truth Social post, the documents released on February 6, and the White House Fact Sheet issued on February 10 all present them together.

The U.S. makes it clear that it rescinded 25% punitive tariffs on India (imposed in August 2025), under three understandings: that India would stop buying Russian oil; that it had already begun to do so, and that the U.S. would impose tariffs again if India were to resume Russian oil supplies. Mr. Trump has even set up a panel of his top officials to monitor India's oil intake. What is perhaps even more surprising is that the order states that India has agreed to "align sufficiently with the United States on national security, foreign policy, and economic matters".

The Indian government has not so far denied any of these claims, instead issuing long statements outlining India's energy sourcing priorities and the need to diversify its supply sources. On the ground, the trends are clear: India's imports of Russian oil have been reducing since November 2025, and oil purchases in December 2025 crashed to 38-month lows. From 40% of its oil intake in 2024, Russia now accounts for 25%.

Contrary to External Affairs Minister S. Jaishankar's assertion that India would put cheap oil for its consumers at the highest priority, and his Ministry's characterisation of the U.S.'s punitive tariffs as "unfair, unjustified and unreasonable", India is now buying less Russian oil, just as the discounts on it get larger. Other concessions, such as the zeroing of tariffs in several sectors, and the promise to buy American goods worth \$500 billion require further scrutiny. Buying U.S. goods in such large volumes would leave limited space for imports from other trading partners, and offering Washington terms not extended to countries that have only recently concluded trade agreements with India. These include the European Union, the European Free Trade Association, and New Zealand and would likely prompt questions from them.

Needless to say, the developing world, or the Global South, that once cheered India's refusal to back down in the face of non-United Nations, unilateral sanctions, will be watching closely. As a result, understanding the U.S. deal's impact on India's diplomatic standing among other nations is also vital.

## A pattern of U.S. demands

Should India accept the U.S.'s ultimatums to halt Russian oil imports, it would mirror its 2019 approach of compliance on giving up Iranian and Venezuelan oil – resisting at first before ultimately yielding to U.S. pressure months later. The U.S. is now pushing for India to buy

American and American-controlled Venezuelan oil, for India to give up the Chabahar port project and all trade with Iran.

If New Delhi agrees to all these, it will not only lose respect and goodwill with the countries in question (where India had promised to increase trade and investment) but also its credibility as a buyer and supplier in the market worldwide. This could prove particularly awkward for India as it prepares to host this year's BRICS summit, with the leaders of Russia, Iran and other developing-world partners expected to attend.

The next question New Delhi must ask itself is this. If the only way to do business with the U.S. involves the acceptance of "unfair, unjustified and unreasonable" measures such as tariffs, then what does this mean for strategic relations with the U.S.? Will every agreement on strategic ties, including on defence deals, military alignment, the Quad (India, Australia, Japan, the U.S.) and the Indo-Pacific, counter-terrorism and India's neighbourhood follow this pattern? Not only have the U.S.'s deals with Pakistan and Bangladesh underscored Washington's limited regard for India's interests in the neighbourhood, but its insistence that India end Russian oil imports, curtail trade with Iran, and halt development of Chabahar would only further benefit China. It is worth noting that India is the only country that the U.S. imposed 25% punitive tariffs for Russian oil on, while China and Türkiye are among other major buyers. In 2022, Mr. Modi's refusal to criticise Russia for the invasion of Ukraine publicly was seen as a compulsion of India's ties with Russia – abandoning its principles of territorial integrity in favour of pragmatism. In 2026, giving up Russian oil as a compulsion of India's ties with the U.S. is neither principled, nor pragmatic.

## On India's standing

Finally, the repercussions of this deal could inflict the greatest damage on India's principles of strategic autonomy, multi-alignment and multipolarity, as it would narrow India's options rather than diversify them – not just in energy procurement, trade, and connectivity but also in its broader global relationships. In 2019, Mr. Modi announced that India had rejected the Regional Comprehensive Economic Partnership (RCEP), invoking "Mahatma Gandhi's talisman test", walking out of a deal that his government had worked on for five years, citing discomfiture with Chinese economic domination. Confronted with an agreement that makes far more egregious demands on India's sovereign choices, it would be surprising if the government did not subject the U.S. deal to additional scrutiny before finalising it.

suhasini.h@thehindu.co.in

India's autonomy and global credibility could be undermined by its unilateral trade deal with the United States

**GS Paper II : International Relations**

**UPSC Mains Practice Question:** "India's multi-alignment strategy is being tested by great power competition. Analyse in the context of U.S. sanctions and India's energy imports from Russia and Iran. **(250 Words)**

**Context :**

In early February 2026, the India-U.S. trade relationship underwent a dramatic shift. Following a period of "tariff warfare" where Washington imposed 50% duties on Indian goods, both nations announced a Framework for an Interim Agreement. While the deal promises to slash tariffs to 18%, it comes tethered to significant geopolitical concessions, particularly concerning India's energy ties with Russia and Iran.

**1. The Economic "Carrot": Tariff Rationalization**

The core of the agreement is the reduction of the "Tariff Wall" that had crippled Indian exports since August 2025.

Feature	Pre-Deal (August 2025)	New Framework (Feb 2026)
Headline Tariff	50% (10% Base + 15% Reciprocal + 25% Punitive)	18%
Key Beneficiaries	Textiles, Gems & Jewellery, Leather	Engineering, Pharma, Tech
U.S. Concession	Rescinding the 25% "Russian Oil" penalty	Zero-duty for aircraft parts/generic drugs
India's Commitment	\$500 Billion purchase (Energy, Tech, Coal)	Move toward "Zero Tariffs" on U.S. goods

**Strategic Cost of the "Carrot"**

**The \$500 Billion Pledge:** A massive commitment to "Buy American" over the next five years. This could potentially crowd out trade with other partners like the EU or ASEAN.

**Market Access:** India has agreed to reduce non-tariff barriers on U.S. medical devices and ICT goods, which may impact the domestic MSME sector.

**2. The Geopolitical "Stick": Energy and National Security**

The most controversial aspect of the deal is its explicit linkage to India's foreign policy choices—a departure from traditional "de-hyphenated" diplomacy.

**A. The Russia Ultimatum**

The U.S. Executive Orders make the tariff relief contingent on India halting Russian oil imports.

**Add- 21/B, Om Swati Manor Chs, J.K. Sawant Marg, Opp. Shivaji Natyamandir, Behind Cambridge Showroom, Dadar (West) Mumbai - 400028**  
**Con.- 09820971345, 9619071345, 9223209699**  
**G-mail-lakshyaacademymumbai@gmail.com**

The Monitoring Mechanism: Washington has set up a panel to monitor India's oil intake, threatening to reimpose the 25% punitive tariff if purchases resume.

Data Trends: Reflecting this pressure, India's Russian oil imports crashed to a 38-month low in December 2025, dropping from a peak of 40% to roughly 24% of the total energy mix.

### B. The Iran and Chabahar Question

The "Secondary Sanctions" framework introduced by the Trump administration on February 6, 2026, targets any country trading with Iran. This places a massive question mark over:

Chabahar Port: India's strategic gateway to Central Asia.

International North-South Transport Corridor (INSTC): A project central to India's Eurasian connectivity.

### 3. Critical Analysis: Impact on Strategic Autonomy

#### Erosion of Multipolarity?

Critics, including Suhasini Haidar, argue that by accepting unilateral U.S. conditions, India risks transitioning from a "Global Partner" to a "Junior Ally."

Transactional Diplomacy: The deal signals a shift toward a purely transactional relationship where economic access is traded for geopolitical alignment.

Credibility in the Global South: As the host of the BRICS 2026 Summit, India's apparent "yield" to U.S. pressure on Russian oil could weaken its leadership credentials among developing nations that value sovereignty over unilateral sanctions.

#### The "Pragmatic" Counter-Argument

The government's silence on "denying" the U.S. claims suggests a quiet pragmatism.

Labor-Intensive Sectors: With 45 million jobs at stake in sectors like textiles and gems, the 50% tariff was an existential threat to the "Make in India" initiative.

Diversification: The MEA maintains that shifting away from Russia is a "market-driven diversification" rather than a political surrender.

### Conclusion

The 2026 India-U.S. Trade Agreement is not just a commercial pact; it is a "Strategic Reset." While it offers a lifeline to Indian exporters and secures a predictable trade regime, the cost is a visible dent in India's "Strategic Autonomy." For UPSC, the key takeaway is the evolving nature of the India-U.S. Comprehensive Global Strategic Partnership, which is now increasingly defined by "Trade Coercion" and "Energy Realignment."