

9 PM Current Affairs Weekly Compilation

For UPSC CSE mains examination



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Features :

Arranged as per syllabus Topics
Most complete coverage of major
News Papers editorials

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High heat: On India and warming

Source: The post “High heat: On India and warming” has been created, based on “High heat: On India and warming” published in “The Hindu” on 24th April 2026.

UPSC Syllabus: GS Paper-3- Environment

Context: India is experiencing unusually early and intense heatwaves, with temperatures crossing 40°C in several regions as early as April. This shift indicates a deeper structural vulnerability to extreme heat rather than a temporary climatic variation.

Causes of Increasing Heatwaves

1. The early arrival of extreme heat this year reflects changing climatic patterns linked to global warming.
2. The absence of western disturbances and thunderstorms has reduced natural cooling effects across large parts of the country.
3. Lower convective activity in the atmosphere has contributed to sustained high temperatures.
4. The lingering impact of the previous El Niño event has further intensified heat conditions.
5. Urban heat island effects have aggravated local temperatures, particularly in cities.
6. Coastal regions are facing compounded heat stress due to high humidity, which increases discomfort and health risks.

Impacts of Extreme Heat

1. Extreme heat is increasing the risk of mortality, particularly due to cardiovascular complications.
2. Warmer nights are preventing adequate physiological recovery, thereby increasing the health burden.
3. The economic cost is significant, with approximately 247 billion work hours lost in 2024 due to heat stress.
4. Workers in sectors such as construction and agriculture are disproportionately affected due to prolonged outdoor exposure.
5. Heat stress during the rabi harvest is creating serious challenges for farmers.
6. High temperatures are accelerating crop maturity, which threatens agricultural productivity and food security.
7. These agricultural impacts may contribute to inflationary pressures in the economy.
8. Extreme heat is also affecting democratic participation, as seen when voters faced difficulties during elections conducted in high temperatures.

Limitations of Existing Response (Heat Action Plans - HAPs)

1. Heat Action Plans in India are largely focused on emergency response rather than long-term adaptation.
2. There is insufficient funding for structural interventions such as urban greening and climate-resilient infrastructure.
3. Measures to protect informal sector workers from heat exposure remain weak or poorly enforced.
4. Current strategies fail to address underlying vulnerabilities such as poor housing, lack of cooling access, and income insecurity.
5. Administrative responses tend to be reactive, such as extending polling hours, rather than preventive.

6. Public health systems are not adequately equipped to provide widespread and proactive heat-related services.

Way Forward

1. India must transition from short-term emergency responses to long-term climate adaptation strategies.
2. There should be increased investment in urban planning measures such as green cover, cool roofs, and heat-resilient infrastructure.
3. Heat Action Plans should be strengthened with dedicated funding and institutional accountability.
4. The government should enforce mandatory heat safety standards, especially for vulnerable workers in the informal sector.
5. Public health systems should be expanded to ensure timely and doorstep delivery of essential services during heatwaves.
6. India should leverage international platforms to access greater climate adaptation finance.
7. Community awareness and local-level preparedness should be enhanced to reduce the impact of extreme heat.

Conclusion: The growing intensity and frequency of heatwaves in India highlight a structural crisis that demands urgent attention. Addressing underlying vulnerabilities through sustained policy action, investment, and institutional strengthening will be critical to building long-term resilience.

Question: Heatwaves in India are no longer seasonal anomalies but structural challenges.” Discuss the causes, impacts, and limitations of India’s response to extreme heat. Suggest a way forward.

Source: [The Hindu](#)

India notifies online gaming rules

Source: The post “**India notifies online gaming rules**” has been created, based on “**India notifies online gaming rules**” published in “The Hindu” on 24th April 2026.

UPSC Syllabus: GS Paper-2- Governance

Context: India’s online gaming market has witnessed exponential growth, with millions of users and increasing monetisation through real-money formats. However, rising concerns over addiction, fraud, and regulatory arbitrage due to differing state laws prompted the Union government to introduce a unified national framework through the Online Gaming Rules, 2026.

Key Features of the Rules

1. The rules operationalise the Promotion and Regulation of Online Gaming Act and provide a comprehensive legal framework for the sector.
2. The government has established the **Online Gaming Authority of India (OGAI)** as a dedicated sectoral regulator under the Ministry of Electronics and Information Technology.
3. The regulatory model follows a **digital-first approach**, focusing on oversight of online platforms rather than physical enforcement.

4. The rules clarify that **most online social games will not require mandatory registration or prior classification**, thereby reducing regulatory burden on non-risk categories.
5. The framework significantly **expands the compliance perimeter by including financial institutions**, ensuring better monitoring of monetary transactions in gaming.
6. The rules aim to curb issues such as **fraud, user exploitation, addiction, and regulatory loopholes** arising from state-level inconsistencies.
7. The provisions are scheduled to **come into force from May 1, 2026**, marking the beginning of a formalised regulatory regime.
8. The rules follow the earlier legislative action that had effectively **restricted the real-money gaming ecosystem**, impacting several major gaming platforms.

Significance of the Rules

1. The rules bring **uniformity and clarity** by replacing fragmented and inconsistent state regulations with a central framework.
2. The establishment of OGAI ensures **institutionalised oversight**, which enhances accountability in the sector.
3. By bringing financial intermediaries into the framework, the rules strengthen **financial transparency and reduce fraud risks**.
4. The exemption for most social games supports **ease of doing business and innovation** in the non-gambling gaming segment.
5. The framework enhances **consumer protection**, particularly for vulnerable users exposed to addictive or manipulative gaming practices.
6. The rules contribute to the **formalisation and regulation of a fast-growing digital industry**, which has significant economic potential.

Challenges in Implementation

1. The rules may face difficulties in effectively addressing **gaming addiction**, as behavioural monitoring is complex.
2. The inclusion of financial institutions increases compliance requirements, which may pose **operational challenges**.
3. The earlier restrictions on real-money gaming could lead to **revenue losses and uncertainty for startups and investors**.
4. The framework may give rise to **federal tensions**, as betting and gambling fall under the State List.
5. The dynamic and evolving nature of digital gaming platforms creates **regulatory challenges in keeping pace with innovation**.
6. Ensuring effective coordination between multiple stakeholders, including regulators, platforms, and financial entities, may be complex.

Way Forward

1. The government should strengthen **technological oversight mechanisms**, including AI-based monitoring of gaming behaviour and transactions.
2. There should be a focus on **responsible gaming policies**, including age-gating, spending limits, and user awareness campaigns.
3. The Centre and States should work collaboratively to ensure **harmonised implementation** and reduce jurisdictional conflicts.

4. The regulatory framework should remain **flexible and adaptive** to emerging technologies and new gaming models.
5. Capacity building within OGAI and associated institutions should be prioritised to ensure **efficient enforcement and grievance redressal**.
6. Stakeholder consultation, including industry players and civil society, should be encouraged for **balanced regulation**.

Conclusion: The Online Gaming Rules, 2026 mark a significant policy shift towards regulating India's rapidly expanding gaming ecosystem. While the rules aim to balance growth with accountability and user protection, their long-term success will depend on effective implementation, institutional capacity, and cooperative federalism.

Question: India has notified the Online Gaming Rules, 2026 to regulate its rapidly growing gaming sector. Discuss the key features of the rules and examine their significance, challenges, and the way forward.

Source: [Indian Express](#)

Scaling Climate Adaptation from Policy to Grassroots

UPSC Syllabus: Gs Paper 3-Environment

Introduction

India is the **ninth most climate-vulnerable country**, facing **430 extreme weather events (1995–2024)** that caused **\$170 billion losses** and affected **1.3 billion people**. The updated **Nationally Determined Contributions (NDCs) for 2031–35** recognise these risks and stress **mainstreaming climate adaptation into development planning**. The key challenge lies in scaling adaptation efforts from policy frameworks to effective grassroots implementation through strong institutions, financing systems, and community participation.

Policy Framework for Climate Adaptation

1. **Recognition of Climate Risks in NDCs:** The NDCs (2031–35) emphasise integrating **climate resilience and adaptation into development strategy**.
2. **Sectoral Focus of Adaptation:** Key areas include **coastal resilience, infrastructure, disaster preparedness, heat mitigation, biodiversity conservation, and sustainable livelihoods**.
3. **Global Alignment of Adaptation Goals:** The framework aligns with global efforts to **increase adaptation finance three times by 2035** and to adopt **Belém Adaptation Indicators at COP30 under the United Nations Framework Convention on Climate Change**, which aim to **track and measure progress in climate adaptation**.

Existing Adaptation Initiatives and Best Practices in India

1. **NICRA Programme by ICAR:** The **Indian Council of Agricultural Research (ICAR)** runs **National Innovations in Climate Resilient Agriculture (NICRA)**, covering **448 villages across 151 climate-vulnerable hotspots** and mapping risks in **651 districts**, focusing on **climate-smart agriculture and farmer capacity-building**.
2. **Tamil Nadu CRV Programme under TNCCM:** Recognised in the **Economic Survey 2025–26**, the **Climate Resilient Villages (CRV)** operates under the **Tamil Nadu Climate Change Mission (TNCCM)** with support from **World Resources Institute (WRI) India** across **11 vulnerable districts**.
3. **Integrated and Community-Based Approach:** The CRV model includes **water management, flood and drought mitigation, waste management, renewable energy, biodiversity conservation, alternate livelihoods, and climate information**, with local consultation and participation.

Challenges related to Climate Adaptation in India

1. Structural and Implementation Challenges

- **Fragmented Implementation:** Adaptation efforts remain **scattered**, which makes scaling and coordination difficult.
- **Weak State-Level Planning:** While most States prepared initial **State Action Plans on Climate Change (SAPCCs)**, **only a few updated them in line with NDC targets till 2030**.

2. Financial Challenges

- **Budgetary Imbalance:** Although **adaptation and resilience spending was estimated at 5.6% of India GDP in FY22**, the **Union Budget 2026–27 remains skewed toward mitigation**, indicating a continued imbalance in prioritising adaptation.
- **Large Global Financing Gap:** Developing countries face an annual gap of **\$284–\$339 billion till 2035**, as per the **United Nations Environment Programme (UNEP) Adaptation Gap Report, 2025**.
- **Weak Public Finance Tracking:** Adaptation spending is not systematically tracked in **State budgets**, limiting transparency and effectiveness.

3. Policy and Framework Gaps

- **Lack of Clear Adaptation Finance Framework:** India's **Draft Framework of Climate Finance Taxonomy (2025)** is **mitigation-focused**, covering **emission avoidance, emission intensity reduction, and transition in hard-to-abate sectors**, with only possible adaptation co-benefits.
- **Need for Clear Typology of Finance:** There is a need to **prioritise sectors and assess resource requirements for each vulnerable sector**.

4. Institutional and Data Gaps

- **Institutional Gaps in Planning Systems:** There is a lack of **regular climate vulnerability assessments at State, district, and block levels**, along with weak **data systems, methodologies, and monitoring frameworks**.

5. Economic and Outcome Measurement Gaps

- **Importance of Benefit Quantification:** Adaptation benefits such as **avoidable losses, socio-economic and environmental gains, and mitigation co-benefits** need proper measurement; a **WRI study estimates ten-fold returns on adaptation investment**.

Way Forward

1. **Strengthening Adaptation Finance Systems:** Mobilise **domestic resources** and leverage **private and international investment**, supported by **state-level adaptation facilities to identify bankable projects**.
2. **Climate Budgeting and Financial Integration:** Track adaptation in State budgets and mandate **climate budgeting through State Finance Departments**, integrated into **annual budget processes through budget circulars**.
3. **Institutionalising Planning Frameworks:** Operationalise NDCs through a **National Adaptation Plan, national missions, and updated SAPCCs**, with **time-bound prioritisation and monitoring frameworks**.
4. **Improving Data and Assessment Systems:** Ensure **regular vulnerability assessments**, updated data, **standardised monitoring**, and **periodic reviews with continuous data collection**.
5. **Expanding Scope of Adaptation Strategies:** Include **skill development, alternative livelihoods, and rehabilitation guidelines** beyond infrastructure-focused approaches.
6. **Strengthening Administrative Mechanisms:** Use or create **State and district climate change cells with dedicated workforce** and establish **clear reporting channels for cross-learning and timely interventions**.
7. **Promoting Locally Led Adaptation (LLA):** Extend mechanisms to **urban local bodies and panchayati raj institutions**, with **community-led planning, implementation, and ownership of interventions**, as emphasised at **COP30**.
8. **Scaling Context-Specific Models:** Expand models like **CRV (Climate Resilient Villages)** to different regions using **place-based and context-specific approaches** to build awareness and participation.

Conclusion

Climate adaptation in India must move from **policy recognition to grounded implementation**. This requires **balanced financing, strong institutional systems, and locally driven action**. Aligning national commitments with grassroots execution through a **whole-of-systems approach** is essential to build resilience. Without such integration, adaptation efforts will remain uneven and insufficient to address increasing climate risks effectively.

Question for practice:

Discuss how India is scaling climate adaptation from policy to grassroots, highlighting key initiatives, challenges, and measures required to strengthen financing and institutional mechanisms.

Source: [The Hindu](#)

Information Warfare

UPSC Syllabus: Gs Paper 3- Science and Technology- developments and their applications and effects in everyday life.

Introduction

Information warfare has become a key feature of modern conflicts. The first sign of a crisis now appears on a phone screen through forwarded videos and online content. Public opinion forms quickly as emotion before official clarification arrives. The battle begins with attention and first impressions. The side that captures this early space shapes media debates, public perception, and diplomatic responses in the later stages of the crisis.

What is Information Warfare

1. **Definition:** Information warfare refers to the collection, distribution, modification, disruption, interference, and degradation of information to gain advantage over an adversary.
2. **Purpose:** Its purpose is to shape perception and influence how people understand an issue or event.
3. **Focus on perception control:** It uses information as a tool to alter the target's thinking. The goal is not just to inform but to create a desired reaction or outcome.
4. **Speed as a defining element:** Information warfare operates in real time, where rapid spread of content shapes early perception before verification or official clarification.
5. **Narrative-driven conflict:** Conflicts are now fought over perception along with physical space. First impressions influence television debates, newspaper framing, and diplomatic discussions.

Features of Information Warfare

1. **Low entry cost:** Information warfare does not need large financial resources or state support. Basic technical skills and access to networks are enough to participate.
2. **Blurred boundaries:** The difference between public and private actors, and between war and crime, becomes unclear. Digital platforms mix these roles.
3. **Power of perception management:** Control over images and narratives increases the role of deception. It becomes harder for governments to build political support.
4. **Strategic intelligence challenge:** Traditional intelligence systems struggle to identify targets and threats in this domain. A new form of analysis is required.

5. **Warning and detection problems:** It is difficult to distinguish attacks from normal digital activity. There is no clear warning system for such threats.
6. **Coalition vulnerability:** Shared digital systems increase risks for all partners. An attack on one actor can affect many others.

Methods Used for Information Warfare

1. **Use of engaging digital content:** Memes, short videos, AI-generated visuals, humour, and images of civilian suffering are used to capture attention and spread messages quickly.
2. **Audience-specific messaging:** Different narratives are created for different audiences. One message highlights victimhood, another highlights resistance, and another focuses on moral injury.
3. **Importance of tone and relatability:** Audiences do not follow official messages alone. They respond to language that matches their mood, so humour, emotion, and simple language become more effective than formal communication.
4. **Use of internet culture:** Irony, satire, and informal language are used to connect with younger audiences. This makes content more relatable and shareable.
5. **State and non-state coordination:** Official and unofficial actors reinforce each other's messages across platforms. This creates repetition and wider reach.
6. **Cross-platform amplification:** Online content quickly moves to television debates, newspapers, and diplomatic discussions. Digital messaging gains a broader political impact.

Challenges of Information Warfare

1. **Spread of misinformation:** Exaggeration and false claims are part of campaigns. This reduces trust in available information.
2. **Speed versus accuracy gap:** Fast-moving rumours spread before verified facts. Truth that comes late loses influence over public opinion.
3. **Rigid institutional messaging:** Formal and security-focused communication appears slow and disconnected. It fails to match the pace of digital platforms.
4. **Tone mismatch in crises:** Strong or assertive messaging can backfire in situations involving civilian suffering. It allows opponents to claim emotional and moral advantage.

Implications of Information Warfare

1. **Impact on public perception:** Information spreads faster than facts, so people form opinions before official clarification. This weakens the State's ability to guide understanding.
2. **Spillover into domestic space:** External crises quickly affect politics, markets, diaspora concerns, and social relations within countries.

3. **Pressure on State communication:** Governments must respond quickly. Delayed communication forces them to react instead of shaping the narrative.
4. **Fusion of diplomacy and communication:** Consular work, diplomacy, and public messaging become one task during crises.
5. **Risk of misinterpretation:** Balanced or careful policies may appear weak or unclear if not explained quickly and properly.

Way Forward

1. **Build real-time communication systems:** The State should create systems that release verified updates quickly during crises. This reduces the gap between rumours and official information.
2. **Strengthen digital role of missions:** Missions abroad should actively monitor online trends and respond early. They should act as the first reliable source for citizens during emergencies.
3. **Integrate communication with action:** Every major decision should be explained immediately along with its purpose. This ensures that action and explanation move together.
4. **Use audience-sensitive messaging:** Communication should be adapted to different groups, such as citizens, diaspora, and global audiences. Each group needs clear and relevant information.
5. **Ensure consistency across platforms:** All official channels should carry the same message. This avoids confusion and prevents multiple interpretations of the same event.

Conclusion

Information warfare has transformed how conflicts are perceived and managed. Early control over narratives shapes public opinion and limits policy space. Delayed communication allows misinformation to dominate and weakens State response. Effective crisis management now depends on timely, clear, and coordinated communication. In future conflicts, success will depend not only on action but also on how quickly and effectively it is explained.

Question for practice:

Examine how information warfare shapes public perception during modern conflicts and discuss its implications for State communication and response.

Source: [Hindustan Times](#)

How El Nino could impact the world's weather in 2026/27

Source: The post "How El Nino could impact the world's weather in 2026/27" has been created, based on "How El Nino could impact the world's weather in 2026/27" published in "DD News" on 25th April 2026.

UPSC Syllabus: GS Paper-3- Environment

Context: El Niño is a climatic phenomenon characterized by unusually warm sea surface temperatures in the central and eastern equatorial Pacific Ocean. It alters atmospheric circulation and leads to significant changes in global weather patterns.

Forecast for 2026–27

1. Global weather agencies predict that there is around a 60–70% probability of an El Niño developing by mid-2026.
2. The phenomenon is expected to persist through the end of 2026 and may be strong in intensity.

Expected Global Impacts (2026–27)

I. Asia (including India)

- a. Asia is likely to experience hotter and drier weather conditions due to El Niño.
- b. India may witness a below-average monsoon for the first time in three years.
- c. Southeast Asia is also expected to receive reduced rainfall, affecting agriculture.
- d. These conditions may negatively impact the production of crops such as rice, wheat, palm oil, and sugar.

II. Australia

- a. Eastern Australia is expected to receive below-median rainfall during the early growing season.
- b. Temperatures are likely to remain above normal, increasing stress on crops.
- c. These conditions could adversely affect agricultural productivity.

III. Americas

- a. Parts of North and South America are expected to receive increased rainfall.
- b. Excessive rainfall may lead to flooding and disrupt crops such as soybean and corn.
- c. The U.S. Midwest may initially benefit from good growing conditions, but excessive moisture during harvest could create risks.

IV. Global Trends

- a. Global temperatures are expected to remain above normal during the El Niño period.
- b. Rainfall distribution is likely to become uneven, leading to simultaneous droughts and floods in different regions.

Mechanism and Difference from La Niña

1. During El Niño, the weakening or reversal of trade winds allows warm water to move eastward across the Pacific Ocean.
2. This redistribution of heat affects rainfall and temperature patterns across the globe.
3. In contrast, La Niña occurs when trade winds strengthen and push warm water westward, causing cold water upwelling in the eastern Pacific.
4. El Niño and La Niña are opposite phases of the same climate system and produce contrasting weather effects.

Comparison with La Niña Impacts

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1. La Niña generally brings above-average rainfall to Australia and parts of Southeast Asia.
2. It has a variable impact on the Indian monsoon and does not always strengthen it.
3. It tends to cause wetter conditions in northern South America and drier conditions in the southern United States.
4. In contrast, El Niño usually causes drier conditions in Asia and wetter conditions in parts of the Americas.

Lessons from Past El Niño Events

1. The strong El Niño of 2015–16 caused severe drought in Australia and Southeast Asia and weakened the Indian monsoon.
2. It also reduced the production of grain, palm oil, and sugar while causing excessive rainfall in South America.
3. The moderate El Niño of 2009–10 led to reduced yields of rice and wheat in India and Southeast Asia.
4. The strongest El Niño of 1997–98 caused drought in parts of Asia and flooding in the Americas, though India received average rainfall.

Implications

1. El Niño can create significant risks to global food security due to reduced agricultural output.
2. It may lead to inflationary pressures due to supply shortages of key commodities.
3. Water stress conditions may worsen in Asian countries.
4. There may be an increased frequency of climate-related disasters such as droughts and floods.

Way Forward

1. Governments should strengthen early warning systems and improve climate forecasting capabilities.
2. There is a need to promote climate-resilient agricultural practices, including drought-resistant crop varieties.
3. Efficient water resource management and storage systems should be developed.
4. International cooperation is required to stabilize food supply chains.
5. Farmers should be supported through insurance schemes and policy interventions.
6. Investment in climate research and data systems should be increased.

Conclusion: A strong El Niño event in 2026–27 has the potential to significantly disrupt global weather systems, agriculture, and economies. Effective preparedness and adaptive strategies are essential to reduce its adverse impacts.

Question: Explain the likely global impacts of a strong El Niño event during 2026–27. How does it differ from La Niña, and what lessons can be drawn from past events?

Source: [DD News](#)

Energy Transition Needs Nuclear

Source: The post “Energy Transition Needs Nuclear” has been created, based on “Energy Transition Needs Nuclear” published in “Economic Times” on 25th April 2026.

UPSC Syllabus: GS Paper-2-International Relations

Context: The global energy transition aims to shift from fossil fuels to cleaner energy sources like renewables. However, recent geopolitical tensions, particularly the Iran conflict, have exposed structural limitations in this transition.

How the Iran Conflict Exposes Limits of Energy Transition

1. The conflict has highlighted the continued global dependence on hydrocarbons such as oil and gas.
2. Disruptions in supply chains have forced countries to prioritize energy security over climate goals.
3. Rising risks in key chokepoints like the Strait of Hormuz could lead to supply shortages irrespective of price.
4. The situation is considered more severe than past oil shocks due to both price and supply constraints.

Emerging Trends: Shift Back to Conventional Energy

1. Renewed Focus on Oil and Gas

- a. Countries are increasing exploration and production of oil and gas to ensure reliable energy supply.
- b. Policies against hydrocarbons are being reversed even in regions like Europe.
- c. Several countries such as Greece and Italy have resumed or expanded offshore exploration.

2. Slowdown in EV and Clean Energy Targets

- a. Major automobile companies are delaying or scaling back electric vehicle transition plans.
- b. Growth in EV sales has slowed, reflecting market and infrastructure challenges.

3. Structural Challenges in Renewable Energy

- a. Renewable sources like solar and wind suffer from intermittency and cannot provide continuous power.
- b. There is currently no commercially viable large-scale storage solution to address this issue.
- c. Grid infrastructure is inadequate to transmit and utilize renewable energy efficiently.
- d. Renewable energy often remains underutilized due to transmission bottlenecks.

4. High Cost of Alternatives

- a. Technologies like green hydrogen are not yet commercially viable due to high costs.
- b. This limits their adoption, especially in hard-to-abate sectors like heavy industry.

Emerging Energy Priorities

1. Natural Gas as Transition Fuel

- a. Gas is being seen as a relatively cleaner and reliable alternative to coal and oil.
- b. It is likely to remain in the energy mix for a longer period than previously expected.

2. Revival of Nuclear Energy

- a. Nuclear power is gaining importance as a stable and low-carbon energy source.
- b. Small Modular Reactors (SMRs) are being promoted due to lower costs and scalability.
- c. Countries that earlier opposed nuclear energy, such as Germany and Japan, are reconsidering their stance.

Broader Implications

1. The energy transition is not linear and is influenced by geopolitical realities.
2. Fossil fuels will continue to play a significant role in the medium term.
3. Climate goals may face delays due to competing priorities of energy security and economic stability.

Way Forward

1. Countries should adopt a balanced and diversified energy mix including renewables, gas, and nuclear power.
2. Investment in energy storage technologies should be accelerated to address intermittency issues.
3. Grid infrastructure must be strengthened to efficiently utilize renewable energy.
4. International cooperation is required to ensure stable energy supply chains.
5. Policy frameworks should support a gradual and resilient transition rather than abrupt shifts.

Conclusion: The Iran conflict has demonstrated that energy transition faces practical and geopolitical constraints. A pragmatic approach that balances sustainability with energy security is essential for a stable global energy future.

Question: Geopolitical conflicts are reshaping the global energy transition. Discuss in the context of the Iran conflict.

Source: [Economic Times](#)

Transferring equity to coastal communities

UPSC Syllabus: Gs Paper 3- Environment **And Gs Paper 2-**mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections.

Introduction

India's conservation framework has remained land-centric for decades, while the **7,516-km coastline and Exclusive Economic Zone (EEZ)** remain under-utilised despite legal provisions. The marine sector operates on an **extraction-only model without benefit-sharing**, creating inequity for coastal communities. This gap leads to **loss of economic sovereignty**, especially as the global bio-economy shifts towards **marine genetic resources and digital value systems**.

Structural Features of India's Marine Sector

1. **Land-centric governance:** India's biodiversity framework mainly focuses on forests, crops, and medicinal plants.
2. **Strong land-based systems:** Well-defined protocols exist for **forest genetics, flora, and inland cultivars**.

3. **Weak marine focus:** Marine biodiversity lacks similar operational systems despite the existence of law.
4. **Under-utilised coastline and EEZ:** The 7,516-km coastline and vast Exclusive Economic Zone remain un-operationalised in practice.
5. **Policy-implementation gap:** Legal provisions exist, but effective execution in marine areas is missing, creating a regulatory gap.

Core Issue with India's Marine Sector

1. **Extraction-only model:** The marine sector operates on large-scale wild catch extraction without benefit-sharing.
2. **Export-driven harvesting:** Thousands of tonnes of marine resources are harvested annually to sustain the export industry.
3. **Absence of ABS framework:** The Access and Benefit Sharing (ABS) system is missing in the marine aqua sector.
4. **No returns to fishermen:** Coastal fishermen with knowledge of species like Yellowfin Tuna and Tiger Prawn receive no share in genetic or economic value.
5. **Unequal treatment:** Forest communities receive compensation even for small resources, but coastal communities are excluded from benefits.
6. **Fundamental inequity:** This creates a clear imbalance between land and marine stakeholders, despite both being primary conservators.

Legal and Policy Shift (2023-2025 Reforms)

(a) Recognition of Oceans as Strategic Assets:

- **Shift in policy approach:** The Biological Diversity (Amendment) Act, 2023 recognises oceans as strategic national resources, not just open-access commodities.
- **End of regulatory neglect:** It addresses the long-standing gap where marine biodiversity remained outside active governance systems.

(b) Extension of Access and Benefit Sharing (ABS) Framework to Marine Sector:

- **Inclusion of marine resources:** The Revised ABS Regulations, 2025 extend benefit-sharing to marine biological resources.
- **Correction of inequity:** It aims to ensure coastal communities receive a fair share of profits, similar to forest-based systems.

(c) Alignment with Global Frameworks:

- **Global compliance:** India's Access and Benefit Sharing (ABS) framework aligns with BBNJ (High Seas) Treaty and COP16 Cali Fund standards on marine genetic resources.
- **Trade relevance:** It ensures Indian marine products meet international sustainability and ethical requirements.

(d) Support for Emerging Genetic Economy:

- **DSI-based governance:** The reforms support regulation of **Digital Sequence Information (DSI)** derived from marine resources.
- **Protection of genetic value:** It ensures that **lab-based use of marine genetic data does not bypass benefit-sharing mechanisms.**

Emerging Importance of Marine Genetic Resources

1. **Shift to Genetic Value Economy:** The marine sector is moving from **physical fish harvest to high-value genetic resources** like deep-sea bacteria and micro-algae.
2. **Rising Role of Genetic Data:** The value now lies in genetic information derived from marine organisms, which is used in pharmaceuticals and biotechnology.
3. **Risk of Value Loss without Benefit Sharing:** When global firms use **Digital Sequence Information (DSI)** from Indian marine resources, **royalties may not reach coastal communities**, leading to loss of economic value.

Economic Opportunity and Trade Advantage

1. **Strong Export Base:** India's seafood exports reached ₹62,408 crore, with Andhra Pradesh contributing over 60%, showing high economic potential.
2. **Shift in Global Trade Standards:** Markets like the EU and US now focus on **ethical sourcing and sustainability standards**, not just price.
3. **ABS as Compliance Tool:** A functional **Access and Benefit Sharing (ABS)** system acts as a certification mechanism, helping exporters meet global requirements.
4. **Access to Premium Markets:** Compliance with global standards helps India **secure better market access and higher value exports.**

Implementation Strategy

1. **Targeting High-Value Industrial Players:** ABS applies to **large exporters and processors with turnover above ₹5 crore**, focusing on **premium wild-caught species**, ensuring that **economic surplus from high-value trade is captured.**
2. **Exemption for Small Fishermen and Aquaculture:** **Small and traditional fishermen are fully excluded**, and aquaculture like **Vannamei shrimp is not covered under ABS**, as it is treated as cultivated resources, protecting **livelihood security.**
3. **Digital Integration for Seamless Compliance:** Systems like **SWIFT (Single Window Interface for Facilitating Trade)**, **MPEDA (Marine Products Export Development Authority)**, and **ICEGATE (Indian Customs Electronic Gateway)** ensure **automated and non-burdensome ABS compliance**, avoiding manual delays.

4. **Institutional Coordination and Fund Tracking: State Biodiversity Boards and the National Biodiversity Authority (NBA)** will monitor collections and ensure **every rupee reaches the correct coastal community**, strengthening accountability.

Way Forward

1. **Nationwide Expansion of ABS Framework:** A uniform rollout across all coastal states is needed to ensure **consistent implementation and wider coverage of marine resources**.
2. **Strengthening Biodiversity Management Committees (BMCs):** Local institutions must be empowered to **manage funds effectively and support coastal development**, ensuring **direct benefit to primary conservators**.
3. **Ensuring Transparent and Traceable Fund Flow:** A system is required to **track every rupee collected and return it to source communities**, building **trust and accountability**.
4. **Deeper Integration with Trade and Global Standards:** Stronger linkage with export systems will ensure **compliance with international sustainability norms**, improving **market access and competitiveness**.

Conclusion

India must shift from an **extraction-driven marine model to an equity-based framework** where coastal communities share economic value. The **2023 reforms and ABS mechanisms** can ensure fair distribution, protect marine genetic resources, and strengthen export competitiveness. A robust system will secure **economic sovereignty** and transform oceans into drivers of **inclusive, sustainable, and value-based growth**.

Question for practice:

Discuss how extending Access and Benefit Sharing (ABS) to India's marine sector can address inequity faced by coastal communities and strengthen economic sovereignty in the evolving bio-economy.

Source: [Businessline](#)

India Can't Go Green If It Runs Short of Critical Minerals

Source: The post "India Can't Go Green If It Runs Short of Critical Minerals" has been created, based on "India Can't Go Green If It Runs Short of Critical Minerals" published in "Mint" on 27th March 2026.

UPSC Syllabus: GS Paper-3-Economy

Context: India is rapidly advancing towards clean energy through solar expansion, electric vehicles, and green hydrogen initiatives. However, this transition is constrained by the availability of critical minerals such as lithium, cobalt, nickel, copper, and rare earth elements. Without reliable access to these materials, the pace and sustainability of India's green transition are at risk.

Rising Demand and Structural Supply Risks

1. Demand for critical minerals is expected to increase sharply due to clean energy technologies.
2. Lithium demand alone may grow fivefold by 2040, while copper demand could rise by around 30 percent.
3. These increases reflect a structural shift in global resource consumption, not temporary fluctuations.

Volatility and Fragility of Global Supply Chains

1. The recent surge in lithium prices highlights how quickly markets can tighten under pressure.
2. Supply disruptions, export restrictions, and geopolitical tensions expose vulnerabilities in mineral supply chains.
3. A few countries dominate production, making global supply highly concentrated and unstable.

Geopolitical Competition and Resource Nationalism

1. Countries are increasingly treating critical minerals as strategic assets rather than mere commodities.
2. Resource nationalism is rising, with nations building strategic reserves and locking in long-term supply agreements.
3. By 2035, the top three producers are expected to dominate most mineral supply chains, increasing concentration risks.

India's High Import Dependence

1. India remains heavily dependent on imports for critical minerals.
2. Reports highlight near-total import dependence for key minerals like lithium and cobalt.
3. This exposes India to external shocks such as price volatility, trade deficits, and currency pressures.

Economic and Industrial Implications

1. Higher mineral prices increase the cost of electric vehicles and renewable technologies.
2. Supply delays can slow manufacturing and disrupt industrial growth.
3. A prolonged supply shock could raise battery costs significantly and widen global inequality in energy transition capabilities.

Constraints Beyond Raw Material Access

1. The challenge is not limited to mining but extends across the entire value chain.
2. Processing and refining capacities are highly concentrated, with certain countries dominating these stages.
3. Without domestic capabilities, India risks replacing fossil fuel dependence with mineral import dependence.

India's Strategic Response So Far

1. India has started securing overseas mineral assets through agreements with countries like Australia, Argentina, and Brazil.
2. It has also expanded engagement with resource-rich regions such as Africa.
3. These steps indicate a shift from passive dependence to active resource diplomacy.

Limitations of Current Approach

1. Current efforts are still at an early stage and insufficient relative to the scale of the challenge.
2. There is a lack of integrated strategy covering mining, refining, and supply chain security.
3. Policy focus remains more on renewable capacity expansion rather than securing material inputs.

Need for End-to-End Value Chain Development

1. India must invest in domestic refining and processing capabilities to reduce external dependence.
2. Building strategic reserves can help manage supply shocks and price volatility.
3. Encouraging private sector participation is essential for scaling mineral acquisition and processing efforts.
4. Shift from Procurement to Strategic Planning:
 - a. India needs to move from a short-term procurement mindset to a long-term strategic approach.
 - b. This includes:
 - Long-term offtake agreements
 - Equity investments in overseas mining projects
 - Coordinated resource diplomacy
 - c. Such measures will ensure sustained and secure access to critical minerals.

Conclusion: The transition to clean energy is also a transition towards dependence on critical minerals. India's ability to secure these resources will determine the success of its energy and industrial transformation. A comprehensive, forward-looking strategy is essential to avoid replacing one form of dependence with another.

Question: "India's energy transition is critically dependent on the availability of critical minerals." Examine the challenges associated with their supply and suggest a strategic way forward.

Source: [Mint](#)

Financial inclusion will depend on stronger rural credit access

Source: The post "Financial inclusion will depend on stronger rural credit access" has been created, based on "Financial inclusion will depend on stronger rural credit access" published in "BusinessLine" on 27th March 2026.

UPSC Syllabus: GS Paper-3- Economy

Context: India has achieved significant progress in financial inclusion through the expansion of bank accounts and digital payments. However, formal inclusion does not guarantee functional access to credit when it is actually needed. The next phase of financial inclusion will depend on whether the system can provide timely and reliable credit.

Nature of Rural Credit: Survival-Oriented Demand

1. In rural areas, credit is primarily used for sustaining everyday economic activities rather than long-term investments.
2. It helps households manage unexpected expenses, continue small businesses, and take advantage of seasonal opportunities.
3. Due to irregular income patterns and limited savings, the timing and reliability of credit are as important as the amount.

Limitations of Traditional Banking Systems

1. Traditional banking systems face difficulties in serving rural borrowers due to small loan sizes and lack of formal documentation.
2. The irregular and unpredictable cash flows of rural households further complicate credit assessment.
3. As a result, many individuals remain excluded from effective credit access despite being part of the formal financial system.

Structural Importance of Microfinance Institutions (MFIs)

1. Microfinance institutions play a crucial role in bridging the last-mile gap in rural credit delivery.
2. They operate with a strong local presence and have a better understanding of borrower behavior and regional conditions.
3. Their lending model is based on trust and repeated interactions, which makes them effective in underserved areas.
4. Even with the growth of digital solutions, the assisted model of MFIs remains essential.

Recent Sectoral Correction and Its Implications

1. The microfinance sector has recently experienced a contraction, with nearly 17 million borrowers exiting the system.
2. This decline has been caused by over-leveraging, broader economic pressures, and increased caution among lenders.
3. In response, the sector has improved borrower discipline, strengthened underwriting practices, and imposed limits on exposure.
4. However, this phase has highlighted that credit access for vulnerable borrowers can shrink quickly when confidence declines.

Liquidity Constraints and Uneven Capital Flow

1. Access to rural credit is closely linked to the availability of capital for NBFC-MFIs.
2. During periods of risk aversion, larger institutions are able to maintain funding, while smaller regional MFIs face tighter constraints.
3. Since these smaller institutions serve deeper rural markets, reduced liquidity directly impacts last-mile credit delivery.
4. This results in an uneven distribution of credit access across regions.

Role of Government Credit Guarantee Support

1. Government credit guarantee schemes help reduce the perceived risk faced by lenders.
2. They encourage the flow of capital into underserved segments by providing a layer of protection.
3. Although the scale of such support may be limited, it plays an important role in restoring confidence in the sector.
4. These measures help create conditions for more consistent credit flow.

Economic Multiplier Effect of Rural Credit

1. Rural credit generates a multiplier effect by stimulating economic activity within local communities.
2. It enables small businesses to function smoothly and supports agricultural production cycles.

3. It also enhances local trade and improves household consumption patterns.
4. Thus, rural credit connects financial inclusion with real economic participation.

Need for Context-Specific Credit Solutions

1. Rural markets are diverse and cannot be addressed through uniform financial solutions.
2. Different regions have varying economic conditions, income patterns, and credit needs.
3. Therefore, credit products and delivery mechanisms must be tailored to local realities.

Way Forward

1. There is a need to shift the focus from merely opening accounts to ensuring access to effective credit.
2. Strengthening the institutional capacity of last-mile lenders is essential for sustainable credit delivery.
3. Ensuring stable funding and promoting responsible lending practices will be crucial.
4. Digital solutions should complement, rather than replace, human-centric assisted models.

Conclusion: Financial inclusion is meaningful only when individuals can effectively manage opportunities and financial shocks. Reliable access to credit is central to achieving this objective. Strengthening rural credit systems is therefore essential for inclusive and sustainable economic development in India.

Question: Financial inclusion in India has progressed significantly, but access to timely rural credit remains a challenge." Discuss in detail the issues, institutional role, and way forward.

Source: [BusinessLine](#)

Summer as a Source of Income Shock for Gig Workers

UPSC Syllabus: Gs Paper 3- Indian economy and Infrastructure

Introduction

Heatwaves have become a **regular and prolonged feature of Indian summers**, with **significant heat-related mortality recorded in 2022**. While preparedness has improved in health response, the **economic impact remains under-recognised**. Gig and delivery workers, who depend on continuous outdoor work, face direct exposure to extreme heat. As temperatures rise, their ability to work declines, turning heatwaves into a **source of income disruption and economic vulnerability**.

Expanding Gig Economy and Climate Vulnerability

1. **Rapid growth of gig workforce:** India had **7.7 million gig workers in 2020–21**, expected to reach **over 23 million by 2029–30**, showing fast expansion.
2. **Nature of work increases exposure:** Work involves delivery, driving, and logistics, which require constant outdoor movement in urban areas.
3. **High dependence on platform-based income:** Earnings depend on trips, deliveries, and hours logged, making workers sensitive to external conditions.

4. **Least protected workforce:** Workers lack formal labour protections, making them **highly exposed and poorly safeguarded** against climate risks.

Reasons for Increasing Climate Vulnerability on Gig Workers

1. **Income tied to physical activity:** Earnings depend on continuous work, so reduced activity due to heat directly cuts income.
2. **No flexibility in work conditions:** Workers cannot work from home or take paid leave during extreme heat conditions.
3. **Unchanged incentive structures:** Platforms continue fixed targets despite rising temperatures, increasing pressure on workers.
4. **Health risks increase vulnerability:** Heat leads to dehydration, fatigue, and exhaustion, reducing capacity to work.
5. **Inadequate urban support systems:** Facilities like water kiosks and cooling centres exist but are not suited for mobile workers.
6. **Fragmented institutional responsibility:** Different agencies work separately, leading to gaps in addressing heat risks.
7. **Additional burden on women workers:** Women face **health, safety, and unpaid care responsibilities**, increasing vulnerability.

Heatwaves as an Economic and Income Shock for Gig Workers

1. **Direct reduction in earnings:** High temperatures slow movement and reduce productivity, leading to fewer completed tasks.
2. **Immediate income loss on stopping work:** Logging off even briefly leads to **instant loss of income**, unlike salaried jobs.
3. **Forced trade-off between health and income:** Workers must choose between avoiding heat and maintaining earnings.
4. **Long-term health stress affects income:** Continuous exposure increases health risks, affecting future earning capacity.
5. **Income volatility increases:** Extreme heat creates irregular income patterns without any protection mechanisms.
6. **Economic impact beyond health concern:** Heat becomes not just a health issue but a **direct economic shock for workers**.

Gaps in Heat Preparedness and Policy Approach

1. **Focus on health, not income:** Policies mainly treat heat as a medical emergency, ignoring its economic impact.
2. **Unrealistic advisories:** Suggestions like staying indoors do not apply to workers whose income depends on movement.
3. **Limited impact of existing measures:** Cooling centres and water facilities reduce mortality but not income loss.
4. **Lack of worker-specific planning:** Measures are not designed for highly mobile gig workers.
5. **Absence in adaptation discussions:** Gig workers remain largely excluded from climate preparedness strategies.

Way forward

1. **Recognise heat as a labour issue:** Introduce rest norms, shaded waiting areas, and drinking water access as basic safeguards.
2. **Address income loss risks:** Develop systems through labour protection or welfare integration to reduce income shocks.
3. **Include platforms in planning:** Digital platforms should adjust delivery pressure and allow flexible performance during peak heat.
4. **Promote heat-responsive design:** Modify work systems to reduce exposure without stopping services.
5. **Improve institutional coordination:** Ensure collaboration between labour departments, urban bodies, disaster agencies, and regulators.
6. **Use policy window before peak summer:** Take timely action to reduce risks before temperatures rise further.

Conclusion

Gig workers are essential to urban systems but remain **largely unprotected from rising heat risks**. Heatwaves now create **direct income disruption alongside health stress**. Existing measures reduce mortality but fail to secure earnings. Effective resilience requires **safe working conditions and income protection**. Without focused action, extreme heat will continue to deepen economic vulnerability for this growing workforce.

Question for practice:

Examine how increasing heatwaves in India are emerging as a source of income shock for gig and delivery workers, and evaluate the adequacy of existing policy responses.

Source: [The Hindu](#)

Information asymmetry in higher education

UPSC Syllabus: Gs Paper 3- Issues relating to development and management of Social Sector/Services relating to Education,

Introduction

India's higher education system has expanded rapidly, with enrolment rising from **3.42 crore (2014-15) to 4.33 crore (2021-22)** and improved Gross Enrolment Ratio. The system now offers diverse and multidisciplinary choices. However, students still depend on **limited, uneven, and often unverifiable information**. Institutions know far more about their internal quality. This gap creates **information asymmetry**, which distorts decision-making and makes it difficult to identify real quality.

Information Asymmetry in Higher Education and Its Effects

Unequal access to institutional information: Institutions have detailed data on faculty, teaching processes, infrastructure, and placements, while students rely on brochures, advertisements, and informal advice which are often incomplete.

Distorted decision-making environment: Students make choices based on selective and unverifiable information, which reduces their ability to assess actual institutional quality.

Market for lemons effect: As explained by George Akerlof, a **Nobel Prize-winning economist (2001)**, when sellers know more than buyers, **low-quality providers can imitate high-quality ones**, making it hard to distinguish real quality. In higher education, weaker institutions use **branding, marketing, and selective disclosure** to appear similar to better institutions.

Adverse selection in the system: Good institutions fail to differentiate clearly, while weaker institutions attract students, leading to inefficient outcomes.

Control over information disclosure: Institutions decide what to reveal, allowing them to highlight strengths and hide weaknesses.

Information Overload vs Quality Gap

Abundance of information but weak reliability: Websites, rankings, and portals provide large volumes of data, but this does not ensure accurate or useful information.

Self-reported and promotional data dominance: Much of the data is provided by institutions themselves, which often emphasises positive aspects and lacks verification.

Lack of standard definitions across indicators: Faculty strength, research output, and placement outcomes are defined differently, reducing comparability.

Non-transparent ranking methodologies: Some rankings use unclear methods, which creates confusion and weakens trust in available data.

Dependence on proxy indicators: Students rely on brand name, infrastructure, and fees, which are visible but do not reflect academic quality.

Manipulation of information and signalling: Institutions may exaggerate or selectively present data to improve perception without improving real quality.

Consequences Of Information Asymmetry in Higher Education

Poor institutional choices by students: Students may select institutions that do not meet expectations due to misleading or incomplete information.

Weak graduate outcomes and employability: Poor quality education leads to limited skills and reduced job opportunities.

Erosion of trust in higher education system: Lack of reliable information reduces confidence among students and families.

Distortion of education market outcomes: Quality institutions are not rewarded properly, while weaker ones continue to attract students.

Impact on national goals: It affects progress towards SDG-4 and the goal of Viksit Bharat with a skilled workforce.

Financial risks for families: Students invest significant resources based on unreliable data, leading to long-term consequences.

Role of Public Information Systems

Standardisation through ranking frameworks: National Institutional Ranking Framework (NIRF) uses common indicators like teaching, research, and outcomes.

Structured and comparable data reporting: Institutions disclose data in a fixed format, improving comparability across institutions.

Access to verified institutional information: Centralised data portals provide information on enrolment, accreditation, and faculty strength.

Reduction in reliance on informal sources: Availability of credible data reduces dependence on advertisements and informal advice.

Support for informed decision-making: Standardised information helps students evaluate institutions more objectively.

Limitations of Current Mechanisms

Dependence on self-reported data: Many systems rely on data submitted by institutions without strong verification. This creates scope for inaccurate or biased reporting.

Verification vacuum in the system: There is no strong independent mechanism to verify claims on faculty, research, or placements. This allows false or exaggerated data to continue without detection or penalty.

Incentives for data manipulation: Institutions may inflate faculty numbers, split research funding, or exaggerate performance to improve rankings instead of improving real quality.

Manipulation of placement data: Institutions may report inflated salary packages, include internships or temporary roles as placements, and selectively report only successful cases. This makes placement outcomes difficult to verify.

Commercialisation of ranking ecosystem: A large consultancy industry helps institutions improve rankings through data presentation and strategy, rather than improving teaching and learning quality.

Focus on measurable indicators over real quality: Rankings often prioritise easily measurable factors, while important aspects like classroom experience, mentoring, and practical learning are not captured.

Neglect of qualitative aspects of education: Classroom experience, mentoring, and work-integrated learning are difficult to measure and often ignored.

Misleading interpretation of ranks: Small differences between institutions may appear large due to ranking positions, which can misguide students.

Way Forward

Strengthening independent data verification: There is a need for third-party audits and verification systems to check the accuracy of institutional data, especially for placements and faculty details.

Standardisation of definitions across indicators: Common definitions for faculty strength, research output, and placements should be applied across institutions to improve comparability.

Transparent and accountable ranking methodologies: Ranking systems should clearly explain indicators and weightage, and also ensure accountability for false reporting.

Regulatory oversight and enforcement: Strong monitoring mechanisms and clear penalties for data manipulation are necessary to reduce misuse of information.

Accessible and user-friendly information platforms: Data should be presented in simple formats so that students and families can easily understand and compare institutions.

Improved data presentation and visualisation: Clear and structured formats can help students identify meaningful differences instead of relying on ranks alone.

Focus on real quality improvement: Institutions should prioritise teaching-learning processes, mentoring, and student outcomes instead of only improving their public image.

Conclusion

Information asymmetry remains a major challenge in higher education. Despite more data, lack of verification and standardisation limits its usefulness. Students continue to rely on incomplete signals. Reducing this gap through better information systems, transparency, and accountability is essential to ensure that real quality, not presentation, guides decision-making and strengthens the higher education system.

Question for practice:

Evaluate how information asymmetry affects decision-making in India's higher education system and examine the role and limitations of public information systems in addressing it.

Source: [The Hindu](#)

Moving Towards Effective City Government – A Framework for Million-Plus Cities” Report

Source: The post “**Moving Towards Effective City Government – A Framework for Million-Plus Cities” Report**” has been created, based on “**NITI Aayog releases report on “Moving Towards Effective City Government – A Framework for Million-Plus Cities”**” published in “PIB” on 28th March 2026.

UPSC Syllabus: GS Paper-3-Economy

Context: NITI Aayog released the report “**Moving Towards Effective City Government – A Framework for Million-plus Cities”**. The report highlights that urbanisation is central to achieving the vision of Viksit Bharat by 2047 and building a \$30 trillion economy.

Significance of Urbanisation

1. Cities act as engines of economic growth, innovation, and employment generation.
2. Million-plus cities contribute significantly to national economic output.
3. Effective urban governance is essential for improving service delivery and livability.

Key Challenges in Urban Governance

1. There exist fragmented institutional arrangements which weaken coordination.
2. There is limited devolution of powers to city governments.
3. Municipal bodies suffer from weak financial autonomy.
4. Accountability mechanisms are diffused across multiple agencies.
5. Leadership structures are often weak and lack continuity.
6. Capacity gaps hinder efficient service delivery and urban performance.

Key Recommendations of the Report

1. Strengthening City Leadership

- a. The report recommends the introduction of a directly elected Mayor with a fixed tenure.
- b. It proposes an empowered Mayor-in-Council system for better decision-making and accountability.

2. Integration of Urban Services

- a. The report suggests bringing key services like water supply, sanitation, and public transport under city governments.
- b. This integration will improve coordination and accountability in service delivery.

3. Enhancing Municipal Finances

- a. Municipal bodies should strengthen their own-source revenues.
- b. There is a need for predictable and timely fiscal transfers through robust State Finance Commissions.
- c. Cities should be enabled to access market-based financing such as municipal bonds.

4. Institutional Restructuring

- a. Multiple parastatal agencies should be brought under city government oversight.
- b. Clear role definitions and coordination frameworks must be established.

Implementation Strategy

1. States are required to amend their Municipal Acts to incorporate governance reforms.
2. The Ministry of Housing and Urban Affairs should update the Model Municipal Law.
3. A phased approach is recommended to allow testing, learning, and scalability of reforms.

Conclusion: Strengthening city governments is a strategic imperative for India's development trajectory. Empowered and accountable urban local bodies will enable cities to become drivers of economic growth and improve quality of life. Effective implementation of the recommendations is crucial to realise the vision of Viksit Bharat.

Question: Discuss the key challenges in urban governance in India and examine the recommendations of NITI Aayog for strengthening city governments in million-plus cities.

Source: [PIB](#)

Labour Welfare in Colonial India

Source: The post "Labour Welfare in Colonial India" has been created, based on "How Ambedkar laid the foundations of India's modern labour legislation" published in "Indian Express" on 28th March 2026.

UPSC Syllabus: GS Paper-2-Governance

Context: B. R. Ambedkar served as the Labour Member in the Viceroy's Executive Council from 1942 to 1946 and played a transformative role in labour welfare. His policy interventions laid the foundation for modern labour laws and influenced constitutional provisions related to social and economic justice.

Labour Conditions in Colonial India

1. Industrialisation during the colonial period led to the shift of workers from agrarian to industrial sectors.
2. Labour welfare was largely neglected as economic growth was prioritised over workers' rights.
3. Workers faced long working hours, poor working conditions, and lack of social security.

Key Contributions to Labour Legislation

- 1. Reduction in Working Hours:** He introduced the **principle of an 8-hour workday**, replacing the earlier system of excessively long working hours. This reform aligned India's labour standards with international practices.
- 2. Social Security Measures:** He advocated for the introduction of social security provisions such as provident funds and employee insurance. These measures aimed to provide financial stability and protection to workers.
- 3. Maternity Benefits:** He supported the provision of maternity benefits for women workers to ensure their welfare and dignity. This marked an important step towards gender-sensitive labour policies.
- 4. Leave and Welfare Provisions:** He promoted paid leave and better working conditions for labourers. These measures improved the overall quality of work life.
- 5. Trade Union Rights:** He strengthened the legal recognition of trade unions and supported collective bargaining. This empowered workers to safeguard their rights.
- 6. Employment Exchanges:** He initiated the establishment of employment exchanges to address unemployment in an organised manner.
- 7. Industrial Relations:** He worked towards improving relations between employers and employees through legal safeguards and institutional mechanisms.

Reflection in the Indian Constitution

- 1. Fundamental Rights:** The prohibition of forced labour under Article 23 reflects his commitment to protecting worker dignity.
- 2. Directive Principles of State Policy:** Provisions relating to just and humane working conditions, living wages, and social security reflect his vision.
- 3. Social Justice Framework:** His ideas linked labour welfare with broader goals of equality and social justice.

Significance of His Contribution

1. He transformed labour policy from a colonial framework of exploitation to one focused on welfare and rights.
2. He established the principle of state responsibility in ensuring labour welfare.
3. He integrated economic development with social justice objectives.

Challenges

1. Uneven Implementation of Labour Laws

- a. Labour laws inspired by B. R. Ambedkar faced weak enforcement due to administrative inefficiencies and capacity gaps.
- b. Variations across states, weak inspection systems, and judicial delays reduced their effectiveness.

2. Exclusion of Informal Sector Workers

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- a. A majority of workers remained in the informal sector, beyond the effective reach of labour laws.
- b. Lack of formal contracts and social security left workers vulnerable to exploitation.

3. Resistance from Industrial Interests

- a. Employers viewed labour regulations as costly and restrictive, leading to partial compliance.
- b. This created a constant tension between labour welfare and economic competitiveness.

Conclusion: B. R. Ambedkar laid the foundation of India's modern labour welfare framework through progressive and inclusive policies. His vision continues to guide labour reforms aimed at ensuring dignity, equity, and justice for all workers.

Question: Examine the contribution of B. R. Ambedkar in laying the foundations of modern labour legislation in India.

Source: [Indian Express](#)

AI-Led Community Governance

UPSC Syllabus: Gs Paper 2- e-Governance

Introduction

India is witnessing rapid adoption of AI across sectors like agriculture, health, finance, and governance. Most tools focus on delivering information, assuming communities lack access to it. However, the deeper issue lies in weak connections between people and local institutions. The AI4WaterPolicy initiative in Rajasthan presents a different approach. It used AI to listen to community experiences. This helped identify real barriers, strengthen participation, and improve coordination between communities and institutions for better local development outcomes.

Concept and Implications: From Information Push to Participatory Development

1. **Limits of information-push model:** Most AI systems are designed to deliver information, assuming communities mainly lack access to it.
2. **Institutional gap as core issue:** In reality, the key problem lies in weak links between people and local institutions, shaped by caste, gender, and social barriers.
3. **Inadequacy of quantitative data:** Numbers alone cannot explain why plans are not implemented, why people hesitate to speak, or why local actors disengage.
4. **Need for capturing lived experiences:** Effective governance requires continuous collection of qualitative insights from the ground.
5. **Shift towards participatory development:** When AI captures these voices, communities move from passive recipients to active participants in planning and implementation.

Core Principles of AI-led Community Development

1. **Listening-based AI system:** The model is built to collect community experiences through conversations rather than only delivering information.
2. **Qualitative insight at scale:** It processes many conversations and identifies recurring patterns without manual effort.
3. **Adaptive questioning process:** The system adjusts follow-up questions based on each person's responses during the interaction.
4. **Thematic analysis with validation:** Responses are translated, grouped into themes, and then checked by field and research teams.
5. **Human-supported implementation:** The system works with local intermediaries to ensure access and participation. For example, **Centre for Microfinance (CmF)** staff supported engagement and 'Pani Mitras' helped people share views.
6. **Inclusive communication design:** Conversations happen through **WhatsApp using voice notes and text in Hindi and local dialects**, which reduces hesitation.
7. **Feedback-to-action linkage:** Insights are quickly used to change training and programme design within the same cycle.

Challenges in Implementation

1. **Digital divide reality:** Gender, caste, and class differences limit access to devices and participation.
2. **Limited institutional capacity:** Systems often lack time and resources to collect and analyse qualitative data.
3. **Social hesitation barriers:** People may hesitate to speak openly in formal settings like Gram Sabhas.
4. **Dependence on human networks:** AI needs strong local relationships to get honest and useful responses.

Initiative: AI4WaterPolicy in Rajasthan

1. **Collaborative implementation:** The project was implemented with Centre for Microfinance (CmF) as field partner and Colectiv as technology partner.
2. **Listening-based AI model:** The project in Sirohi and Pali districts used AI to collect insights instead of pushing information.
3. **Large-scale engagement:** It conducted **352 interviews across 50 villages in six months** using WhatsApp in local languages.
4. **Diverse stakeholders involved:** It interacted with 'Pani Mitras', Panchayat leaders, and frontline staff.

5. **Key insights identified:** It found **community pride in water improvement, double burden on women, and delays in approvals and funding.**
6. **Validation through participation:** 'Pause and Reflect' sessions helped people review findings and share more inputs.
7. **Training redesign based on feedback:** CmF added **Panchayati Raj orientation and workshops with block-level officials from rural development, agriculture, and water departments.**
8. **Real-time adaptive governance:** Changes were made within the same programme cycle due to quick AI-based insights.
9. **Improved community confidence:** Follow-up after **three months** showed more than half of members engaged directly with government officials.
10. **Better administrative response:** Participants reported faster action and improved confidence in scheme application processes.

Way Forward: Strengthening AI for Community Development

1. **Build listening-based systems:** AI should focus on understanding community needs, not only delivering services.
2. **Strengthen human intermediaries:** Volunteers like 'Pani Mitras' should be supported, not replaced.
3. **Ensure inclusive participation:** Use local languages, voice tools, and shared devices to reduce barriers.
4. **Institutionalise feedback loops:** Programmes like Jal Jeevan Mission should use such systems for better last-mile delivery.
5. **Integrate with existing structures:** The approach can work within large programmes that depend on local coordination.

Conclusion

AI4WaterPolicy shows that AI can support community-led development by capturing lived experiences and strengthening feedback systems. It helped bridge gaps between communities and institutions and improved participation in governance processes. The results highlight that AI works best when combined with human support and inclusive access. Future approaches should focus on listening systems, stronger local networks, and continuous feedback to make development more responsive, participatory, and effective.

Question for practice:

Discuss how AI can enable community-led development by shifting from information delivery to active listening, with reference to the AI4WaterPolicy initiative in Rajasthan.

Source: [The Hindu](#)

A Tightening of the Fist in India's Digital Public Square

UPSC Syllabus: Gs Paper 3- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Introduction

The draft amendments to the IT Rules, 2026, released by the Ministry of Electronics and Information Technology, introduce major changes to online speech regulation. Though presented as simple clarifications, they expand executive control over digital platforms and users. The short 15-day consultation period raises concern about limited scrutiny. These changes weaken legal safeguards, increase compliance pressure on intermediaries, and signal a shift toward greater administrative influence over digital expression.

Key Proposals in the Draft Amendments

1. **Expansion of Safe Harbour Conditions:** Rule 3(4) requires platforms to follow government advisories, directions, SOPs, and guidelines to retain protection under Section 79. This makes compliance with informal instruments a legal necessity.
2. **Widening Scope of Oversight to Users:** Rule 8 extends government oversight to intermediaries and even users who post or share news and current affairs content online. This brings ordinary users under regulatory scrutiny.
3. **Strengthening Blocking Mechanism:** The amendments expand the use of Rules 14, 15, and 16, which include blocking directions and emergency powers. These tools allow direct intervention in online content.
4. **Transformation of Inter-Departmental Committee (IDC):** Rule 14 replaces “complaints” with “matters,” allowing the IDC to examine any issue referred by the government. This removes the earlier grievance-based limitation.
5. **Expansion of Data Retention Obligations:** Rules 3(1)(g) and 3(1)(h) clarify that data retention duties operate in addition to other laws. This can extend storage of user data beyond 180 days.

Major Concerns Arising from the Amendments

1. **Dilution of Judicial Safeguards:** The amendments weaken the standard set in *Shreya Singhal vs Union of India*, which required a court order or lawful notification for content removal. Informal directives now trigger compliance.
2. **Unchecked Expansion of Executive Power:** Rule 3(4) allows the executive to issue binding instruments without clear statutory backing. This bypasses Parliament and reduces judicial oversight.
3. **Risk of Over-Censorship by Platforms:** Unclear and possibly unpublished directives create fear of liability. Platforms may remove content excessively to avoid losing safe harbour.

4. **Threat to Freedom of Speech:** The expanded oversight raises concerns under Article 19(1)(a). Courts like the Bombay High Court and Madras High Court have already questioned similar frameworks.
5. **Surveillance and Privacy Risks:** Extended data retention increases chances of misuse, data breaches, and unauthorised access. It also changes how users behave online.

Issues in Implementation and Governance

1. **Ambiguity in Key Terms:** The use of the term “matter” in Rule 14 is undefined. This creates wide discretion without clear limits.
2. **Lack of Procedural Safeguards:** There is no guarantee that affected users will be heard before action is taken. This weakens fairness in decision-making.
3. **Possibility of Secret Directives:** Government advisories and directions may not be published. Platforms may still be required to comply, creating opacity.
4. **Overlap with Existing Legal Frameworks:** Data retention obligations may extend beyond limits set under the IT Act. This creates confusion and excessive compliance burden.
5. **Short Consultation Period:** The consultation period lasted only 15 days, ending on April 14. This limits meaningful public debate on major changes.

Broader Implications

1. **Shift Toward Executive-Driven Governance:** The amendments increase reliance on executive directions instead of formal law. This changes the nature of digital regulation.
2. **Expansion from Platforms to Individuals:** Regulation now covers not just intermediaries but also ordinary users sharing content. This widens state reach.
3. **From Grievance Redressal to Preemptive Control:** The IDC moves from handling complaints to actively examining content. This reflects a shift toward proactive control.
4. **Reconstruction of Challenged Frameworks:** The amendments revive oversight mechanisms that were earlier stayed by courts. This raises constitutional concerns.
5. **Growth of Self-Censorship:** Fear of content removal and data tracking may lead users to limit their expression. This reduces openness in digital spaces.

Legal and Constitutional Concerns

1. **Violation of Delegated Legislation Limits:** Rules must remain within the parent law. This principle was affirmed in *Indian Express Newspapers vs Union of India*.

2. **Creation of New Obligations Beyond Law:** The amendments impose duties not clearly provided under Sections 79 or 87 of the IT Act. This raises questions of legality.
3. **Bypassing Ongoing Judicial Review:** Several provisions of the IT Rules are under challenge in courts. The amendments recreate similar structures despite pending cases.

Conclusion

The amendments expand executive control over digital speech and weaken established legal safeguards. They risk over-censorship, increased surveillance, and reduced transparency. By creating obligations beyond the parent law and reviving contested frameworks, they disturb the balance between regulation and freedom. A rights-based approach must ensure accountability, respect judicial limits, and protect open digital participation.

Questions for practice:

Evaluate the impact of the draft amendments to India's Information Technology Rules, 2026, on freedom of speech, platform regulation, and the balance between executive power and constitutional safeguards in the digital public sphere.

Source: [The Hindu](#)

G7 Declaration on Desertification

Source: The post "**G7 Declaration on Desertification**" has been created, based on "**Environment G7 puts desertification at centre of environmental agenda, flags land crisis as global security threat**" published in "Down To Earth" on 29th March 2026.

UPSC Syllabus: GS Paper-3-Environment

Context: The G7 Environment Ministerial Meeting 2026 placed desertification, land degradation and drought at the centre of its agenda, recognising them not only as environmental concerns but also as systemic risks to global stability and development.

Key Highlights of the Declaration

1. The G7 formally described desertification and drought as "**systemic global challenges**" and "**security risk multipliers.**"
2. Nearly 40 per cent of global land is already degraded, affecting around 3.2 billion people worldwide.
3. The declaration highlighted that environmental stress is increasingly linked with social and political instability.
4. It noted that more than 40 per cent of intrastate conflicts in the past six decades have been associated with land and water disputes.
5. The ministers emphasised the need to scale up land restoration, drought resilience and sustainable land management efforts.
6. The declaration called for mobilisation of both public and private finance through blended finance models.
7. It identified the United Nations Convention to Combat Desertification COP17 as a key platform for delivering concrete outcomes.

Why Desertification is a Security Threat

1. Desertification reduces agricultural productivity, which weakens rural economies and threatens food security.
2. It intensifies competition over scarce land and water resources, thereby increasing the likelihood of conflicts.
3. Land degradation leads to migration and displacement, which creates demographic and economic pressures in urban areas.
4. Environmental stress acts as a risk multiplier by aggravating existing social, economic and political tensions.

Policy Significance of the Shift

1. The shift broadens the issue from an environmental concern to a matter of global peace and security.
2. It promotes integrated policy approaches that link environment, development and security.
3. It elevates land degradation as a priority issue in global governance frameworks.
4. It signals increased focus on financing mechanisms for land restoration and resilience building.

Implications for Global Security

1. Land degradation leads to increased competition over scarce natural resources such as land and water.
2. This competition contributes to social tensions, conflicts, and political instability within countries.
3. Environmental degradation also leads to forced migration and displacement of vulnerable populations.
4. Declining agricultural productivity weakens economic resilience and increases vulnerability in fragile regions.

Implications for India and Developing Countries

1. Developing countries like India are highly vulnerable because a large proportion of their population depends on land-based livelihoods.
2. The declaration opens opportunities for accessing international finance for land restoration and sustainable land management.
3. It supports national efforts related to land degradation neutrality and sustainable agriculture.
4. Improved land management can enhance agricultural productivity and strengthen rural livelihoods.

Concerns

1. There is a significant gap between commitments and actual implementation on the ground.
2. Climate change was deliberately excluded from the formal agenda to maintain consensus within the G7.
3. The exclusion of climate change may weaken a comprehensive approach to land degradation.

Way Forward

1. The UNCCD COP17 2026 must translate commitments into measurable and time-bound actions.
2. Countries should integrate climate change mitigation and adaptation with land restoration strategies.
3. Governments should scale up blended finance mechanisms to support large-scale restoration projects.
4. Local communities should be actively involved in sustainable land management practices.

5. Stronger global cooperation and monitoring mechanisms should be developed to ensure accountability.

Conclusion: The recognition of desertification as a global security threat marks an important policy shift, but its effectiveness will depend on sustained political will, adequate financing and concrete action at both global and local levels.

Question: Desertification has been elevated as a global security threat by the G7. Discuss the implications of this shift and the way forward.

Source: [Down to Earth](#)

The fight to eliminate cervical cancer

Source: The post “**The fight to eliminate cervical cancer**” has been created, based on “**The fight to eliminate cervical cancer**” published in “The Hindu” on 29th March 2026.

UPSC Syllabus: GS Paper-3-Science and technology

Context: Cervical cancer remains a major public health issue caused primarily by persistent infection with the Human Papillomavirus (HPV). The World Health Organisation (WHO) has launched a global initiative to eliminate cervical cancer, with India as a key participant.

Burden of Cervical Cancer

1. Cervical cancer is the second most common cancer among women in India, with nearly one lakh new cases annually.
2. It disproportionately affects women in low- and middle-income settings due to a lack of awareness and healthcare access.
3. The disease leads to high morbidity, mortality, and socio-economic burden, especially among younger women.

Role of Screening

1. Screening methods such as Pap smear and visual inspection help detect precancerous stages like Cervical Intraepithelial Neoplasia (CIN).
2. Early detection allows simple and effective treatment without the need for major surgery.
3. Regular screening can significantly reduce incidence and mortality rates.

Role of HPV Vaccination

1. HPV vaccination provides primary prevention by protecting against high-risk virus strains such as HPV 16 and 18.
2. Scientific evidence shows that even a single dose can protect around 85–90 per cent.
3. The vaccine has a strong safety profile with no major adverse effects reported on fertility or overall health.
4. Countries that introduced vaccination early have already seen a decline in pre-cancer and cancer rates.

Global Targets and India's Efforts

1. The World Health Organisation (WHO) aims to achieve elimination through the 90-70-90 targets by 2030.
2. These include vaccinating 90 per cent of girls, screening 70 per cent of women, and treating 90 per cent of detected cases.
3. India has recently launched a national HPV vaccination campaign to expand coverage among adolescent girls.

Challenges in Elimination

1. India faces an inadequate screening infrastructure and a shortage of trained manpower for large-scale implementation.
2. Screening coverage remains low, with less than 5 per cent of eligible women being screened.
3. There are delays in diagnosis and poor follow-up due to weak referral systems and low compliance.
4. Social stigma, lack of awareness, and limited health-seeking behaviour further hinder early detection.

Way Forward

1. There is a need to strengthen primary healthcare systems for widespread screening and vaccination.
2. Public awareness campaigns must be intensified to address stigma and misinformation.
3. Integration of screening with existing health programmes can improve outreach and efficiency.
4. Greater investment in healthcare infrastructure and workforce is essential for achieving targets.

Conclusion: Eliminating cervical cancer is achievable through a combination of effective vaccination, early screening, and timely treatment. With sustained political commitment and public health efforts, India can significantly reduce the burden and move towards a cancer-free future.

Question: Discuss the challenges in eliminating cervical cancer in India and examine the role of HPV vaccination and screening in achieving this goal.

Source: [The Hindu](#)

The Hormuz digital chokepoint: How does the Iran war threaten subsea cables?

UPSC Syllabus: Gs Paper 3- Infrastructure

Introduction

The Strait of Hormuz is now both an energy and digital chokepoint. Several subsea cables pass through this narrow route, linking Asia, the Gulf, and Europe. Iran's warning has highlighted the vulnerability of this critical infrastructure. Ongoing conflict has raised risks of accidental and indirect damage to these cables. Since they support global internet traffic and financial systems, any disruption can slow connectivity, affect transactions, and weaken digital economies dependent on this.

What are Subsea Cables?

1. **Basic meaning and structure:** Subsea cables are optical fibre or electrical cables laid on the seabed to carry data and power across countries.

2. **Physical design and capacity:** These cables are thin like a hose but protected by layers of metal and plastic to carry large data safely.
3. **Role in digital services:** They support **telecom, cloud services, and online communication**, which depend on fast and stable data flow.

Strategic Importance of Subsea Cables

1. **Backbone of global digital economy:** Subsea cables carry **around 99% of global internet traffic** and support communication, finance, and online services across countries.
2. **Support to financial systems:** These cables enable **over \$10 trillion in daily financial transactions**, making them critical for global markets.
3. **Dependence of data centres and cloud systems:** Data centres depend on cable landing stations, and without them, they cannot transmit or process data effectively.
4. **Role in AI and digital infrastructure:** Gulf countries like UAE and Saudi Arabia rely on these cables for **AI systems and large-scale digital infrastructure investments**.
5. **Key global cable networks:** Major systems like **AAE-1, FALCON, Gulf Bridge International, TGN-Gulf, and SEA-ME-WE** connect Asia, the Gulf, Africa, and Europe.
6. **Rising investment and expansion:** New cable projects, including those led by **Ooredoo**, show increasing dependence on these networks for future growth.

Strait of Hormuz as a Dual Chokepoint

1. **Energy and digital significance:** The strait is a critical route for **global oil shipments and internet traffic**, making it highly strategic.
2. **Global connectivity link:** It connects **India, Southeast Asia, West Asia, Africa, and Europe** through multiple cable routes.
3. **High concentration risk:** Many cables pass through this narrow passage, making it a **single vulnerable point for global connectivity**.
4. **Scale of data flow:** A large number of global internet cables pass through this narrow route, making it a critical digital chokepoint.
5. **Support to financial systems:** These cables enable **over \$10 trillion in daily financial transactions**, linking global markets.

Nature of Risks to Subsea Infrastructure

1. **Accidental human activities:** Around **70-80% of cable faults** are caused by fishing and ship anchors, making human activity the main threat.

2. **Natural risks:** Undersea currents, earthquakes, volcanoes, and typhoons can damage cables despite safety measures.
3. **Conflict-related threats:** War increases risks of **sabotage and indirect damage from ships affected by attacks**.
4. **Impact of military operations:** Active conflict raises the chance of **unintentional damage, especially over longer periods**.
5. **Evidence from past events:** In 2024, a drifting vessel damaged cables in the Red Sea, disrupting **about 25% of data traffic**.

Impact of Potential Disruptions

1. **Internet and communication effects:** Damage can cause **slow speeds or outages**, affecting global communication systems.
2. **Economic disruptions:** It can disturb **e-commerce, financial transactions, and cloud services**, leading to wider economic losses.
3. **Impact on data centres:** Data centres become less effective without stable cable connections, reducing service quality.
4. **Regional dependence factor:** The level of impact depends on how much networks rely on these cables and available alternatives.

Challenges in Repair and Restoration

1. **Difficulties in conflict zones:** Repairing cables is risky due to **fighting, mines, and unstable conditions in the region**.
2. **Operational and insurance risks:** Repair ships and insurers may avoid these areas, delaying restoration work.
3. **Permit-related issues:** Access to territorial waters requires permits, which can **take a long time and delay repairs**.
4. **Post-conflict recovery:** After conflict, seabed surveys are needed to **identify safe routes and avoid obstacles like sunken ships**.

Limitations of Alternatives

1. **Land-based systems:** These provide partial backup but cannot fully replace subsea cables in capacity.
2. **Satellite limitations:** Satellites are **costly and cannot handle large data volumes**, making them unsuitable for full replacement.
3. **Functional constraints:** Satellites are better for moving objects like ships and aircraft, not for mass connectivity.

4. **Low-Earth orbit systems:** Networks like **Starlink** are still not scalable for millions of users.

Conclusion

The Strait of Hormuz has emerged as a critical point for both energy and digital flows. Subsea cables passing through it support global communication and financial systems. The ongoing conflict increases risks of accidental damage and disruption. Repair challenges and limited alternatives add to the concern. Strengthening protection and reducing dependence on such narrow routes is important.

Question for practice:

Examine how the Strait of Hormuz has emerged as a critical digital chokepoint and assess the risks posed by ongoing conflict to subsea cable infrastructure and global connectivity.

Source: [The Hindu](#)

The RTE Act and the Idea of Social Inclusion

UPSC Syllabus: Gs Paper 3- Issues relating to development and management of Social Sector/Services relating to Health, Education

Introduction:

The January 2026 judgment of the Supreme Court of India reaffirmed Section 12(1)(c) of the Right to Education Act, 2009. It mandates **25% reservation in private schools** for disadvantaged children. The provision is not only about access to schooling. It seeks to create **shared classrooms across social groups**. This helps reduce social distance and ensures that **birth conditions do not limit a child's social world or opportunities**.

Legal and Constitutional Basis of the RTE Act

1. **Link to fundamental right under Article 21A:** The Article 21A of the Constitution of India guarantees free and compulsory education. Denial of admission makes this right an empty promise, so enforcement must be strict and immediate.
2. **Equality through shared spaces:** Section 12(1)(c) of the Right to Education Act, 2009 mandates 25% reservation in private unaided schools for disadvantaged children. It creates common classrooms, helping achieve equality of status through daily interaction.
3. **Judicial reaffirmation of constitutional purpose:** The Supreme Court of India recognised this provision as a constitutional strategy for social integration. It stressed that education must reduce social distance, not just provide access.
4. **Mandatory and immediate admission rule:** Schools must grant admission without delay once the State forwards the selected list. Even if doubts exist, they cannot wait for clarification before admitting the child.
5. **No discretion to question State decisions:** Schools cannot act as appellate authorities. They must follow the government selection process and admit students as allotted.

6. **Obligation on neighbourhood schools:** All neighbourhood schools, including private unaided institutions, are legally bound to implement the 25% reservation. This duty is central to the law.
7. **National mission and shared responsibility:** Implementation is described as a national mission. The State, schools, institutions, and judiciary are all duty bearers responsible for ensuring effective execution.
8. **Role of judiciary in enforcement:** Courts must ensure quick and effective remedies for parents. They must actively address denial of admission and remove delays in enforcement.

Addressing Misconceptions

1. **Not a promotion of private schooling:** Section 12(1)(c) does not aim to expand private education. It includes private schools as **participants in fulfilling the constitutional right to education**, not as a replacement for public schools.
2. **No outsourcing of State responsibility:** The State cannot shift its duty to private institutions. The Court reaffirmed that **ensuring free and compulsory education under Article 21A of the Constitution of India remains a State obligation**, with private schools sharing a limited role.
3. **Not a dilution of public education system:** Decline in government school enrolment is linked to **infrastructure, teacher presence, and perceived quality**, not to this provision. The **ASER 2006 data** shows this trend existed earlier.
4. **Not a discretionary or optional provision:** Private schools cannot treat admissions under this provision as optional. The Court made it clear that **they are legally bound to admit students immediately once selected**.
5. **Schools cannot act as appellate authorities:** Institutions cannot question or delay admissions based on eligibility doubts. They must **follow government lists and raise concerns separately**, ensuring the child's right is not affected.
6. **Not merely symbolic but enforceable:** This provision is not based on goodwill. It requires **strict implementation and compliance**, as denial can make the right to education ineffective in practice.
7. **Not a zero-sum system:** The provision does not create conflict between public and private schools. It aims to build **integrated learning spaces where social inclusion becomes part of everyday schooling**.

Transformational Impact on Ground

1. **Large scale inclusion with strong retention:** More than five million children have benefited. Retention rates are above 90%, showing stability.
2. **Blended classrooms becoming normal:** In cities like Delhi and Ahmedabad, mixed classrooms are common. Social diversity is now part of daily schooling.

3. **Positive social behaviour outcomes:** Mixed settings lead to **greater generosity, less discrimination, and stronger pro-social behaviour**. Academic performance remains unaffected.
4. **Access to social and institutional capital:** Children gain **peer networks, exposure, and institutional familiarity**. These were earlier out of reach.
5. **Rise in confidence and aspirations:** Students develop higher self-belief and ambition. Their worldview expands beyond earlier limits.

Challenges in Implementation

1. **Non-compliance with admission mandate:** Some private schools **refuse or delay admission** even after government selection. This goes against the rule of **immediate admission** and weakens enforcement.
2. **Illegal scrutiny of eligibility by schools:** Schools sometimes try to **question or verify eligibility** on their own. This is not allowed, as they **cannot override State decisions**.
3. **Resistance to full inclusion:** Some schools are not willing to fully integrate students from disadvantaged groups. This affects the goal of **shared classrooms and social inclusion**.
4. **Hidden financial burden on families:** Despite free admission, families often pay for **uniforms, books, and materials**. This reduces real access to education.
5. **Administrative delays and weak systems:** There are delays in **reimbursements, disbursements, and grievance redress**. Implementation remains uneven across States.
6. **Limited access to grievance mechanisms:** Parents face difficulty in getting **quick and effective remedies** when admission is denied or delayed.
7. **Dependence on weak enforcement:** The provision often relies on compliance rather than strict enforcement. It needs **clear rules and strong monitoring** to work properly.

Way Forward

1. **Ensure strict and timely admissions:** Schools must follow rules and provide immediate admission without delay.
2. **Strengthen reimbursement systems:** States must ensure timely and transparent payments to maintain cooperation from schools.
3. **Remove hidden financial barriers:** Extra costs imposed by schools must be eliminated to ensure true free education.
4. **Improve grievance redress mechanisms:** Systems must be simple, fast, and accessible for parents to raise issues.

5. **Expand digital systems for transparency:** State-level online admission systems and MIS platforms should be strengthened. These systems improve accountability and reduce discretion.
6. **Recognise shared responsibility:** Governments, schools, and institutions are duty bearers. Each must act to ensure proper implementation.
7. **Ensure strict enforcement of inclusion norms:** Clear rules and monitoring are required so that **social integration is actually experienced in classrooms**, not just written in law.

Conclusion

Section 12(1)(c) is a key tool to realise the **right to education under Article 21A of the Constitution of India** through social integration. Its success depends on **strict and timely implementation**. Treated as a **national mission**, it can reduce social barriers and ensure that equality is not only promised in law but experienced by children in classrooms.

Question for practice:

Discuss how Section 12(1)(c) of the Right to Education Act, 2009 promotes social inclusion, and examine the challenges and measures needed for its effective implementation.

Source: [The Hindu](#)

Skilling India for a Future-Ready Workforce

Source: The post “**Skilling India for a Future-Ready Workforce**” has been created, based on “**Skilling India for a Future-Ready Workforce**” published in “**PIB**” on 30th April 2026.

UPSC Syllabus: GS Paper-3-Economy

Context: India is at a pivotal demographic stage with one of the youngest workforces in the world, which provides a strong foundation for higher productivity and sustained economic growth. The Economic Survey 2025–26 highlights that employment-focused skilling initiatives are essential for bridging skill gaps, improving productivity, and promoting inclusive labour markets.

Overall Policy Push for Skilling

1. The Union Budget 2026–27 positions skill development as a cross-sectoral priority to align workforce capabilities with evolving industry demands.
2. It focuses on expanding institutional capacity, modernising training infrastructure, and enhancing employability and entrepreneurship opportunities.
3. Labour market trends indicate stability, with a Labour Force Participation Rate of 55.9% in February 2026, along with increased participation of women and declining unemployment rates.

Sector-wise Skilling Initiatives

I. Education

- a. The government has allocated ₹1.39 lakh crore to the education sector, reflecting an 8.27% increase over the previous year.

- b. It proposes the creation of five University Townships near industrial corridors to integrate education, research, and skilling.
- c. The establishment of girls' hostels in every district aims to improve access and retention in STEM education.
- d. The development of four telescope infrastructure facilities is intended to promote skills in astrophysics and astronomy.

II. Textile & Apparel

- a. The textile sector contributes around 2% to GDP and employs over 45 million people, making it a major employment generator.
- b. The National Fibre Scheme aims to promote self-reliance in natural, man-made, and new-age fibres.
- c. The Textile Expansion and Employment Scheme focuses on modernising traditional clusters and improving productivity.
- d. Samarth 2.0 seeks to strengthen industry-academia partnerships for skill development.
- e. Mega Textile Parks are proposed to enhance scale, efficiency, and value addition.

III. Health

- a. The Budget provides ₹980 crore to strengthen allied healthcare education and workforce capacity.
- b. The Biopharma SHAKTI initiative aims to position India as a global biopharma hub with an outlay of ₹10,000 crore.
- c. The government plans to add 100,000 Allied Health Professionals over five years.
- d. It also proposes to train 1.5 lakh caregivers to support the growing care economy.
- e. The development of medical tourism hubs is expected to generate employment opportunities.

IV. AYUSH

- a. An allocation of ₹4,408 crore has been made to strengthen traditional healthcare systems.
- b. The establishment of new institutes and upgradation of laboratories will enhance research and skill development in Ayurveda and related fields.

V. Livestock

- a. With an allocation of ₹6,153 crore, the sector aims to increase rural income and employment.
- b. A new scheme will help create more than 20,000 veterinary professionals through private sector participation.

VI. Creative and Design Economy

- a. AVGC Content Creator Labs will be set up in 15,000 schools and 500 colleges to meet the growing demand for creative professionals.
- b. A new National Institute of Design will be established to strengthen design education and skills.

VII. Tourism and Hospitality

- a. A National Institute of Hospitality will be created to bridge the gap between academia and industry.
- b. A pilot programme will upskill 10,000 tourist guides through structured training.

- c. A Digital Knowledge Grid will create opportunities in research, content creation, and heritage management.

VIII. Sports

- a. Increased allocation to ₹4,479.88 crore reflects the focus on building a strong sports ecosystem.
- b. The Khelo India Mission aims to develop talent, improve coaching, and integrate sports science and infrastructure.

Flagship Skilling Programmes

1. The Skill India Mission continues to provide large-scale skilling through schemes like PMKVY, JSS, NAPS, and CTS.
2. PMKVY 4.0 has trained over 27.24 lakh candidates and introduced future-oriented job roles in emerging sectors such as AI and green jobs.
3. The Jan Shikshan Sansthan scheme promotes community-based skilling for non-literate and disadvantaged groups.
4. The National Apprenticeship Promotion Scheme supports “earn while you learn” by providing stipend assistance and industry exposure.
5. The Craftsmen Training Scheme strengthens vocational education through ITIs with industry-aligned courses.

Strengthening ITI Ecosystem

1. The PM-SETU scheme aims to upgrade 1,000 ITIs with modern infrastructure and industry partnerships.
2. The hub-and-spoke model and involvement of industry partners will improve training quality and employability.
3. National Skill Training Institutes are being upgraded as Centres of Excellence with global collaborations.

Challenges

1. There is still a mismatch between industry requirements and the skills imparted in training programmes.
2. The quality of training and infrastructure varies significantly across regions, especially between urban and rural areas.
3. Limited industry participation in curriculum design and training reduces practical relevance.
4. Informal sector workers face difficulties in accessing formal skilling programmes.
5. Gender disparities and social barriers continue to restrict participation in certain sectors.
6. Monitoring and evaluation mechanisms for skilling outcomes remain inadequate in many schemes.

Way Forward

1. There is a need to strengthen industry-academia collaboration to ensure demand-driven and job-oriented training.
2. The government should focus on improving the quality and standardisation of training infrastructure across all regions.

3. Greater emphasis should be placed on digital and future skills such as AI, robotics, and green technologies.
4. Expanding apprenticeship opportunities and incentivising private sector participation can enhance practical learning.
5. Inclusive policies should be designed to improve access for women, rural populations, and marginalised groups.
6. A robust monitoring and evaluation framework should be developed to track outcomes and ensure accountability.

Conclusion: India's skilling ecosystem is undergoing a structural transformation through coordinated policy efforts and sector-specific initiatives. The integration of education, industry, and technology-driven training is expected to enhance employability and productivity. Addressing existing challenges through targeted reforms will be crucial to fully realise India's demographic dividend and achieve the vision of Viksit Bharat @2047.

Question: Discuss how the Union Budget 2026–27 and recent policy initiatives aim to strengthen India's skilling ecosystem for a future-ready workforce. Also examine the challenges and suggest a way forward.

Source: [PIB](#)

Rise of identity politics threatens social cohesion, governance

Source: The post "Rise of identity politics threatens social cohesion, governance" has been created, based on "Et tu, Kerala? Rise of identity politics threatens social cohesion, governance" published in "Indian Express" on 30th April 2026.

UPSC Syllabus: GS Paper-2-Governance

Context: Kerala has historically been regarded as a model of performance-based politics, characterised by high literacy, strong welfare systems, and accountable governance. However, recent political developments indicate a shift towards identity politics, where caste, religion, and community affiliations are increasingly shaping electoral strategies.

Nature of the Shift in Kerala Politics

1. Political mobilisation is increasingly based on religious and caste identities rather than governance outcomes.
2. Campaign rhetoric is targeting specific communities, leading to consolidation of vote banks.
3. Electoral contests are being framed in terms of communal polarisation, particularly Hindu–Muslim and intra-minority dynamics.
4. Candidate selection is influenced by their ability to mobilise specific identity groups rather than competence alone.

Role of Political Competition

1. The growing presence of the Bharatiya Janata Party has intensified competitive politics in the state.
2. Both the Left Democratic Front and the United Democratic Front are recalibrating strategies by consolidating their respective support bases.

3. Identity-based mobilisation is seen as a more predictable electoral strategy compared to performance-based evaluation.

Role of Social and Community Organisations

1. Organisations such as the Nair Service Society and Sree Narayana Dharma Paripalana Yogam are playing an increasingly active role in influencing voting patterns.
2. Bloc voting based on caste and religion is becoming more visible and accepted in electoral calculations.

Factors Driving Identity Politics

1. The national resurgence of identity politics has influenced Kerala's political landscape.
2. Economic challenges such as unemployment and inflation have created conditions for identity-based appeals.
3. Identity politics provides electoral certainty compared to performance politics, which depends on subjective evaluation.
4. Increasing political competition has incentivised short-term mobilisation strategies.

Implications for Social Cohesion

1. Identity politics risks fragmenting society along communal and caste lines.
2. It undermines Kerala's tradition of social harmony and inclusive development.
3. Increased polarisation can erode trust between communities and weaken collective social capital.

Implications for Governance

1. Policy priorities may shift from universal welfare to community-specific appeasement.
2. There is a risk of policy paralysis as governments balance competing identity demands.
3. Developmental issues such as education, healthcare, and poverty alleviation may be overshadowed.
4. Governance outcomes may increasingly be judged through communal lenses rather than effectiveness.

Continuity of Performance Politics (Although Limited)

1. Welfare schemes, healthcare, and education reforms continue to influence voter behaviour.
2. However, these issues are increasingly filtered through identity considerations, reducing their universal appeal.

Challenges

1. Balancing identity representation with inclusive governance remains difficult.
2. Preventing communal polarisation while maintaining democratic competition is a key challenge.
3. Ensuring that development issues are not overshadowed by identity narratives.
4. Weakening of issue-based political discourse and public accountability.

Way Forward

1. Political parties should re-emphasise performance-based politics by focusing on measurable governance outcomes.
2. Strengthening civic awareness and voter education can reduce susceptibility to identity-based appeals.

3. Encouraging inclusive policy frameworks that address all communities without bias is essential.
4. Civil society and media should promote issue-based discourse and counter polarisation.
5. Institutional mechanisms should ensure transparency and accountability in governance.

Conclusion: The rise of identity politics in Kerala marks a significant shift from its tradition of performance-driven governance. If unchecked, it can undermine social cohesion and weaken democratic functioning. Reasserting inclusive, welfare-oriented, and performance-based politics is essential for preserving Kerala's distinct political model.

Question: Examine the rise of identity politics in Kerala and analyse its implications for social cohesion and governance. Suggest measures to strengthen performance-based politics.

Source: [Indian Express](#)

Increasing Health Insurance Coverage, Growing Distress

UPSC Syllabus: Gs Paper 3- Issues relating to development and management of Social Sector/Services relating to Education

Introduction

Health insurance coverage has expanded significantly in India, as shown by the National Sample Survey (NSS) 80th round (2025), mainly due to government-financed schemes. However, this increase has not improved healthcare access or reduced financial burden. Hospitalisation rates remain low, dependence on private healthcare has increased, and out-of-pocket expenditure has sharply risen. This reflects a clear mismatch between insurance expansion and actual healthcare outcomes, raising concerns about the effectiveness of the current insurance-led approach.

Current Status of Health Insurance in India

1. **Rapid Expansion of Coverage:** Health insurance now covers **47.4% rural and 44.3% urban households**, mainly due to a **more than 2.5 times increase in government-financed schemes**.
2. **Government Schemes Driving Growth:** This expansion is mainly due to **Government-Financed Health Insurance (GFHI)** schemes like Pradhan Mantri Jan Arogya Yojana and State schemes, while **ESIS and CGHS have minimal contribution**.
3. **Rising Role in Household Financial Assets:** The share of insurance and pension funds in household financial assets increased from **28.6% (2018-19) to 29.6% (2024-25)**, showing growing financial participation.
4. **Health Insurance Becoming Dominant Segment:** Health insurance now contributes **41% of non-life premium**, becoming the **leading segment**, surpassing motor insurance.
5. **Coverage Not Translating into Utilisation:** Despite higher coverage, **hospitalisation rates remain below 2014 levels**, with only a marginal rise in rural areas and decline in urban areas, indicating weak utilisation.

Major Concerns Related to Health Insurance in India

1. **Shift Towards Private Healthcare:** There is a clear shift towards **private hospitals for treatment and childbirth**, while the use of public facilities has declined, especially in urban areas. This reflects **reduced reliance on public healthcare services**.
2. **Sharp Rise in Out-of-Pocket Expenditure:** Out-of-pocket expenditure on hospitalisation has **more than doubled between 2017-18 and 2025**. This shows that financial protection from insurance remains weak.
3. **Hidden Costs in Public Healthcare:** Even in public hospitals, patients spend due to **lack of medicines, diagnostic services, and high transport and other non-medical costs**. This reduces the benefit of subsidised care.
4. **High Cost Burden in Private Sector:** Treatment in private hospitals leads to very high expenses, with costs rising by **70% in rural areas and 80% in urban areas**, increasing financial distress.
5. **Inequitable Utilisation of Insurance Schemes:** Although schemes target the poor, **better-off groups benefit more**, and only **13% of urban beneficiaries belong to the poorest class**.
6. **Inclusion of Non-Poor Increasing Burden:** Extending coverage to non-poor households increases utilisation but also **raises fiscal burden and weakens targeting efficiency**.
7. **Rising Fiscal Pressure on States:** States like Haryana and West Bengal spend **around 15% of their health budgets on GFHI (Government-Financed Health Insurance)**, creating financial stress.
8. **Delays and Dependence on Private Providers:** Fiscal pressure leads to **delays in payments to private hospitals**, while the insurance model channels public funds towards private providers.
9. **Profit-Oriented and Weakly Regulated Private Sector:** The private sector works on **profit maximisation with limited regulation**, and patients are often charged extra despite insurance coverage.
10. **Structural Imbalance in Healthcare Approach:** The system reflects an imbalance where schemes appear **"of the rich, for profit, by the poor"**, raising concerns about fairness.
11. **Neglect of Primary Healthcare System:** Ayushman Arogya Mandir has potential for comprehensive care but remains **underfunded**, similar to the National Health Mission, showing a gap between **curative insurance focus and preventive care needs**.

Recent Policy and Regulatory Measures for Health Insurance in India

1. **Vision of "Insurance for All by 2047":** The Insurance Regulatory and Development Authority of India aims to expand insurance coverage to all citizens.
2. **Sabka Bima Sabki Raksha (Amendment) Act, 2025:** The law amended key insurance Acts to **expand coverage, improve protection, and strengthen the sector**, while supporting ease of doing business.
3. **Legislative Reform to Strengthen Sector:** The Insurance Laws (Amendment) Act, 2025 increased FDI limit to 100%, simplified compliance, and aligned laws with digital data protection.

4. **GST Exemption on Health Insurance:** From September 2025, 18% GST was removed, making health insurance more affordable and encouraging wider adoption.
5. **Reduced Moratorium Period:** The moratorium period was reduced from 8 years to 5 years, limiting claim rejection after this period except in fraud cases.
6. **30-Day Free-Look Period:** A standard 30-day period allows policyholders to review and exit policies, improving transparency and trust.
7. **Guaranteed Policy Renewal:** Insurers must renew policies and **cannot deny renewal based on past claims**, ensuring continuity of coverage.
8. **Portability and Migration Benefits:** Policyholders can switch insurers or plans while **retaining waiting period credits and no-claim benefits**, increasing flexibility.
9. **No Claim Bonus (NCB):** Policyholders are rewarded with higher coverage or lower premiums if no claim is made, promoting responsible usage.
10. **Performance Monitoring of TPAs:** Insurers monitor Third Party Administrator (TPA), and penalties based on customer feedback ensure better service delivery and accountability.

Major Health Insurance Protection Schemes

1. **Pradhan Mantri Jan Arogya Yojana (PMJAY):** PMJAY is the largest scheme driving coverage expansion, contributing to a **more than 2.5 times increase in insurance coverage between 2017-18 and 2025**, with **43.52 crore Ayushman cards issued**.
2. **Swasthya Saathi (West Bengal):** This State-level scheme has supported the expansion of coverage under **GFHI (Government-Financed Health Insurance)**, especially in West Bengal.
3. **Employees' State Insurance Scheme (ESIS):** ESIS provides social security and healthcare to workers, but its contribution to recent coverage growth is very limited.
4. **Central Government Health Scheme (CGHS):** CGHS mainly covers government employees and has **minimal role in expanding overall insurance coverage**.
5. **State Government Health Insurance Schemes:** Schemes for State government employees are part of GFHI, but their contribution to overall expansion remains limited.
6. **Ayushman Arogya Mandir (AAM):** AAM focuses on **comprehensive primary healthcare, including non-communicable diseases**, but remains **severely underfunded**.

Conclusion

The expansion of health insurance has not translated into better care or financial protection. Rising out-of-pocket costs, growing dependence on private providers, and unequal access show deep structural problems.

Public funds are increasingly supporting private profit, while primary care remains neglected. There is a need to rethink the insurance-led model and prioritise strengthening public healthcare to ensure universal, equitable, and affordable access for all sections.

Question for practice:

Discuss how the increase in health insurance coverage in India has failed to improve healthcare access and financial protection, as reflected in recent data.

Source: [The Hindu](#) and [PIB](#)

Decoding RBI's move to curtail rupee speculation

UPSC Syllabus: Gs Paper 3- Indian economy

Introduction

The Reserve Bank of India has capped banks' foreign exchange exposure to contain rising pressure on the rupee. The currency weakened due to global risk aversion linked to the Iran conflict and strong demand for the US dollar. Banks were actively using arbitrage between onshore and offshore markets. By limiting Net Open Position in Indian Rupee (NOP-INR), the measure aims to curb speculative positions and support the rupee in the short

Understanding NOP-INR and Forex Exposure

1. **Meaning of NOP-INR (Net Open Position in Indian Rupee):** It shows the **total foreign exchange exposure of banks**, measured as the difference between their foreign currency buying (long) and selling (short) positions, mainly in US dollars against the rupee.
2. **How it is calculated:** It includes positions from **spot transactions, forward contracts, and swaps in the over-the-counter market**, along with **Exchange-Traded Currency Derivatives like futures and options**.
3. **Why derivatives are included:** Even though these derivatives are **cash-settled and do not involve actual delivery**, they still add to overall exchange rate risk.
4. **Importance in risk management:** NOP-INR gives a **complete picture of a bank's exposure to currency movements**, helping measure the risk arising from changes in the rupee's value.

RBI's Directive: Key Features

1. **Cap on Net Open Position in INR (NOP-INR):** Banks must keep their **Net Open Position in Indian Rupee (NOP-INR)** within **\$100 million** in the onshore deliverable market at the end of each business day.
2. **Timeline for compliance:** All banks were given time **until April 10, 2026** to bring their positions within the prescribed limit.
3. **Focus on onshore deliverable market:** The rule applies to transactions within India that involve **actual exchange of currency**, such as spot, forward, and swap deals.

4. **Role of Exchange-Traded Currency Derivatives (ETCDs):** Exchange-Traded Currency Derivatives (ETCDs) like futures and options are included in NOP calculation, but the main focus is on controlling exposure in deliverable transactions.
5. **Indirect impact on offshore market:** The directive does not directly mention offshore markets, but by limiting domestic exposure, it is expected to **reduce arbitrage activities between domestic and offshore markets.**

Rationale Behind RBI's Move: Role of Arbitrage and Market Dynamics

1. **Pressure on rupee due to global factors:** The rupee weakened because of **global risk aversion linked to the Iran conflict**, which increased demand for the US dollar as a safe asset.
2. **Build-up of long-dollar positions:** Banks created **large long positions in US dollars**, meaning they bought more dollars expecting further rise, which increased pressure on the rupee.
3. **Arbitrage strategy explained:** Banks used **arbitrage**, meaning they earned profit from price differences by **buying dollars in the onshore market and selling them in offshore markets.**
4. **Onshore vs offshore markets clarified:** The onshore market includes **domestic transactions with actual delivery of currency**, while the offshore market uses **Non-Deliverable Forwards (NDF)**, which are contracts settled in US dollars without actual exchange of rupees.
5. **Link between both markets:** Although onshore and offshore markets are separate, they are closely linked through arbitrage. Banks operate in both markets to exploit price differences. This linkage allows movements in one market to influence the other and increases overall speculative pressure on the rupee.
6. **Policy objective of RBI:** By limiting **Net Open Position in Indian Rupee (NOP-INR)**, the Reserve Bank of India aims to **reduce arbitrage trades, force banks to unwind dollar positions, and support the rupee by increasing dollar supply in the market.**

Impact Assessment

1. **Immediate market reaction:** The rupee initially improved but later weakened again, touching a **fresh all-time low of 95.23**, showing strong underlying pressure.
2. **Effect on domestic speculation:** The cap is likely to **reduce speculative activity in the domestic market**, as banks face limits on exposure.
3. **Limited control over offshore markets:** Offshore NDF markets may continue speculation due to **global participation and lack of direct regulation.**
4. **Influence through indirect channels:** RBI can affect offshore markets indirectly through **domestic actions and participation of Indian banks**, improving price alignment.
5. **Constraints from global factors:** Factors like **capital outflows, high crude oil prices above \$100, and widening trade deficit** can keep pressure on the rupee.

6. **Nature of the measure:** The cap is a **short-term or tactical step**, which may prevent further sharp depreciation but does not solve structural issues affecting the currency.

Conclusion

The Net Open Position in Indian Rupee (NOP-INR) cap can reduce speculative activity and limit arbitrage-driven pressure in the short term. However, it does not address key drivers like capital flows, interest rate differences, crude oil prices, and trade imbalance. Sustained stability of the rupee requires favourable global conditions and improvement in these underlying economic factors.

Question for practice:

Examine how the Reserve Bank of India's cap on Net Open Position in Indian Rupee (NOP-INR) aims to curb arbitrage-driven speculation and stabilise the rupee.

Source: [Businessline](#)