Polity & Governance · GS - II

State excise policies must balance revenue generation with public health and social welfare. Discuss with reference to liquor regulation in India.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 19/10/2026	GS - II	Polity & Governance

MARKS	WORD LIMIT
10	~150 words

Answer Hint

State List, excise duty, state revenue, public health, alcoholism, responsible regulation, tourism, social welfare, evidence-based policymaking.

Model Answer

Introduction

Liquor regulation in India involves balancing the economic interests of state governments with public health and social welfare. State governments play a major role in regulating the production, sale and distribution of alcoholic beverages.

Main Body

Importance of liquor regulation

1. Revenue generation: Excise duties on alcoholic beverages provide significant revenue to state governments, supporting public expenditure.

2. Public health: Excessive alcohol consumption can cause addiction, liver diseases, accidents and domestic violence.
3. Social welfare: Effective regulation can help reduce alcohol-related harm, protect vulnerable groups and improve community well-being.
4. Tourism and employment: A well-designed policy can support tourism, hospitality and related employment while maintaining safeguards.

Challenges and way forward

States must address the tension between revenue dependence and the social costs of alcohol consumption. They should enforce age restrictions, prevent illicit liquor sales, regulate advertising and availability, strengthen de-addiction services, and conduct public awareness campaigns. Policy decisions should be based on public health evidence, transparent licensing and regular impact assessments.

Conclusion

A balanced excise policy should not focus solely on revenue. Responsible regulation, effective enforcement and investment in public health can help states achieve fiscal stability alongside social welfare.

BECOME IAS
AI POWERED UPSC PREP