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News Papers editorials

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## Bankers' Books Evidence Bill - August 8th

**Source:** The post **"Bankers' Books Evidence Bill"** has been created based on **"What is the Bankers' Books Evidence Bill and why has it raised data concerns?"** published in **"Indian Express"** on 7th July 2026.

**UPSC Syllabus:** GS Paper 2- Governance

**Context:** Recently, the Lok Sabha cleared the Bankers' Books Evidence Bill, 2026, which seeks to replace the colonial-era Bankers' Books Evidence Act, 1891 and align the law governing banking evidence with the realities of digital banking.

**Key provisions and significance:**

1. **Wider definition of bankers' books:** It recognises records maintained in electronic or digital form, including records stored onsite, offsite, virtually or on cloud platforms.
2. **Standardised certification:** It introduces specific certificate formats and conditions to establish the genuineness of digital bank records, similar to safeguards for electronic evidence under the Bharatiya Sakshya Adhiniyam.
3. **Clarity on "special cause":** It defines circumstances such as doubts regarding record accuracy, interruption in record-keeping and non-compliance with inspection orders.
4. **Reduced burden on banks:** Bank officials need not ordinarily produce original records or appear as witnesses when the bank is not a party, potentially speeding up commercial litigation such as cheque-bounce cases.
5. **Police access:** The Bill retains the existing provision allowing an officer not below the rank of Superintendent of Police to seek bank records for investigations.

**Concerns and missed safeguards:**

1. **Data privacy:** Digital records can be copied and shared much more easily than physical records, increasing risks of leaks and unauthorised disclosure.
2. **Cybersecurity:** Experts argue that the Bill does not adequately address data leaks, manipulation and integrity of digital evidence.
3. **Absence of hash-value safeguards:** Hash values could have provided a digital fingerprint to establish whether electronic records were altered.
4. **Certification burden:** Requiring branch heads to certify network and device security may be impractical because they may not control the bank's data centres, cloud providers or cybersecurity systems.
5. **Fintech coverage:** The government's power to extend the law to financial entities through notification may give loosely regulated fintech platforms a presumption of reliability comparable to banks.
6. **Pending litigation:** Replacing the 1891 Act may create interpretation issues regarding its application to ongoing cases and could generate additional litigation.

**Way Forward**

1. **Strengthen data protection safeguards:** The Bill should incorporate clear safeguards against unauthorised access, disclosure, copying and sharing of sensitive banking records.
2. **Use hash values:** Digital records should carry hash values or similar digital fingerprints to establish their integrity and detect any subsequent tampering.

3. **Introduce technical certification:** System-integrity and cybersecurity certificates should be issued by designated technical or cybersecurity officers rather than placing the entire burden on branch heads.
4. **Ensure judicial oversight:** Access to sensitive bank records during investigations should have appropriate judicial safeguards, particularly given the ease with which digital records can be copied and transmitted.
5. **Regulate fintech entities carefully:** Financial entities brought within the Bill's scope through government notification should meet appropriate standards of reliability, cybersecurity and data protection.
6. **Clarify transitional provisions:** The government should clearly specify how the new law will apply to pending proceedings to minimise interpretational disputes and avoid multiplicity of litigation.
7. **Balance efficiency with privacy:** Modernisation should ensure that faster admission of electronic evidence does not come at the cost of **privacy, cybersecurity and evidentiary integrity**.

**Conclusion:** The Bill is an important technological update, but **digital admissibility must be accompanied by digital safeguards**. Stronger data-protection mechanisms, technical certification by designated cybersecurity officials and safeguards against unauthorised access can make the framework more secure and effective.

**Question:** The Bankers' Books Evidence Bill, 2026 seeks to modernise the legal framework for admitting banking records as evidence in courts. Discuss its key provisions and examine the concerns regarding data privacy, cybersecurity and procedural safeguards.

**Source:** [Indian Expres]

## India's Care Economy: Challenges and Opportunities for Caregiving Workforce

**Source:** The post **"India's Care Economy: Challenges and Opportunities for Caregiving Workforce"** has been created based on **"NITI Aayog Launches Report on "Reimagining Care: Strategies for Empowering Caregivers in Viksit Bharat@2047""** published in **"Indian Express"** on 7th July 2026.

**UPSC Syllabus:** GS Paper 2- Governance

**Context:** NITI Aayog's report *Reimagining Care: Strategies for Empowering Caregivers in Viksit Bharat@2047* presents a roadmap for developing an **organised, professional, accessible and future-ready caregiving ecosystem**. It recognises caregiving as a skilled, dignified and valued profession and seeks to meet India's growing domestic as well as global demand for caregivers.

**Significance**

1. **Addresses growing care needs:** India requires a larger trained workforce to meet the present and future demand for caregiving services.
2. **Harnesses demographic dividend:** A professional caregiving sector can create quality employment and utilise India's large workforce.
3. **Promotes social inclusion:** Accessible care can support vulnerable groups, families and communities and strengthen social participation.

4. **Professionalises care work:** Recognition of caregiving as a skilled profession can improve dignity, training, career opportunities and quality of services.
5. **Creates global opportunities:** Growing international demand for caregivers provides India an opportunity to become a **global hub for skilled caregiving services**.
6. **Strengthens soft power:** India's traditions of *Seva* and *Samvedana* can complement professional caregiving and enhance India's cultural and knowledge-based soft power.
7. **Supports Viksit Bharat@2047:** A strong care economy can contribute to inclusive and sustainable development through employment and social welfare.

**Challenges**

1. **Informal nature of caregiving:** Much caregiving is undertaken within families without formal recognition, wages or social security.
2. **Lack of standardisation:** Training, certification, professional standards and career progression remain inadequate.
3. **Shortage of skilled caregivers:** The growing demand for care requires substantial expansion of trained human resources.
4. **Limited institutional convergence:** Multiple ministries and stakeholders may result in fragmented implementation.
5. **Affordability and accessibility:** Professional care services may remain difficult to access for poor and rural households.
6. **Weak social security:** Caregivers may lack adequate welfare, employment and social-security protections.
7. **Gender inequality:** Care responsibilities can disproportionately fall on women and restrict their participation in education and employment.
8. **Global employment challenges:** Overseas opportunities require internationally recognised skills, certification and adequate protection of migrant caregivers.

**Key Recommendations and Way Forward**

1. **National Policy on Caregiving:** Establish a comprehensive policy covering professional, family and community-based care.
2. **National Caregiver Council:** Create an institutional mechanism for coordination among ministries, training institutions and other stakeholders.
3. **Skill development and certification:** Develop standardised training, certification, quality standards and clear career pathways.
4. **Strengthen social security:** Provide appropriate welfare, insurance and employment protections to caregivers.
5. **Promote affordable care:** Expand accessible care services, particularly for vulnerable and underserved communities.
6. **Support families and communities:** Complement professional services with family- and community-based caregiving systems.
7. **Leverage global demand:** Align caregiver training with international standards and facilitate safe and dignified overseas employment.
8. **Ensure gender-sensitive policies:** Reduce the disproportionate burden of unpaid care on women.
9. **Strengthen convergence:** Coordinate healthcare, social justice, disability, skilling and external-affairs institutions for an integrated care ecosystem.

**Conclusion:** India must move from treating caregiving as an **informal and undervalued responsibility to recognising it as a skilled, dignified and socially protected profession**. By combining India's traditional ethos of *Seva* and *Samvedana* with modern skills, institutional support and social security, the caregiving sector can become a significant driver of **employment, social inclusion and inclusive growth under Viksit Bharat@2047**.

**Question:** "A robust caregiving ecosystem can become an important pillar of inclusive development and India's demographic dividend." In this context, discuss the significance, challenges and key recommendations of NITI Aayog's report *Reimagining Care: Strategies for Empowering Caregivers in Viksit Bharat@2047*.

**Source:** [PIB]

## The Changing Logic of the India-U.S. Partnership

**UPSC Syllabus: Gs Paper 2-** Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.

**Introduction**

The India-U.S. partnership is entering a new phase as Washington shifts from China-driven strategic convergence towards a more interest-based approach centred on reciprocity, national interest and strategic value. This change does not end the partnership, but it changes the basis on which India's importance will be judged. India must therefore balance deeper cooperation with the United States against differences in national interests, while preserving strategic autonomy, diversifying partnerships and building capabilities that strengthen its independent strategic position.

**Why Is the United States Changing Its Foreign Policy?**

1. **Flexible realism:** The Trump administration places **national interest** at the centre of foreign policy and treats trade, technology, industry and security as connected tools of statecraft.
2. **Reciprocity over historical goodwill:** Washington increasingly judges partnerships by **tangible economic and strategic returns**, rather than shared values or historical goodwill alone.
3. **Burden-sharing and technology controls:** Growing demands for greater burden-sharing, tighter technology restrictions and reciprocal trade reflect stronger expectations from partners and competitors.
4. **Tariffs as strategic signals:** Tariffs on trading partners, including India, affect trade negotiations immediately but also signal a broader change in American statecraft.
5. **Recalibration, not withdrawal:** The new approach does not necessarily mean retreat from global engagement; it changes how the United States pursues interests in a competitive international environment.
6. **National interest over strategic convergence:** Washington is increasingly willing to judge partners through its own interests, making strategic convergence alone insufficient for sustaining long-term partnerships.

**How Is the Changing U.S. Approach Reshaping the India-U.S. Partnership?**

1. **China-driven partnership is changing:** China's rise earlier drove India-U.S. strategic convergence, but Washington's new approach makes this factor **important rather than sufficient** for the relationship.

2. **India faces greater expectations:** The United States increasingly expects India to provide **economic benefits, technological capabilities and strategic contributions**, rather than relying mainly on shared concerns about China.

3. **Strategic convergence to strategic complementarity:** The partnership is shifting from responding to a **common strategic challenge** towards combining capabilities that strengthen both countries.

4. **Economic and technological value gaining importance:** Defence cooperation, critical technologies, resilient supply chains and advanced manufacturing now matter because they can strengthen **the competitiveness and resilience of both economies.**

5. **India's relevance is becoming contribution-based:** Intensifying U.S.-China competition can no longer automatically increase India's strategic importance; its relevance will increasingly depend on **what it contributes to the partnership**.

6. **Greater scope for strategic agency:** A U.S. preference for stronger and more capable partners creates greater space for India to pursue its **own strategic interests**.

**India's Strategic Dilemma: Partnership with the U.S. vs Strategic Autonomy**

1. **Benefits with limits:** India can gain from deeper economic and technological cooperation with the United States, but American and Indian interests do not always coincide.

2. **Beyond China-centred thinking:** India cannot assume that intensifying U.S.-China competition will automatically increase its strategic relevance or determine its approach towards China.

3. **Pakistan factor:** The United States views Pakistan through its own regional interests, so India cannot expect Washington to assess subcontinental stability solely through Indian strategic priorities.

4. **West Asian consequences:** India's positions on Israel, Iran and the United States can carry wider **economic and geopolitical consequences** for India.

5. **Global context matters:** Indian foreign policy cannot rely only on narrow bilateral gains or short-term tactics because wider international developments can directly affect India's material interests.

6. **Risk of dependence:** Excessive reliance on American power can weaken independent choices, especially when sections of India's policy establishment begin linking India's rise too closely with Washington.

7. **Formal autonomy versus deeper dependence:** India may retain formal strategic autonomy while policy thinking increasingly assumes that its rise must remain tied to American power.

**Way Forward**

1. **Recast strategic autonomy:** India should preserve the freedom to make **independent choices based on its own interests**, rather than maintaining equal distance from major powers.
2. **Engage the U.S. on converging interests:** India should deepen economic, technological and defence cooperation with Washington while recognising that **automatic alignment cannot be assumed**.
3. **Pursue an independent China policy:** India should manage competition and cooperation with China according to its **own long-term strategic calculations**, rather than the trajectory of U.S.-China relations.
4. **Diversify strategic partnerships:** India should deepen strategic, economic and technological ties with the **European Union, Japan and Global South** to widen its strategic options.
5. **Strengthen economic capability:** Greater economic competitiveness can improve India's bargaining position and make it a **more valuable strategic partner**.
6. **Build technological and defence capabilities:** Stronger technological and military capabilities can increase India's strategic contribution while reducing dependence on external powers.
7. **Develop advanced manufacturing:** Advanced manufacturing can strengthen **resilient supply chains** and provide a stronger economic base for India-U.S. strategic complementarity.
8. **Build strategic indispensability:** India should develop economic, technological, military and diplomatic capabilities so that its relevance comes from **its own strength**, rather than mainly from China's rise.

**Conclusion**

The India-U.S. partnership is shifting from China-driven strategic convergence towards a relationship based more on reciprocity, capability and mutual strategic value. India should deepen cooperation with the United States where interests converge, while preserving strategic autonomy through multi-alignment and stronger economic, technological, defence and diplomatic capabilities. This can make the partnership more balanced and resilient over time.

**Question for practice:**

Examine how the changing U.S. foreign policy is reshaping the India-U.S. partnership and India's strategic choices.

**Source**: The Hindu

## Small levy on UPI transactions, not a bad idea

**UPSC Syllabus: Gs Paper 3-** Indian economy and Infrastructure

**Introduction**

Unified Payments Interface (UPI) has become a core part of India's digital payments system, but rapid growth has raised costs for banks, processors and Payments Corporation of India (NPCI). The proposed legal change allowing Merchant Discount Rate (MDR) raises a basic question: how can UPI remain affordable while creating a sustainable revenue model? A carefully designed levy can meet funding needs without hurting small-value transactions, financial inclusion, or UPI's continued adoption across India over the long term as digital payment adoption continues to expand nationally.

**UPI's Rapid Growth and the Rising Cost of Its Ecosystem**

1. **Global scale:** Since 2016, UPI has become the **world's largest real-time payments platform**, accounting for nearly half of global real-time payments.

2. **Rapid transaction growth:** By early 2026, monthly transactions crossed **21.7 billion** and transaction value exceeded ₹**28.33 lakh crore**, increasing ecosystem costs.

3. **Rising operating costs:** Banks and payment providers bear growing expenses for **servers, security, fraud prevention and system maintenance** as UPI expands.

4. **Large funding gap:** Industry estimates put annual operational costs near ₹**20,000 crore**, while government incentives cover only around **11% of actual costs**.

5. **Limited government support:** Allocations have fluctuated from ₹**2,485 crore in FY24 to** ₹**1,146 crore in FY25**, before rising to ₹2,200 crore in FY26 and ₹2,000 crore in FY27.

6. **Need for cost sharing:** The funding gap shows that continued dependence on government support alone may not adequately sustain UPI's infrastructure and future investment needs.

**Why UPI Needs a Sustainable Revenue Model**

1. **UPI ecosystem needs revenue:** The National Payments Corporation of India operates and maintains UPI, while payment processors and third-party application providers need revenue to sustain the growing payment ecosystem.

2. **Large funding gap:** UPI's annual operational costs are estimated at nearly ₹**20,000 crore**, while government incentives cover only around **11% of actual costs** and about **14% of MDR revenue forgone**.

3. **Government support has limits:** The Centre spent ₹**2,196 crore in FY26** and budgeted ₹**2,000 crore for FY27**, but such support cannot fully meet the ecosystem's operational and investment needs.

4. **Zero-MDR puts pressure on public finances:** The Parliamentary Standing Committee linked the zero-MDR regime with pressure on government finances and limited capacity for **long-term infrastructure investment**.

5. **Cost recovery has a precedent:** National Electronic Funds Transfer (NEFT) and Real-Time Gross Settlement (RTGS) recover charges through transaction-value bands, while debit and credit cards already carry Merchant Discount Rate (MDR).

6. **Other digital modes already carry MDR: RuPay Credit Card on UPI and Prepaid Payment Instrument (PPI) wallet transactions** can also attract MDR, showing that zero charges need not apply to every digital payment mode.

**Protecting Small-Value Transactions and Financial Inclusion**

1. **Small payments dominate:** Transactions below ₹**500 account for 86% of UPI volume**, while payments between ₹500 and ₹2,000 contribute another 10%.

2. **Broad exemption is possible:** Applying MDR only above ₹**2,000 would exempt 96% of Person-to-Merchant (P2M) transactions**, protecting most everyday users from additional charges.

3. **Small merchants need protection:** Small kirana stores and low-ticket purchases account for **over 80% of transaction volume**, making them more vulnerable to even small additional charges.

4. **Even a small fee may affect adoption:** A **0.1% fee** could push some small vendors towards cash, potentially reversing progress in formalising the economy.

5. **Financial inclusion supports exemption:** With India's **Financial Inclusion Index at 67%**, low-value transactions should remain free to avoid adding costs for less affluent users.

6. **Higher-value transactions can be treated differently:** Large commercial users processing thousands of transactions daily can bear a nominal MDR without facing the same affordability concerns as small merchants and users

**Way Forward**

1. **Adopt value-based MDR:** Charges should be banded by transaction value, with low-value payments exempt and higher-value commercial transactions carrying a nominal levy.

2. **Keep ₹2,000 as a threshold:** Making transactions above ₹2,000 liable can preserve free access for **96% of Person-to-Merchant (P2M) transaction volume**.

3. **Target organised commercial users:** MDR should focus on larger merchants rather than small kirana stores and routine low-ticket purchases, which remain sensitive to added costs.

4. **Delay implementation until scale deepens:** UPI's user base could double from **50 crore**, while transaction growth has slowed from its early pace.

5. **Consider adoption maturity:** MDR should begin after UPI reaches irreversible scale, because user growth and transactions per user still have room to expand.

6. **Use existing payment models:** The design can follow NEFT and RTGS by linking charges to transaction value rather than imposing a uniform fee.

7. **Reduce permanent subsidy dependence:** A viable revenue mechanism can lessen pressure on the government exchequer while helping the ecosystem fund its own upkeep.

8. **Balance sustainability with inclusion:** The final design should recover costs from users who can bear them while keeping everyday small-value payments free.

**Conclusion**

A small, targeted UPI levy can improve ecosystem sustainability without weakening financial inclusion. The best approach is to exempt low-value payments and impose nominal, value-based MDR on higher-value commercial transactions. This can reduce pressure on public finances, support future infrastructure, and give NPCI and payment processors a viable revenue base while keeping digital payments accessible to users.

**Question for practice:**

Evaluate whether a targeted Merchant Discount Rate (MDR) on high-value UPI transactions can ensure financial sustainability without harming financial inclusion.
**Source**: Businessline

## Indian Arctic Narrative - Importance and Way Forward

**Source**: The post **"Indian Arctic Narrative - Importance and Way Forward"** has been created based on "Expert Explains | Why India needs a clear 'Arctic narrative'" published in "Indian Express" on 10th August 2026.

**UPSC Syllabus: GS-3-Environment**

**Context:** The Arctic is no longer merely a region of scientific exploration. It is increasingly becoming a zone where **climate change, geopolitics, maritime access, energy security and critical mineral supply chains** converge. India, which released its **Arctic Policy in 2022**, has important interests in the region but faces a gap between its ambitions and capabilities.

**India's importance and presence in the Arctic**

1. India has historical links with the Arctic. As part of the British Dominion, it was among the **original 14 signatories of the 1920 Svalbard Treaty**.
2. The treaty allows Indians to visit **Svalbard without a visa** and engage in commercial activities there.
3. India has maintained a permanent scientific presence through the **Himadri research station at Ny-Ålesund, Svalbard**.
4. India is one of only **two developing countries with a permanent scientific presence in the Arctic**.

**Why the Arctic matters to India**

**1. Climate security**

a. India is highly dependent on the **southwest monsoon**, with nearly **70% of annual rainfall** coming from it.
b. Agriculture contributes around **18% of GDP** and supports more than half of India's population.
c. Scientific studies increasingly indicate a connection between **Arctic changes and the Indian monsoon**.

d. Rapid Arctic warming and declining sea ice can affect atmospheric circulation and consequently influence **rainfall, agriculture, food security and economic growth** in India.

**2. Sea-level rise**

a. Arctic changes contribute significantly to **global sea-level rise**.
b. Low-lying island states such as the **Maldives** face serious existential threats.
c. Parts of **Bangladesh and India's coastline** could face repeated flooding and displacement.
d. More than **250 million people in vulnerable coastal regions of South Asia** could potentially be affected by mid-century.
e. Therefore, Arctic climate change is also an issue of **India's national security**, as climate-induced migration could create humanitarian, social and security challenges.

**3. Geopolitical importance**

a. Two of India's important strategic partners, the **US and Russia**, are Arctic states.
b. **China**, despite being an extra-regional country, has invested heavily in Arctic infrastructure, research and shipping.
c. The Arctic is becoming increasingly important for **maritime access, energy security and critical mineral supply chains**.
d. India also has friendly relations with the other Arctic countries.
e. The **India-Nordic Summit** has strengthened cooperation with Norway, Sweden, Finland, Denmark and Iceland, while relations with Canada have also improved.

**Major gaps in India's Arctic engagement**

**1. Lack of a clear Arctic narrative**

a. India's Arctic engagement has traditionally focused mainly on scientific research.
b. However, its interests now extend to **climate security, geopolitics, maritime access, energy and resources**. India needs a coherent whole-of-government Arctic approach.

**2. Fragmented institutional structure**

a. Arctic affairs are divided among different divisions of the **Ministry of External Affairs**.
b. The eight Arctic states and Arctic Council-related matters are handled by **four different territorial and functional divisions**.
c. This makes coordinated and consistent Arctic diplomacy difficult.

**3. Absence of a Polar Ambassador**

a. India does not have a dedicated senior official for Arctic affairs.
b. All Arctic states have dedicated Arctic ambassadors, while several observer states also have similar arrangements.
c. A **Polar Ambassador** could coordinate inter-ministerial efforts, engage Arctic governments and institutions, and develop a consistent Indian position on Arctic governance.

**4. Lack of a dedicated Polar Research Vessel**

a. India's Arctic scientific presence remains largely concentrated around **Svalbard**.
b. Without an ice-class research vessel, access to the wider Arctic Ocean depends on foreign partners and chartered vessels.
c. Chartering creates problems related to vessel availability, research priorities and continuity of long-term observations.
d. Although a **Polar Research Vessel was sanctioned by the Union Cabinet in 2014**, it remains on the drawing board.
e. The current plan envisages an indigenous vessel only towards the **end of this decade**.

**5. Limited funding**

a. India spent only **Rs 17.53 crore on Arctic activities in 2024-25**.
b. This was less than one-tenth of its expenditure on Antarctica.
c. Such limited funding does not match the Arctic's growing importance for India's **climate, coastline and geopolitical interests**.

**Way forward**

1. **Appoint a dedicated Polar Ambassador** to ensure coordinated and sustained Arctic diplomacy.
2. **Develop a whole-of-government Arctic strategy** linking science with climate security, diplomacy, maritime interests, energy security and critical minerals.
3. **Accelerate the Polar Research Vessel project** to enable India to undertake meaningful pan-Arctic research independently.
4. As an interim measure, India could consider acquiring or chartering an existing ice-capable vessel, similar to **China's acquisition of the Ukrainian icebreaker that became Xuelong (Snow Dragon)**.
5. **Increase funding for Arctic research and activities** to bring investment in line with India's strategic interests.
6. Use India's **good relations with the Arctic nations** to deepen cooperation in science, climate, technology and Arctic governance.

**Conclusion:** The **Arctic Policy of 2022** provided India with a policy framework, while the Parliamentary Standing Committee has highlighted the major institutional, financial and capability gaps. India must now move from **policy to capability**. A coherent Arctic narrative, dedicated institutional leadership, adequate funding and independent research capabilities will help India protect its climate, economic and strategic interests in a rapidly changing Arctic region.

**Question:** India's engagement with the Arctic needs to move beyond scientific exploration towards a comprehensive strategic approach. Discuss the major challenges and suggest measures to strengthen India's Arctic narrative.

**Source: Indian Express**

## India's Digital Governance Revolution: Redefining Ease of Doing Business

**Source**: The post **"India's Digital Governance Revolution: Redefining Ease of Doing Business"** has been created based on "India's Digital Governance Revolution: Redefining Ease of Doing Business'" published in "DD News" on 10th August 2026.

**UPSC Syllabus: GS-2- Governance**

**Context:** India has undertaken a major **digital governance transformation** over the last decade. By integrating technology with governance, digital public infrastructure has reduced paperwork, simplified compliance and created a more **transparent, faster and predictable business environment**.

**Digital Governance has Simplified Business Operations**

**1. Simplification of approvals**

a. The **National Single Window System** provides a common digital platform for regulatory approvals.
b. It reduces the need for investors to approach multiple government departments separately.

**2. Digital corporate compliance**

a. The **MCA21 portal** has digitised company registration, filings and corporate compliance.
b. This has reduced procedural delays and improved transparency.

**3. Creation of interoperable digital infrastructure**

Platforms such as **GSTN, UPI, GeM and Udyam** complement each other and create an integrated digital ecosystem.

a. **GSTN** has supported digital taxation and compliance.
b. **UPI** has transformed digital payments and transactions.
c. **GeM** has improved access to government procurement.
d. **Udyam Portal** has simplified MSME registration.

**4. Benefits to MSMEs**

a. Digital registration and simplified compliance have lowered entry barriers.
b. Government procurement platforms have improved **market access**.
c. Better digital systems can also improve access to finance.
d. This has helped promote entrepreneurship among **first-generation entrepreneurs** in both rural and urban areas.

**5. Improved investment climate**

a. Predictable approvals and digitised compliance reduce **transaction costs**.
b. Transparent regulatory systems improve investor confidence.
c. Efficient digital governance has become an important factor in attracting **manufacturing investments and global supply chains**.

Challenges

**1. Cybersecurity risks:** Greater dependence on digital platforms increases vulnerability to **cyberattacks and technical disruptions**.

**2. Data privacy:** Large-scale digital governance requires strong safeguards for **data protection and privacy**.

**3. Digital divide:** Small enterprises in remote areas may lack adequate **digital infrastructure and digital literacy**, limiting their participation.

**4. Interoperability:** Different digital platforms need greater integration to ensure seamless functioning across departments and levels of government.

**5. Institutional capacity:** Technology alone cannot ensure effective governance. Strong institutions and effective implementation are necessary for digital reforms to deliver results.

**Way Forward**

1. **Deepen integration** between existing digital platforms instead of merely creating new platforms.
2. Introduce **AI-driven compliance systems** to reduce the regulatory burden on businesses.
3. Develop **predictive regulatory frameworks** to make government processes more responsive and predictable.
4. Promote **paperless cross-border trade documentation** to facilitate international business.
5. Strengthen **Centre-State coordination** for seamless implementation of digital governance.
6. Improve **cybersecurity, data privacy and digital infrastructure resilience**.
7. Expand digital infrastructure and **digital literacy**, especially for small enterprises in remote regions.
8. Continue **stakeholder consultations with industry and startups** so that reforms remain responsive to changing business needs.

**Broader Significance**

1. India's digital public infrastructure model is attracting attention across the **Global South**.
2. Developing countries are examining India's experience of creating **low-cost, high-volume and inclusive digital systems**.
3. India demonstrates that digital transformation is not limited to advanced economies and can emerge through **political commitment and institutional innovation**.

**Conclusion:** India's digital governance reforms have moved ease of doing business beyond merely reducing paperwork or improving rankings. They aim to create an ecosystem where **entrepreneurship flourishes, investment flows with confidence, compliance becomes simpler and governance becomes citizen-centric**. For the vision of **Viksit Bharat 2047**, India must sustain this transformation through continuous innovation, robust cybersecurity, digital inclusion and institutional accountability.

**Question**: India's digital public infrastructure has emerged as a major driver of ease of doing business. Discuss its key achievements, challenges and the way forward.

**Source:** DD News

## A new security triangle emerges with the Makkah Pact

**UPSC Syllabus: Gs Paper 2-** Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.

**Introduction.**

The **Makkah Joint Defence Agreement (MJDA)**, signed on 7 August 2026 by Saudi Arabia, Türkiye and Pakistan, creates a new security triangle linking the Gulf, eastern Mediterranean and South Asia **in the region**. Its collective-defence clause treats an armed attack on one member as an attack on all. However, unclear commitments and different interests make it too early to call it a "Muslim NATO".

**Makkah Pact and the Emerging Security Architecture**

1. **Collective-defence commitment:** The MJDA treats an armed attack on any one member as an attack on all, creating its strongest common security obligation.
2. **Institutional framework:** The pact provides **regular meetings, a ministerial committee and a permanent Saudi secretariat**, making it more organised than a symbolic declaration.
3. **Limits of the agreement:** Its public terms do not specify **command arrangements, force commitments, consultation procedures or responses to non-state attacks**, leaving its deterrent value uncertain.
4. **Existing defence links:** The pact builds on existing Saudi-Pakistan defence ties and expanding Saudi-Türkiye defence cooperation rather than creating an alliance from nothing.
5. **Wider strategic connection:** By linking **Gulf, eastern Mediterranean and South Asian security**, the pact reduces the strategic distance between regions that were earlier viewed separately.
6. **Potential expansion:** The agreement may leave the door open to additional members, but no wider membership framework has yet been established.
7. **Regional institutional gap:** The pact has no clear link with the **Arab League, Organisation of Islamic Cooperation or Gulf Cooperation Council**, limiting wider integration.

**Drivers Behind Saudi Arabia's Search for New Security Partnerships**

1. **Complex security threats:** Saudi Arabia faces attacks on oil and civilian infrastructure, risks around the **Strait of Hormuz and Bab al-Mandeb**, and possible internal unrest.
2. **Limits of external protection:** The effectiveness of the large U.S. security presence has not removed Saudi vulnerabilities, encouraging Riyadh to seek additional security options.
3. **Diversification of partnerships:** The MJDA follows Saudi Arabia's **Strategic Mutual Defence Agreement with Pakistan and Multinational Maritime Defence Alliance**, showing wider security diversification.
4. **Uncertainty about U.S. reliability:** Saudi concerns about dependence on Washington have encouraged greater regional self-reliance instead of relying on one external security guarantor.
5. **Economic protection:** Protecting energy infrastructure and Saudi Arabia's economic transformation has become closely linked with its broader security needs.
6. **Internal security sensitivity:** Saudi Arabia is unlikely to rely heavily on foreign forces for internal security because this could create poor domestic optics.

**Strategic Interests and Complementarity of the Three Signatories**

1. **Saudi Arabia's role:** Riyadh provides major financial strength and strategic geography while seeking stronger deterrence against threats to its territory, infrastructure and economic transformation.
2. **Türkiye's military contribution:** Türkiye brings **NATO experience, defence technology and a growing military-industrial complex**, including major defence exports and opportunities for joint production.
3. **Pakistan's military contribution:** Pakistan brings **6,60,000 armed forces, operational experience and nuclear status**, while gaining wider diplomatic relevance and potential investment.
4. **Defence-industrial cooperation:** Military exercises, weapon-system interoperability and joint production can strengthen practical cooperation and improve their shared defence capabilities.
5. **Political and economic gains:** Türkiye and Pakistan can gain greater political influence, defence markets and economic opportunities in Saudi Arabia through deeper engagement.
6. **Strategic insurance:** The pact gives all three members an additional security option without formally replacing their existing relationships with Washington.

**Constraints on the Emergence of a "Muslim NATO"**

1. **Different strategic interests:** The three states do not share identical priorities, especially regarding Iran, Israel, regional politics and the use of military force.
2. **Saudi-Türkiye mistrust:** Ottoman rule, Türkiye's earlier support for the Muslim Brotherhood and Hamas, and the Khashoggi dispute have created political differences.
3. **Pakistan-Iran constraints:** Pakistan shares a **900-kilometre border with Iran**, has a large Shia minority and internal security challenges, limiting its freedom to confront Tehran.
4. **Past military frictions:** Earlier Pakistani deployments in Saudi Arabia faced chain-of-command disputes and reluctance to confront Iran or Yemen, raising questions about future commitments.
5. **No clear bloc alignment:** Saudi Arabia denies a military axis, sectarian bloc, nuclear arrangement or arms race, while the pact lacks links with existing security structures.
6. **U.S. and regional dependence:** All three remain connected to Washington, while Türkiye and Pakistan also have strong reasons to avoid direct confrontation with neighbouring Iran.
7. **Arab-Muslim divisions:** The Arab-Muslim world has remained divided over Israel for decades, making a unified security bloc against Iran difficult to build.

**Implications for Major Powers and Regional Security**

1. **United States:** The pact can improve **regional burden-sharing**, but stronger coordination among the three members may reduce Washington's control over regional security decisions.

2. **China:** Pakistan's close defence relationship with China means **Chinese weapons, technology and infrastructure** may indirectly strengthen the capabilities linked to the pact.

3. **Iran:** The pact may increase Iran's security concerns because **Pakistan and Türkiye border Iran**, while Saudi Arabia faces threats from Iran and its proxies.

4. **Regional Polarisation:** A stronger Saudi-Türkiye-Pakistan grouping could increase concerns among **Iran, Israel and other regional actors**, encouraging counter-polarisation.

5. **Nuclear Security:** Pakistan's nuclear status may affect regional threat perceptions, although **no nuclear umbrella or shared nuclear command** has been announced.

6. **Maritime Security:** The pact combines **Saudi Arabia's Gulf position, Türkiye's defence capabilities and Pakistan's military strength**, creating scope for greater regional maritime coordination.

**Implications for India and India's Strategic Approach**

1. **Expanded Pakistani network:** Pakistan now has a formal security framework with Saudi Arabia and Türkiye, adding resources, technology and diplomatic influence to its strategic network.

2. **Crisis uncertainty:** During a future India-Pakistan crisis, uncertainty over what constitutes an "attack" could complicate India's calculations even if Riyadh and Ankara remain uninvolved.

3. **Saudi-India interdependence:** India is the **world's third-largest crude oil importer**, while Saudi Arabia is its third-largest market and second-largest trading partner, supporting stable ties.

4. **Avoiding overreaction:** India should not assume that the MJDA targets New Delhi because Saudi Arabia has strong energy, investment and political interests in India.

5. **Saudi restraint:** Riyadh is unlikely to support Pakistani adventurism because its Gulf interests favour stable economic and strategic relations with India.

6. **Watch strategic technology:** India should monitor whether Turkish and Saudi technologies combine with Chinese-origin systems in Pakistan's drones, missiles and air-defence capabilities.

7. **Monitor wider cooperation:** India should track intelligence, maritime cooperation, nuclear signalling and possible diplomatic support for Pakistan during a crisis.

8. **Strengthen regional partnerships:** India can deepen maritime and defence cooperation, strengthen Saudi dialogue and use its **IORA chairmanship** to support open regional security.

**Conclusion**

The MJDA is not yet a Muslim NATO or a replacement for the United States, but it marks movement towards regional security self-reliance. Its importance will depend on implementation, military cooperation and clear consultation rules. For India, the best response is vigilance without overreaction, stronger Saudi engagement, deeper maritime partnerships and an open Indian Ocean security framework.

**Question for practice:**

Evaluate the strategic significance of the Makkah Joint Defence Agreement and its implications for regional security and India.

**Source**: The Hindu

## Delimitation Debate in India

**UPSC Syllabus: Gs Paper 3-** Indian economy and Infrastructure

**Introduction**

Delimitation has become a major constitutional and federal debate ahead of the **2027 Census**. The proposed exercise could change Lok Sabha seat distribution, constituency boundaries and women's reservation. While population-based representation supports equal value of votes, it may reduce the relative political weight of States that stabilised population growth. The key challenge is to balance **democratic equality with federal fairness**.

**What is Delimitation? What is its Constitutional Status?**

1. **Meaning of delimitation:** Delimitation means redrawing electoral constituency boundaries to reflect population changes and ensure **fairer political representation**.
2. **Constitutional basis: Articles 81 and 82** provide the basis for Lok Sabha seat allocation and constituency delimitation after the first Census conducted after 2026.
3. **State Assembly provision: Article 170** provides the constitutional basis for delimitation of constituencies in State Legislative Assemblies across India.
4. **Role of Delimitation Commission:** The statutory Delimitation Commission determines constituency boundaries and is appointed by the **President** under the Delimitation Commission Act.
5. **2027 Census trigger:** Fresh delimitation will begin after the **2027 Census data** is published under **Articles 81 and 82**. It will include **reallocation of seats among States and redrawing of constituencies**, without a Constitutional amendment unless the existing rules are changed..
6. **Women's reservation:** The **Constitution (106th Amendment) Act, 2023** provides **one-third reservation for women** in the Lok Sabha and State Assemblies. Under **Article 334A**, this reservation will take effect after delimitation based on the relevant Census figures.
7. **Previous exercise:** The **2002-08 Commission** redrew constituencies within States, while State-wise Lok Sabha seat allocation last changed in 1973 using the 1971 Census.
8. **Constitutional ceiling:** The Constitution currently permits a maximum of **550 Lok Sabha seats**, so any larger expansion would require changing existing provisions.

**What is the Significance of Delimitation Exercise?**

1. **Equal political representation:** Delimitation seeks to reduce population-based representation gaps so that constituencies contain broadly comparable numbers of voters.
2. **One vote, one value:** By aligning representation with population, delimitation supports the democratic principle that every voter should have broadly equal political value.
3. **Reduced malapportionment:** Redrawing constituencies can correct outdated boundaries and significantly improve the **voter-to-MP ratio** across different regions.
4. **Social representation:** Delimitation can reshape reserved constituencies for **Scheduled Castes and Scheduled Tribes**, affecting representation of marginalised communities.
5. **Women's representation:** The exercise creates the constitutional mechanism for implementing **one-third reservation** of Lok Sabha seats for women.
6. **Federal accommodation:** Delimitation balances population-based representation with the need to protect States whose populations have stabilised over time.

**How Could the Next Delimitation Change Lok Sabha Representation?**

1. **1971 population benchmark:** The present distribution of **543 Lok Sabha seats** among States is based on population figures from the 1971 Census.
2. **Fresh State-wise allocation:** The first Census after 2026 will replace the existing population benchmark and could change seat distribution among States.
3. **Likely regional shift:** Southern States may lose their relative share, while Hindi-speaking States, especially **Uttar Pradesh, Bihar and Rajasthan**, are likely to gain seats.
4. **Possible House expansion:** Earlier proposals placed before Parliament suggested increasing Lok Sabha strength to a **maximum of 850 seats.**
5. **Three-step sequence:** After the 2027 Census, Lok Sabha seats will first be reallocated among States based on the new population figures. This will be followed by redrawing of constituencies within States and implementation of one-third reservation for women.
6. **2029 election timeline:** The exercise may or may not finish before 2029, as the previous delimitation took several years from setup to implementation.
7. **Digital Census possibility:** Complete digitalisation of **2027 Census data** could theoretically make the next delimitation faster than earlier exercises.

**What are the Concerns Associated with the Delimitation Exercise?**

**A. Federalism and Regional Representation**

1. **Population versus development:** Population-based allocation may penalise States that achieved successful family planning; **Tamil Nadu's fertility rate is 1.6 compared with Bihar's 3.0**.

2. **North-South imbalance:** Higher population growth in States such as **Uttar Pradesh and Bihar** could increase their political weight while reducing the relative share of southern States.

3. **Unequal voter representation:** An MP represents about **14 lakh electors in Kerala**, compared with around **19 lakh in Uttar Pradesh and Bihar**, creating a difficult balance between equal votes and federal interests.

4. **Economic contribution:** Southern States argue that **revenue generation and per-capita income** should also receive some consideration in determining political representation.

**B. Population Stabilisation and Governance**

1. **Disincentive to population control:** States that successfully reduced population growth may lose relative representation, creating concerns about incentives for continued **family planning and population stabilisation**.

2. **Governance versus population:** The debate raises the question of whether representation should depend only on population or also recognise **governance and development achievements**.

**C. Electoral and Representation Concerns**

1. **Gerrymandering:** Equal population in constituencies does not ensure equal vote value because boundaries can be manipulated through **packing and cracking**.

2. **Cracking:** A group's voters are **spread across several constituencies**, preventing them from becoming a majority and reducing their chances of winning seats.
3. **Packing:** A group's voters are **concentrated in a few constituencies**, allowing them to win those seats by large margins while their remaining votes have less electoral impact.
4. **Reservation changes:** New boundaries may change **SC/ST reserved constituencies** and create new constituencies reserved for women under the one-third reservation framework.

5. **Political manipulation:** Concerns over politically influenced boundary changes can affect the fairness and credibility of the delimitation process.

**D. Institutional and Parliamentary Challenges**

1. **Legislative efficiency:** A much larger Lok Sabha could reduce the **speaking time available to individual MPs** and affect parliamentary efficiency.

2. **Political resistance:** States and political parties expecting seat losses may oppose the exercise, creating resistance during the delimitation process.

3. **Implementation delays:** The previous delimitation took several years, so the next exercise may not be completed before the **2029 Lok Sabha elections**.

**Way Forward**

1. **Balanced federal approach:** Delimitation should balance **population-based democratic representation** with federal concerns arising from different population growth patterns.

2. **Expert recommendations:** The **Sarkaria Commission (1983)** stressed the need to balance **federal interests with national unity** while dealing with Centre–State issues. The **Punchhi Commission (2010)** suggested giving weight to **both population and governance needs** to maintain a better federal balance.

3. **Independent oversight:** A transparent and independent delimitation process can reduce concerns over political influence in constituency boundary decisions.

4. **Weighted representation:** A possible formula could give population the main weight while also considering **development and sustained fertility control**.

5. **Uniform expansion:** Pro-rata expansion of Lok Sabha seats could increase representation without sharply changing the relative political weight of southern States.

6. **Constitutional reform:** Articles **81 and 82** could be amended if Parliament chooses to redesign existing rules for more balanced regional representation.

7. **Electoral design:** Proportional representation models used in **Germany and Canada** could be examined while considering India's constitutional and federal structure.

**Conclusion**

The delimitation debate is not only about drawing constituency boundaries. It is about deciding how India balances **population-based democratic equality** with **federal fairness.** The 2027 Census could change State-wise representation and reshape political power. A credible exercise must therefore protect **equal voting value, fair State representation, social representation and electoral integrity** while adapting Parliament to demographic change.

**Question for practice:**

Discuss the key issues, concerns and possible solutions related to the delimitation of Lok Sabha constituencies in India.
**Source:** The Hindu

## Handloom Sector - A key part of India's economy

**Source:** The post **"Handloom Sector - A key part of India's economy"** has been created based on **"Handloom Sector - A key part of India's economy"** published in **"The Hindu"** on **11th July 2026.**

**UPSC Syllabus: GS-3- Economy**

**Context:** The **Indian handloom sector has deep economic, cultural and historical significance**, having played an important role in India's manufacturing and global trade even before the Industrial Revolution. **National Handloom Day, observed on August 7**, commemorates the launch of the Swadeshi Movement in 1905 and recognises the contribution of Indian weavers.

**Economic and Social Importance of Handloom**

1. The sector provides livelihoods to **more than 35 lakh weavers and allied workers across over 31 lakh households.**
2. **Women constitute nearly 70% of the handloom workforce**, making the sector important for women's economic participation and empowerment.
3. Handloom remains one of the **largest sources of non-farm employment in rural India.**
4. The sector produces nearly **15% of India's cloth despite relying largely on manual technology**.
5. Handloom generates substantial employment with **relatively modest capital investment**, making it important for inclusive and rural economic development.
6. Indian handlooms also preserve **centuries of accumulated knowledge, traditional skills, unique designs and cultural identity**.
7. Traditional weaves can contribute to India's **soft power and global brand**, particularly because of growing global demand for authenticity, sustainability and handcrafted luxury.

**Major Challenges**

1. **Declining returns** are discouraging younger generations from continuing the weaving profession.
2. **Fragmented markets** limit the ability of weavers and artisan clusters to reach wider consumer markets.
3. Many **lesser-known weaving traditions are facing gradual extinction**.
4. Traditional skills are increasingly **not being transferred within families**, threatening the continuity of several weaving traditions.
5. The sector remains **inadequately measured**, with insufficient reliable data on its contribution to GDP, exports, tax revenues, employment and household incomes.
6. Greater exports require **consistent quality standards, stronger branding and better protection of GI-tagged products**.
7. The sector also faces the challenge of protecting traditional designs from **cultural misappropriation**.

**Government and Institutional Measures**

1. The **National Handloom Development Programme** focuses on Skill development, Design innovation, Technology adoption, Branding and Improved market access.
2. Greater integration with **e-commerce platforms** has helped artisan clusters reach consumers who were previously inaccessible.
3. Expanding **export opportunities** can provide wider markets for Indian handloom products.
4. The **Office of the Development Commissioner for Handlooms**, in collaboration with UNESCO, has initiated the identification and documentation of **endangered and languishing weaves**.
5. The revival of **Tangaliya weaving in Gujarat**, the transformation of **Badturang village in Odisha's Sambalpur district**, and the popularity of **Siddipet Gollabhama sarees** show that traditional crafts can succeed when design, market access and institutional support come together.

**Way Forward**

1. Handloom policy should move from **mere preservation to making handloom aspirational**, particularly among younger consumers and Gen Z.
2. Celebrity ambassadors, designer collaborations, limited-edition collections, digital storytelling and influencer partnerships can make Indian weaves **contemporary and fashionable**.

3. Handloom should be promoted for its **craftsmanship, sustainability and exclusivity**, rather than only because of its traditional character.
4. India should expand **international exports** by improving quality standards, branding, GI protection and market access.
5. A national platform can be created for **States, producer organisations and cooperatives to share successful practices** and accelerate innovation.
6. Better data collection is necessary to accurately measure the sector's **economic and social contribution** and improve policymaking.
7. Efforts should focus on ensuring that more **looms remain active, profitable and capable of attracting the next generation of weavers**.

**Conclusion:** Handloom is **not merely a relic of India's past but a strategic economic and cultural asset for the future**. It simultaneously promotes **rural employment, women's empowerment, cultural preservation, sustainability and India's global image**. Therefore, as India pursues the vision of **Viksit Bharat**, handloom should be treated as a serious economic sector with greater emphasis on profitability, innovation, market access and intergenerational continuity.

**Question:** Why does the handloom sector remain an important part of India's economy? Discuss the challenges faced by the sector and suggest measures to make handloom more sustainable and aspirational.

**Source: The Hindu**

## India's MSME opportunity lies in clusters

**Source:** The post **"India's MSME opportunity lies in clusters"** has been created based on **"India's MSME opportunity lies in clusters"** published in **"Indian Express"** on **11th July 2026.**

**UPSC Syllabus: GS-3- Economy**

**Context:** India has around **63 million MSMEs**, employing more than **320 million people** and contributing about **31% of GDP, 35% of manufacturing output and 49% of exports**. However, the sector remains largely **informal, fragmented and concentrated in low-value activities**. Therefore, India needs to move from supporting individual firms to building **strong MSME clusters and ecosystems**.

**Why MSME Clusters Matter**

1. **Knowledge spillovers:** Technical knowledge spreads rapidly through worker mobility, informal interaction and shared service providers.
2. **Access to skilled workers:** A cluster of firms creates a larger labour market, helping MSMEs attract and retain specialised talent.
3. **Shared infrastructure:** Firms can jointly use expensive facilities such as **testing laboratories, effluent-treatment plants, cold storage, design centres and logistics hubs**.
4. **Lower costs:** Shared facilities reduce the fixed costs that individual small firms may not be able to afford.
5. **Stronger supplier networks:** Clusters bring suppliers, manufacturers, workers, research institutions and capital closer together, enabling faster production and innovation.
6. **Improved competitiveness:** Close interaction between firms can support better productivity, innovation and export performance.

**Lessons from Other Countries**

1. **United States:** Universities have played an important role in anchoring industrial clusters. The **Research Triangle in North Carolina**, involving Duke, UNC-Chapel Hill and NC State, helped develop biotechnology and pharmaceutical ecosystems.
2. **China: Guangdong and Shenzhen** demonstrate how infrastructure, land and tax incentives can create dense supplier networks and enable rapid design, fabrication and prototyping.
3. **China's Little Giant Programme:** It supports technically capable small firms in specialised areas through **finance, tax support and R&D assistance**.

**Challenges for Indian MSMEs**

1. **Limited access to affordable credit** remains a major constraint.
2. MSMEs face compliance burdens related to **GST, labour, environmental and tax regulations**.
3. Many firms remain **informal and fragmented**.
4. A large number of MSMEs operate in **low-value activities**.
5. Existing cluster initiatives sometimes function mainly as **infrastructure grants rather than complete business ecosystems**.
6. Universities and research institutions often remain **disconnected from nearby industries**.

**Existing Indian Initiatives**

1. The **MSME Cluster Development Programme** promotes cluster-based development.
2. **PM MITRA textile parks** provide infrastructure for the textile sector.
3. The **Tiruppur textile cluster** provides a useful example of how cluster-based financing and industrial networks can support MSMEs.

**Way Forward**

1. **Develop specialised clusters:** Move from generic industrial estates to sector-specific clusters, such as **auto components in Pune, pharmaceuticals in Hyderabad and electronics in Sriperumbudur**.
2. **Support high-performing MSMEs:** Create an Indian version of the **"Little Giant" programme** to identify specialised firms with high growth potential.
3. **Provide targeted support:** Such firms can receive dedicated credit, faster patent processing, R&D assistance and priority procurement.
4. **Promote cluster-based lending:** Banks should consider shared collateral, buyer-supplier relationships and collective cluster performance instead of assessing firms only individually.
5. **Strengthen cluster financing:** Institutions such as **SIDBI and cluster-focused NBFCs** can play a greater role.
6. **Connect universities with industry:** Universities should provide **skilled talent, applied research, laboratory infrastructure and innovation support** to nearby MSME clusters.
7. **Build complete ecosystems:** Cluster policies should combine **finance, infrastructure, skills, technology, research and market access**, rather than focusing only on physical infrastructure.

**Conclusion:** India's MSME strategy needs to shift from **isolated firm-level support to ecosystem-based cluster development.** Strong clusters, better access to finance and closer **university-industry collaboration** can transform MSMEs into stronger engines of **employment, productivity, innovation and exports**.

**Question:** India's MSME sector has significant potential to generate employment, improve productivity and boost exports. Discuss how cluster-based development can help realise this potential.

**Source:** [Indian Express]

## Do not write the obituary of international law yet

**UPSC Syllabus: Gs Paper 2-** International Relations

**Introduction**

International law is facing a serious credibility crisis as wars, civilian suffering and weak international institutions expose the gap between legal rules and their enforcement. Yet, states continue to invoke international law, use it to settle disputes and rely on it for cooperation. The central issue, therefore, is not whether international law has disappeared, but whether **political power, selective application and weak enforcement** are undermining its effectiveness.

**Current Crisis of International Law**

1. **Wars Expose the Gap Between Rules and Reality:** Conflicts in Ukraine and Gaza, instability in West Asia and violence against civilians have raised serious doubts about international law's effectiveness. These conflicts have exposed the difficulty of protecting civilians and enforcing legal rules during war.
2. **Weakening of Multilateral Institutions:** International institutions are losing their ability to respond effectively to major global crises. The US withdrawal from several international organisations and agreements has further weakened the multilateral system.
3. **Security Council Deadlock:** The UN Security Council has remained deadlocked on major international issues. The veto power of its permanent members often prevents effective collective action.
4. **Gap Between Law and Enforcement:** International courts can issue judgments, but they have limited power to enforce them against states. The Gaza conflict has highlighted this gap between legal decisions and action on the ground.
5. **Unequal Power and Selective Justice:** Powerful states can resist international rules more easily than weaker states. This creates concerns about unequal application and weakens confidence in the international legal order.
6. **Crisis Has Deeper Roots:** The present problems did not begin with recent conflicts or one particular leader. Questions about the relevance, fairness and effectiveness of international law have existed since its emergence.

**Growing Violations and Selective Application of International Law**

1. **Conflicts Exposing Legal Weakness:** Wars in Ukraine and Gaza have exposed the difficulty of preventing aggression and protecting civilians through existing international rules.

2. **States still defend actions through legal claims:** Even when accused of violations, states usually argue that their conduct follows the UN Charter, sovereignty, territorial integrity or self-defence. Instead, Russia, Hamas and Israeli officials have used legal arguments to justify or defend their actions.

3. **Selective Application of Rules:** International law loses credibility when similar principles are applied differently in different conflicts. The debate over Ukraine and Gaza has strengthened concerns about such selective application.

4. **International Law as a Weak Constraint on Powerful States:** The system allows states to challenge or resist international decisions when their political and military power is strong. This creates a gap between the formal equality of states and their actual ability to follow or ignore international rules.

5. **Security Council limitations remain visible:** Recent conflicts have reinforced concerns about structural weaknesses within the UN Security Council and the wider international legal order.

6. **The Risk of Normalising Violations:** Repeated violations without consequences can weaken respect for international norms. Over time, this may make actions that were once clearly unacceptable appear politically possible.

**Why International Law Still Matters**

1. **States Still Accept Its Authority:** International law continues to shape how states present and defend their actions. Even states accused of violations usually claim that their conduct is consistent with the UN Charter, sovereignty, territorial integrity or self-defence.

2. **A Framework for Judging State Conduct:** International law provides common standards to assess the behaviour of states. It also provides a framework for addressing disputes and maintaining cooperation.

3. **Its Everyday Role Often Goes Unnoticed:** International law enables activities such as international aviation, maritime transport, trade, communication and diplomacy. These routine successes receive little attention because compliance normally does not make headlines.

4. **It Protects Individuals Across Borders:** International legal rules affect people through passports, consular assistance, international travel and refugee protection. Millions depend on these rules even though they may not notice them in their daily lives.

5. **It Supports International Cooperation:** States continue to negotiate and implement multilateral agreements despite ongoing conflicts. The High Seas Treaty, pandemic preparedness efforts and UN Convention against Cybercrime show that international law remains a tool for cooperation.

6. **It Helps Build Peace:** Peace agreements, ceasefires and negotiated settlements create legal commitments between states and other parties. Even adversaries recognise the need for rules that define future expectations and obligations.

7. **Important for the Global South:** Developing countries cannot address climate change, pandemics, cyber-attacks and economic instability alone. A rules-based order allows them to pursue their interests through negotiation rather than relying only on political or military power.

**International Law: Failure of Law or Failure of Politics?**

1. **Law Exists, but Enforcement Is Weak:** International law continues to provide rules for relations between states. The main problem is that states, especially powerful ones, can resist or ignore these rules.

2. **International Politics Limits Legal Action:** Political power can weaken the effect of international courts and institutions. The Gaza conflict shows that even judicial orders cannot by themselves stop military action.

3. **Selective Application Weakens Trust:** International law loses credibility when similar rules are applied differently in different conflicts. The contrasting responses to Ukraine and Gaza have strengthened concerns about such selectivity.

4. **The Core Problem Is Political Will:** The existence of violations does not prove that international law is irrelevant. Its effectiveness ultimately depends on state cooperation, good faith and willingness to apply the rules consistently.

**The Future: Reform, Renewal and a Changing Global Order**

1. **Reform Global Institutions:** Existing international institutions need to be re-engineered and reconfigured to address their structural weaknesses. Their present form is increasingly inadequate for dealing with major global crises.

2. **Ensure Consistent Application:** International law must be applied consistently across countries and conflicts. Selective application weakens trust in the rules-based order and creates perceptions of double standards.

3. **Strengthen Enforcement:** Legal decisions need stronger political support and implementation. Courts can issue judgments, but states must provide the cooperation needed to make them effective.

4. **Preserve Multilateral Cooperation:** States should continue relying on treaties and international institutions to address problems that cannot be solved individually. Climate change, pandemics and cyber-attacks require such collective action.

5. **Manage the Changing Global Order:** The declining role of the US and growing involvement of China may reshape international law. China's greater emphasis on sovereignty and territorial integrity could influence the future balance between state sovereignty and human-rights concerns.

6. **Use Crises for Renewal:** Major global crises can create pressure for stronger international cooperation and new legal arrangements. Climate change could become an important catalyst for such renewal.

7. **Adapt International Law:** International law must evolve with changes in the global system and emerging challenges. Its future will depend on how well it adapts to the changing world it seeks to govern.

**Conclusion**

International law is under pressure because wars, civilian suffering, institutional weaknesses and unequal power expose serious limits in enforcement. Yet, its continued use in diplomacy, trade, travel, peace arrangements and new global agreements shows that it remains indispensable. The priority is therefore **reform and renewal, not abandonment**, so that agreed rules can better constrain power and support cooperation.

**Question for practice:**

Evaluate whether the current crisis of international law reflects the failure of international law itself or the failure of international politics and enforcement mechanisms.
**Source:** The Hindu

## UPI and the Cost of Policy Reversal

**UPSC Syllabus: Gs Paper 3-** Indian economy and Infrastructure
**Introduction**

Unified Payments Interface (UPI) transformed India's shift from cash to digital payments, with zero Merchant Discount Rate (MDR) helping drive widespread merchant acceptance and financial inclusion. The **Taxation and Other Laws (Amendment) Bill, 2026** now creates legal space for charges on specified electronic payment modes, reopening the debate over who should bear the cost of payment infrastructure. The policy shift raises concerns about **UPI adoption, financial inclusion, market sustainability and investment in payment infrastructure**.

**Why Zero MDR Was Introduced and How It Transformed UPI**

1. **Shift towards a less-cash economy:** Demonetisation in 2016 and UPI's launch supported the government's push towards greater use of electronic payments.
2. **Zero-MDR mandate:** In 2019, the government amended the Payment and Settlement Systems Act, making MDR zero from 1 January 2020.
3. **Policy purpose:** Zero MDR was a subsidy to move merchants and consumers away from cash and accelerate electronic payments.
4. **Wider merchant acceptance:** Free UPI payments encouraged merchants, including those avoiding cards because of fees, to accept QR-code-based payments.
5. **Global scale:** Since 2016, UPI has become the **world's largest real-time payments platform**, accounting for nearly **half of global real-time payments**.
6. **Rapid transaction growth:** By early 2026, monthly UPI transactions crossed 21.7 billion, while transaction value exceeded ₹28.33 lakh crore, showing the massive scale of the ecosystem.
7. **Financial inclusion:** UPI brought informal payments into recorded digital trails, supporting formalisation, compliance and potential credit based on payment histories.

**Who Should Bear the Cost?**

1. **Merchant as a cost bearer:** In card payments, merchants traditionally pay MDR because accepting digital payments expands their customer base and can prevent lost sales.
2. **Government as an alternative:** The government can underwrite payment costs when digitalisation and economic formalisation are important policy goals.
3. **Two-sided market problem:** The party formally charged with MDR may differ from the party actually bearing it because banks and fintechs compete for merchants.
4. **Pricing in competitive markets:** Banks and fintechs cannot freely raise UPI prices because merchants can shift towards rival providers offering cheaper acceptance.
5. **Cost absorption by intermediaries:** Banks and payment service providers may absorb charges to retain merchants, leaving less room for investment and innovation.

**The Hidden Costs of the Zero-MDR Model**

1. **Burden on banks:** Government incentives covered only a fraction of UPI's actual cost and were decided budget by budget, leaving banks with loss-making transactions and uncertain compensation.
2. **Underinvestment in safeguards:** Weak transaction economics reduced incentives to invest in fraud monitoring, dispute resolution, reliability and expansion into underserved segments.
3. **Concentration among payment apps:** Deep-pocketed Third-Party App Providers could absorb operational losses, helping two major players dominate the customer-facing market.
4. **Network concentration:** Zero MDR reduced the scope for competing payment networks, strengthening NPCI's effective monopoly over payment infrastructure.
5. **Systemic risk:** Zero MDR delivered financial inclusion but also coincided with rising systemic fraud and severe market concentration.

**The 2026 Policy Reversal: Restoring Economic Reality**

1. **Legal change:** The **Taxation and Other Laws (Amendment) Bill, 2026** amends Section 10A of the Payment and Settlement Systems Act, 2007, allowing charges on specified electronic payment modes.
2. **Proposed MDR:** The government proposes **0.25–0.5% MDR on UPI transactions above ₹2,000**, covering about **5% of transactions by volume but nearly 65% by value**.
3. **End of statutory zero-MDR protection:** The amendment reverses the legal framework that had kept MDR at zero for UPI and RuPay debit card transactions from **1 January 2020**.
4. **Pricing framework:** The government can notify fee-bearing payment channels, while pricing decisions for notified modes move towards the **NPCI steering committee**.

**Impact of the 2026 Policy Reversal**

1. **Burden of MDR:** The charge may ultimately be borne by merchants, consumers, banks or payment service providers, depending on competition and their ability to pass on the cost.
2. **UPI adoption:** Even a small charge could change payment choices and reduce UPI usage, particularly when alternative payment systems are available.
3. **Financial inclusion:** Higher payment costs could weaken the digital transaction trail that supports **formalisation, tax compliance and potential access to credit**.
4. **Payment ecosystem:** If intermediaries absorb the cost, lower margins could reduce investment in **reliability, fraud prevention and dispute resolution**, while sustainable pricing could help address these weaknesses.
5. **Market structure:** The zero-MDR model contributed to concentration among major payment apps and strengthened NPCI's position in payment infrastructure, creating concerns about competition and systemic dependence.

**Way Forward**

1. **Price payment infrastructure realistically:** Digital transactions require funding for routing, settlement, fraud prevention, disputes and reliable service, so their costs cannot remain invisible.
2. **Protect digital adoption:** Any pricing model should avoid discouraging UPI use, especially among merchants and consumers who shifted from cash because payments were free.
3. **Fund public policy goals transparently:** If free transactions are retained for inclusion, the government should fully fund the underlying infrastructure instead of imposing uncertain support.
4. **Preserve competition and innovation:** Payment pricing should support sustainable investment by banks, payment providers and networks rather than encourage concentration.
5. **Maintain policy consistency:** A stable payments policy should avoid repeatedly changing incentives after users and merchants have adapted their behaviour.
6. **Balance revenue with network effects:** The government should avoid weakening UPI's expanding digital ecosystem merely to raise revenue from electronic transactions.

**Conclusion**

The reversal of zero-MDR protection addresses the economic cost of maintaining UPI, but pricing must not weaken the digital payment ecosystem that the policy helped create. The focus should therefore be on **sustainable payment infrastructure, continued UPI adoption, financial inclusion, competition and innovation.** Any pricing framework should balance the real cost of payments with the wider economic benefits of digitalisation.

**Question for practice:**

Examine the need for reversing the zero-MDR policy for UPI and its potential impact on digital payments, financial inclusion and payment infrastructure.
**Source**: The Hindu

## Demographic shift will fuel consumer and energy demand

**Source:** The post "Demographic shift will fuel consumer and energy demand" has been created based on "Demographic shift will fuel consumer and energy demand" published in "Business Line" on 12th August 2026.

**UPSC Syllabus:** GS 2- Governance

**Context:** India is undergoing a rapid demographic transition, with the Total Fertility Rate (TFR) declining from around 3.3 in the 2000s to **1.9**, below the replacement level of 2.1. This is accompanied by a shift towards smaller and nuclear households.

**Impact on Consumption and Energy Demand**

1. **Household fragmentation:** Smaller families reduce economies of scale and increase the number of independent households, thereby raising per-capita consumption.
2. **Housing demand:** More nuclear households increase demand for individual housing units, thereby stimulating consumption of **cement, steel and glass**.
3. **Consumer durables:** Separate households require individual **refrigerators, washing machines, air conditioners and kitchen appliances**, increasing demand for consumer goods and electricity.
4. **Higher electricity demand**: Greater appliance ownership can increase **base-load electricity demand**, particularly in urban areas.
5. **Personal mobility:** Smaller households may rely less on shared transport and increasingly use **personal vehicles and multi-wheelers**, raising transport fuel consumption.
6. **Rise of convenience foods:** Nuclear and dual-income households increasingly prefer **ready-to-eat food, meal deliveries and dining out** because of time constraints.
7. **Higher embedded energy:** Commercial food systems require **cold chains, refrigeration, processing, industrial heating, packaging and last-mile delivery**, making them more energy-intensive than traditional home cooking.
8. **Urbanisation and rurbanisation:** Rapid urbanisation and the emergence of rurban areas are accelerating consumerism and demand for goods and services.
9. **International experience:** Similar patterns were observed in **South Korea and Japan**, where shrinking household sizes accompanied growth in convenience retail, processed food and residential electricity consumption.

**Way Forward**

1. **Promote energy efficiency:** Energy-efficient appliances, buildings and industrial processes should be encouraged through standards, labelling and incentives.
2. **Expand renewable energy:** Rising electricity demand should increasingly be met through **solar, wind and other clean energy sources** to reduce dependence on fossil fuels.
3. **Strengthen public transport:** Affordable and efficient public transport can reduce the rise in personal vehicle ownership and transport fuel consumption.

4. **Develop sustainable housing:** Compact, energy-efficient and climate-resilient housing should be promoted to meet the growing demand from nuclear households.
5. **Build efficient food systems:** Cold-chain infrastructure, local food processing and better supply-chain management can reduce energy consumption and food wastage.
6. **Promote sustainable consumption:** Consumers should be encouraged to adopt energy-efficient appliances, reduce single-use packaging and minimise food wastage.
7. **Plan for demographic change:** Urban planning and energy infrastructure must anticipate the changing household structure rather than focus only on overall population growth.

**Conclusion:** India's demographic transition may reduce population growth in the long run but can **increase consumption and energy demand in the medium term**. Smaller households, urbanisation and changing lifestyles are likely to make consumer goods, real estate, prepared foods and energy important growth sectors.

**Question:** Demographic transition in India is likely to have a significant impact on consumption patterns and energy demand. Discuss.

**Source:** [Business line]

## FCNR(B) deposit scheme: Significance, challenges and Way Forward

**Source:** The post "FCNR(B) deposit scheme: Significance, challenges and Way Forward" has been created based on "FCNR(B) deposit scheme: Significance, challenges and Way Forward" published in "Business Line" on 12th August 2026.

**UPSC Syllabus:** GS 3- Economy

**Context**: The **Foreign Currency Non-Resident (Bank) [FCNR(B)] Deposit Scheme 2026** is an RBI initiative to attract foreign currency deposits from NRIs amid global uncertainty and pressure on capital flows and the rupee. By the end of July 2026, the scheme had mobilised around **$36 billion.**

**Significance of the Scheme**

1. **Strengthens forex liquidity:** The scheme brings foreign currency into the banking system and supports India's external sector position.
2. **Supports the rupee:** Higher foreign currency inflows can improve market confidence and reduce pressure on the rupee.
3. **Enhances reserves:** It can contribute to strengthening India's external buffers, although the impact on headline reserves may be limited.
4. **Benefits banks:** Banks receive stable foreign currency liabilities and enjoy **CRR and SLR exemptions** on eligible deposits.
5. **Benefits NRIs:** Depositors earn competitive foreign currency returns while remaining protected from rupee depreciation.
6. **Supports financial stability:** It provides an additional source of foreign currency funding during periods of global capital-flow volatility.

**Comparison with 2013**

1. In **2013**, the scheme was introduced during the taper tantrum and generated substantial foreign currency inflows.
2. The rupee appreciated by nearly **10–12 per cent**, reflecting improved market confidence.
3. In 2026, despite mobilisation of $36 billion, the rupee has remained broadly range-bound around **₹95–96 per US dollar**.
4. Global geopolitical tensions, uncertainty over US trade policy, foreign investment flows and risk aversion have limited its impact.
5. The increase in forex reserves may also remain modest because the RBI has accumulated nearly **$100 billion in forward forex sales**, requiring part of incoming foreign currency to meet these obligations.

**Key Concerns**

1. **Limited currency impact:** Unlike 2013, the scheme has not produced significant rupee appreciation.
2. **Limited reserve accumulation:** Foreign currency inflows may not translate proportionately into higher headline reserves.
3. **Cost to banks:** Although attractive, FCNR(B) deposits may be more expensive than alternative sources of foreign currency.
4. **Opportunity cost:** A sovereign foreign-currency bond could potentially have been issued at around **100 basis points lower cost** and could establish a sovereign dollar yield curve.
5. **External liability concerns:** Sovereign foreign-currency borrowing could expose the government balance sheet to exchange-rate and global financing risks.

**Way Forward**

1. India should continue using **FCNR(B) deposits as a temporary and flexible external financing instrument** during periods of global volatility.
2. The RBI should maintain adequate **foreign exchange buffers and prudent forward-position management** to absorb external shocks.
3. Banks should ensure that foreign currency liabilities mobilised through FCNR(B) deposits are deployed prudently and matched with suitable foreign currency assets.
4. India should deepen **international debt markets and external commercial borrowing frameworks** while maintaining safeguards against excessive foreign currency exposure.
5. Policymakers should continue prioritising **macroeconomic stability, export competitiveness and diversified capital inflows** rather than relying excessively on short-term foreign currency mobilisation.

**Conclusion:** The FCNR(B) scheme is a **prudent middle path**: it mobilises foreign currency without creating direct sovereign foreign-currency debt. Although its impact on the rupee and reserves may be weaker than in 2013, it remains valuable for strengthening external-sector resilience amid uncertain global capital flows.

**Question:** What is the significance of the FCNR(B) Deposit Scheme 2026 for India's external sector? Discuss its effectiveness in comparison with the 2013 experience and suggest a way forward.

**Source:** [Business Line]

## India's LPG dependence on U.S.

**UPSC Syllabus: Gs Paper 3-** Indian economy and Infrastructure
**Introduction**

India, the world's second-largest LPG importer, is rapidly increasing its dependence on U.S. supplies as disruptions in the Strait of Hormuz affect traditional Gulf sources. About 60% of India's LPG requirement is imported, making supply security a major concern. The shift to U.S. cargoes has helped manage the immediate crisis, but it also raises concerns about freight costs, geopolitical dependence, currency risks and the need for a more diversified and resilient LPG supply system across the country.

**India's Growing Dependence on U.S. LPG**

1. **U.S. share rises sharply during 2026:** U.S. LPG supplied **73% of India's LPG imports in July 2026**, compared with 12% in January, showing a rapid sourcing shift.
2. **Long-term U.S. LPG agreement strengthens the shift:** State-owned refiners signed a **2.2 million-tonne one-year contract for 2026**, providing a structured alternative to disrupted Gulf supplies.
3. **Gulf suppliers lose their earlier dominance:** UAE, Saudi Arabia, Qatar and Kuwait supplied **5.3 million tonnes during January–July**, but their monthly supplies fell sharply, with Saudi Arabia sending no LPG in July.
4. **UAE and other Gulf shares decline sharply:** UAE's share fell from **37% in January to 8.2% in July**, while Kuwait supplied 33,000 tonnes and Qatar only 19,000 tonnes in July.
5. **India widens its supplier basket:** India also imported LPG from **Iran, Oman, Iraq, Argentina and Algeria** in July, reducing reliance on its traditional Gulf suppliers.

**Why India Turned to the U.S.**

1. **Gulf supply disruption creates an urgent import gap:** India's LPG imports from West Asia fell almost **85% between February and June 2026**, requiring faster procurement from alternative suppliers.

2. **Cooking gas availability takes priority over cost:** LPG shortages can have social and political consequences, making **uninterrupted supply** more important than short-term cost optimisation during the crisis.

3. **Gulf LPG prices rise sharply during the disruption:** Saudi Aramco's LPG benchmark increased from about **$543 per tonne in February to $790 in June**, making alternative supplies more attractive.

4. **U.S. cargoes provide an alternative supply route:** American LPG allows India to reduce dependence on Gulf supply routes and maintain availability when traditional sources face disruptions.

5. **U.S. LPG becomes competitive during the crisis:** Higher Gulf prices, freight disruptions and risk premia made U.S. cargoes attractive despite their **longer shipping distance and higher transport costs**.

6. **The shift supports both immediate and long-term energy security:** U.S. supplies help manage the present shortage while giving India another source against future **geopolitical and maritime disruptions**.

**Risks and Economics of India's U.S. LPG Dependence**

1. **Longer shipping raises U.S. LPG's landed cost:** U.S. LPG shipments take **25–35 days**, compared with 5–10 days from the Gulf, making freight a major disadvantage despite potentially lower production prices.
2. **U.S. LPG can lose its proximity pricing advantage:** Gulf LPG is usually cheaper at India's ports because shorter shipping distances reduce transport costs, although geopolitical disruption can temporarily reverse this advantage.
3. **U.S. dependence may create trade-related strategic risks:** Greater reliance on American energy could give the U.S. additional bargaining leverage in bilateral trade negotiations when energy becomes part of wider economic discussions.
4. **U.S. sanctions can affect India's wider energy transactions:** Financial sanctions and export controls may influence third-country transactions, creating risks when India's energy trade involves countries facing U.S. restrictions.
5. **Dollar strength can increase the rupee cost of LPG:** Higher U.S. interest rates can strengthen the dollar, making every imported LPG cargo more expensive for Indian buyers.
6. **OMC under-recoveries can rise during price shocks:** If domestic LPG prices remain controlled during global price increases and rupee depreciation, **Oil Marketing Companies (OMCs)** can face larger under-recoveries and fiscal pressure.

**Way Forward**

1. **Strengthen domestic LPG production:** India should increase domestic LPG output because consumption is growing faster than domestic production, keeping import dependence high.
2. **Retain higher production capacity permanently:** The increase in Oil Marketing Companies' daily LPG production from **34,000 MT to 55,000 MT** during the crisis should become sustained capacity rather than a temporary response.
3. **Diversify international suppliers:** India should expand sourcing beyond the Gulf and U.S. to reduce dependence on any single supplier or region.
4. **Explore Australia as an alternative supplier:** Australia lies outside the Strait of Hormuz and has a shorter route to India than the U.S., though its export volumes are smaller.
5. **Strengthen shipping capacity:** India should increase control over LPG carriers to support longer-distance imports and reduce dependence on chartered vessels.
6. **Build strategic LPG reserves:** India should maintain stronger reserves to absorb temporary import disruptions and ensure uninterrupted LPG availability during geopolitical crises.
7. **Develop multiple supply routes:** India should strengthen alternative routes and logistics networks so that disruption in one geographical region does not threaten national LPG security.

**Conclusion**

India's shift to U.S. LPG is both a crisis response and a strategic hedge against Gulf disruptions. However, replacing one major supplier with another cannot ensure lasting energy security. India needs higher domestic production, diversified suppliers, alternative routes, stronger shipping capacity and strategic reserves so that no single country or chokepoint can disrupt LPG availability or impose excessive economic costs.

**Question for practice:**

Examine India's growing dependence on U.S. LPG and the measures needed to strengthen its energy security.

**Source**: The Hindu

## The missing 'reuse' principle in India's EV journey

**UPSC Syllabus: Gs Paper 3-** Infrastructure

**Introduction**

India's electric mobility transition is gaining momentum, but genuine circularity requires more than expanding electric vehicle adoption and recycling. The circular economy follows a hierarchy: **reduce resource use, reuse existing assets, and recycle materials only after useful life ends**. India has strengthened vehicle recycling, yet reuse remains less developed. The key issue is whether structurally sound older vehicles should be scrapped or instead extended through certified electric retrofitment.

**India's Progress in Vehicle Recycling and Scrappage**

1. **Strengthened regulatory framework:** The **Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021** and Environment Protection (End-of-Life Vehicles) Rules, 2025 strengthen responsible vehicle recycling and material recovery.
2. **Expansion of formal facilities:** By January 2026, **129 Registered Vehicle Scrapping Facilities** were operating across **21 States and Union Territories**.
3. **Vehicles processed:** These facilities had processed **4.3 lakh vehicles** by January 2026, showing progress towards organised vehicle recycling and resource recovery.
4. **Role of scrappage:** Scrappage remains necessary for vehicles that have genuinely reached the end of their useful lives and require material recovery.
5. **Limit of recycling:** Recycling recovers materials after vehicles become waste, while circularity also requires preserving useful assets before disposal.

**Why Reuse Matters in India's EV Transition**

1. **Large existing vehicle base:** India's huge vehicle population makes existing vehicles an important resource during the country's transition towards electric mobility.
2. **Age does not mean uselessness:** An ageing vehicle may still have a strong chassis, intact body and considerable remaining service life.
3. **Risk of premature scrappage:** Treating every old vehicle as disposable can destroy useful material and functional value that remains within structurally sound vehicles.

4. **Electrification beyond new sales:** India's transition should consider integrating suitable existing vehicles into electrification rather than focusing only on selling new electric vehicles.

5. **Need for resource efficiency:** Extending existing vehicle life can support electrification while reducing unnecessary replacement and preserving resources already invested in those vehicles.

**Missing Reuse Principle: Retrofitment and Vehicle Hierarchy**

1. **Retrofitment as reuse:** Retrofitment replaces the internal-combustion engine and related components with an electric powertrain while retaining the vehicle's core structure and useful value.

2. **Why retrofitment matters:** A structurally sound vehicle with a polluting or inefficient powertrain can continue serving after certified conversion, instead of being prematurely scrapped.

3. **Environmental cost of scrappage:** A single two-wheeler generates about **90 kg of recyclable material** and **18 kg of landfill waste** when scrapped, showing the waste burden of disposal.

4. **Fleet-level waste burden:** Across approximately **30 crore vehicles**, a scrap-first approach could generate **2.7 crore tonnes of recyclable material** and **0.54 crore tonnes of landfill waste**.

5. **Condition-based vehicle hierarchy:** Policy should assess vehicles by their **safety, structural condition and remaining utility**, rather than treating age alone as the basis for disposal.

6. **Three appropriate pathways: Safe and efficient vehicles** should continue operating; **structurally sound but polluting vehicles** should be retrofitted; and **unsafe or severely damaged vehicles** should be scrapped and recycled.

**Broader Benefits of a Reuse-Oriented EV Policy**

1. **Lower material consumption:** Retrofitment can reduce demand for new materials by retaining structurally sound vehicle components instead of replacing complete vehicles.

2. **Reduced waste generation:** Extending vehicle life can prevent recyclable material and landfill waste from being generated through premature scrappage.

3. **Lower fossil-fuel dependence:** Converting suitable vehicles to electric powertrains can reduce emissions and fossil-fuel dependence while supporting transport electrification.

4. **Supports Sustainable Development Goal 12:** Retrofitment supports **Sustainable Development Goal 12** by promoting responsible consumption, resource efficiency and reduced waste.

5. **Better balance with recycling:** Reuse and recycling should work together, with retrofitment preserving useful assets and scrappage handling vehicles that have exhausted their value.

6. **More acceptable scrappage policy:** Condition-based assessment can make scrappage more acceptable because older vehicles would not be discarded indiscriminately.

7. **Authentic circularity:** Giving reuse a stronger policy role would ensure that recycling occurs only after a vehicle has genuinely reached the end of useful life.

**Conclusion**

India's EV transition should move beyond a **scrap-and-recycle approach** towards a condition-based circular model. Structurally sound vehicles should be given scope for certified retrofitment, while genuinely unsafe or exhausted vehicles should enter recycling. Giving reuse a stronger policy role can preserve embedded value, reduce waste and resource demand, support electrification, and make India's mobility transition more genuinely circular and sustainable.

**Question for practice:**

Discuss the importance of the 'reuse' principle in India's electric vehicle transition, with special reference to vehicle retrofitment and a condition-based vehicle hierarchy.
**Source:** The Hindu

## Promise of gender equality must be upheld

**Source:** The post "Promise of gender equality must be upheld" has been created based on "Promise of gender equality must be upheld" published in "The Hindu" on 13th August 2026.

**UPSC Syllabus: GS 2- Governance**

**Context**: India's Independence was founded on the principle of **equality for all citizens**, irrespective of caste, creed, class, political allegiance or gender. The Constitution and the democratic system sought to transform this promise of equality into a lived reality for both women and men.

**India's early commitment to gender equality**

1. Despite the challenges of Partition, poverty, displacement and the integration of princely states, India adopted **universal adult franchise** from the beginning of its democratic journey.
2. In the first elections of 1952, every Indian woman and man above the age of 21 was eligible to vote.
3. The Election Commission faced the major challenge of registering nearly **80 million eligible women**, many of whom identified themselves as the daughter or wife of a male family member rather than by their own names.
4. The Election Commission persisted in registering women as **individual citizens in their own right**, reflecting the substantive commitment to electoral equality.
5. However, about **2.8 million women were eventually struck off the electoral rolls in 1952** because they could not be registered under their own names.
6. India has since made considerable progress, with the **gender gap in voting closing in 2019**, demonstrating greater political participation by women.

**Emerging challenges to gender equality**

1. The principle of women's independent identity is increasingly being challenged through **online abuse and doxxing**.
2. Several women who participated in the Jantar Mantar protests were reportedly doxxed, with their names, phone numbers, addresses and other personal details being circulated online.
3. They were subjected to **vile online abuse and threats of rape and murder**, demonstrating how women's public participation can expose them to gendered intimidation.

4. The response to women protesters also highlighted **gendered expectations**. Women who used abusive language were specifically criticised, while similar behaviour by male protesters received comparatively less attention.
5. Referring to women protesters as **"misguided daughters"** can be seen as a paternalistic approach that treats adult women as individuals requiring guidance rather than as equal political citizens.
6. Such responses risk shifting the focus from **democratic accountability and citizens' right to protest** towards the personal conduct of protesters.
7. The growing use of personal information against women in public life shows that the ownership of one's own identity, once central to achieving electoral equality, can itself become a tool of intimidation.

**Way forward**

1. The promise of gender equality must be upheld not merely in law but also in **political participation and public discourse**.
2. Women must be able to participate in protests, elections and public life without facing gender-specific abuse, threats or intimidation.
3. Democratic institutions and political leadership should promote **equal standards of accountability for men and women**.
4. Stronger protection of personal data and effective action against doxxing and online threats are necessary to protect women's participation in the digital age.
5. India must preserve the **hope of equality** that was central to the nation-building project at Independence.

**Conclusion:** India's journey from registering women as independent voters in 1952 to achieving near gender parity in voter participation reflects substantial progress. However, the emergence of gendered political expectations and online intimidation shows that **formal equality must continually be converted into substantive equality**. Protecting women's dignity, identity and freedom of political expression is essential to uphold the original promise of Independence.

**Question**: "The promise of gender equality made at the time of Independence is facing new challenges in the digital and political sphere." Discuss.
**Source: The Hindu**

## Indian higher education's three challenges

**Source:** The post **"Indian higher education's three challenges"** has been created based on **"Indian higher education's three challenges"** published **in "Indian Express" on 13th August 2026.**

**UPSC Syllabus: GS 2- Governance**

**Context**: Despite the availability of considerable talent in science, technology, medicine, entrepreneurship and research, Indian higher education institutions have limited representation among the world's top universities. The challenges of higher education go beyond **funding, infrastructure and regulation** and can be understood through three dimensions: **intention, concept and execution**.

**Challenge of Intention**

1. Institutions must consistently prioritise **merit, integrity, fairness and long-term institutional interests**.
2. Appointments, promotions and admissions are sometimes influenced by considerations other than merit, which can weaken institutional credibility.
3. **Favouritism and dishonesty** can negatively influence students because they learn not only from classroom teaching but also from institutional practices.
4. Therefore, transparent and merit-based decision-making is essential for building academic excellence.

**Challenge of Concept**

1. Universities are **neither government departments nor corporate offices** and therefore require governance models suited to academic institutions.
2. Policies designed without understanding the distinctive nature of universities can become counterproductive.
3. For example, **one-year probation for faculty members** may be inadequate to properly assess their suitability.
4. Universities cannot develop responsible adults if students are treated merely as children; similarly, institutions cannot be expected to deliver excellence without adequate **autonomy and trust**.
5. Excessive control can discourage academic excellence, while autonomy must be accompanied by **accountability and responsibility**.
6. A uniform approach to faculty recruitment and promotion is unsuitable because institutions and disciplines differ significantly.
7. Policies should distinguish between **teaching-focused and research-focused institutions**, large and small institutions, and institutions operating in favourable and difficult geographical environments.
8. Faculty assessment should also recognise **disciplinary differences**, as the criteria suitable for sciences may not be equally applicable to liberal arts or performing arts.

**Challenge of Execution**

1. Even well-designed policies and good intentions can fail without **effective implementation**.
2. Building excellent institutions requires capable leadership, robust processes, continuous learning and the willingness to learn from mistakes.
3. A **culture driven by fear of failure discourages initiative**, whereas learning from failure encourages innovation and experimentation.
4. Academic leaders need systematic **coaching and mentoring** to develop the knowledge, skills and confidence required for effective implementation.
5. Good ideas do not automatically translate into results; leaders require institutional support to convert ideas into effective practices.

**Other Systemic Issues**

1. Higher education cannot improve through isolated **"islands of excellence"** while weaker institutions continue to struggle.
2. Policies designed primarily to address the weakest institutions should not necessarily be imposed uniformly across the entire higher education system.
3. The movement of faculty, non-teaching staff and students across institutions means that weaknesses in one part of the system can affect stronger institutions as well.

**Way Forward**

1. Higher education institutions should establish **transparent, merit-based and ethical governance systems**.
2. Universities should receive greater **institutional and academic autonomy**, along with clear accountability for outcomes.
3. Recruitment, promotion and evaluation systems should be **context- and discipline-specific** rather than uniformly applied.
4. Institutions should develop capable academic leaders through **systematic mentoring, coaching and professional development**.
5. Universities should promote a culture where **experimentation, innovation and learning from failure** are encouraged.
6. Government support through funding, infrastructure and regulation should be complemented by reforms in **institutional governance and leadership**.

**Conclusion:** India's higher education challenge is not merely a shortage of talent or resources. It is equally a challenge of **how institutions are governed, how problems are conceptualised and how solutions are executed**. Addressing **intention, concept and execution** together can help Indian universities move from isolated excellence towards a stronger and globally competitive higher education system.

**Question**: Indian higher education faces deeper institutional challenges beyond inadequate funding and infrastructure. Discuss the challenges of "intention, concept and execution" and suggest measures to improve the quality of higher education.

**Source:** [Indian Express]

## How sustainable is India's E20 push?

**UPSC Syllabus: Gs Paper 3-**Indian economy and infrastructure

**Introduction**

India's E20 push seeks to reduce crude oil imports, save foreign exchange, support farmers and lower emissions through domestically produced ethanol. However, its sustainability depends on more than replacing petrol with ethanol. It must also address **water stress, feedstock availability, vehicle compatibility, fuel efficiency and consumer concerns** without shifting the environmental burden from imported oil to India's land and groundwater resources.

**Evolution and Current Status of India's Ethanol Programme**

1. **Two-decade policy journey:** India began its ethanol blending journey with a pilot programme in **2001**, followed by E5 in 2006. The **National Policy on Biofuels, 2018** widened the feedstock base beyond sugarcane, while the 2021 NITI Aayog roadmap supported higher blending.

2. **Steady rise in blending:** Ethanol blending increased from about **8.1% in 2020-21** to 10% in 2021-22, 12.1% in 2022-23, 14.6% in 2023-24 and 19.2% in 2024-25. It reached **20% during November 2025-June 2026**.

3. **Higher production capacity:** India now has around **500 distilleries** capable of producing about **18-20 billion litres** of ethanol. Oil companies have contracted to procure around **10.5 billion litres** during the current ethanol year.

4. **Diversified feedstock base:** For petrol blending, about **45%** of ethanol will come from maize, 22% from FCI rice, 16% from sugarcane juice, 10% from B-heavy molasses, 4.5% from damaged foodgrains and 1.1% from C-heavy molasses.

5. **Growing maize supply:** India's maize production increased by **45% in three years to 55 million tonnes in 2025-26**, with more than 20% being used for ethanol. There is currently no evidence of a surge in maize imports.

6. **Food and sugar availability:** Sugar diversion towards ethanol has not reduced sugar stocks, which were around **5 million tonnes in September 2025** and are expected to remain similar. However, crop losses, monsoon failure or foodgrain shortages could create pressure on ethanol feedstocks and increase the possibility of maize imports.

**Benefits of the E20 Push**

1. **Lower crude oil imports:** Ethanol blending has substituted around **32 million tonnes of crude oil imports** and saved nearly ₹**2 lakh crore in foreign exchange**. Replacing 10 billion litres of petrol with ethanol would be equal to avoiding roughly one month of crude imports.

2. **Greater energy security:** Nearly **one-fifth of petrol** is now supplied through domestically produced ethanol. This reduces India's exposure to global crude prices, wars and international shipping disruptions.

3. **Support to farmers and industry:** Higher ethanol demand has encouraged investment in distilleries, storage and logistics while creating an additional market for agricultural feedstocks. It also supports the income of farmers linked to ethanol-producing crops.

4. **Lower carbon emissions:** E20 can reduce lifecycle carbon emissions by nearly **40%** and can also lower particulate emissions. Its higher octane value improves anti-knock performance and supports better combustion in suitable engines.

5. **Fuel-price stability:** During the West Asia war, crude oil prices increased by around **70%**, while petrol prices increased by only **7-8%**, according to the government. However, different tax and cost structures make it difficult to establish how much of this stability came directly from ethanol blending.

6. **Global acceptance:** Ethanol blending is already used in countries such as the **United States, Brazil, Japan, Canada and Thailand**. This shows that ethanol can form an important part of transport-fuel strategies when supported by suitable infrastructure and vehicle technology.

**Concerns and Sustainability of the E20 Push**

1. **Water sustainability:** Sugarcane-based ethanol has a water footprint of about **3,000 litres per litre of ethanol**, with most water used for cultivation rather than processing. Since sugarcane, maize and rice are water-intensive crops, expanding ethanol production in water-stressed regions can increase pressure on groundwater.

2. **Food security and feedstock availability:** Diversion of rice, sugarcane products and other food-related feedstocks towards ethanol could create pressure during **monsoon failure, crop losses or foodgrain shortages**. A sustainable policy therefore needs to balance fuel demand with food availability.

3. **Vehicle compatibility:** Vehicles built after **April 2023** were engineered for E20, but nearly **240 million older vehicles**were designed for E5 or E10. Concerns remain about the long-term effect of ethanol on older fuel-system components.

4. **Fuel efficiency:** Government and manufacturer studies suggest a **2-6% efficiency penalty** in some E10-designed vehicles, while some users report higher mileage losses. However, driving conditions, maintenance and driving habits also influence mileage.

5. **Evidence on vehicle damage:** Evidence on E20-related vehicle damage is mixed. Government and manufacturer data found no E20-linked engine damage in large numbers of serviced vehicles, while some independent mechanics and automotive communities report fuel-pump and injector problems.

6. **Consumer choice:** Consumers cannot easily choose between E10 and E20 at petrol pumps because maintaining separate fuel networks across the country would increase costs and complicate distribution. This makes clear information and transition support important.

7. **Cost to consumers:** E20 does not automatically mean cheaper petrol because ethanol and petrol have different cost and tax structures. Although ethanol is domestically produced and reduces exposure to crude-price shocks, its final price also includes transport, storage and taxes.

**Lessons from Brazil: A Gradual and Integrated Transition**

1. **Long-term policy support:** Brazil launched **Proálcool in 1975** after the oil crisis and used subsidies, financing and incentives to develop ethanol production. Its experience shows that a large ethanol system needs sustained policy support.

2. **Vehicle adaptation:** Brazil gradually developed ethanol-powered vehicles and introduced **flex-fuel vehicles in 2003**. These vehicles allow consumers to use petrol, ethanol or different mixtures according to availability and price.

3. **Stable blending system:** Brazil maintained ethanol demand through mandatory blending, moving from **22% in 1993 to 25% in 2007 and 27% in 2015**. RenovaBio, introduced in 2018, further created a long-term framework for biofuels and emission reduction.

4. **Consumer flexibility:** More than **85% of Brazilian vehicles are flex-fuel**, giving consumers greater choice. This differs from India, where the transition to E20 has happened faster and older vehicles remain a major part of the fleet.

5. **Lesson for India:** India can learn from Brazil by combining gradual blending, vehicle adaptation, stable policy, consumer information and long-term planning. A more transparent transition can improve public confidence while reducing adjustment problems.

**Way Forward**

1. **Improve water and farm efficiency:** Water-intensive crops should be managed carefully in water-stressed regions through **drip irrigation, better cultivation practices and higher crop productivity**. Ethanol production should increase through productivity gains rather than horizontal expansion of sugarcane cultivation.

2. **Strengthen industrial water management:** Sugar mills and distilleries should increase **water recycling, water-retention infrastructure and rainwater harvesting** to reduce pressure on local water resources.

3. **Diversify and secure feedstocks:** Ethanol production should use a balanced mix of maize, rice, sugarcane products and other permitted feedstocks. This can reduce dependence on a single crop while limiting pressure on food availability during supply shocks.

4. **Protect legacy vehicle owners:** Clear technical guidance and regular monitoring should continue for older E5/E10 vehicles. Concerns related to **mileage, fuel-system components and maintenance costs** should be addressed through evidence-based testing and manufacturer support.

5. **Provide greater consumer choice:** Consumers, especially owners of older E5/E10 vehicles, should have suitable fuel options, including **100% petrol where feasible**. The government should balance consumer needs with the cost of maintaining separate fuel options.

6. **Improve transparency and information:** Automobile manufacturers and fuel companies should provide clear information on **vehicle compatibility, expected mileage changes and maintenance requirements**. Better communication can reduce confusion and improve public confidence in E20.

**Conclusion**

E20 can reduce India's crude dependence, save foreign exchange, support farmers and lower emissions, making it an important energy-security measure. Yet its sustainability depends on managing pressure on **water, agricultural resources and consumers**. India should therefore combine ethanol expansion with water-efficient farming, diversified feedstocks, industrial recycling, consumer choice and transparent implementation to ensure a balanced and sustainable fuel transition.

**Question for practice:**

Evaluate the sustainability of India's E20 push in terms of energy security, environmental concerns and consumer interests.

**Source:** The Hindu

## A Timely Reset for the Food Security Act

**UPSC Syllabus: Gs Paper 3-Food security**

**Introduction**

India's food-security debate is entering a new phase as the proposed **2026 National Food Security Act amendment** seeks to change the Antyodaya Anna Yojana (AAY) entitlement from **35 kg per household to 7 kg per person, capped at 35 kg**. While the proposal aims to reduce differences in per-person entitlements, it could reduce support for smaller and highly vulnerable households. The reform therefore needs to balance **equity, protection from hunger, adequate food access and the growing need for nutrition security**.

**Antyodaya Anna Yojana: Protecting the Poorest**

1. **Launch and purpose:** Antyodaya Anna Yojana (AAY) was launched in **2000** to provide special food support to the **poorest of the poor**. Its entitlement began at 25 kg per household per month and was later increased to **35 kg**.
2. **Special protection for vulnerable groups:** AAY was designed for households facing extreme economic insecurity. It covers groups such as **particularly vulnerable tribal groups (PVTGs), elderly couples, widows with small children and persons with disabilities without support**.
3. **Household-based entitlement:** The National Food Security Act (NFSA) moved Priority Households to per-person entitlements but retained the **35 kg household-based entitlement for AAY**. This helped protect small households that could have lost substantial support under a per-capita system.
4. **Food as economic security:** AAY grain is not only meant for direct consumption. Surplus grain can be exchanged or converted into other goods, making the entitlement an important **economic resource for poor households**.

**What Does the 2026 Proposal Seek to Change?**

1. **Shift to per-person entitlement:** The draft National Food Security (Amendment) Bill, 2026 proposes **7 kg of foodgrains per person per month** for AAY households. This would replace the existing fixed entitlement of 35 kg per household.
2. **Household ceiling:** The proposed entitlement would be **capped at 35 kg per household**. Therefore, households with five or more members would receive the same quantity as under the present system.
3. **Reduction for smaller households:** Households with fewer than five members would receive less than 35 kg. Their monthly reduction would range from **20% for four-member households to 80% for one-member households**.
4. **Reason for the change:** The proposal seeks to reduce differences in per-person entitlements among AAY households. However, the formula would not provide additional grain to any AAY household.
5. **No-loss issue:** Since retaining 35 kg as both the minimum and maximum would remove the practical effect of the per-person formula, support beyond 35 kg for larger or highly dependent households would need separate consideration.

**Impact of the Proposed Amendment**

1. **One-member households:** A one-member AAY household would receive **7 kg instead of 35 kg**, resulting in an **80% reduction** in its entitlement.

2. **Two- to four-member households:** Two-member households would receive 14 kg, three-member households 21 kg and four-member households 28 kg. Their losses would therefore be **60%, 40% and 20%**, respectively.

3. **Large share of small households:** Household Consumption Expenditure Survey (HCES) 2023-24 shows that **53% of AAY households have fewer than five members**. Hence, a large share of AAY households could face lower entitlements.

4. **Tamil Nadu example:** Tamil Nadu reports that **15.75 lakh of its 18.64 lakh AAY households**, or 84.5%, have fewer than five members. Its monthly AAY allocation could fall from **65,261 tonnes to 42,040 tonnes**, a reduction of about **35.6%.**

5. **Women living alone:** Nearly **one million women living alone** are in the AAY category. About **85% are widows and 74% are illiterate**, making them especially vulnerable to the proposed reduction.

6. **Potential foodgrain savings:** AAY allocation was 10 million tonnes in 2023-24, while offtake was 8.8 million tonnes. Based on household size, the proposed system could require about **7.6 million tonnes**, implying potential savings of around **2 million tonnes a year**.

**Concerns and Challenges**

1. **Vulnerability of small households:** Many small AAY households include **widows, elderly persons, persons with disabilities and people without an earning member**. Reducing their entitlement could weaken the special protection AAY was designed to provide.

2. **Reduced scope for dietary diversification:** Surplus grain can be **sold or exchanged for protein-rich foods.** Lower entitlements may reduce this scope for improving dietary diversity and nutrition.

3. **Equity versus vulnerability:** A uniform per-person entitlement may appear more equitable, but AAY was created to provide **special protection to highly vulnerable households**. Equalising quantities may therefore weaken its original purpose.

4. **Outdated beneficiary coverage:** The NFSA ceiling of **81.35 crore beneficiaries** is still based on Census 2011. Against the estimated 2025 population of **146.4 crore**, this covers only about **55.6%** of the population.

5. **AAY targeting errors:** AAY lists are old and may contain both inclusion and exclusion errors. Better-off households could be moved to the Priority category without cancelling ration cards, creating space for genuinely destitute households.

6. **Persistent nutrition gaps:** The share of children under five facing stunting fell from **35.5% to 29.3%**, but wasting and underweight changed little. Only about **15% of children aged 6–23 months** receive a minimally adequate diet.

7. **Double burden of malnutrition:** India faces undernutrition alongside rising non-communicable diseases. The INDIAB study estimated **101 million people with diabetes and 136 million with prediabetes in 2021**.

8. **Cereal-heavy diets:** The concern is not that foodgrains directly cause diabetes, but that a cereal-heavy food basket may reinforce diets already high in carbohydrates and low in protein-rich foods. A 2025 ICMR-INDIAB study found that carbohydrates supplied **62.3% of daily energy**, while protein supplied only **12%.**

**Way Forward**

1. **Protect existing entitlements:** The proposed formula should include an explicit **no-loss safeguard** so that no AAY household receives less than the existing 35 kg entitlement.

2. **Review larger household needs:** Support beyond 35 kg for larger or highly dependent households should be examined separately using household consumption, nutritional requirements and transparent fiscal costing.

3. **Update NFSA coverage:** The beneficiary ceiling should be recalculated when **Census 2027** figures become available. Updated population estimates and deprivation criteria can support a transparent review in the meantime.

4. **Expand genuine AAY coverage:** AAY lists should be regularly reviewed to identify excluded destitute households. Expanding the AAY quota can help ensure that vulnerable households are not left outside the programme.

5. **Diversify the food basket:** Cereal entitlements should be protected while States are supported to provide **pulses, local rice, wheat, millets and, where feasible, healthy edible oils**. Local production and consumption should guide procurement and supply.

6. **Improve dietary balance:** ICMR-NIN's 2024 guidelines recommend that cereals and millets provide **at most 45% of energy**, with greater contributions from pulses, beans, milk, nuts, vegetables, fruits and other protein sources.

7. **Integrate food and health systems:** The PDS should work with **Anganwadi services and PM POSHAN**, including eggs, milk or suitable alternatives where locally feasible. Fair price shops can provide simple nutrition information and referrals to health services.

8. **Protect access and test reforms:** Digital systems should retain offline and assisted options, and authentication failure should not deny ration access. New dietary measures should first be tested through State pilots covering diet diversity, anaemia, glycaemic risk, spending, wastage, exclusion and supply feasibility.

**Conclusion:**

India's food-security reform should **protect the poorest from hunger without reducing their existing entitlements**. A **no-loss AAY safeguard, updated beneficiary coverage, better targeting and separately funded dietary diversification** can strengthen the National Food Security Act. The ultimate goal should be to move beyond cereal security towards **broader food and nutrition security**, while ensuring vulnerable households receive adequate support with dignity.

**Question for practice:**

Examine the need to reform India's food security framework while protecting vulnerable households and promoting nutrition security.

**Source:** The Hindu

## The constitutional limits on arrest

**Source:** The post "The constitutional limits on arrest" has been created based on "The constitutional limits on arrest" published in "The Hindu" on 14th August 2026.

**UPSC Syllabus:** GS 2- Governance

**Context:** Arrest and detention involve the exercise of coercive State power and directly affect the personal liberty of an individual. Articles 21 and 22 of the Constitution, along with judicial guidelines, seek to prevent arbitrary exercise of this power and ensure procedural fairness.

**Constitutional and Legal Safeguards**

1. **Article 21 protects personal liberty:** Any deprivation of personal liberty must follow a constitutionally valid and fair procedure. Arbitrary arrest can therefore violate the protection of personal liberty.
2. **Article 22(1) requires communication of grounds of arrest:** An arrested person must be properly and meaningfully informed of the grounds of arrest so that he can understand why his liberty has been curtailed.
3. **Direct communication is necessary:** Merely informing the relatives of the arrested person or maintaining ambiguous records does not satisfy the constitutional requirement. The grounds must be communicated directly to the arrested person.
4. **Right to legal assistance:** Article 22 provides an arrested person the right to consult and be defended by a legal practitioner as soon as possible.
5. **Production before a magistrate:** Under Article 22(2), an arrested person must be produced before the nearest magistrate within 24 hours of arrest, excluding the time necessary for the journey.
6. **Arrest memo and time of arrest:** The arrest memo must contain the time of arrest. This requirement strengthens accountability and helps ensure compliance with the 24-hour rule.
7. **Safeguards under criminal procedure law:** The provisions relating to arrest under the CrPC and the corresponding provisions of the BNSS, 2023, provide a legal framework to regulate police powers of arrest.

**Judicial Safeguards**

1. **Vihaan Kumar v. State of Haryana (2025):** The Supreme Court held that every arrested person must be properly and meaningfully informed of the grounds of arrest. Failure to do so amounts to a violation of Article 22(1).
2. **Effect of unconstitutional arrest:** The Court held that where the initial arrest itself is unconstitutional, subsequent remand orders would also be rendered illegal.
3. **Protection of dignity in custody:** The Supreme Court has condemned degrading treatment of persons in custody and reaffirmed the protection of dignity under Article 21.
4. **Arnesh Kumar v. State of Bihar (2014):** The Supreme Court issued guidelines to prevent unnecessary arrests and the misuse of criminal law. Arrest should not become a tool for harassment.
5. **Arrest is not automatic:** In offences punishable with imprisonment of less than seven years, the police must examine whether arrest is actually necessary. The mere existence of the power to arrest does not justify routine arrest.
6. **Protection against abuse of legal process:** Frivolous or false criminal proceedings and unnecessary arrests can damage a person's reputation and liberty and may amount to an abuse of the legal process.

**Arrest and Detention**

1. **Arrest** refers to formal police custody in connection with an alleged offence, while **detention** refers to holding a person for a specific purpose and may include preventive detention.
2. **Cognisable offences** such as murder and rape generally permit arrest without a warrant, whereas in **non-cognisable offences**, a warrant is generally required.
3. Article 22 provides safeguards against ordinary arrest and detention, while **preventive detention** is treated separately under the Constitution and is subject to a different set of safeguards.

**Constitutional Philosophy**

1. The protection of personal liberty under Article 21 is closely connected with **Articles 14 and 19**, forming the constitutional **Golden Triangle** explained in *Maneka Gandhi v. Union of India (1978)*.
2. **Article 14** acts as a safeguard against arbitrariness, while Article 19 contributes to the protection of procedural freedom.
3. Therefore, arbitrary arrest or detention can undermine the constitutional commitment to **natural justice, personal liberty and democratic governance**.

**Conclusion:** The power of arrest is necessary for maintaining law and order, but it must not become an instrument of harassment or arbitrary State action. Articles 21 and 22, statutory safeguards and judicial decisions such as *Arnesh Kumar* and *Vihaan Kumar* seek to ensure that the State's authority is exercised with **necessity, accountability, dignity and procedural fairness**, thereby maintaining the constitutional balance between State power and individual liberty.

**Question:** "The Constitution seeks to maintain a delicate balance between the authority of the State and the personal liberty of citizens in matters of arrest and detention." Discuss the constitutional and judicial safeguards against arbitrary arrest in India.

**Source:** [The Hindu]

## Europe's AI Rules May Become India's Opportunity

**UPSC Syllabus: Gs Paper 2-** Effect of policies and politics of developed and developing countries on India's interests

**Introduction**

India is considering standalone AI legislation as the European Union's AI Act shapes global AI regulation. The Act follows a risk-based approach and can affect Indian firms whose AI systems enter the European market or whose outputs are used there. It creates new compliance challenges, especially when high-risk systems are modified after approval. At the same time, these requirements can create opportunities for India in AI assurance, professional services, conformity assessment and technology-enabled regulatory support.

**EU AI Act: From AI Innovation to Risk-Based Regulation**

1. **Risk-Based Regulation:** It does not ban AI as a whole. It classifies AI uses by risk and applies different obligations to prohibited, high-risk, limited-risk and general-purpose AI systems.

2. **Prohibited AI Uses:** Social scoring, emotion recognition in workplaces or classrooms, and untargeted facial-image scraping are prohibited. These prohibitions have applied since **February 2, 2025.**

3. **General-Purpose AI Rules:** Providers of General-Purpose AI (GPAI) models must provide training-data summaries, follow EU copyright rules and share technical documentation with downstream developers. Models with systemic risks face evaluations, red-teaming and cybersecurity requirements.

4. **Phased Enforcement:** GPAI obligations have applied since **August 2, 2025.** High-risk systems in areas such as education and employment are scheduled for **December 2, 2027**, while high-risk AI embedded in regulated products is scheduled for **August 2, 2028**.

5. **Strong Penalties:** Penalties can reach **7% of global turnover for prohibited uses, 3% for failures in high-risk compliance and 1% for misleading information** supplied to regulators. This makes AI compliance a direct business cost.

**Why the EU Framework Matters for Indian Technology Companies**

1. **Extra-Territorial Reach:** The EU AI Act can apply when an AI system is placed on the EU market or when its output is used in the EU. Indian firms serving European clients therefore need to consider these requirements.

2. **Supply-Chain Responsibility:** Compliance duties extend across developers, importers, distributors and deployers. Requirements such as **record-keeping and human oversight** can therefore affect different participants in the AI supply chain.

3. **High-Risk Conformity Assessment:** High-risk AI systems used for sensitive decisions such as **hiring and education**must undergo conformity assessment. Most providers can assess themselves, while a narrow group of systems, mainly certain biometric tools, requires independent assessment.

4. **Substantial Modification:** A fresh conformity assessment is required when an AI system is substantially modified in an unanticipated way that affects compliance or changes its intended purpose. A change already considered during the original assessment does not normally trigger a fresh assessment.

5. **Post-Approval Challenge:** This can create difficulties for Indian technology firms because their services often involve **continuous and client-specific changes**. Bespoke AI solutions may find it harder to show that future changes remain within the original assessment.

6. **Liability for Modification:** A firm that substantially modifies another company's high-risk AI system may be treated as its provider. It can then become responsible for the regulatory obligations attached to that system.

7. **Impact on Business Models:** Standardised AI products can plan future upgrades during the initial assessment, while firms offering highly customised services may face greater compliance uncertainty.

**Turning EU AI Compliance into India's Strategic Opportunity**

1. **Growing Compliance Demand:** High-risk AI compliance requires governance measures, technical documentation and testing regimes at scale. This can create sustained demand for specialised compliance services.

2. **Professional Services Opportunity:** Indian professional-services firms already have experience in data protection, financial regulation and technical assurance. They can extend this capability to AI governance and compliance.

3. **AI Testing and Assurance:** The need for testing, documentation and conformity assessment can create a market for Indian firms providing AI auditing, technical assurance and regulatory support.

4. **Regulatory Expertise as an Export:** Indian firms can provide legal and technical expertise to companies seeking compliance with EU AI rules. This can turn Europe's regulatory requirements into a new services-export opportunity.

5. **Third-Country Recognition:** The EU framework allows conformity-assessment bodies in third countries to be recognised when an appropriate agreement exists and they meet the required conditions. This creates a possibility for qualified Indian bodies to enter the EU conformity-assessment ecosystem.

6. **India–EU FTA as a Gateway:** The **India–EU Free Trade Agreement**, concluded in January 2026, includes regulatory cooperation provisions. India can use this framework to seek institutional arrangements for greater participation in the EU's AI compliance ecosystem.

7. **Beyond IT Services:** With suitable recognition, India could move beyond providing technology and compliance support to performing recognised conformity-assessment functions. This would deepen India's role in the global AI regulatory ecosystem.

8. **Strategic Advantage:** India has the technology, legal and professional capacity to convert Europe's compliance requirements into an export opportunity. The challenge is to build the institutional arrangements needed to capture this opportunity.

**Lessons for India's Own AI Governance Framework**

1. **Regulate AI Uses by Risk:** India should regulate AI according to the risks created by particular uses rather than treating every AI technology in the same way. This can protect users without unnecessarily restricting innovation.

2. **Government AI Inventories:** Government and regulated sectors should maintain public inventories of AI systems they use. This would make important AI deployments easier to monitor.

3. **High-Risk Conformity Checks:** Finance, healthcare, mobility and welfare should have risk-based conformity assessments before high-risk AI systems are deployed. Sensitive systems should meet clear requirements before affecting people.

4. **Audit Trails and Explainability:** AI systems deciding eligibility, pricing or policing should maintain audit trails and provide appropriate explanations. This can make automated decisions easier to review.

5. **Sectoral AI Duty of Care:** The Reserve Bank of India (RBI), Insurance Regulatory and Development Authority of India (IRDAI), Securities and Exchange Board of India (SEBI), and Telecom Regulatory Authority of India (TRAI) should include an AI duty of care in their licensing and regulatory conditions. Fundamental-rights impact assessments should also apply to high-risk AI deployments.

**Way Forward**

1. **National AI Governance Mechanism:** India needs a coordinated institutional mechanism that brings regulators, industry and civil society together. A national AI office could coordinate this framework.

2. **Common Risk Taxonomy:** India should develop clear risk categories and update them as AI systems evolve. This would improve consistency.

3. **Regulatory Sandboxes:** Controlled sandboxes can allow firms to test AI systems under regulatory supervision before wider deployment. They can support innovation while retaining safeguards.

4. **Global Regulatory Alignment:** India should learn from the EU framework while adapting it to Indian conditions. Aligned standards can reduce compliance differences and help Indian companies serve international markets.

5. **Strategic Regulatory Capacity:** India should treat AI governance as an economic capability, not only a compliance requirement. Expertise in testing, documentation, auditing and conformity assessment can strengthen India's global AI services position.

**Conclusion**

The EU AI Act creates both regulatory pressure and economic opportunity for India. Indian firms may face higher compliance requirements, particularly when AI systems are continuously modified. However, India can use its technology and professional-services capabilities to provide AI compliance services and pursue greater participation in the EU conformity ecosystem. A risk-based domestic framework can protect users while supporting innovation and global competitiveness.

**Question for practice:**

Examine how Europe's AI rules can create both challenges and opportunities for India's technology sector.
**Source:** The Hindu