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SEBI shouldn't have gone in for CAS

Source: The post “SEBI shouldn't have gone in for CAS” has been created based on “SEBI shouldn't have gone in for CAS” published in “Business Line” on 01st September 2026.

UPSC Syllabus: GS-3-Economy

Context: The Securities and Exchange Board of India (SEBI) introduced the **Closing Auction Session (CAS)** from **August 3, 2026**, replacing the earlier VWAP-based mechanism for determining the closing price of stock derivatives. However, its initial experience has raised concerns about its suitability for India's retail-heavy and high-frequency derivatives market.

Issues associated with CAS

1. **Increased market volatility:** On the first monthly expiry after CAS, Sensex fell nearly **2,200 points in five minutes** and recovered around **2,000 points within seven minutes**, creating unprecedented price swings.
2. **Cash-derivatives asymmetry:** The cash market awaits its final price while the derivatives market remains open till **3:40 pm**, creating opportunities for sophisticated traders.
3. **Retail investor vulnerability:** Despite regulatory measures, **87.7% of individual derivatives traders continued to lose money**, showing their vulnerability against technologically sophisticated participants.
4. **Possibility of price manipulation:** Unlike VWAP, which reflects continuous transactions over 30 minutes, an auction can allow a large order imbalance to significantly influence the equilibrium price.
5. **Technological asymmetry:** Professional proprietary traders, algorithmic traders and FPIs possess greater technological capabilities than retail participants.
6. **Inadequate stress-testing:** CAS appears to have been transplanted from mature markets such as the **NYSE and Nasdaq** without adequately considering India's different market structure.
7. **Regulatory concerns:** The earlier **Jane Street case** and subsequent action against **Copthall Mauritius and Mansi Stock & Share Brokerage** demonstrate the risks of sophisticated derivatives strategies interacting with relatively thin underlying markets.

Way Forward

1. SEBI should **immediately review and stress-test CAS** under extreme market conditions.
2. The mechanism should be aligned with India's **retail-heavy, high-frequency and speculative derivatives structure**.
3. Stronger surveillance should be established to detect **algorithmic manipulation and abnormal order imbalances**.
4. Regulatory reforms should prioritise **market stability and investor protection** rather than merely copying global practices.

Conclusion: Global best practices cannot be mechanically transplanted into markets with different structures. CAS should therefore be **reassessed and modified or reversed if necessary**, after rigorous empirical testing and consultation with market participants.

Question: The introduction of the Closing Auction Session (CAS) in India's derivatives market has raised concerns regarding market stability, retail investor protection and regulatory suitability. Discuss the issues associated with CAS and suggest the way forward.

Source: [Business Line](#)

The Baltic Way — Gandhi's Imprint on Baltic Freedom

UPSC Syllabus: Gs Paper 2-International relations And Papers 1- History

Introduction

The **Baltic Way of 23 August 1989** was a peaceful mass mobilisation in Lithuania, Latvia and Estonia against Soviet rule. Around **two million people formed a 675-kilometre human chain** from Tallinn through Riga to Vilnius. Inspired partly by **Gandhian non-violence**, it became a major turning point in the Baltic independence struggle and contributed to the restoration of independence in **1990-91**.

Historical Background: From Soviet Occupation to the Baltic Way

1. **Molotov-Ribbentrop Pact, 1939:** The Nazi Germany-Soviet Union pact contained secret protocols dividing Eastern Europe into spheres of influence, placing the Baltic states under Soviet control.
2. **Soviet Annexation, 1940:** The Soviet Union occupied and annexed Lithuania, Latvia and Estonia in 1940, ending the independence they had regained in 1918, after 22 years.
3. **Long Period of Occupation:** After World War II, the Baltic states remained under Soviet rule for almost **50 years**, while several countries, including the United States, refused to recognise their incorporation into the USSR.
4. **Early Resistance and Remembrance:** Joint commemorative actions began in **1986**, followed by rallies in 1987 and larger national movement-led demonstrations in 1988 across Riga, Vilnius and Tallinn.
5. **Singing Revolution:** From **1986 to 1991**, Baltic independence movements used songs, cultural expression and peaceful mobilisation during Gorbachev's **perestroika and glasnost**.
6. **Purpose of the Baltic Way:** Held on the **50th anniversary of the 1939 Pact**, the human chain exposed its secret protocol and demanded freedom and restoration of independence.

The Baltic Way: People Power Through Non-Violence

1. **Mass Human Chain:** On **23 August 1989 at 7 p.m.**, approximately two million people joined hands across a **675-kilometre route** linking the three Baltic capitals.
2. **Peaceful Civic Resistance:** The mobilisation used collective civilian action rather than armed confrontation, showing that people could publicly challenge Soviet rule through non-violent means.

3. **Unity Across Three States:** Lithuanians, Latvians and Estonians acted together with a common purpose, making unity, solidarity and brotherhood central strengths of the independence movement.
4. **Democratic Aspiration:** The Baltic Way demonstrated the people's shared belief in **democracy, freedom and national self-determination**, strengthening political engagement for independence.
5. **International Attention:** Extensive global publicity drew attention to the Baltic demand for freedom and helped communicate their opposition to Soviet domination beyond the region.

Gandhi's Influence on the Baltic Freedom Movement

1. **Gandhian Principles:** Baltic activists drew upon **ahimsa, satyagraha, civil resistance, non-cooperation, civil disobedience and mass mobilisation** to challenge foreign rule without violence.
2. **People's Consent:** Gandhi's approach showed that political authority depends on people's consent and cooperation, providing an important basis for civilian resistance against Soviet control.
3. **Choice of Gandhi:** Latvian scholar **Maija Kūle** noted that activists, lacking local theorists of non-violent resistance, looked to Gandhi and Martin Luther King Jr.
4. **Lithuanian Civilian Defence:** Lithuania played an important role in developing **non-violent civilian-based defence**, with non-violence understood as essential from the beginning of the independence movement.
5. **Non-Cooperation with Occupation:** The December 1990 **"Republic in Danger" declaration** called for non-violence and non-cooperation with the occupying authorities.
6. **Gandhi as a Practical Model:** Gražina Miniotaitė considered Gandhi especially successful because he demonstrated through both theory and practice that non-violent struggle could resist foreign rule.
7. **Public Exposure to Gandhi:** Richard Attenborough's 1982 film **Gandhi** was broadcast on Lithuanian national television to educate citizens about non-violent resistance.

Impact and International Legacy of the Baltic Way

1. **Soviet Recognition:** Following the Baltic Way, the USSR acknowledged the existence of the **Hitler-Stalin Pact and declared it null and void**, marking a significant step towards Baltic independence.
2. **Political Change in Latvia:** The movement weakened and divided the Communist Party, while some leaders supported independence, helping the national movement gain enough votes to adopt Latvia's **Declaration of Independence on 4 May 1990**.
3. **Restoration of Independence:** The wider independence process culminated in the **restoration of independence in Lithuania, Latvia and Estonia during 1990-91**.
4. **Global Democratic Symbol:** The Baltic Way became an international symbol of peaceful resistance, democratic aspirations and the ability of united citizens to challenge political domination.

5. **Recognition of Historical Legacy:** In **2009**, the Baltic Way was included in UNESCO's **Memory of the World Register**, strengthening its international historical significance.
6. **Influence Beyond the Baltics:** Its example inspired other freedom movements and contributed to wider developments in Europe, including the **reunification of Germany**.

India-Baltic Ties and Contemporary Relevance

1. **Growing Bilateral Cooperation:** Since **1992**, India and the Baltic states have expanded cooperation in **technology, sustainability, the blue economy and culture**, building on historical connections.
2. **Trade Relations:** In **2025-26**, India's bilateral trade reached **\$490.61 million with Lithuania, \$475.66 million with Latvia and \$219.69 million with Estonia**.
3. **Historical Gandhian Links:** Connections include **Hermann Kallenbach, Vydūnas, Antanas Poška, Sonja Schlesin and Linnart Hall**, reflecting long-standing Baltic engagement with Gandhi's ideas.
4. **Cultural Commemoration:** Gandhi-Kallenbach memorial activities, Memorial Lectures, the India-Lithuania Friendship Award and Gandhi memorials in Latvia and Estonia continue these links.
5. **2026 Commemoration in India:** On **23 August 2026**, Lithuania, Estonia and Latvia commemorated the Baltic Way at the **National Gandhi Museum, Rajghat**, linking the event with Gandhi's philosophy of peaceful resistance.
6. **Gandhi's Continuing Legacy:** Lithuania gifted a **portrait of Gandhi**, while the three Baltic embassies presented historical photographs of the 1989 Baltic Way, reinforcing their shared Gandhian connection.
7. **Contemporary Relevance:** The Baltic Way remains a reminder to uphold **international law, self-determination, territorial integrity and a rules-based international order**, especially when national borders face force.

Conclusion

The Baltic Way showed the strength of **united, non-violent civilian resistance** against political domination. Its Gandhian influence connected India's freedom struggle with the Baltic quest for independence. Its continuing legacy lies in defending **democracy, self-determination, territorial integrity and international law**, while preserving historical memory for future generations.

Question for practice:

Discuss the Gandhian influence on the Baltic Way and its role in the restoration of Baltic independence.

Source: [The Hindu](#)

The Broken Promise of the Right to Work

UPSC Syllabus: Gs Paper 3- Employment

Introduction

The Supreme Court's recent observations on minimum wages have renewed the debate over the constitutional foundations of the right to work. The debate has gained importance after MGNREGA was replaced by the VB-GRAM G Act in 2025. The shift has weakened the earlier demand-driven employment guarantee, while capped funding, greater State fiscal burden, lower wages and reduced employment have raised concerns about rural livelihoods and the broader constitutional commitment to the right to work in rural India.

Constitutional Foundations of the Right to Work

1. **Right to work as a constitutional goal:** The Constituent Assembly broadly accepted the importance of the right to work but differed over making it a Fundamental Right or a Directive Principle.
2. **K.T. Shah's position:** K.T. Shah supported a Fundamental Right to work because he believed the State needed a positive legal duty to ensure socio-economic security for citizens.
3. **B.R. Ambedkar's position:** B.R. Ambedkar viewed the right to work as essential but considered immediate universal enforcement fiscally and institutionally difficult for newly independent India.
4. **Directive Principles as the chosen framework:** The right to work was placed under the **Directive Principles of State Policy**, which guide governments in making laws and policies but do not automatically create enforceable rights.
5. **Article 41 and employment:** **Article 41** directs the State to provide for the right to work within the limits of its economic capacity and development.
6. **Broader welfare commitments: Articles 39, 42 and 43** support adequate livelihood, equal pay, humane working conditions, living wages and a decent standard of life.

From Constitutional Aspiration to a Statutory Right

1. **Olga Tellis and livelihood:** In **Olga Tellis v. Bombay Municipal Corporation (1985)**, the Supreme Court held that livelihood was necessary for the effective enjoyment of the Fundamental Right to life.
2. **MGNREGA's statutory breakthrough:** The National Rural Employment Guarantee Act was enacted in **2005**, making a pan-India statutory right to rural employment a reality for the first time.
3. **Demand-driven employment guarantee:** MGNREGA created a framework where the State had a statutory obligation to provide employment, although the guarantee remained limited to **100 days per rural household**.
4. **Minimum wage obligation:** MGNREGA initially carried a statutory obligation to provide employment at **minimum wages**, strengthening the practical basis of the right to work.
5. **MGNREGA's development role:** Despite its limited scope and chronic underfunding, MGNREGA became an important instrument for **rural development and employment generation**.

Weakening of the Employment and Wage Guarantee

1. **Wages delinked from minimum wages:** In 2009, MGNREGA wages were delinked from the Minimum Wages Act, 1948, weakening the connection between employment guarantee and minimum wage protection.
2. **Stagnant rural wages:** MGNREGA wages barely kept pace with inflation and remained below minimum agricultural wages in most States, reducing the real benefit of employment.
3. **Inadequate employment funding:** Limited budgets for generating employment reduced household earnings, with estimated household earnings in **July and August this year falling by half** compared with the same months last year.

Retreat from the Right to Work: Legal and Economic Concerns

1. **Replacement by VB-GRAM G:** In **December 2025**, the Union government replaced MGNREGA with the **Viksit Bharat–Guarantee for Rozgar & Aajeevika Mission (Gramin) Act**, implemented from July 1.
2. **Sharp fall in employment:** MGNREGA averaged 3.44 crore households and 44 crore person-days in July and August over five years, while employment fell by 68% this year.
3. **Capped funding and State burden:** The new framework places an arbitrary cap on funds and a greater fiscal burden on States already facing borrowing constraints under the **Fiscal Responsibility and Budget Management framework**.
4. **Reduced universality:** Provisions allowing certain areas to be denotified and excluded from the scheme weaken the universal character of the earlier right to work.
5. **Minimum wage concern:** The Supreme Court observed that, with unchanged financial resources, a minimum wage threshold could reduce the number of workers receiving employment.
6. **Sanjit Roy and Article 23:** In *Sanjit Roy v. State of Rajasthan (1983)*, the Supreme Court held that paying below minimum wages violates **Article 23** and is akin to forced labour.
7. **Concern over non-retrogression:** The doctrine of **non-retrogression**, affirmed in *Navtej Singh Johar v. Union of India*, suggests that the State should not deliberately undo an already achieved level of rights and legal protection.

Way Forward: Reaffirming the Right to Work

1. **Economic rationale for higher wages:** Higher wages can raise rural purchasing power, increase demand for goods and services, improve human development and create a multiplier effect that supports economic productivity.
2. **Link wages with living wages:** Employment-guarantee wages should be linked with **living wages** so that rural workers receive adequate income and the constitutional commitment becomes meaningful.
3. **Ensure timely wage payments:** Timely payment of wages should be ensured because delays weaken the practical value of an employment guarantee.

4. **Strengthen social audits:** Social audits should receive greater attention, with local institutions empowered to help identify and reduce corruption.
5. **Empower Panchayati Raj Institutions:** Panchayati Raj Institutions should receive greater powers so that local bodies can play a stronger role in implementing employment guarantees.
6. **Restore a stronger legal framework:** A stronger and more universal legal framework for the right to work can advance constitutional aims while supporting rural incomes and economic growth.

Conclusion

The right to work began as a **constitutional aspiration**, became a statutory guarantee through MGNREGA, and now faces dilution under VB-GRAM G. Reaffirming employment, adequate wages, timely payments and local accountability can strengthen socio-economic rights while also creating a **positive cycle between rural development, demand and economic growth**.

Question for practice:

Examine the constitutional and economic concerns arising from the weakening of the right to work in India.

Source: [The Hindu](#)

Parali solution may lie closer to the farm

Source: The post "Parali solution may lie closer to the farm" has been created based on "Parali solution may lie closer to the farm" published in "Indian Express" on 2nd September 2026.

UPSC Syllabus: GS-3-Science and technology

Context: The global technology race is increasingly shifting from developing individual AI models to creating an **ecosystem that connects science with industry**. China is moving from manufacturing strength towards original scientific discovery, while the US is attempting to reconnect its strong scientific base with domestic manufacturing. India needs to bridge a similar gap.

China and US: Different routes, similar objective

1. **China:** It is leveraging its vast manufacturing ecosystem to apply AI to robotics, automobiles, biotechnology, materials, energy, agriculture and research. It spent about **2.8% of GDP on R&D in 2025**, with basic-research expenditure rising by 11%.
2. **United States:** It seeks to leverage its universities, laboratories, technology companies and capital markets while rebuilding domestic manufacturing and reducing vulnerabilities caused by globalised supply chains.
3. **Common objective:** Both countries share a common objective: to build a continuous ecosystem linking AI, scientific discovery, technological innovation, manufacturing, and ultimately economic and geopolitical power.

Challenges before India

1. **Low R&D spending:** India's R&D expenditure is only **0.64% of GDP**, compared with around 2.8% in China and 3.5% in the US.
2. **Weak private-sector participation:** Indian private capital has largely retreated from long-term investment in basic research and frontier technologies.
3. **Institutional rigidity:** India has not undertaken a major reform of its scientific institutions comparable to China's post-1970s science reforms.
4. **Talent retention:** Despite producing a large scientific talent pool, India struggles to attract and retain researchers, particularly in advanced fields.
5. **Weak science-industry linkage:** Universities, laboratories, entrepreneurs, finance and manufacturing are not sufficiently integrated to convert discoveries into commercially viable technologies.
6. **Excessive bureaucratisation:** State-led scientific institutions have suffered from bureaucratic structures, which can constrain innovation and experimentation.
7. **Misplaced technological sovereignty:** Excessive emphasis on self-reliance can isolate India from global science, capital, technology and talent.

Way Forward

1. Increase **public and private R&D expenditure**, especially in basic and frontier research.
2. Reform scientific institutions to provide greater **autonomy, flexibility and accountability**.
3. Build stronger university-industry-startup linkages and facilitate technology transfer.
4. Attract global talent while creating incentives for Indian researchers to return.
5. Develop domestic manufacturing and supply chains alongside integration with global technology networks.
6. Use AI missions in **semiconductors, robotics, quantum technology and other strategic sectors** to connect research with production.
7. Encourage Indian industry to revive the tradition of supporting scientific institutions, as seen historically through **Jamsetji Tata, Homi Bhabha and the Tata Trusts**.

Conclusion: India must avoid choosing between **global cooperation and technological self-reliance**. It needs to walk on both legs—deepening access to global science, technology, capital and talent while strengthening domestic research, manufacturing and institutions. The ultimate goal should be to convert **scientific capability into industrial capability and national power**.

Question: China and the US are attempting to bridge the gap between scientific discovery and industrial production. In this context, examine the challenges before India in building a globally competitive science-industry ecosystem.

Source: [Indian Express](#)

China-US Race in Science-Industry Linkages: India Must Catch Up

Source: The post “China-US Race in Science-Industry Linkages: India Must Catch Up” has been created based on “China-US Race in Science-Industry Linkages: India Must Catch Up” published in “Indian Express” on 2nd September 2026.

UPSC Syllabus: GS-3-Economy

Context: Paddy straw or **parali** has traditionally been treated as agricultural waste, leading to its burning due to its bulky nature, low value and the narrow window available before wheat sowing. However, growing demand from **power plants, CBG units and pellet manufacturers** has given paddy straw an emerging economic value of around **₹1.5–2/kg in parts of Punjab**.

Reason for persisting stubble burning

1. **Bulky residue:** Paddy straw is bulky and costly to transport over long distances.
2. **Narrow sowing window:** Farmers have limited time between paddy harvesting and wheat sowing.
3. **Cost of alternatives:** Collection, baling, storage and transportation involve additional costs.
4. **Limited local value addition:** Farmers generally supply raw straw, while value addition takes place after it leaves the village.
5. **Burning is quick and economical:** Where alternatives involve cost, labour and uncertainty, burning remains an attractive option.

Potential of decentralised biochar processing

1. **Biochar production:** Biochar is a carbon-rich material produced by heating biomass under limited oxygen. About **100 kg of dry parali can yield around 30 kg of biochar**.
2. **Improves soil quality:** Its application can improve **water retention and nutrient-use efficiency**.
3. **Carbon sequestration:** Unlike burning, which releases much of the carbon into the atmosphere, biochar can retain a significant share of carbon in soil for **a century or longer**.
4. **Addresses Punjab's agricultural stress:** It can potentially help address **declining soil quality and intensive fertiliser use** within the rice-wheat system.
5. **Reduces transportation costs:** Processing near farms reduces the need to transport bulky raw straw over long distances.
6. **Creates local value:** Farmers and local institutions can capture a greater share of the value generated from their agricultural residue.

Proposed village-level model

1. A **technology provider** can initially install and operate the biochar unit. It can **train local operators** and ensure quality and emission standards.
2. Over time, ownership and operational capacity can be transferred to an **FPO, SHG, cooperative or other credible local institution**.
3. Farmers can bring straw to a **nearby processing point**, similar to taking wheat to a village flour mill.
4. A portion of the biochar can be **returned to farmers' fields**, while the remaining quantity can be sold where markets exist.
5. The **government need not operate thousands of units**; instead, it can provide standards, training, concessional finance and initial support.
6. **Panchayats** can facilitate land availability and local coordination.

Significance

1. **Economic:** Converts agricultural waste into a marketable resource and enables greater farmer-level value addition.
2. **Environmental:** Reduces open-field burning and associated carbon emissions.
3. **Agricultural:** Returns a useful product to soil and can improve soil health and water-use efficiency.

4. **Rural development:** Creates local processing capabilities and potentially generates employment.
5. **Behavioural:** Making residue economically valuable can create a stronger incentive against burning than enforcement alone.

Way Forward: A shift is required from merely asking “How can straw be removed without burning?” to asking “Where should value from parali be created, and who should capture it?” Decentralised processing can make alternatives to burning economically viable by bringing technology closer to farms.

Conclusion: The **village chakki model** demonstrates that agricultural commodities need not travel long distances merely for processing. Similarly, decentralised biochar units can process paddy residue closer to farms, **reduce transport costs, create local value, improve soil health and provide farmers with an economic incentive to avoid burning.** Thus, the solution to parali burning may lie closer to the farm itself.

Question: The solution to the problem of paddy straw burning may lie in decentralised, village-level processing rather than merely in transporting crop residue away from farms.” Discuss the potential of biochar-based decentralised processing in addressing stubble burning and improving farm-level value addition.

Source: [Indian Express](#)

The Two Balance Sheets Behind Every E-Waste Decision

UPSC Syllabus Topic: GS Paper 3-Environment and Bio-diversity Conservation

Introduction

India's rising e-waste is both an environmental challenge and an untapped source of valuable metals and critical minerals. Its management requires looking beyond immediate disposal or resale costs because recycling decisions also affect **resource security, import dependence, environmental protection, data security and domestic industrial capability.** The core issue is to shift from the lowest visible cost towards decisions that account for the **full long-term value and costs of e-waste management.**

India's Growing E-Waste and the Untapped Resource

1. **Rising e-waste generation:** India generated **6.2 million tonnes in FY24**, projected to exceed **14 million tonnes by 2030**, widening the recovery challenge.
2. **Large material value:** E-waste contains nearly **33% metals**, while its embedded economic value is estimated at **Rs 51,000 crore**, showing its resource potential.
3. **Limited formal recycling:** Formal recycling capacity is around **2 million tonnes**, and about **10% of e-waste** is formally recycled, leaving substantial waste outside organised processing.
4. **Large recovery gap:** Of the Rs 30,600 crore technically recoverable value, the informal sector accounts for Rs 6,545 crore, while the formal sector contributes Rs 2,805 crore.
5. **Value lost or locked:** Nearly **Rs 21,250 crore** is lost through inefficiencies, while another **Rs 20,400 crore** remains locked because current technologies cannot extract it.

6. **Battery waste opportunity:** Lithium-ion battery demand may rise from **29 GWh in 2025 to 248 GWh by 2035**, with waste volumes increasing nearly ninefold.

For detailed information on **New e-waste rules and India's e-waste challenge** read [this article here](#)

The Two Balance Sheets: Immediate Cost vs Long-Term Value

1. **Immediate financial balance sheet:** Organisations mainly assess purchase price, resale value, savings and processing costs because these figures are visible, measurable and reflected in budgets.
2. **Long-term strategic balance sheet:** Decisions also affect **resource security, environmental sustainability, data security, public health, industrial capability, supply-chain resilience and national competitiveness**.
3. **Hidden costs return later:** Pollution can increase healthcare and remediation costs, while resource depletion can raise import dependence and manufacturing costs.
4. **Lowest price is not lowest lifetime cost:** Renewable energy, batteries, electronics and advanced manufacturing increasingly require decisions based on **long-term value** rather than acquisition cost alone.
5. **Procurement as industrial policy:** Value-based procurement can influence which technologies scale and which domestic capabilities develop, making purchasing decisions relevant to industrial capacity.
6. **Early investment can create future gains:** Investments that initially appear expensive can become economically stronger through scale, learning and development of domestic manufacturing capability.
7. **Responsible recycler selection:** A recycler should be assessed for secure data destruction, refurbishment before recycling, and efficient, transparent recovery of critical minerals.

Why India's Recycling System Recovers Only Part of the Value

1. **Narrow material focus:** The current framework mainly covers **copper, aluminium, iron and gold**, while a wider basket of critical minerals remains outside effective recovery.
2. **Unequal battery economics:** Low-value chemistries such as **lithium ferro phosphate** are unattractive to recyclers because they lack high-value metals and differentiated Extended Producer Responsibility (EPR) pricing.
3. **Mismatch with product life:** Batteries designed for **15–30 years** of operation face EPR cycles that begin much earlier, creating a mismatch between regulation and material reality.
4. **Weak traceability:** Missing mandatory chemical-composition disclosure and limited integration between Goods and Services Tax (GST) systems and EPR portals make recycling claims difficult to verify.
5. **Informal sector dependence:** The informal sector remains central to collection and recovery but continues to operate without formal recognition within the system.

6. **Costly advanced recycling:** Sophisticated technology, secure data destruction, compliant processing, collection, segregation and traceable supply chains increase the cost of safe material recovery.
7. **Compliance does not ensure recovery:** Meeting compliance targets can still leave valuable materials unrecovered when the system focuses on selected metals rather than overall material recovery.

Government Initiatives

1. **Evolution of e-waste regulation:** E-waste was covered under Hazardous Waste Management Rules before 2011; the **2011 Rules** introduced dedicated management, followed by the **2016 Rules**.
2. **Extended Producer Responsibility:** The **2016 Rules** notified **21 electrical and electronic equipment items** for tracking and promoted Extended Producer Responsibility (EPR) for collection and recycling.
3. **E-Waste Management Rules, 2022:** The Rules aim to protect health and the environment by managing the impacts of electronic waste.
4. **Central Pollution Control Board guidelines:** The **Central Pollution Control Board (CPCB)** established lifespan norms for electronic items to improve e-waste forecasting and management.
5. **Awareness and training:** The Ministry of Electronics and Information Technology's awareness programme provides training, tools and films to reduce e-waste's environmental and health impacts.
6. **Swachh Digital Bharat:** The programme promotes awareness about risks from unorganised recycling and encourages people to give e-waste only to authorised recyclers.
7. **Greene platform:** Greene is a dedicated website designed to spread awareness about e-waste through social media and support better public understanding.
8. **Paryavaran NITI Manthan:** The **May 2026** conference brought policymakers, regulators and industry together to discuss circular economy implementation and EPR in e-waste.
9. **Common EPR portal:** Plans for a common EPR portal, beginning with plastics, indicate efforts to streamline compliance systems and improve coordination across waste-management frameworks.

Way Forward

1. **Adopt life-cycle costing:** Public and private procurement should assess recovery value, avoided imports, environmental safeguards, data security and future industrial capability alongside immediate financial costs.
2. **Expand EPR scope:** EPR should cover a wider basket of critical minerals instead of focusing mainly on high-value metals such as gold and copper.
3. **Differentiate recycling incentives:** EPR pricing should account for difficult waste streams such as lithium ferro phosphate batteries, which otherwise remain economically unattractive to recyclers.

4. **Strengthen traceability:** Linking EPR systems with GST-based verification and requiring chemical-composition disclosure can reduce discrepancies between reported recycling and actual material recovery.
5. **Integrate informal collectors:** Informal collection systems should be integrated into formal material flows, while authorised recyclers and recycling outcomes receive stronger verification.
6. **Improve institutional coordination:** The Ministry of Environment, Forest and Climate Change and Ministry of Finance need coordination because EPR and GST currently operate in silos.
7. **Build implementation capacity:** Dedicated authorities or specialised desks, institutional continuity, industry engagement and ground-level capacity are needed to convert policy intent into consistent execution.
8. **Create feedback-based governance:** Common EPR systems and feedback loops can help policies evolve with implementation outcomes instead of remaining disconnected from ground realities.

Conclusion

India needs to move from meeting e-waste compliance targets to achieving **effective and efficient material recovery**. Life-cycle costing, wider EPR coverage, stronger traceability, informal-sector integration, better technology and coordinated institutions can improve outcomes. Such an approach can reduce environmental and economic costs while strengthening **domestic supplies, industrial capability and resource security**, ensuring that today's e-waste decisions do not create larger costs tomorrow.

Question for practice:

Discuss the need to consider both immediate financial costs and long-term strategic value while making e-waste management decisions in India.

Source: [The Hindu](#); [DownToEarth](#)

SCO Declaration: Terrorism, Security and Geopolitical Challenges

Introduction

The **26th Shanghai Cooperation Organisation (SCO) Summit** in Bishkek, Kyrgyzstan, held from **August 31 to September 1**, adopted the **Bishkek Declaration** as the grouping marked its 25th anniversary. The declaration addressed terrorism, cross-border security, West Asian conflicts, sovereignty, international law and global governance, alongside cooperation in energy, climate, disaster management, drugs, artificial intelligence and information security. For India, the summit also advanced priorities in security, connectivity, opportunity and engagement with Central Asia and the wider Eurasian region.

Key Highlights of the Bishkek Declaration

1. **Counter-Terrorism and Cross-Border Movement:** The declaration **condemned terrorism in all forms**, rejected double standards and called for international action against the **cross-border movement of terrorists**.

2. **United Nations' Role in Counter-Terrorism:** Members called for the **United Nations (UN) to play a central role** in countering terrorism through relevant Security Council resolutions and its Global Counter-Terrorism Strategy.
3. **Sovereignty and Non-Interference:** The declaration reaffirmed **sovereign equality and non-interference in internal affairs** and rejected attempts to discredit government bodies of member states.
4. **Human Rights and Double Standards:** Members reaffirmed the **universal obligation to respect human rights and fundamental freedoms** and opposed double standards in their application.
5. **Universal Security Threats Centre:** Leaders agreed to establish a **Universal Centre for Countering Security Threats** to strengthen cooperation against terrorism, extremism, organised crime and other transnational threats.
6. **Narcotics and Drug Addiction:** Members agreed to strengthen cooperation against **drug trafficking and synthetic drugs** and adopted a programme on combating drug addiction until **2030**.
7. **Information and Cyber Security:** The declaration called for stronger action against the **terrorist, separatist and extremist use of the internet** and greater cooperation on information security and protection.
8. **Energy and Climate Action:** Members agreed to strengthen cooperation on **energy conservation and efficiency** and adopted a memorandum on combating climate change.
9. **Disaster Management and Humanitarian Assistance:** The summit adopted a statement on **assistance to countries affected by emergencies** to strengthen cooperation in disaster management and humanitarian assistance.
10. **Artificial Intelligence Cooperation:** SCO members agreed to **expand cooperation in artificial intelligence**, including efforts to promote its responsible and inclusive use.
11. **Information and Media Cooperation:** Members agreed on **information cooperation** to promote institutional exchanges and strengthen engagement in the regional media space.

For detailed information on **SCO (Shanghai Cooperation Organization) – Significance & Challenges – Explained Pointwise** [read this article here](#)

SCO's Response to West Asian and Global Geopolitical Challenges

1. **Condemnation of Strikes on Iran:** SCO condemned military strikes on **Iran**, noting civilian casualties and economic damage while warning of risks to international peace and stability.
2. **Political Solution for Iran Conflict:** Members supported Iran's **sovereignty and territorial integrity** and called for resolving the conflict only through political and diplomatic means.
3. **West Asian Peace:** SCO supported a **comprehensive and just settlement of the Palestinian question**, treating it as essential for lasting peace and stability in the Middle East.
4. **Impact of Ongoing Wars:** The conflicts in **Ukraine and West Asia** have created energy and food security problems, global market instability and wider economic pressures.
5. **Commitment to International Law:** Members reaffirmed the **UN Charter and international law** while supporting stronger UN authority in maintaining peace, security and sustainable development.
6. **Multipolar World Order:** SCO supported a **representative, democratic and equitable multipolar world order**, while rejecting bloc-based and confrontational approaches to international disputes.

7. **SCO's Institutional Position:** The grouping clarified that it is **not a military-political bloc** and is not directed against other states or international organisations.

India's Priorities and Gains from the SCO Summit

1. **Regional and Central Asian Engagement:** The summit gives India a platform to advance **security, development and connectivity** while strengthening engagement with Central Asia and the wider Eurasian region.
2. **India's 25-Year Roadmap:** Prime Minister Narendra Modi called for a roadmap for the next **25 years**, with concrete outcomes focused on **security, connectivity and opportunity**.
3. **Youth and Scientific Cooperation:** India's initiatives on the **SCO Young Scientists Forum, youth cooperation and the SCO Young Authors Conference** were included in the summit outcomes.
4. **Civilization Dialogue:** India will host the **first SCO Civilisation Dialogue Forum later in 2026**, providing a platform for civilisational exchanges among member states.
5. **English as SCO Language:** The SCO amended its Charter to include **English as an official and working language** of the organisation.
6. **One Earth, One Family, One Future:** SCO members reaffirmed dialogue based on the idea of **"One Earth, One Family, One Future,"** which India had promoted during its **2023 G20 presidency**.

Challenges for India within the SCO

1. **Pakistan's Cross-Border Terrorism:** The declaration's call against **cross-border terrorism** remains important for India because it has consistently raised concerns over terrorism originating from Pakistan.
2. **Balancing Israel and Iran:** India must manage its **strong ties with Israel** while joining an SCO declaration that condemned military strikes on Iran.
3. **China-Pakistan Dynamics:** India has to pursue its interests within an organisation that includes **both China and Pakistan**, alongside other major regional powers.
4. **Pakistan's SCO Presidency:** **Pakistan will assume the SCO presidency**, and the next meeting of the Council of Heads of State will be held there in **2027**, making India's participation closely watched.
5. **Independent Foreign Policy:** India has to use the SCO platform for its **security, connectivity, energy and development interests** while maintaining its independent positions on major geopolitical issues.

Conclusion

The Bishkek Declaration strengthens SCO cooperation on **terrorism, security, sovereignty and regional stability** while responding to wider geopolitical and economic challenges. For India, the SCO remains an important platform for **counter-terrorism, Central Asian engagement, connectivity, energy and development**. India must also manage its complex relations with **China, Pakistan, Israel and other members** while pursuing its independent foreign-policy priorities.

Question for practice:

Evaluate the key outcomes of the Bishkek Declaration and their significance for India amid emerging security and geopolitical challenges.

Source: [Indian Express](#); [Newsonair](#)

India's drug-resistance problem is bigger than antibiotic overuse

Source: The post "India's drug-resistance problem is bigger than antibiotic overuse" has been created based on "India's drug-resistance problem is bigger than antibiotic overuse" published in "Indian Express" on 03rd September 2026.

UPSC Syllabus: GS-3-Science and technology

Context: Antimicrobial resistance (AMR) occurs when bacteria develop resistance to antibiotics, making infections more difficult and costly to treat. A recent ICMR study across **20 tertiary-care hospitals**, covering **1,59,336 hospitalised patients between April 2022 and April 2025**, highlights the serious mortality and economic burden of carbapenem-resistant Gram-negative infections.

Why is the situation alarming?

1. **Higher mortality:** Carbapenem-resistant infections were associated with a **16–43% higher relative risk of death** across *E. coli*, *Klebsiella pneumoniae*, *Acinetobacter baumannii* and *Pseudomonas aeruginosa*.
2. **High mortality in bloodstream infections:** Mortality among resistant bloodstream infections ranged from around **39% in resistant *E. coli* to 51% in resistant *A. baumannii***.
3. **High resistance in tertiary hospitals:** More than **61% of Gram-negative infections** in the study were carbapenem-resistant, although this figure should not be treated as representative of the general community because these hospitals largely handle referred and critically ill patients.
4. **Higher treatment costs:** Antibiotic costs for resistant infections were **1.1–2 times higher**, while the actual economic burden is likely to be much greater after including ICU care, diagnostics, procedures, supportive care and hospital charges.

Factors driving AMR beyond antibiotic overuse

1. **Healthcare-associated transmission:** More than **85% of bloodstream infections** in the study were classified as healthcare-associated, highlighting the role of transmission within hospitals.
2. **Gaps in infection prevention:** Inadequate hand hygiene, environmental cleaning and surgical infection prevention can facilitate the spread of resistant organisms.
3. **Invasive medical devices:** Catheters and other invasive devices increase infection risk, particularly when they are not removed at the earliest appropriate opportunity.
4. **Recent surgery and critical illness:** Surgical procedures, severe illness and multiple comorbidities can increase vulnerability to resistant infections.
5. **Delayed diagnosis:** Late recognition of infection delays appropriate treatment and allows patients to deteriorate.
6. **Inadequate or delayed therapy:** Resistance may not be identified quickly enough, leaving clinicians with fewer effective treatment options.
7. **Antibiotic selection pressure:** Excessive or inappropriate antibiotic exposure promotes the emergence and spread of resistant bacteria.

Way forward

1. **Strengthen infection prevention and control:** Hospitals must prioritise hand hygiene, environmental cleaning, device-associated infection prevention, surgical infection prevention and surveillance of healthcare-associated infections.

2. **Improve diagnostics:** Faster and more accurate diagnostics should help distinguish bacterial from non-bacterial illness and identify resistance at an early stage.
3. **Ensure antimicrobial stewardship:** Antibiotics should be used at the **narrowest effective spectrum and for the shortest appropriate duration**, rather than routinely escalating to stronger drugs.
4. **Integrate AMR surveillance:** India should move beyond isolate-based surveillance towards **patient-level surveillance linking laboratory results with treatment and mortality outcomes**.
5. **Ensure responsible access to newer antimicrobials:** Effective newer drugs should remain available for patients who genuinely need them while being protected through appropriate stewardship.
6. **Use evidence cautiously:** Drugs such as **ceftazidime-avibactam** showed beneficial associations in some resistant *E. coli* and *Klebsiella* infections, but observational evidence cannot establish universal superiority. Treatment should therefore be guided by diagnostics and resistance mechanisms.

Conclusion: AMR is not merely an antibiotic-prescribing problem; it is also an infection-prevention, diagnosis, transmission and healthcare-system problem. Antibiotics cannot compensate for failures in infection prevention. Therefore, India needs an integrated strategy combining **prevention, early diagnosis, surveillance, antimicrobial stewardship and responsible access to effective newer treatments**.

Question: Antimicrobial resistance (AMR) cannot be addressed merely by controlling antibiotic overuse. Discuss the factors driving drug-resistant infections in India and suggest an integrated approach to tackle the problem.

Source: [Indian Express](#)

Can jurists be appointed as Supreme Court judges?

Source: The post “Can jurists be appointed as Supreme Court judges?”

” has been created based on “Can jurists be appointed as Supreme Court judges?”

” published in “Indian Express” on 03rd September 2026.

UPSC Syllabus: GS-2-Governance

Context: Article 124(3) of the Constitution provides **three routes for qualification as a Supreme Court judge**. Apart from a person who has served as a High Court judge for at least five years or practised as an advocate of a High Court for at least ten years, the President may appoint a person who, in his opinion, is a “**distinguished jurist**.” However, this provision has remained unused for more than 76 years.

Reason behind introduction of the provision

1. The **Constituent Assembly deliberately added “distinguished jurist” as a separate category** of persons eligible for appointment to the Supreme Court.
2. The objective was to **widen the field of choice** and bring diversity in professional backgrounds among Supreme Court judges.
3. H.V. Kamath noted that persons with “**outstanding legal and juristic learning**” were not necessarily confined to practising lawyers or judges.
4. The Assembly also referred to the example of **Felix Frankfurter**, a Harvard Law School professor for 25 years, who was appointed to the U.S. Supreme Court in 1939 by President Franklin D. Roosevelt.
5. Frankfurter later became known for the doctrine of **judicial restraint**, illustrating the value of distinguished legal scholars in constitutional adjudication.

Issues with the provision

1. The Constitution **does not define who qualifies as a “distinguished jurist.”**
2. It also does not prescribe any **minimum period of professional experience** for such a person.
3. This lack of objective criteria makes the provision open-ended and difficult to operationalise.
4. Nevertheless, its separate inclusion indicates that the framers contemplated a route to the Supreme Court **beyond conventional judicial service and legal practice**, potentially allowing eminent legal scholars and academics to enter the Court.

Reasons why it has remained unused

1. Traditional preference for judges and advocates

- a. Supreme Court judges have overwhelmingly been appointed from among **High Court judges**.
- b. Only a small number have been **directly elevated from the Bar**.
- c. Thus, the established appointment practice has not created space for distinguished jurists.

2. Role of the Supreme Court Collegium

- a. A jurist would first have to be **recommended by the Supreme Court Collegium**.
- b. The appointment process itself therefore helps explain why the provision has remained unused.
- c. The possibility of appointing legal scholar **Upendra Baxi** to the Supreme Court never materialised; he later described the provision as a **“dead issue.”**

3. Difficulty in identifying eligible jurists: Since the Constitution does not define “distinguished jurist,” there is no clear benchmark for determining who possesses the required distinction.

4. Concerns regarding practical legal experience

- a. Legal academics may lack **courtroom and procedural experience**.
- b. Under **Rule 49 of the Bar Council of India Rules**, an advocate taking up full-time salaried employment must cease legal practice while such employment continues.
- c. Therefore, full-time law teachers may face restrictions on simultaneously practising as advocates.
- d. This creates a perceived divide between **“law in books” and “law in action.”**

Can a distinguished jurist be appointed as a High Court judge?

1. The Constituent Assembly had also considered allowing distinguished jurists to become **High Court judges**.
2. In 1949, Professor **Shibban Lal Saksena** proposed their inclusion among persons eligible for High Court appointment, but the proposal was not accepted.
3. Nearly three decades later, the **42nd Constitutional Amendment Act, 1976**, amended Article 217 and allowed a person who, in the President’s opinion, was a “distinguished jurist” to be appointed as a High Court judge.
4. This provision came into force in January 1977 but was subsequently **omitted by the 44th Constitutional Amendment Act, 1978**.

Way forward: The concept can be reconsidered if there is a need to bring **greater professional diversity** into the higher judiciary. Clearer criteria for identifying a distinguished jurist, along with consideration of **legal**

scholarship, constitutional expertise and practical understanding of law, could make the provision more workable. The experience of the Constituent Assembly shows that the provision was intended to expand, rather than narrow, the pool of legal talent available to the Supreme Court.

Conclusion: The “distinguished jurist” provision reflects the Constitution-makers’ vision of a **diverse and intellectually strong Supreme Court**. Its non-use is primarily linked to the absence of a clear definition, the established preference for judges and advocates, the Collegium-based appointment process, and concerns about practical courtroom experience. Reconsidering these issues could help realise the original constitutional intention behind Article 124(3).

Question: Article 124(3) of the Indian Constitution permits the appointment of a “distinguished jurist” as a Supreme Court judge. Discuss why this provision has remained unused since its inception.

Source: [The Hindu](#)

Reducing India's Exposure to U.S. Tariff Risks

UPSC Syllabus: Gs Paper 2- International Relations

Introduction

India faces growing U.S. tariff risks due to its Russian crude purchases, strong export dependence on the U.S., and exposure of key sectors such as pharmaceuticals. Existing and proposed U.S. measures can raise trade costs and affect India's growth. India therefore needs to reduce its vulnerability through **market diversification, domestic reforms and better management of its energy and trade interests**.

U.S. Tariff Measures Affecting India

1. Lindsey O. Graham Bill: The U.S. Senate passed the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026 by 86–11 votes, increasing economic pressure on Russia.

- **100% Tariff Provision:** The Act authorises tariffs of up to **100% on goods from the five largest importers of Russian crude oil or natural gas**.
- **India's Exposure:** India, the **second-largest buyer of Russian crude after China**, could face these additional tariffs on its exports to the U.S.
- **Implementation:** The proposed 100% tariff is **not automatic**; the bill must become law, after which the U.S. President can decide whether to impose it.
- **Other Measures:** The Act proposes **500% tariffs on Russian goods**, sanctions on Russian officials and financial institutions, and extends the **Iran Sanctions Act until 2031**.

2. Existing Tariff on India: In August 2025, the U.S. imposed an additional 25% tariff on Indian goods over Russian oil purchases, taking tariffs on some Indian exports to 50%.

3. Section 301 Tariff: On July 24, 2026, the U.S. imposed an additional 10% tariff on India under Section 301 of the Trade Act of 1974, replacing the expired 10% duty under Section 122.

4. Generic Medicine Tariffs: Separately, the U.S. has proposed a 100% tariff on generic medicines from 2028, rising to 200% in 2029 unless firms shift production to America.

Why is India Vulnerable to U.S. Tariffs?

1. **Dependence on Russian Crude:** Russian crude increased from around 2% of India's imports before the Russia-Ukraine conflict to nearly half in 2026, making energy purchases a major point of friction.
2. **Rapid Import Growth:** Russian crude imports almost doubled from 4.54 MMT in January to 8.96 MMT in May 2026, showing the scale of this dependence.
3. **Energy Security Needs:** Russian oil has helped India secure stable supplies and manage crude import costs, making a sudden reduction in purchases difficult.
4. **West Asian Disruptions:** The West Asian conflict disrupted shipping and pushed Indian refiners to rely more heavily on Russian crude as an alternative source.
5. **Concentration in the U.S. Market:** The U.S. is a major destination for Indian exports, leaving Indian producers exposed when American tariff policy changes.
6. **Pharmaceutical Dependence:** Pharmaceuticals account for about 13% of India's exports to the U.S., while the U.S. provides around one-third of sales for most major Indian pharmaceutical companies.
7. **High Exposure of Some Firms:** U.S. sales account for nearly 50% of total sales of Dr. Reddy's Laboratories and Zydus Life Sciences, making these companies particularly exposed to changes in U.S. trade measures.

Economic Implications of U.S. Tariff Pressure

1. **Large Welfare Loss:** Under the sanction scenario with a 110% U.S. tariff, India's welfare falls by nearly \$47 billion, while GDP and output also decline.
2. **Lower Domestic Demand:** The sanction scenario reduces domestic demand, reflecting weaker economic activity under prolonged tariff pressure.
3. **Fall in Aggregate Exports:** India's aggregate exports decline by 5.1%, as higher tariffs weaken the competitiveness of Indian products.
4. **Fall in Imports:** Aggregate imports decline by 5.2%, reflecting weaker economic activity and disrupted trade flows.
5. **Pressure on India-U.S. Trade Deal:** Continued tariff disputes could increase friction between the two countries and risk progress on the India-U.S. trade deal.
6. **Possible Pharma Production Shift:** U.S. tariff pressure may encourage Indian pharmaceutical firms to expand production in America, raising concerns about diversion of domestic production.

Way Forward

1. **Diversify Export Destinations:** India should expand its presence in alternative markets so that changes in U.S. trade policy have a smaller effect on overall exports.
2. **Use the India-EU FTA:** A functional India-EU FTA can provide an important alternative market and strengthen India's integration with other economies.
3. **Benefits of Diversification:** Under the diversification scenario, welfare improves by \$26.3 billion, GDP turns positive, output and domestic demand recover by around 1%, while exports rise 3.1% and imports 2.6%.
4. **Improve Trade Facilitation and Logistics:** Better trade facilitation and logistics can help Indian exporters access alternative markets more efficiently.
5. **Reduce Non-Tariff Barriers:** Removing non-tariff barriers and improving standards can strengthen access to alternative markets and improve export competitiveness.
6. **Move towards Higher-Quality Goods:** India should move up the goods quality ladder to strengthen long-term export competitiveness.
7. **Balance Energy and Trade Interests:** India should protect its energy-security needs while managing the diplomatic and economic costs linked to Russian crude purchases.

Conclusion

India's exposure to U.S. tariffs reflects the interaction of **energy choices, export concentration and sector-specific dependence**. The response should therefore combine wider export markets with domestic reforms and strategic energy management. **A more diversified and competitive trade base** can reduce the impact of future U.S. tariff decisions while strengthening India's resilience to wider geopolitical shocks.

Question for practice:

Examine the challenges posed by rising U.S. tariff risks to India and the measures needed to reduce its exposure.

Source: [The Hindu](#)

Why India may revive 'Most-Favoured-Nation' rule in bilateral treaties

UPSC Syllabus: Gs Paper 2-International relations

Introduction

India is reconsidering its **Bilateral Investment Treaty (BIT)** framework after finding that its restrictive approach has made some treaty negotiations difficult. It may introduce a **Qualified Most-Favoured-Nation (MFN)** provision to address investor concerns and improve investment certainty, especially with major partners such as the European Union (EU), without restoring the broad MFN rule that had raised concerns for India.

Understanding MFN in Investment Treaties

1. **Bilateral Investment Treaties (BITs):** BITs are agreements between two countries that establish rules for protecting investments and cover issues such as non-discrimination, expropriation, Fair and Equitable Treatment (FET), fund transfers and Investor-State Dispute Settlement (ISDS).
2. **MFN as a Non-Discrimination Rule:** MFN generally requires investors from one treaty partner to receive treatment no less favourable than that given to investors from another treaty partner.
3. **Treaty-Based Scope of MFN:** An MFN clause may allow investors to claim protections available under another treaty, but its effect depends on the specific wording and scope of the provision.
4. **Difference from WTO MFN:** Investment-treaty MFN concerns **foreign investor treatment**, while the World Trade Organization (WTO) MFN principle **applies to trade relations between member countries**.
5. **Qualified MFN:** Qualified MFN provision keeps the principle of non-discrimination but **places clear limits on its use**. It can specify which treaty **provisions can be claimed, whether claims can apply retrospectively, and whether settled disputes can be reopened**.

Why Did India Remove the MFN Provision?

1. **White Industries Dispute:** In 2011, the White Industries v. India, an Australian investor used MFN in the India-Australia BIT to rely on the “effective means” standard available under India’s BIT with Kuwait.
2. **Adverse Award against India:** The investment arbitration tribunal allowed White Industries to rely on the Kuwait treaty protection, and India was ordered to pay about US\$4.08 million, plus interest and costs.
3. **Risk of Borrowing Treaty Protections:** The dispute raised concerns that investors could use MFN to borrow substantive and procedural protections from India's other BITs that were not negotiated in their own treaties.
4. **Law Commission’s Concern:** The Law Commission of India had identified the risk that investors could use MFN provisions to obtain wider protections from other Indian BITs.
5. **Cautious 2016 Model BIT:** India adopted a more cautious 2016 Model BIT after the White Industries dispute, excluding open-ended MFN and full **Fair and Equitable Treatment (FET)** while narrowing the definition of investment.
6. **Five-Year Domestic Remedy Requirement:** The model required investors to pursue **domestic remedies for five years** before accessing international arbitration, giving greater importance to domestic dispute resolution.

What Happened After the 2016 Model BIT?

1. **Termination of Older Treaties:** India terminated or sought to renegotiate several older investment treaties and moved towards the stricter approach of the Model BIT.

2. **Narrower Investor Protection:** The new approach removed MFN, narrowed the investment definition and replaced broad Fair and Equitable Treatment (FET) protection with more limited safeguards.
3. **Limited Acceptance by Investment Partners:** Only a handful of countries, including Belarus, Kyrgyzstan, Brazil, Taiwan and Uzbekistan, signed investment treaties with India under the stricter framework.
4. **India-UAE Treaty:** The India-UAE investment treaty, effective from August 2024, reduced the domestic-remedies period from five to three years and widened investment coverage.
5. **India-Israel Agreement:** The India-Israel investment agreement, effective from July 4, 2026, also reduced the domestic-remedies period to three years and included wider financial investments.
6. **MFN Still Excluded:** Despite these changes, the India-UAE and India-Israel agreements retain the exclusion of MFN, showing that India remains cautious about unrestricted MFN.

Why Is India Reconsidering MFN?

1. **Difficult Treaty Negotiations:** Restrictions under the existing framework have made negotiations with some major investment partners more difficult, creating pressure for a more flexible model.
2. **Need to Attract Foreign Investment:** Declining net FDI has increased the need for a more predictable and competitive investment regime that can provide greater certainty to foreign investors.
3. **Declining Net FDI:** Average annual net FDI fell from nearly US\$40 billion in FY20-FY22 to around US\$7.65 billion in FY26, based on preliminary data.
4. **Changing Investment Approach:** Recent treaties with the UAE and Israel show that India has already relaxed some earlier restrictions, while continuing to exclude MFN.
5. **EU's Evolving Model:** The **European Union (EU)** has moved towards an **Investment Court System** while retaining non-discrimination protections.
6. **Reciprocal Treatment:** Qualified MFN could help India seek **similar treatment for Indian companies** operating in major economies such as the US and EU.

Proposed Reforms to India's BIT Framework

1. **Qualified MFN with Specific Limits:** India may allow MFN only for clearly specified treaty provisions, preventing investors from automatically importing favourable protections from unrelated third-country treaties.
2. **Safeguards against Wider Claims:** The provision could clarify retrospective application, reopening of settled disputes and covered categories of treatment to prevent broad MFN claims.

3. **One-Year ISDS Window:** The domestic-remedies period under Investor-State Dispute Settlement (ISDS) could be reduced from five years to one year, allowing unresolved disputes to move towards international arbitration sooner.
4. **Stronger Domestic Dispute Resolution:** The shorter ISDS period would place **greater responsibility on domestic dispute-resolution institutions**, as weak institutions could allow investors to reach international arbitration sooner.
5. **Ten-Year Post-Treaty Protection:** The proposed framework would extend **post-treaty protection for investors from five years to 10 years** after the BIT expires.
6. **Wider Investment Definition:** Treaty protection could cover portfolio investments and other financial assets, including certain shares and minority holdings depending on the final wording.
7. **Ban on Third-Party Funding:** The proposed framework could prohibit third-party funding of investment disputes, adding another safeguard to the dispute-resolution process.
8. **Retention of Key Safeguards:** India would retain the exclusion of **open-ended MFN and full Fair and Equitable Treatment (FET)** protection, so the proposed changes would not restore the earlier broad treaty approach.

Conclusion

India's proposed BIT reforms seek a **middle path** between unrestricted MFN protection and the restrictive approach adopted after the White Industries dispute. A carefully limited MFN clause, faster dispute resolution and wider investment coverage can improve **investor certainty and competitiveness**. At the same time, safeguards can protect India's **regulatory autonomy** and strengthen its position in bilateral investment negotiations.

Question for practice:

Discuss why India may revive a qualified Most-Favoured-Nation (MFN) provision in its Bilateral Investment Treaties (BITs) and the key reforms proposed in its investment treaty framework.

Source: [Business Standard](#)

An apple, an orange and 2.6 per cent

Source: The post "An apple, an orange and 2.6 per cent" has been created based on "An apple, an orange and 2.6 per cent" published in "Business Line" on 4th September 2026.

UPSC Syllabus:GS-3-Indian Economy

Context: India's Q1 GDP growth for 2026-27 has been officially estimated at **7.8% in real terms** and **10.3% in nominal terms**. However, a competing calculation has claimed that the economy grew by only **2.6%**, which has led to questions about the reliability of official GDP data.

Why the 2.6% figure is misleading

1. The 2.6% calculation compares **₹88.27 lakh crore** of Q1 GDP based on the new **2022-23 base year** with **₹86.05 lakh crore** based on the old **2011-12 base year**.

2. These figures belong to different statistical series and use different methodologies and coverage, so they cannot be directly compared.
3. When comparable figures are used, nominal GDP growth is around **10.3%**, while real GDP growth is around **7.4–7.8%**.
4. The 2.6% figure also confuses **current-price GDP with constant-price GDP**, even though current prices include the effect of inflation.

Need for GDP rebasing

1. GDP needs to be rebased periodically so that it reflects the changing structure and composition of the economy.
2. The **2011-12 base year** had become outdated and did not adequately capture the present structure of the Indian economy.
3. The **IMF's 2025 data adequacy assessment** identified several weaknesses in India's national accounts and graded them C.
4. The new GDP series introduced **2022-23 as the base year**, along with **double deflation and a proper Producer Price Index (PPI)**.
5. The rebasing was delayed because **2016-17 was affected by demonetisation, 2017-18 by the GST transition, and the following years by the Covid-19 pandemic**.
6. Therefore, **2022-23 was considered a more suitable and relatively stable base year**.

GDP revisions are a normal practice

1. GDP estimates are regularly revised because better and more comprehensive data become available over time.
2. India's current GDP estimate is provisional and can be revised until the final estimates are released.
3. Between FY22 and FY25, the old GDP series recorded **25 upward revisions and 12 downward revisions**.
4. Similar revisions are undertaken by other major economies such as the **United States, the United Kingdom and Japan**.
5. Therefore, revision of GDP estimates should not by itself be treated as evidence of manipulation.

Other indicators of economic activity

1. **GST collections** till August stood at ₹10.42 lakh crore and increased by **11%**, indicating strong tax activity.
2. **Passenger vehicle sales increased by 25.6%**, while August dispatches increased by **35%**.
3. **Commercial vehicle sales grew by more than 40%**, while tractor sales increased by **19%**.
4. **Cement growth stood at 8.8%**, indicating continued construction and infrastructure activity.
5. **Exports till July increased by 17%**, while net FDI increased from **\$4.75 billion to \$7.8 billion**.
6. These indicators provide evidence of economic activity that is difficult to reconcile with a growth rate of only **2.6%**.

Balanced view

1. The official **7.8% growth estimate should not be treated as final**, because GDP estimates are subject to future revisions.
2. However, criticism of GDP data should be based on **comparable figures from the same statistical series and methodology**.

3. At the same time, issues such as **weak real wages and the availability of good-quality jobs** remain genuine concerns that require separate attention.

Conclusion: GDP rebasing is essential for producing **more accurate and relevant estimates of economic activity**. Therefore, GDP figures should be assessed using **consistent methodologies, comparable series and appropriate price measures** rather than by mixing figures from different GDP series.

Question: The revision and rebasing of India's GDP estimates have generated debate over the reliability of economic growth data. Discuss the rationale for GDP rebasing and the importance of using comparable data while assessing economic growth.

Source: [Business Line](#)

For newborns, the answer is hospital plus home

Source: The post “For newborns, the answer is hospital plus home” has been created based on “For newborns, the answer is hospital plus home” published in “The Hindu” on 4th September 2026.

UPSC Syllabus:GS-3-Indian Economy

Context: India has made significant progress in promoting institutional deliveries, but this has also increased the pressure on neonatal care facilities. Recent incidents of newborn deaths in hospitals, including the **August 2026 fire at a government women's hospital in Amravati**, highlight the need for a systemic approach to neonatal healthcare.

Major challenges in neonatal care

1. **Overcrowding has emerged as a major challenge** because institutional deliveries increased from **39% in 2005-06 to around 90% in 2023-24**.
2. The absolute number of institutional deliveries increased from **109 lakh in 2005 to 194 lakh in 2024-25**, thereby increasing the workload on hospitals.
3. The number of sick newborns admitted to **Special Newborn Care Units (SNCUs)** increased from **11.3 lakh in 2021-22 to 14.45 lakh in 2023-24**, which represents a **28% increase in two years**.
4. **Changing case mix** has increased pressure on government hospitals because they now handle not only normal deliveries but also high-risk cases involving premature, low-birth-weight and sick newborns referred from peripheral facilities.
5. **Infrastructure failures** can have serious consequences because neonatal units depend heavily on uninterrupted oxygen, electricity and specialised equipment.
6. Past incidents such as the **Gorakhpur oxygen crisis of 2017** and fires at hospitals in **Bhandara, Bhopal, Jhansi and Amravati** demonstrate the risks associated with inadequate safety infrastructure.
7. **Staffing and infection-control deficiencies** are also major concerns because overcrowding, poor nurse-to-baby ratios, equipment shortages and weak infection-prevention practices can increase hospital-acquired infections.
8. Newborn-care units also face the problem of **high electrical loads** because equipment such as warmers, incubators and ventilators operate continuously.

Lessons from the Gadchiroli model

1. The **Gadchiroli field trial**, conducted by the Society for Education, Action and Research in Community Health (SEARCH), demonstrated that trained community health workers can provide effective **home-based neonatal care**.
2. The intervention resulted in a **62.2% reduction in neonatal mortality** in the rural study area.
3. Community health workers were trained to identify and manage **neonatal infections, promote breastfeeding and warmth, and care for low-birth-weight and premature babies**.
4. Later evidence from Gadchiroli showed that **97% of low-birth-weight and preterm babies**, including those with birth weights above 1,800 grams and gestational ages above 34 weeks, could be safely managed at home with very low case-fatality rates.
5. This model shows that **not every newborn requiring care needs to occupy a hospital bed**, provided that appropriate home-based care and referral systems are available.

Way forward

1. India should adopt a **three-part strategy combining decongested neonatal units, strengthened home-based care and safer hospital infrastructure**.
2. **ASHAs should be adequately trained, supervised and supported** to provide home-based newborn care using modules developed from the Gadchiroli experience.
3. India already has around **8 lakh ASHAs**, which provides a large community-level workforce for strengthening home-based neonatal care.
4. **Stable newborns should receive appropriate care at home wherever possible**, while newborns requiring intensive treatment should be referred to specialised facilities.
5. **Neonatal care units should be strengthened** by ensuring adequate doctors and nurses, appropriate nurse-to-baby ratios, functioning equipment and reliable oxygen and electricity with backup systems.
6. **Infection-prevention measures must be strengthened** to reduce hospital-acquired infections in overcrowded neonatal units.
7. Neonatal units should be made **intrinsically safe** through fire-detection and suppression systems, electrical and oxygen-system safety measures, emergency evacuation drills and independent safety audits.
8. The success of the **Janani Suraksha Yojana** in promoting institutional delivery should be complemented by a stronger focus on what happens **after mothers reach healthcare facilities**.
9. The healthcare system should recognise that **every mother needs access to institutional delivery, but not every newborn necessarily needs hospitalisation**.

Conclusion: India's neonatal strategy should move beyond simply increasing institutional deliveries towards ensuring **the right care at the right place and at the right time**. A combination of **safe and decongested neonatal units, trained community-based care and robust referral systems** can reduce overcrowding and improve newborn survival.

Question: Despite the expansion of institutional deliveries in India, overcrowding and infrastructure gaps are putting pressure on newborn care facilities. Discuss the major challenges in neonatal healthcare and suggest a suitable strategy for improving newborn survival.

Source: [The Hindu](#)

The Gap in Manufacturing Sector GVA

UPSC Syllabus: Gs Paper 3 - Indian economy

Introduction

India's new National Accounts Statistics (NAS), with 2022-23 as the base year, estimates manufacturing GVA at ₹38.6 lakh crore in 2023-24. However, an alternative estimate using Annual Survey of Industries (ASI) and Annual Survey of Unincorporated Sector Enterprises (ASUSE) gives only ₹27.4 lakh crore, creating a 40.9% gap and raising questions about the official estimate.

How is Manufacturing GVA Estimated?

1. **Two parts of manufacturing:** Manufacturing includes the **organised factory sector** and **unincorporated or informal units**, such as small factories, workshops and household enterprises.
2. **Factory-sector data through ASI:** The **Annual Survey of Industries (ASI)** provides production, employment and value-added data for registered manufacturing factories.
3. **Informal-sector data through ASUSE:** The **Annual Survey of Unincorporated Sector Enterprises (ASUSE)** covers manufacturing units outside the corporate and factory sectors.
4. **Combined coverage of ASI and ASUSE:** Together, ASI and ASUSE capture almost the entire manufacturing sector, making their combined gross value addition(GVA) useful for checking official estimates.
5. **MCA-21 as a major source:** The NAS uses **MCA-21 company balance-sheet data** to estimate organised manufacturing GVA, replacing part of ASI-based estimation since the previous revision.
6. **Changes in the 2022-23 base-year revision:** The **2022-23 base-year series released in 2026** retains MCA-21, but fine-tunes the method through **segregation of activities in multi-activity companies** and uses ASUSE instead of earlier five-yearly NSS surveys.
7. **Changes in price estimation:** The new series uses **double deflation where suitable**, replacing single deflation to improve the measurement of manufacturing GVA at constant prices.

The Scale and Source of the GVA Gap

1. **Official manufacturing GVA:** The new NAS estimates manufacturing GVA at **₹38.6 lakh crore in 2023-24 at current prices**, equal to about **14% of aggregate GVA**.
2. **Alternative estimate:** The ASI and ASUSE datasets together produce an alternative estimate of **₹27.4 lakh crore**, which is **₹11.2 lakh crore or 40.9% below** the official figure.
3. **Gap cannot be treated as minor:** Such a large difference between estimates based on official datasets cannot be explained simply by small **definitional or methodological variations**.
4. **Informal sector is not the main source:** ASUSE is common to both estimates, while the unincorporated sector accounts for only **13.9% of total manufacturing GVA**.

5. **Organised sector creates the main difference:** The major source of the gap therefore lies in **organised manufacturing**, where the NAS relies on MCA-21 company financial data.
6. **Enterprise approach behind the shift:** The **2011-12 base-year revision** introduced the MCA-21-based enterprise approach to capture activities of manufacturing companies beyond individual factory establishments.
7. **Continuation in the new series:** The **2022-23 base-year revision of 2026** continues this MCA-21-based approach with limited methodological changes, making its treatment central to the present GVA debate.

Can Residual Workers and Companies Explain the Gap?

1. **Employment-based validation:** Potential manufacturing output can be estimated from employment by applying **technical ratios** derived from ASI and ASUSE data.
2. **PLFS employment estimate:** The **Periodic Labour Force Survey (PLFS) 2023-24** estimates **697.5 lakh manufacturing workers**, compared with **532.9 lakh workers** represented in ASI and ASUSE.
3. **Residual workers:** PLFS estimates **697.5 lakh workers**, while ASI and ASUSE account for **532.9 lakh**, leaving **164.6 lakh residual workers**, may therefore explain part of the GVA gap.
4. **Employment data are not identical:** PLFS, ASI and ASUSE use different employment definitions and collection methods, but PLFS still provides a useful reference for checking the official GVA.
5. **Residual MCA-21 companies:** MCA-21 has **3,51,152 active private non-financial manufacturing companies**, while ASI covers **78,618 private companies**, leaving **2,72,534 residual companies** outside ASI coverage.
6. **Uncertain operational status:** A 2019 NSSO Technical Report found that **36% of MCA-21 companies** in a services-sector exercise were closed, untraceable, unwilling to provide information or misclassified.
7. **Estimated working residual companies:** Since **36% of the 2,72,534 residual companies** may be non-working, the remaining **64%**, which is equal to **1,74,422 companies**, are considered potentially working.
8. **GVA of residual companies:** The **technical ratios for private non-factory companies**, derived from **unit-level ASI data**, are applied to the **1,74,422 potentially working residual companies**, giving **15.6 lakh workers and ₹1.9 lakh crore GVA**.
9. **GVA of remaining workers:** The remaining **149.1 lakh residual workers** are considered part of the **unincorporated manufacturing sector**; applying the **GVA-per-worker ratio derived from ASUSE data** gives **₹1.7 lakh crore GVA**.
10. **Total residual contribution:** The ₹1.9 lakh crore GVA from residual companies and ₹1.7 lakh crore from the residual unincorporated sector together give ₹3.6 lakh crore.
11. **Potential manufacturing GVA:** Adding ₹3.6 lakh crore of potential GVA to the ₹27.4 lakh crore alternative estimate gives ₹31.0 lakh crore.

The Unexplained Gap: Methodological Concerns

1. **Large gap still remains:** After adding ₹3.6 lakh crore to the ₹27.4 lakh crore alternative estimate, potential GVA reaches ₹31.0 lakh crore, which is ₹7.6 lakh crore below the official ₹38.6 lakh crore estimate; this difference is 24.5% of the potential GVA.
2. **Unexplained GVA:** The potential GVA of ₹31.0 lakh crore accounts for 80.3% of the official ₹38.6 lakh crore GVA, leaving ₹7.6 lakh crore, or 19.7%, unexplained.
3. **NSO's explanation:** The NSO argues that ASI may miss value addition occurring outside factories, such as **head-office, R&D, marketing and distribution activities**, which MCA-21 may capture.
4. **Evidence challenges the ASI explanation:** Field-based evidence suggests ASI already captures **employment, investment and value addition** from activities outside factory premises when they belong to the enterprise.
5. **Possible MCA scaling-up problem:** Another explanation is that MCA-21 sample estimates may be **scaled up to an uncertain universe of active companies**, whose actual size and composition are unclear.

Way Forward

1. **Open MCA-21 data:** The **Ministry of Corporate Affairs (MCA-21)** data used for manufacturing GVA estimation should be made available for independent examination.
2. **Disclose estimation methods:** The **NSO should provide detailed methods** used to convert MCA-21 company data into manufacturing GVA estimates.
3. **Enable independent validation:** Researchers should be able to compare **MCA-21, ASI, ASUSE and PLFS data** to verify the official manufacturing GVA estimate.
4. **Resolve the methodological dispute:** Independent scrutiny can establish whether the higher MCA-21-based estimate reflects **better production coverage or possible overestimation**.
5. **Restore confidence in official data:** Greater transparency and independent verification can strengthen **public confidence in GDP and sectoral GVA estimates**.

Conclusion

The new **2022-23 base-year series** gives manufacturing GVA of ₹38.6 lakh crore, but the ASI-ASUSE estimate gives only ₹27.4 lakh crore. Even after accounting for residual companies and workers, ₹7.6 lakh crore remains unexplained. The key issue is whether MCA-21 improves coverage or causes overestimation. **Opening data and methods for independent verification** is therefore essential to establish the estimate's credibility.

Question for practice:

Examine the reliability of India's manufacturing sector GVA estimates and the reasons behind the gap between official and alternative estimates.

Source: [The Hindu](#)

Why India Needs Transition to Thorium-Based Fuel?

UPSC Syllabus: Gs Paper 3- Infrastructure

Introduction

India faces a **rising energy demand and limited domestic uranium resources**, while possessing abundant thorium reserves. This creates a strong case for shifting towards thorium-based fuel to improve **long-term energy security, reduce dependence on imported uranium and strengthen fuel self-reliance**. India's three-stage nuclear programme provides the basic pathway, but faster development of breeder reactors, fuel recycling and advanced reactors is needed to make large-scale thorium use possible.

India's Three-Stage Nuclear Programme: The Pathway to Thorium

1. **Resource-based nuclear strategy:** Dr Homi Bhabha designed the three-stage programme around India's **limited uranium and abundant thorium**, aiming for long-term energy and fuel security.
2. **Three-stage nuclear programme framework:** India follows a sequential nuclear strategy that begins with uranium-based pressurised heavy water reactors, moves to fast breeder reactors, and finally transitions to thorium-based power using uranium-233.
3. **Stage I—PHWRs:** Pressurised Heavy Water Reactors (PHWRs) use **natural uranium** to generate electricity, while part of uranium-238 is converted into plutonium-239.
4. **Stage II—Fast Breeder Reactors:** Fast Breeder Reactors (FBRs) use plutonium from PHWRs and help generate additional fissile material while creating the conditions for thorium utilisation.
5. **Stage III—Thorium utilisation:** Thorium-232 is converted into **fissile uranium-233**, which can then serve as fuel in advanced reactors.
6. **Sequential fuel progression:** Each stage creates the fuel or capability needed for the next, making **FBR development important for India's eventual thorium transition**.

For detailed information on **Thorium-Based Nuclear Energy for India's Energy Security** [read this article here](#)

Why India Needs Thorium for Long-Term Energy Security

1. **Limited domestic uranium availability:** India has relatively modest uranium resources, which restrict the scope of a conventional uranium-based nuclear programme over the long term.
2. **Growing energy requirements:** India's rapidly increasing energy needs over the next **15–25 years** require a nuclear fuel strategy that can support sustained capacity expansion.

3. **Emerging uranium supply pressure:** Global uranium resources could support about **550–750 GW** through a once-through cycle, creating concerns as global nuclear capacity expands.
4. **Rising global nuclear capacity:** Global nuclear capacity could reach **1,446 GW by 2050**, exceeding the roughly **1,200 Gigawatts-electric (GWe)** target under the Declaration to Triple Nuclear Energy.
5. **Limited fuel utilisation:** A once-through uranium cycle limits the energy obtained from available resources, while recycling can increase uranium's energy potential by **70–100 times**.
6. **Reduced import dependence:** Greater use of domestic thorium can reduce India's dependence on imported uranium and protect nuclear generation from external supply pressures.
7. **Strategic fuel self-reliance:** A successful thorium cycle can provide a **domestic source of nuclear fuel**, supporting India's long-term objective of energy and technological self-reliance.

India's Thorium Advantage and Progress Towards Its Utilisation

1. **Large domestic thorium resource:** India has around **1.07 million tonnes of thorium deposits**, representing nearly **one-quarter of global thorium resources**.
2. **Monazite as the main source:** Indian thorium occurs mainly in **monazite**, a phosphate mineral found with rare earth elements, uranium and other minerals.
3. **Coastal concentration of resources:** Major monazite-bearing deposits occur along the coasts of **Kerala, Tamil Nadu, Andhra Pradesh and Odisha**, with additional occurrences in Maharashtra and Gujarat.
4. **Established PHWR capability:** India has developed indigenous capabilities in **PHWR construction, fuel fabrication, operation, spent-fuel reprocessing and waste management**, creating a strong base for thorium integration.
5. **PFBR milestone:** The **500 MWe Prototype Fast Breeder Reactor at Kalpakkam achieved first criticality in April 2026**, marking India's transition into the second stage.
6. **Opportunity within PHWRs:** With PHWR capacity expected to reach **50–60 GW**, thorium can potentially be introduced earlier instead of waiting entirely for the third stage.
7. **Advanced Heavy Water Reactor:** The **Advanced Heavy Water Reactor (AHWR)** has been developed to use thorium-based fuel and demonstrate the technical and commercial viability of the thorium fuel cycle.

Challenges in Accelerating the Thorium Transition

1. **Thorium is not directly fissile:** Thorium-232 cannot sustain a nuclear chain reaction by itself and must first be converted into **fissile uranium-233**.
2. **Dependence on breeder reactors:** Commercial-scale U-233 production depends on the successful operation and expansion of **Fast Breeder Reactors**, linking the second and third stages.

3. **Higher neutron absorption:** Thorium absorbs more neutrons than uranium, creating technical and economic concerns when introducing thorium-based fuel into existing PHWRs.
4. **Need to control electricity costs:** Thorium should be irradiated in PHWRs without increasing the **cost of electricity**, otherwise early adoption may become commercially difficult.
5. **Need to maintain uranium consumption:** Any PHWR-based thorium strategy should avoid increasing uranium requirements while maintaining the existing level of uranium consumption.
6. **Fuel-cycle technology gaps:** Large-scale deployment requires **high-burn-up fuel, higher-enrichment uranium, thorium fuel fabrication and advanced thorium recycling technologies**.
7. **Complex fuel recycling:** India needs thorium-heavy-fuel recycling capabilities to recover useful materials and move towards a more effective closed thorium cycle.
8. **Technology development timeline:** Thorium-heavy-fuel recycling and **molten-salt reactor technologies** need development over the next **10–15 years** to bring forward the third stage.

Way Forward

1. **Introduce thorium in PHWRs:** India can explore early thorium use in its expanding PHWR fleet, provided it does not raise electricity costs or uranium consumption.
2. **Expand breeder reactor capacity:** Faster development of FBRs can increase the production of **uranium-233**, which remains essential for large-scale thorium utilisation.
3. **Develop high-burn-up fuels:** India needs better fuel technologies that can withstand higher levels of fuel utilisation and support efficient thorium-based reactor operation.
4. **Strengthen thorium recycling:** Developing thorium-heavy-fuel recycling technology can help recover useful nuclear materials and improve the energy obtained from domestic resources.
5. **Advance AHWR technology:** Continued development of the **Advanced Heavy Water Reactor** can help demonstrate whether thorium-based power generation is technically and commercially viable.
6. **Develop molten-salt reactors:** Research on thorium-based molten-salt reactors should progress over the next **10–15 years** to provide another route towards the third stage.
7. **Follow a dual-track strategy:** India should continue expanding uranium-based nuclear generation while simultaneously developing the technologies needed for future thorium deployment.

Conclusion

India's transition to thorium is essential for achieving long-term energy security and nuclear fuel self-reliance. Limited uranium resources and growing energy demand make a stronger case for using India's abundant thorium reserves. The three-stage nuclear programme provides a clear pathway, but faster progress in FBRs, U-233 production, fuel recycling and advanced reactors is needed. A gradual and technology-driven transition can strengthen India's nuclear future while reducing dependence on imported fuel.

Question for practice:

Discuss why India needs to transition towards thorium-based nuclear fuel for long-term energy security and self-reliance.

Source: [Indian Express](#)

The SCO and the illusion of moral multipolarity

Source: The post “The SCO and the illusion of moral multipolarity” has been created based on “The SCO and the illusion of moral multipolarity” published in “The Pioneer” on 05th September 2026.

UPSC Syllabus: GS-2- International Relations

Context: The **Shanghai Cooperation Organisation (SCO)** is evolving from a regional security forum into a broader institutional network covering **finance, technology, energy, connectivity, artificial intelligence, information security, and trade**. Its growing importance reflects the **decline of uncontested Western primacy** and the emergence of multiple centres of global power.

SCO and the Emerging Multipolar World

1. The SCO originated from the **Shanghai Five in 1996**, which included China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan.
2. The organisation was formally established in **2001**, when Uzbekistan joined the grouping.
3. **India and Pakistan joined the SCO in 2017, Iran joined in 2023, and Belarus joined in 2024**, significantly expanding its geographical and political importance.
4. The SCO should not simply be viewed as an **anti-Western military alliance**, because its members have diverse interests and it officially rejects bloc confrontation.
5. The organisation is increasingly becoming an **institutional network** covering counterterrorism, narcotics, information security, artificial intelligence, computing infrastructure, ports, logistics, energy, climate, biodiversity, nuclear security, emergency assistance, and cultural cooperation.

China's Growing Economic Influence

1. China has converted its economic strength into **structural influence** through trade, infrastructure financing, industrial investment, telecommunications, transport corridors, energy, and technology.
2. Chinese involvement in Central Asia is increasingly moving beyond consumer goods and infrastructure towards **productive sectors**, such as the fertiliser plant being developed in Kyrgyzstan's Osh region.
3. Such investments can create **industrial capacity, reduce import dependence, and promote regional connectivity**, but they can also deepen the economic integration of smaller countries with China.
4. China has become an **extraordinary export power**, with competitive manufacturing in machinery, electronics, electric vehicles, batteries, renewable-energy equipment, and industrial products.
5. Developing countries often purchase Chinese goods because they provide **affordability and availability**, and such trade cannot automatically be described as exploitation.
6. However, China's trade with Central Asia is heavily tilted towards **Chinese exports**, with Chinese customs data showing trade with the five Central Asian republics exceeding **\$100 billion in 2025** and Chinese exports substantially exceeding imports.

7. Differences between Chinese and Central Asian trade statistics also create difficulties in assessing whether commercial relationships are genuinely equitable.
8. China's large global trade surplus reflects an important **economic imbalance**, because the corresponding deficits are borne collectively by other countries.

Limits of the Multipolarity Argument

1. **Multipolarity only describes the distribution of power and does not automatically determine how power is exercised.**
2. Western military intervention, sanctions, financial coercion, and double standards can legitimately be criticised, but such criticism cannot provide **Beijing, Moscow, or any other power with freedom from scrutiny.**
3. If Western countries are criticised for using economic and financial asymmetries against weaker states, the same moral standard should be applied to **China's use of its industrial capacity and market power.**
4. Therefore, opposition to Western dominance should not automatically be equated with **greater justice, equality, or moral legitimacy.**

SCO's Financial and Institutional Challenges

1. The proposed **SCO Development Bank** demonstrates the gap between political declarations and institutional reality.
2. The Bishkek summit did not establish an operational bank, while questions regarding **capital, membership, governance, and headquarters** remain unresolved.
3. An alternative financial system cannot be created merely through declarations about **de-dollarisation**, because it requires capital, liquidity, credible governance, settlement mechanisms, investor confidence, and durable institutions.
4. Alternative payment mechanisms such as **China's CIPS and Russia's SPFS** can reduce dependence on Western financial infrastructure in certain transactions.
5. However, these systems have not displaced the **global importance of the US dollar** or reproduced the depth and liquidity of dollar-centred financial markets.
6. Therefore, the SCO's economic credibility will ultimately depend on **what its institutions can actually finance rather than what its communiqués promise.**

Contradictions within the SCO

1. The SCO emphasises **sovereignty and non-interference**, while simultaneously engaging with the political future of Afghanistan.
2. It speaks of **equality**, although its members have enormous differences in economic and military capabilities.
3. It opposes double standards but its members themselves often interpret **terrorism, sovereignty, and international law according to their national interests.**
4. The treatment of **Ukraine and Iran** demonstrates the difficulty of developing a common SCO position because its members have different strategic interests.
5. The strong language concerning military strikes on Iran, alongside the absence of a similar reference to Ukraine, highlights these differences.
6. These differences do not necessarily prove hypocrisy; rather, they show that the SCO remains a **coalition of interests rather than a unified geopolitical ideology.**

Way Forward

1. The SCO should focus on building **credible and transparent institutions** rather than limiting itself to political declarations.
2. Its economic initiatives should ensure **greater transparency in trade, investment, debt, and project financing** so that smaller member states can negotiate equitable relationships.
3. The organisation should promote **genuine economic diversification and capacity-building** rather than creating excessive dependence on any single major power.
4. Its financial initiatives should be supported by **credible governance, adequate capital, transparent decision-making, and effective payment mechanisms**.
5. The SCO should apply **consistent standards of sovereignty, international law, equality, and accountability** to all major powers, including its own members.

Conclusion: The rise of the SCO reflects the **transition towards a more multipolar international order**, but multipolarity should not be confused with moral superiority. The West must be held accountable for its exercise of power, but **China, Russia, India, and other emerging powers must also be judged by the same standards of accountability and equality**. Thus, the real success of the SCO will depend not on its opposition to Western dominance but on whether it can create **effective, equitable, transparent, and durable institutions** that genuinely benefit its members.

Question: The Shanghai Cooperation Organisation (SCO) is emerging as an important institution in the evolving multipolar world order. However, multipolarity does not necessarily ensure greater equality or justice. Discuss.

Source: [The Pioneer](#)

Women's empowerment — schools and beyond

Source: The post “**Women's empowerment — schools and beyond**” has been created based on “**Women's empowerment — schools and beyond**” published in “Business Line” on 05th September 2026.

UPSC Syllabus: GS-2- Governance

Context: The **NFHS-6 (2023-24) Fact Sheets** show that India has made significant progress in women's education and empowerment, while substantial **inter-State and gender disparities** continue to exist. Women's empowerment includes access to **quality education, economic opportunities, decision-making, livelihoods, healthcare, and effective women's collectives**.

Progress in Women's Empowerment

1. Rural livelihood mission collectives have expanded to around **100 million women**, creating greater opportunities for credit, livelihoods and collective action.
2. Women's collectives have improved access to **credit, employment, nano-enterprises, livestock resources, farm and non-farm livelihoods**, and reproductive and child healthcare.
3. Measures such as **cash transfers, clean water, sanitation and free travel in some States** have also improved women's lives and strengthened their participation in development.

4. Women's collectives have contributed to greater participation of **adolescent girls in secondary education** and improved access to livelihood opportunities.

Inter-State Differences in Girls' Education

1. The proportion of females aged six years and above who had ever attended school increased to **73.7 per cent in 2023-24**, indicating considerable progress.
2. **Kerala** performs particularly well, with **96.6 per cent** of females aged six years and above having ever attended school.
3. However, **Bihar and Rajasthan** continue to face historical disadvantages, with only around **64 per cent** of females having ever attended school.
4. **Telangana**, despite having a relatively high per capita income, reports only **60.2 per cent**, showing that economic prosperity alone does not guarantee gender empowerment.

Gender Gap in Schooling

1. The data on people aged **15-49 years with ten or more years of schooling** also reveals significant gender disparities.
2. **Kerala** performs particularly well, with 86.6 per cent of females having ten or more years of schooling compared with 82.1 per cent of males.
3. **Bihar, Madhya Pradesh, Rajasthan and Gujarat** have less than 40 per cent of their population in this age group achieving ten or more years of schooling.
4. **Telangana** has a gender gap of around **13.9 percentage points**, indicating the need for stronger efforts to improve girls' education.
5. **Haryana**, despite its high per capita income, has a gender gap of around **9.2 percentage points**, demonstrating that income does not automatically translate into social development.
6. These variations show that **gender inequality can remain a major obstacle to development and well-being even in economically prosperous States**.

Women's Empowerment and Child Development

1. Gender inequalities also have a strong relationship with **stunting among children below five years of age**.
2. The better-performing States generally have stunting levels below the national average of **29.3 per cent**, whereas the aspiring States generally remain above the national average.
3. States such as **Haryana, Telangana, Gujarat, Maharashtra and Karnataka** show relatively concerning stunting outcomes despite their economic performance.
4. Reducing the gender gap in **ten years of schooling** can contribute to improving child nutrition and reducing stunting over time.
5. Women's education, empowerment, voice, agency and collective action can produce **long-term improvements in household and child well-being**.

Role of Women's Collectives and Local Governance

1. **States such as Sikkim, Meghalaya, Uttar Pradesh and Bihar** have made significant progress in reducing child stunting through collaborative governance involving women's collectives.
2. The **Panchayati Raj Institutions-Self-Help Group (PRI-SHG) framework** has helped promote a more gender-sensitive approach to development.

3. Women's collectives provide women with greater **voice, bargaining power, access to resources and opportunities for collective decision-making**.
4. Decentralisation and community participation can therefore strengthen the implementation of development programmes at the grassroots level.

Importance of Pre-School Education

1. Less than **50 per cent of children aged 2-4 years** are covered by pre-school education, showing that universal early childhood education remains a challenge.
2. The better-performing States generally have higher pre-school coverage, highlighting the importance of **early childhood education in holistic child development**.
3. The **National Education Policy (NEP) 2020** rightly emphasises pre-school education as an important component of the education system.
4. Expanding quality pre-school education can improve **human capital, learning outcomes and long-term development**.

Role of Women Care Workers

1. **ASHAs, Anganwadi workers and helpers** play a critical role in delivering health, nutrition, childcare and other essential services at the grassroots level.
2. However, their **low compensation and inadequate support** can affect the quality of childcare and other last-mile services.
3. Better compensation and stronger institutional support for these locally resident women workers are necessary to provide **quality day-care centres and crèches**.
4. Adequate childcare facilities are particularly important for enabling **women's participation in the labour force**.
5. Investment in quality childcare can simultaneously improve **human capital, female labour force participation, productivity and economic growth**.

Challenges

1. **Patriarchal attitudes** continue to restrict women's opportunities and decision-making power despite improvements in several indicators.
2. Significant **regional and inter-State disparities** continue to exist in girls' education, schooling years, nutrition and access to early childhood services.
3. High per capita income does not always result in **commensurate social development**, as demonstrated by the performance of some economically prosperous States.
4. Gaps in pre-school coverage and inadequate compensation for frontline women **workers continue to weaken the delivery of essential social services**.

Way Forward

1. Governments should prioritise **universal and quality education for girls**, particularly in States and regions with historically low educational attainment.
2. The **PRI-SHG model** should be strengthened to promote decentralised and community-driven development.
3. Women's collectives should be provided with better access to **credit, markets, skills, technology and diversified livelihoods**.

4. Greater investment should be made in **early childhood care, nutrition, pre-school education, day-care centres and crèches**.
5. ASHAs, Anganwadi workers and other frontline women workers should receive **adequate compensation, training and institutional support**.
6. Policies should focus not only on women's welfare but also on strengthening their **voice, agency, economic independence and participation in decision-making**.

Conclusion: The NFHS-6 findings demonstrate that **women's empowerment is not merely a matter of social justice but a prerequisite for inclusive growth and human development**. Women's education, collective action, economic participation, voice and agency can reduce gender gaps and improve **child nutrition, health, productivity and overall well-being**. Therefore, India needs a development approach that combines **girls' education, women's collectives, decentralised governance, quality childcare and economic opportunities** to achieve truly inclusive and sustainable development.

Question: Women's education, empowerment, voice, agency and collective action are essential for achieving inclusive development in India. Discuss in the light of the NFHS-6 findings.

Source: [Business Line](#)

Revising India's Bilateral Investment Treaty (BIT)

UPSC Syllabus: Gs Paper 2- Indian economy

Introduction

India is reviewing its **Model Bilateral Investment Treaty (BIT)** to make the investment regime more attractive while protecting its regulatory space. The review follows difficulties in concluding new BITs, concerns over investor protection and declining net foreign direct investment (FDI). The revised framework is expected to be placed before the **Union Cabinet**, with consultations currently underway.

What is India's BIT Framework?

1. **Purpose of BITs:** BITs are agreements between two countries that establish rules for protecting investments and defining the rights of foreign investors.
2. **Core protections:** BITs cover **non-discrimination, expropriation, Fair and Equitable Treatment (FET), fund transfers and Investor-State Dispute Settlement (ISDS)**.
3. **2015 Model BIT:** India adopted the **2015 Model BIT** after reviewing its investment treaty policy following disputes raised by foreign investors.
4. **Shift in treaty policy:** The review resulted in **unilateral termination of BITs** and adoption of a new model as the basis for future treaty negotiations.
5. **Regulatory objective:** India's model seeks to protect its **right to regulate**, including through exclusions and safeguards in sensitive policy areas.

Limitations of India's Existing BIT Framework

1. **Regulatory imbalance:** The 2015 Model BIT places greater weight on the **State's right to regulate**, creating doubts about legal protection available to foreign investors.
2. **Limited treaty adoption:** India concluded only a **handful of BITs** under the stricter framework, including agreements with **Belarus, Kyrgyzstan, Brazil, Taiwan and Uzbekistan**, showing limited acceptance by investment partners.
3. **Investment uncertainty:** High regulatory risks, less-developed governance models and a **slow judicial system** increase concerns about the investment environment.
4. **Restricted arbitration access:** Foreign investors must exhaust **domestic legal remedies for five years** before seeking international arbitration for treaty disputes.

Why is India Reconsidering Its BIT Framework?

1. **Need for a competitive regime:** India wants a more **predictable and competitive investment framework** that can provide greater certainty to foreign investors.
2. **Declining net FDI:** Average annual net FDI fell from nearly **US\$40 billion in FY20-FY22 to around US\$7.65 billion in FY26**; India received \$7.7 billion in the year ended March 2026, against \$20.2 billion for Vietnam and \$24.2 billion for Indonesia in 2024.
3. **Recent treaty experience:** BITs with **Israel and the UAE** show greater flexibility in some areas, including dispute-resolution arrangements and investment coverage, while retaining important safeguards.
4. **Changing purpose of BITs:** Indian companies are increasingly investing abroad, making investment treaties relevant not only for **inbound foreign investment but also for protecting Indian investors overseas**.
5. **International developments:** The **European Union (EU)** has moved towards an Investment Court System while retaining non-discrimination protections, showing changes in global investment-treaty practice.

Proposed Reforms to India's BIT Framework

1. **Qualified MFN:** India may introduce a **qualified MFN clause** that applies only to clearly specified treaty provisions instead of allowing investors to import protections broadly from other treaties.
2. **MFN safeguards:** The provision could define its treatment of **retrospective claims, settled disputes and covered categories**, reducing the scope for wider MFN-based claims.
3. **Shorter ISDS period:** The domestic-remedies requirement could be reduced from **five years to one year**, allowing unresolved disputes to move towards international arbitration sooner.
4. **Longer post-treaty protection:** Protection after a BIT expires could increase from **five years to 10 years**, extending treaty protection for covered investments.

5. **Wider investment coverage:** The revised framework could include **portfolio investments and other financial assets**, including certain shares and minority holdings, depending on the final wording.
6. **Ban on third-party funding:** Third-party funding of investment disputes could be prohibited to provide an additional safeguard in the dispute-resolution process.
7. **Retained safeguards:** India would continue excluding **open-ended MFN and full FET protection**, so the proposed changes would not restore the earlier broad treaty approach.

Way Forward

1. **Strike a balanced approach:** Bring the framework closer to the middle ground between **investor protection and the State's regulatory autonomy**.
2. **Strengthen domestic dispute resolution:** A shorter domestic-remedies period makes efficient domestic institutions even more important.
3. **Create an external expert group:** Include experts in international investment law and foreign investment, such as **international lawyers and economists from universities, research institutions and think tanks**, to act as a sounding board for the government.
4. **Ensure wider stakeholder consultation:** Seek views from **industry bodies, arbitrators, law firms and civil society organisations**.
5. **Release the draft for public consultation:** Place the revised Model BIT in the **public domain and invite comments**, as India did with the draft Model BIT in March 2015.
6. **Ensure parliamentary scrutiny:** Place the draft before **Parliament for discussion** and involve relevant **department-related parliamentary committees**.
7. **Address the democratic deficit:** Since investment treaties can affect citizens, greater public and parliamentary participation can improve democratic legitimacy.
8. **Make consultation meaningful:** The process should not become a mere **box-ticking exercise**; it should genuinely engage with different and dissenting views.

Conclusion

India's revised BIT framework should balance **investor protection with the State's regulatory autonomy**. A carefully limited MFN clause, faster dispute resolution and wider investment coverage can improve investor certainty and competitiveness. Strong safeguards can preserve policy space. Meaningful consultation and parliamentary scrutiny can further strengthen the framework's credibility, transparency and effectiveness.

Question for practice:

Discuss the need for revising India's Bilateral Investment Treaty (BIT) framework and the key reforms proposed for balancing investor protection with the State's regulatory autonomy.

Source: [The Hindu](#)

Gaming Children – Learnings from Meta's Child Safety Curbs in US

Introduction

The growing use of social media among children has raised concerns about **addictive design, harmful content, mental wellbeing and privacy**. Meta's settlement in the US introduces strong safeguards for under-18 users, including time limits, night-time restrictions and stronger age assurance. For India, the measures offer useful lessons, but they also show the need for an **India-specific child-safety framework** based on evidence, privacy and safety by design.

Growing Concerns over Social Media Use among Children

1. **Addictive platform design:** Autoplay, endless scrolling, notifications and personalised recommendations can maximise engagement and turn casual social-media use into compulsive behaviour.
2. **Vulnerability of children:** Children's developing capacity for **self-regulation** can make them more vulnerable to digital products designed to capture and hold attention.
3. **Impact on daily life:** Serious compulsive use can cause children to **miss school, withdraw from family and friends, lose interest in normal activities and struggle to regulate digital use**.
4. **Displacement of healthy activities:** Excessive device use can reduce time for **play, reading, creative activity, physical movement, face-to-face interaction and downtime** needed for healthy development.
5. **Developmental concerns:** Digital overuse can make difficulties with **attention, frustration tolerance, impulse control, organisation and emotional regulation** more visible in clinical assessments.
6. **Mental-health risks:** Heavier social-media use has been linked with **anxiety, depressive symptoms, body dissatisfaction and disordered eating**; a 2026 meta-analysis of 45 studies involving over 33,000 adolescents found significant associations.
7. **Neuroscience findings:** Reviews have found associations between problematic internet or gaming use and changes in **frontal, attention, emotion-regulation and reward-related brain regions**, though these findings do not prove social media alone causes such changes.
8. **Exposure to harmful content:** Children can encounter **self-harm material, eating-disorder content, exploitation, misogyny, violent imagery and other age-inappropriate content**, which recommendation systems may repeatedly promote.

Meta's New Child-Safety Measures in the US

1. **Two-hour daily limit:** Meta's US settlement requires a **default two-hour daily limit** for under-18 users on Facebook and Instagram to limit excessive use.
2. **Night-time access block:** Teen users will face a **midnight-to-6 a.m. access block**, restricting social-media use during night hours.

3. **School-hour notification control:** Notifications will be muted between **8 a.m. and 3 p.m.**, limiting interruptions during school hours.
4. **Stronger age assurance:** Meta will strengthen its technology to identify users aged **13–17 even when they provide an adult birthday**, making age-based safeguards harder to bypass.
5. **Safer feed and engagement controls:** Teenagers can choose a **non-algorithmic feed, turn off autoplay and hide like counts by default**, reducing engagement-driven and social-comparison pressures.
6. **Parental and contact controls:** Meta will strengthen **parental controls and restrictions on unwanted contact from adults**, giving parents greater control over teenagers' online experiences.
7. **Independent oversight:** Meta will establish an **independent research foundation and an auditor** to assess the impact of its measures and compliance.

What the Meta Settlement Signals for Children's Online Safety

1. **Shift from parental responsibility:** The settlement moves away from treating parents as the **sole responsibility holders** and places greater responsibility on platforms themselves.
2. **Platform accountability:** Technology companies are expected to address risks created by their own **engagement-driven products, recommendation systems and platform features**, rather than relying only on parental supervision.
3. **Safety by design:** Child protection is moving towards changing the **architecture and default settings of platforms**, instead of expecting children to control systems designed to maximise engagement.
4. **Broader than screen-time control:** The measures cover **recommendations, autoplay, notifications, social comparison, unwanted contact and age assurance**, showing that child safety involves more than limiting hours.
5. **Technical feasibility:** Meta's agreement demonstrates that stronger **child-safety features can be built into major social-media platforms**.
6. **Limits of time-based safeguards:** Time limits may not fully address harm if platforms continue using **addictive design and recommendation systems** that encourage compulsive engagement.
7. **Shared responsibility:** Child safety requires coordinated action by **governments, schools and technology companies**, including digital literacy, transparency and age-appropriate platform design.

India's Emerging Child-Safety Challenges

1. **Privacy-focused DPDP framework:** India's **Digital Personal Data Protection (DPDP) framework** requires verifiable parental consent for processing children's personal data and restricts targeted advertising, behavioural monitoring and profiling.
2. **Gap in product-level safety:** The DPDP framework does not specifically regulate **social-media addiction, mental wellbeing or screen time**, which are central concerns addressed by Meta's US settlement.

3. **Child sexual abuse material:** India also faces the serious challenge of **child sexual abuse material (CSAM)**, with government scrutiny of platforms' content moderation and detection systems alongside IT Rules requirements.
4. **Age assurance dilemma:** Platforms need to establish whether a user is a child for applying safeguards, but **age verification itself can require personal information** and may create additional privacy concerns.
5. **Limits of self-declaration:** WhatsApp is testing a **voluntary age-declaration mechanism in India**, but simply asking users to provide their birth date does not necessarily establish their actual age.
6. **Different Indian context:** US measures cannot be copied directly because India has **different schooling practices and high shared-device usage among teenagers**, requiring locally suitable safety measures.
7. **Need for evidence:** India should first collect **its own evidence and data on online harms to children** before prescribing detailed product-level restrictions.

Key Lessons for India

1. **Build an Indian evidence base:** The Centre should commission an **independent study** covering screen time, addictive design, algorithmic recommendations, harmful content, online harassment and social comparison.
2. **Adopt wellbeing by design:** India should develop a principles-based **"wellbeing by design" framework** suited to Indian patterns of online use.
3. **Use safer defaults:** Platforms should consider **teen-safe defaults, stronger privacy protections, tighter messaging controls and restrictions on features such as autoplay**.
4. **Improve algorithmic accountability:** Regulators should examine **how recommendation systems and algorithms affect children**, especially their exposure to harmful and engagement-driven content.
5. **Strengthen independent scrutiny:** Platforms should provide greater transparency on **content-review systems and algorithmic data use**, along with independent audits and researcher access.
6. **Protect children without over-collecting data:** Age assurance should identify children for applying safeguards while avoiding **unnecessary collection of their personal information**.
7. **Make safeguards enforceable:** Where evidence shows that platform features cause **demonstrable harm to children**, appropriate accountability and enforceable regulation should follow.
8. **Move beyond voluntary compliance:** India should move from **warnings, meetings and consultations towards effective regulation**, especially where voluntary safeguards fail to protect children.

Conclusion

Meta's US settlement shows that **children's online safety cannot rest only on parental supervision**. India should learn from its focus on platform responsibility, safer design and stronger safeguards, while adapting them to Indian conditions. An **evidence-based and enforceable framework** should protect children's privacy, development and mental wellbeing without blocking their legitimate access to education, health, emergency services and the wider internet.

Question for practice:

Examine the concerns related to children's social media use and the key lessons India can learn from Meta's child-safety measures in the US.

Source: [Businessline](#); [Indian Express](#); [ndtv](#)

The political cost of unconditional cash transfers

Source: The post "**The political cost of unconditional cash transfers**" has been created based on "**The political cost of UCT**" published in "The Hindu" on 07th September 2026.

UPSC Syllabus: GS 2- Governance

Context: Since 2020, **Unconditional Cash Transfer (UCT) schemes** have become an important electoral strategy in several Indian states, particularly for attracting women voters. Schemes such as **Gruha Lakshmi in Karnataka, Rythu Bandhu in Telangana, Lakshmi Bhandar in West Bengal and Magalir Urimai Thogai in Tamil Nadu** provide direct financial assistance to beneficiaries.

Significance of UCT Schemes

1. UCT Schemes Strengthen Social Protection

- a. UCT schemes provide **direct and immediate financial assistance** to economically vulnerable households.
- b. They can improve household consumption and provide greater financial security to families facing economic difficulties.
- c. Direct transfers can reduce dependence on intermediaries and make welfare delivery more accessible.

2. UCT Schemes Promote Women's Economic Agency

- a. Many UCT schemes specifically target women, increasing their control over household financial resources.
- b. Such transfers recognise women's contribution to **unpaid domestic and care work**.
- c. They can strengthen women's economic agency and contribute to **gender equality and SDG 5**.

3. UCT Schemes Have Strong Electoral Appeal

- a. The direct and visible nature of cash transfers makes them attractive to voters.
- b. Political parties increasingly use targeted welfare schemes to connect directly with specific voter groups, particularly women.
- c. However, their increasing use in electoral politics creates concerns about balancing welfare objectives with political incentives.

4. UCT Schemes Can Complement Long-Term Development

- a. Cash transfers provide immediate financial support to vulnerable households.
- b. They can be complemented with investments in **education, healthcare, skills and employment**.
- c. Linking short-term income support with human-capital development can generate more durable welfare gains.

Challenges

1. Fiscal Sustainability Needs to Be Protected

- a. Large and recurring cash transfers can impose significant pressure on state finances.
- b. Substantial expenditure on UCTs can reduce fiscal space for **productive investments, infrastructure and employment generation**.
- c. Governments therefore need to balance immediate welfare support with long-term developmental expenditure.

2. Beneficiary Identification Needs Greater Accuracy

- a. Errors in beneficiary identification can exclude deserving households while including ineligible beneficiaries.
- b. Such targeting errors reduce the effectiveness and credibility of welfare schemes.
- c. Transparent eligibility criteria and reliable beneficiary databases are therefore essential.

3. Political Costs of Targeting Errors Need to Be Minimized

- a. Denial of benefits to eligible households can create dissatisfaction among beneficiaries.
- b. The experience of the **Gruha Lakshmi scheme in Karnataka** illustrates how eligibility and exclusion-related concerns can become politically contentious.
- c. Effective implementation is therefore as important as the announcement of welfare schemes.

4. Productive Expenditure Needs to Be Protected

- a. Excessive allocation towards recurring cash transfers may reduce resources available for **infrastructure, productive investments and employment opportunities**.
- b. This can create a tension between providing immediate financial assistance and building long-term economic capacity.
- c. Welfare expenditure should therefore support, rather than crowd out, developmental investment.

5. Long-Term Welfare Outcomes Need Greater Attention

- a. Cash transfers can provide immediate relief but may not by themselves improve **education, healthcare, skills and employment**.
- b. Over-reliance on transfers can weaken the focus on building human capital and productive capabilities.
- c. Welfare programmes should therefore be assessed on their broader developmental outcomes.

Way Forward

1. Fiscally Sustainable Welfare Planning Should Be Adopted

- a. Governments should assess the **long-term fiscal implications** before introducing or expanding UCT schemes.
- b. Welfare expenditure should be balanced with investments in infrastructure, employment and productive sectors.
- c. This can ensure that welfare remains financially sustainable.

2. Transparent and Accurate Targeting Should Be Strengthened

- a. Beneficiary databases should be regularly updated to minimise inclusion and exclusion errors.
- b. Clear eligibility criteria and transparent selection procedures should be adopted.
- c. Effective **grievance-redress mechanisms** should be provided to protect genuine beneficiaries.

3. Welfare Should Be Linked with Human Capital Development

- a. Cash transfers should be complemented by greater investment in **education, healthcare and skill development**.
- b. Employment opportunities should be expanded so that households can gradually move from welfare dependence towards economic independence.
- c. This would convert short-term financial assistance into long-term developmental gains.

4. Outcome-Based Evaluation Should Be Institutionalised

- a. Schemes should be periodically evaluated using measurable indicators such as **women's empowerment, household welfare, health, education and employment**.
- b. Programmes with limited developmental outcomes should be redesigned.
- c. Evidence-based evaluation can improve both the efficiency and effectiveness of welfare spending.

5. Welfare Policy Should Be Kept Beyond Electoral Cycles

- a. Welfare decisions should be guided by **social needs, evidence and fiscal capacity**.
- b. The design and expansion of schemes should not be driven solely by short-term electoral considerations.
- c. A predictable and transparent welfare framework can strengthen public trust and social protection.

Conclusion: UCT schemes can serve as important instruments of **social protection, women's empowerment and inclusive welfare**. Their long-term effectiveness, however, depends on **fiscal sustainability, accurate targeting, transparent implementation and measurable developmental outcomes**. India needs a balanced welfare approach in which **cash transfers provide immediate support while investments in human capital, infrastructure and employment create long-term opportunities**, making welfare an instrument of **social justice and sustainable development**.

Question: Unconditional Cash Transfer (UCT) schemes have emerged as an important tool of welfare delivery as well as electoral politics in India. Discuss their significance, challenges and the way forward.

Source: [The Hindu](#)

In a warming world, reframe the climate challenge

Source: The post “In a warming world, reframe the climate challenge” has been created based on “In a warming world, reframe the climate challenge” published in “Indian Express” on 07th September 2026.

UPSC Syllabus: GS 3- Environment

Context: The latest **UN Environment Programme (UNEP) report, Limiting Overshoot**, warns that global temperature rise cannot now be contained within the **1.5°C threshold** of the Paris Climate Pact. The report calls for making the period of warming above 1.5°C “**as small and short as possible**”, while strengthening resilience and ensuring climate justice.

Key Concerns

- A. **1.5°C threshold is increasingly difficult to achieve**
 - a. Global temperatures have breached the 1.5°C level more than once in the past five years.
 - b. These temporary breaches indicate that the planet is approaching the long-term warming limit that the Paris Agreement sought to avoid.
- B. **Increasing frequency of climate disasters**
 - a. Heat waves in **Europe, America and Australia** and floods across parts of Asia demonstrate the growing intensity of climate impacts.
 - b. The **Nepal flash flood** highlights how vulnerable communities are facing severe consequences in an increasingly unpredictable climate.
- C. **Risk of irreversible tipping points**
 - a. Every additional fraction of a degree increases the possibility of irreversible climate tipping points.
 - b. Retreating glaciers and rising seas make it particularly difficult for vulnerable communities to build resilience.
- D. **Climate overshoot may become unavoidable**
 - a. UNEP's best-case scenario projects warming peaking at around **1.8°C**.
 - b. However, 1.8°C should **not be treated as a new target**, but as a warning about the consequences that even strong climate action may have to confront.
- E. **Net-zero alone cannot immediately solve the problem**
 - a. Existing net-zero commitments cannot immediately neutralise the carbon already accumulated in the atmosphere.
 - b. Climate action will therefore require both **emission reduction and carbon removal**.
- F. **Need for carbon removal**
 - a. Traditional methods such as increasing **carbon sinks through forests** need to be combined with emerging technologies capable of removing carbon from the atmosphere.
 - b. However, the focus must remain on limiting emissions while using carbon removal to address accumulated greenhouse gases.

Ensuring Fair and Equitable Financing for Climate Damage

1. Unequal responsibility and unequal impact

- a. Countries and communities that have contributed little to global warming often suffer disproportionately from climate disasters.

- b. Nepal's tragedy illustrates this injustice, as the country faces enormous reconstruction costs despite having **little culpability for climate change**.

2. Loss and Damage mechanism

- a. The **UNFCCC Loss and Damage Fund**, created in 2022, was intended to support countries facing climate-induced losses.
- b. However, the estimated cost of rebuilding Nepal is several times larger than the Fund's corpus.

3. Institutional inadequacy

- a. The Fund's limited resources reveal the gap between the scale of climate-related losses and available international finance.
- b. Its board has also not yet responded to the plea by several countries for an **emergency meeting**, highlighting the need for faster institutional action.

Way Forward

1. The global response must shift from focusing only on **preventing warming** to simultaneously managing the unavoidable impacts of climate change.
2. Climate institutions should develop **rapid-response mechanisms** for climate-induced disasters.
3. The Loss and Damage Fund needs adequate resources and faster decision-making.
4. Climate finance should follow the principle of **climate justice**, with greater responsibility placed on countries historically responsible for higher emissions.
5. Countries must continue ambitious mitigation efforts so that the **overshoot above 1.5°C is as small and brief as possible**.
6. Forests and other natural carbon sinks should be strengthened alongside responsible deployment of **carbon-removal technologies**.
7. Greater attention must be given to building the resilience of communities affected by **retreating glaciers, rising seas, floods and extreme heat**.

Conclusion: The climate challenge can no longer be viewed only as a race to remain below **1.5°C**; it is also a challenge of **managing climate risks and protecting vulnerable populations**. A warming world therefore needs institutions that are **rapid, adequately financed and guided by climate justice**, while continuing every possible effort to minimise the scale and duration of climate overshoot.

Question: The world is entering a phase of unavoidable climate overshoot beyond the 1.5°C Paris threshold. In this context, discuss the need to reframe the global climate response around climate resilience, prompt institutions and climate justice.

Source: [Indian express](#)

Judicial Integrity – A Case the Court Cannot Ignore

UPSC Syllabus: Gs Paper 2-Judiciary

Introduction

Judicial integrity is essential for **public trust, rule of law and judicial independence**. The concerns surrounding the Rajasthan High Court show that allegations against judges cannot be treated only as individual disputes. They raise wider questions about **institutional accountability, transparency, judicial administration and the ability of the higher judiciary to examine its own conduct**.

Serious Concerns over Judicial Administration

1. **Allegations against the Acting Chief Justice:** Justice Sandeep Mehta reportedly sought Justice Sanjeev Prakash Sharma's immediate transfer through three letters dated **August 2, 10 and 17**, raising specific concerns about his functioning.
2. **Alleged misuse of judicial administration:** The complaints reportedly involved victimisation of judges, improper shifting of cases, favouritism towards selected lawyers and misuse of the **master-of-roster** power.
3. **Concerns over appointments:** Justice Sharma was also accused of nepotism in appointments to the **Permanent Lok Adalat**, raising questions about fairness in administrative decisions.
4. **Pressure on fellow judges:** He was allegedly accused of intimidating colleagues through possible transfers and using his claimed proximity to the CJI as a source of influence.
5. **Prolonged acting arrangement:** Rajasthan High Court functioned under an Acting Chief Justice for about **11 months**, raising concerns about institutional stability and normal judicial administration.
6. **Developments after the allegations:** Lawyers held a sit-in protest, Justice Sharma stopped hearing cases, and Justice Sanjay Agrawal was subsequently appointed as the regular Chief Justice.

The CJI's Institutional Responsibility in Judicial Misconduct

1. **Unusual institutional warning:** A **sitting Supreme Court judge** directly alerted the CJI about the functioning of a High Court Acting Chief Justice, reportedly supported by specific and verifiable material.
2. **Need for timely response:** Although allegations cannot automatically be treated as findings, credible material requires prompt examination through available institutional mechanisms.
3. **Retirement made urgency greater:** Justice Sharma was due to retire on **September 26**, making timely institutional action more important to prevent further damage to the judiciary's credibility.
4. **Earlier action against Justice Ramaswami:** During the 1990 inquiry against Justice V. Ramaswami, CJI Sabyasachi Mukharji advised him to take leave, while CJI Venkatachaliah later stopped allocating cases to him.
5. **Administrative response to Justice Varma:** After burnt currency notes were reportedly found at Justice Yashwant Varma's residence, CJI Sanjiv Khanna transferred him to Allahabad High Court without practically assigning judicial work.

6. **Responsibility of the CJI:** The Supreme Court's reported decision in *XXX v Union of India* (2025) also recognised the CJI's responsibility regarding **judicial integrity and allegations of corrupt practices**.

Structural Gaps in Judicial Accountability

1. **Opaque judicial appointments:** The absence of clear selection criteria and the Collegium-Executive relationship can make appointments **opaque, arbitrary and difficult to assess for merit and integrity**.
2. **Weak statutory mechanism:** The **Judges (Inquiry) Act, 1968** is considered inadequate, while the Judicial Standards and Accountability Bill, 2012 lapsed after the dissolution of the 15th Lok Sabha.
3. **Barriers to criminal investigation:** In *K. Veeraswami v Union of India* (1991), the Supreme Court made CJI permission a precondition for registering an FIR against a higher-court judge.
4. **Impeachment has practical limits:** Constitutional removal under **Articles 124(4) and 217(1)(b)** has not provided an effective and workable response to judicial misconduct.
5. **Limits of in-house accountability:** The Supreme Court's **1999 in-house mechanism** was created to address complaints of judicial misconduct, but it has not proved sufficiently effective or free from institutional limitations.
6. **Lack of reliable information:** The judiciary has not developed sufficient **data and systematic records on corruption allegations**, making it difficult to understand their extent and nature or design effective reforms.
7. **Self-censorship weakens scrutiny:** Fear of contempt and institutional pressure can discourage media investigations, academic research and public discussion of corruption within the judiciary.

Balancing Judicial Independence with Accountability

1. **Independence cannot mean immunity:** Judicial independence protects courts from external interference, but it should not prevent legitimate scrutiny of misconduct or administrative decisions.
2. **Transparency strengthens public trust:** Proactive disclosure of judicial information can reduce arbitrariness and improve **trust, legitimacy, efficiency and institutional independence**.
3. **Key areas need openness:** Appointments, transfers, case allocation, disciplinary action and judicial recusal require greater transparency because they directly affect perceptions of fairness.
4. **Open courts need accessible information:** Detailed cause lists, published judgments and orders, accessible hearings and media access help the public examine whether judicial proceedings remain fair and impartial.
5. **Academic freedom supports accountability:** The NCERT controversy showed the risks of restricting academic discussion of judicial corruption, particularly when such discussion is treated as harmful without sufficient evidence.

6. **Risk of invisibilising corruption:** Limited research, data, political discussion and media coverage can create an “economy of ignorance”, making corruption within the judiciary difficult to understand and address.

Way Forward

1. **Transparent judicial appointments:** Clear and measurable criteria are needed to assess judicial candidates for **merit, integrity and professional suitability**.
2. **Explore alternative appointment models:** India could consider **application-based selection, as in Canada, or an independent judicial selection body, as in the UK**, to improve transparency and merit in appointments.
3. **Effective accountability mechanism:** India needs a credible mechanism to examine serious allegations against higher-court judges while protecting them from political or external interference.
4. **Timely institutional action:** The CJI and other competent authorities should respond promptly to credible allegations by using available administrative powers to prevent further institutional damage.
5. **Judicial Transparency Index:** The **Judicial Transparency Index (JTI)** can measure proactive disclosure by courts on judicial processes, institutional governance, administration, and judicial and administrative personnel.
6. **Improve data and research:** Systematic collection of data and greater academic research on judicial corruption can help establish its extent and identify suitable institutional reforms.
7. **Protect legitimate academic inquiry:** Research and discussion on judicial corruption should remain possible when based on evidence, so that concerns within powerful institutions do not remain hidden.
8. **Use expert assessment for specialised issues:** Academic and curriculum-related questions should be examined by **independent expert bodies** rather than decided solely through judicial review, protecting both academic freedom and institutional credibility.
9. **Protect the judiciary’s wider reputation:** Action against individual misconduct should not lead to generalisation, as many judges continue to maintain high standards of integrity and public trust.

Conclusion

Judicial independence must be supported by **transparency, accountability and timely institutional action**. The Rajasthan episode shows the need for stronger mechanisms to address credible allegations against judges. Greater transparency, better public access to judicial information and space for responsible academic research can strengthen public trust. **Protecting judicial independence should not mean avoiding legitimate accountability.**

Question for practice:

Examine the concerns surrounding judicial integrity in India and suggest measures to strengthen judicial accountability and transparency while preserving judicial independence.

Source: [The Hindu](#)

Harnessing BRICS 'POWER' to Empower the World

UPSC Syllabus: Gs Paper 2- International Relations

Introduction

BRICS has evolved from an emerging-economy platform into a wider Global South forum with growing economic and political weight. Its 20th anniversary comes amid geopolitical conflicts, trade disruptions, energy insecurity and pressure on multilateral institutions. India's 2026 presidency therefore seeks to use BRICS cooperation to build a more **resilient, innovative, cooperative and sustainable global order**.

For detailed information on **BRICS – Significance & Challenges – Explained Pointwise** [read this article here](#)

BRICS and India's 2026 Presidency: Setting the Context

1. **BRICS as a Global South platform:** BRICS has emerged as an important force for **world peace, development and cooperation among emerging economies**, with a growing role in global affairs.
2. **India's 2026 presidency:** India is holding the **BRICS rotating presidency in 2026**, with the **18th BRICS Summit scheduled in New Delhi on 12–13 September 2026**.
3. **Geopolitical context:** Rising **geopolitical conflicts, economic disruptions, energy insecurity and supply-chain pressures** have increased the need for stronger cooperation among BRICS members.
4. **India's presidency theme:** India has adopted **"Building for Resilience, Innovation, Cooperation and Sustainability"** to guide BRICS cooperation during a period of global uncertainty.
5. **Global South priorities:** BRICS aims to strengthen the **voice and interests of developing countries** while promoting greater cooperation in a changing multipolar world.

Harnessing BRICS "POWER": Five Pillars for Global Cooperation

1. P – Principle:

- **International norms:** BRICS should uphold the **UN Charter, sovereign equality, non-interference and peaceful settlement of disputes** amid rising geopolitical tensions.
- **Peaceful global order:** BRICS should resist **hegemonism and power politics** and support international relations based on established principles rather than domination.

2. O – Openness:

- **Multilateral trade:** BRICS should protect the **WTO-centred multilateral trading system**, including **most-favoured-nation treatment**, while resisting protectionism and tariff barriers.
- **Open supply chains:** Cooperation in **energy, minerals, infrastructure and industrial supply chains** can support an open and stable global economy.

3. W – Win-Win:

- **Development-centred cooperation:** BRICS should keep **development at the centre** and accelerate implementation of the **UN Sustainable Development Goals**.
- **Economic and financial cooperation:** Greater **macroeconomic coordination, trade facilitation, local-currency payments and cross-border payments** can strengthen mutual economic benefits.
- **Food and energy security:** BRICS should develop **resilient and sustainable agriculture and food systems** to address global food and energy challenges.

4. E – Engine:

- **Economic potential:** BRICS accounts for **nearly half of global population, around 30% of global economic output and one-fifth of global trade**, giving it major growth potential.
- **New growth areas:** Cooperation in the **digital economy, smart manufacturing and new industrialisation** can use members' economic and technological strengths.
- **AI cooperation:** Integrating **AI with science, health, agriculture and education** can create new sources of growth and development.

5. R – Responsibility:

- **Global responsibility:** BRICS should promote **peace, development, fairness and justice** while strengthening unity and cooperation among developing countries.

- **India-China coordination:** With **India and China holding successive BRICS presidencies**, sound coordination can support the steady progress of greater BRICS cooperation.
- **Bilateral cooperation:** Resumption of **five direct flight routes** and reopening of **border trade after six years** provide a positive basis for stronger India-China engagement.

Challenges Before an Expanded BRICS

1. **Strategic differences:** India stresses **strategic autonomy and multilateral reform**, while China and Russia can view an expanded BRICS more strongly as a counterweight to Western influence.
2. **India-China trade imbalance:** Despite support for open trade, India faces a **large structural trade deficit with China**, alongside market-access barriers affecting sectors such as pharmaceuticals and agriculture.
3. **Unresolved border tensions:** Improvements in bilateral engagement remain vulnerable to **unresolved LAC issues and trans-border river concerns**, limiting the depth of India-China cooperation.
4. **Financial integration limits:** Local-currency settlement faces practical constraints from **different capital controls, currency convertibility and financial-market structures** across members.
5. **BRICS+ cohesion:** **BRICS+ cohesion:** Expansion beyond the original five members to countries across **Africa, the Middle East and Southeast Asia** has increased diversity in foreign-policy and economic priorities, complicating consensus.
6. **Implementation challenge:** BRICS must convert its growing economic and political weight into **practical cooperation rather than broad commitments alone**.

Way Forward

1. **India-China coordination:** India and China should use the **2026 New Delhi and 2027 Beijing summits** to advance a common Global South development agenda while maintaining stable border management.
2. **Independent payment infrastructure:** BRICS should strengthen the **New Development Bank** and develop interoperable cross-border payment systems connecting national payment platforms and digital currencies.
3. **Responsible technology governance:** Members should create **transparent and human-centric AI frameworks** that support innovation while reducing technological concentration and the digital divide.
4. **Critical supply-chain diversification:** BRICS should develop reciprocal supply partnerships in **renewable energy, fertilisers and critical minerals** to reduce vulnerability to external export restrictions.
5. **Economic cooperation:** Members should deepen **local-currency settlement, trade facilitation and investment cooperation** while maintaining the WTO-based multilateral trading system.
6. **Global institutional reform:** BRICS should coordinate efforts to make institutions such as the **IMF, World Bank and UN Security Council** more representative of developing economies.
7. **Issue-based cooperation:** Given internal diversity, BRICS should focus on **areas of shared interest** instead of waiting for complete agreement on every geopolitical issue.
8. **From declarations to delivery:** The grouping should strengthen existing institutions and ensure that BRICS initiatives produce **measurable economic, technological and developmental outcomes**.

Conclusion

The real strength of BRICS lies in converting its economic weight, diverse membership and Global South representation into practical cooperation. By combining Principle, Openness, Win-Win development, economic Engine and Responsibility, BRICS can strengthen multilateralism and contribute to a more inclusive, resilient and representative global order.

Question for practice:

Discuss how BRICS can harness its “POWER” to strengthen global cooperation and empower the Global South.

Source: [The Hindu](#)

How to appoint judges: A view from South Africa

Source: The post “How to appoint judges: A view from South Africa” has been created based on “How to appoint judges: A view from South Africa” published in “Indian Express” on 09th September 2026.

UPSC Syllabus: GS-2-Governance

Context: Judicial appointments are crucial for maintaining independence, **impartiality and public confidence** in the judiciary. The debate assumes importance in the context of the Supreme Court of India’s judgment in Arvind Malhotra v. High Court of Himachal Pradesh and the contrasting experience of South Africa.

Key differences between India and South Africa

1. Transparency in appointments

- a. In India, the collegium process operates largely through **confidential deliberations** to protect the integrity of judicial appointments.
- b. In South Africa, the **Judicial Service Commission (JSC)** follows a highly transparent process, including public interviews and televised proceedings.

2. Nature of the appointing authority

- a. The Indian system gives a central role to the **judicial collegium**, consisting of senior judges.
- b. South Africa’s JSC is a **more representative constitutional body**, comprising senior judges, lawyers, legal academics and limited political representation.

3. Selection process

- a. South Africa begins with **public calls for nominations**, followed by shortlisting and seeking public comments on candidates.
- b. Candidates are then subjected to **public interviews** to assess their competence, impartiality and independence.
- c. Where consensus is not possible, the JSC decides through voting, although the identity of individual voters remains confidential.

4. Public scrutiny and accountability

- a. South African candidates may face scrutiny regarding their **professional record, views expressed as lawyers, lifestyle and judicial performance**.
- b. Judges also do not enjoy absolute immunity from disciplinary scrutiny.

5. Judicial discipline

- a. South Africa provides for **investigation and, where appropriate, public enquiries** into allegations of judicial misconduct.
- b. For instance, a senior High Court judge faced a public enquiry following a sexual-harassment complaint and was found guilty of gross misconduct, leading to a recommendation for impeachment and suspension.

6. Public confidence

- a. The South African model rests on the belief that **openness enhances public and professional confidence** in judicial institutions.
- b. Excessive secrecy, even when intended to protect institutional integrity, can create doubts about the fairness and independence of appointments.

Way Forward for India

1. There should be a **public and fearless debate** among lawyers, politicians, legal academics and members of the judiciary on judicial appointments.
2. Transparency should be increased while protecting genuinely sensitive information.
3. The appointment mechanism should balance **judicial independence with broader societal representation and public confidence**.
4. Greater openness can help ensure that judges are selected on the basis of **experience, competence, impartiality and independence**, rather than perceived political alignment.
5. A credible and transparent **judicial disciplinary mechanism** should accompany reforms in appointments.

Conclusion: Judicial independence cannot be secured merely by insulating appointments from political influence. It also requires a process that commands **public legitimacy, transparency and confidence**. The South African experience shows that an open and vigorous debate, though difficult, can be an important precursor to an independent judiciary and a truly democratic society.

Question: Judicial independence requires not only competent judges but also a transparent, credible and representative process of judicial appointments. Discuss in the light of the comparative experience of India and South Africa.

Source: [Indian Express](#)

Concerns over the Census questions

Source: The post “Concerns over the Census questions” has been created based on “Concerns over the Census questions” published in “The Hindu” on 09th September 2026.

UPSC Syllabus: GS-2-Governance

Context: The **Census** is a **statistical exercise** undertaken to collect, process and disseminate demographic, economic and social data for policy and planning. The proposed **2027 Census questionnaire contains 40 questions**, including several new questions seeking personal details, which has generated concerns about their relevance and confidentiality.

Concerns regarding the 2027 Census

1. **Departure from the statistical purpose of Census**
 - a. The United Nations defines a population census as a process of collecting and analysing demographic, economic and social data for the country.
 - b. Several proposed details, such as **mobile number, Aadhaar number, Voter ID and passport number**, do not appear to generate meaningful statistical tables.
2. **Violation of the principle of confidentiality**
 - a. The **UN Fundamental Principles of Official Statistics** require individual data collected by statistical agencies to remain strictly confidential and be used exclusively for statistical purposes.
 - b. Collecting identifiable information and subsequently sharing it for non-statistical purposes could undermine this principle.

3. **Unnecessary collection of names and family details**
 - a. Traditionally, names have served only as **placeholders for identification during enumeration** and have not been maintained in Census databases in India.
 - b. Requiring names of individuals and their parents creates difficulties, particularly in **hostels, old-age homes, jails and other institutional households**.
4. **Difficulty in enumerating persons living away from home**
 - a. Many students live in **hostels, as paying guests or away from their normal households**.
 - b. Since February falls towards the end of the academic year, some students may not be present at their usual households, complicating accurate enumeration.
5. **Question on COVID-19 vaccination**
 - a. COVID-19 vaccination occurred several years before the 2027 Census and vaccination is no longer a major ongoing public programme.
 - b. Therefore, information about the **place of vaccination** may have limited statistical or policy utility.
6. **Problems with personal identifiers**
 - a. Asking for **mobile, Aadhaar and Voter ID numbers "if available"** creates ambiguity about whether availability means with the individual concerned or with the respondent.
 - b. Households where the respondent is an elderly person or a homemaker may not have the identifiers of every family member readily available.
 - c. Institutional households may similarly lack the records of their residents.
7. **Practical burden on enumerators**
 - a. With more than **30 lakh enumerators**, collecting and correctly recording multiple identification numbers from every household could consume considerable time.
 - b. Respondents may also be unwilling or unable to produce such documents, particularly in institutional households.
8. **Concerns regarding visitors and domestic servants**
 - a. Visitors and domestic servants residing in a household during the enumeration period may also fall within the enumeration requirements.
 - b. It may be difficult for the household respondent to obtain their sensitive personal details, raising questions about privacy and protection against misuse.
9. **Questionable utility of nationality**
 - a. The question on **"nationality as declared"** may not accurately identify citizenship because an illegal immigrant could declare themselves to be an Indian national.
 - b. India had experimented with this question in the **1951 and 1961 Censuses but discontinued it from 1971 onwards**.
 - c. Similarly, the **US Census decided not to include a citizenship question in its 2020 Census** after considerable debate.
10. **Bank-account information**
 - a. Asking for the **total number of bank accounts** may have limited additional value.
 - b. If the objective is to identify financial inclusion, simply asking whether a person has a bank account may be sufficient.
 - c. Moreover, obtaining accurate responses to the number of accounts may be difficult, especially when respondents are unwilling to disclose such information.
11. **Possible linkage with the NPR**
 - a. Information on **parents, permanent address and nationality** could be useful for preparing or updating the **National Population Register (NPR)**, which is linked to the proposed process of preparing the National Register of Citizens.

- b. This raises concerns that information collected for the Census could potentially be used for another governmental purpose.

12. Legal and federal concerns

- a. Census enumerators are appointed by State governments under **Section 4(2) of the Census Act, 1948**.
- b. Since several States had earlier objected to updating the NPR through the Census exercise, using State-appointed personnel for activities beyond the Census could raise federal concerns.

13. Respondent fatigue and data quality

- a. A questionnaire containing **40 questions**, many of which require descriptive answers for every household member, can cause respondent fatigue.
- b. Tired or uninterested respondents may provide casual or inaccurate answers, thereby **reducing the quality and reliability of Census data**.

Way Forward

1. The Census questionnaire should primarily contain questions that have **clear statistical and policy utility**.
2. Any information required for the **NPR or another population/citizen register** should be collected through a separate, transparent process having a clear legal basis.
3. The government should provide clear safeguards regarding the **confidentiality, storage, access and use of individual information**.
4. Questions should be tested for their **relevance, feasibility and ability to generate reliable statistics** before inclusion.
5. The questionnaire should be kept as simple as possible to reduce **respondent fatigue and enumerator burden**.

Conclusion: The Census is the foundation of **evidence-based governance and public policy**. Therefore, expanding it with personal information that has little statistical value may compromise **privacy, administrative efficiency and data quality**. A clear separation between **statistical enumeration and population-register objectives**, backed by legal safeguards and transparency, is essential to preserve the credibility of the 2027 Census.

Question: The proposed questions in the 2027 Census raise concerns regarding privacy, relevance, administrative feasibility and the possible use of Census data for purposes beyond statistical compilation. Examine these concerns and suggest a way forward.

Source: [The Hindu](#)

India-Japan Defence Cooperation Breaks New Ground

UPSC Syllabus: Gs Paper 2- International Relations

Introduction

India and Japan share a long-standing partnership based on **shared democratic values, mutual respect and civilisational ties**. The two countries will mark **75 years of diplomatic relations in 2027**. Their defence cooperation has expanded through dialogues, the 2+2 mechanism, military exercises, logistics and technology discussions. The August 2026 Defence Ministers' meeting marks a new phase, focused on **operational capability, defence-industrial cooperation and stronger maritime coordination**.

Evolution of Defence Cooperation

1. **Institutionalising Defence Ties:** Over the past decade, India and Japan have developed defence cooperation through **annual dialogues, the 2+2 mechanism, military exercises, logistics arrangements and defence-technology discussions**.
2. **Expanding Military Exercises:** Defence exercises have moved beyond basic engagement, with **Dharma Guardian, JAIMEX and Veer Guardian** providing increasing opportunities for interoperability among the armed forces.
3. **Deepening Army Interoperability:** The **2026 Dharma Guardian**, involving more than **200 troops**, strengthened joint capabilities through counter-terrorism, urban warfare and combat drills in complex terrain.
4. **Moving into Advanced Air Cooperation:** **Veer Guardian 26** marks a new step as Japanese fighter aircraft are participating in the exercise in India for the **first time**, scheduled for September 9–22, 2026.
5. **Building Naval Operational Experience:** The **2025 JAIMEX** included anti-submarine warfare, missile defence, flying operations and replenishment drills, followed by **INS Sahyadri's port call at Yokosuka**.
6. **Extending Cooperation to Third Countries:** India and Japan conducted their **first trilateral naval exercise with Indonesia in early 2026**, showing a move towards wider regional maritime cooperation.

New Areas of Defence Cooperation

1. **Formalising Maritime Security:** India and Japan signed a **Memorandum of Arrangement on Maritime Security Cooperation** to strengthen coordination for the protection of maritime routes and Sea Lines of Communication.
2. **Creating a Shared Maritime Picture:** Both sides will deepen **information sharing and Maritime Domain Awareness**, linking Japan's focus on the East China Sea and waters around Taiwan with India's central role in the Indian Ocean.
3. **Strengthening Naval Logistics:** Cooperation will include **mutual naval visits, use of ports, maintenance and repair facilities, personnel exchanges and Subject Matter Expert exchanges**, making naval cooperation more practical.
4. **Exploring Joint Shipbuilding:** India and Japan will explore **joint development in naval shipbuilding and design**, combining Japanese technological expertise with India's production capabilities.

5. **Expanding Defence Production:** Japan will deepen discussions on using Indian production capabilities under **Make in India**, while both sides will explore reciprocal arrangements for ship-repair facilities.
6. **Implementing UNICORN:** The proposed transfer of Japan's **UNICORN integrated communications antenna system** represents a concrete step in defence-technology cooperation; its co-development with Bharat Electronics Limited was already covered by an MoU signed in **November 2024**.
7. **Deepening DRDO-ATLA Cooperation:** India's **DRDO** and Japan's **Acquisition, Technology and Logistics Agency (ATLA)** will deepen cooperation, supporting the implementation of defence-technology projects between the two countries.

Significance and Impact

1. **Shifting from Dialogue to Delivery:** The key change is the move from repeated declarations of strategic convergence towards **projects, exercises and arrangements that improve actual operational capability**.
2. **Connecting the Indian Ocean and Pacific:** India and Japan's positions at opposite ends of the Indo-Pacific make information sharing important for developing a **more continuous maritime picture across interconnected sea spaces**.
3. **Strengthening Defence-Industrial Cooperation:** Joint shipbuilding, Indian production and reciprocal repair arrangements can address the long-standing gap between **strong political-strategic ties and limited defence-industrial outcomes**.
4. **Improving Operational Preparedness:** More complex exercises, unmanned systems, short-notice drills and cooperation between special operations forces will make bilateral military engagement more operationally focused.
5. **Protecting Maritime Lifelines:** Greater coordination on Sea Lines of Communication supports **freedom of navigation, overflight and lawful commerce**, which both countries view as increasingly vulnerable.
6. **Building a Wider Security Architecture:** Maritime security, defence industry, logistics, resilient supply chains and third-country cooperation are increasingly linking India-Japan defence ties with the **broader Indo-Pacific security framework**.

Way Forward

1. **Ensure Early Project Delivery:** India and Japan need to prioritise implementation of existing commitments, particularly **UNICORN and defence-technology cooperation**, instead of limiting engagement to identifying new possibilities.
2. **Turn Technology into Production:** Cooperation should move further towards **joint development, shipbuilding, Indian production and technology transfer**, using Japanese expertise and Indian manufacturing capabilities.

3. **Institutionalise Maritime Cooperation:** Regular information sharing, naval visits, port access, maintenance and repair arrangements should be developed into a sustained framework for protecting **Sea Lines of Communication**.
4. **Raise Exercise Complexity:** The two countries should build on existing exercises by adding **unmanned systems, short-notice drills and greater special-operations cooperation** to improve interoperability.
5. **Expand Third-Country Cooperation:** India and Japan should deepen exercises and high-level exchanges with countries such as **Indonesia**, strengthening their joint contribution to regional peace and stability.
6. **Link Defence with Economic Security:** Defence cooperation should complement the wider partnership in **critical technologies, economic security and resilient supply chains**, connecting industrial and technological strengths.

Conclusion

India-Japan defence ties have moved from building institutions and strategic trust towards developing **usable military and industrial capabilities**. The latest initiatives give this partnership a stronger operational base. Their success will depend on timely implementation, deeper technology and production cooperation, and sustained maritime coordination, enabling both countries to make a practical contribution to a **free, open and resilient Indo-Pacific**.

Question for practice:

Discuss the recent developments in India-Japan defence cooperation and their significance for the Indo-Pacific region.

Source: [The Hindu](#)

Subhash Chandra Case with National Company Law Tribunal (NCLT)

UPSC Syllabus: Gs Paper 3- Indian economy

Introduction

The **Subhash Chandra personal insolvency case** involves a repayment plan against creditor claims of about **₹22,006 crore**. The plan faced controversy over the eligibility of certain creditors to vote and the resulting voting outcome. The dispute produced **three different judicial views**, after which the NCLT found that no majority view had emerged. The matter then reached a **five-member NCLT Bench**, raising wider questions about creditor eligibility, judicial oversight and the suitability of the existing NCLT structure for insolvency proceedings.

Subhash Chandra Case: What is the Controversy?

1. **Personal guarantee liability:** The proceedings concern personal guarantees given by Subhash Chandra for borrowings of Essel Group-linked companies, rather than direct borrowings by him..

2. **Large gap in repayment:** The plan proposed about ₹6.25 crore for creditors, plus ₹25 lakh towards process costs, against admitted claims of ₹22,006.57 crore, creating the reported 99.97% haircut.
3. **High voting support:** Creditors supporting the plan held about 80.81% of the voting share, apparently crossing the required threshold for approval.
4. **Disputed voting rights:** Five entities allegedly linked to Chandra's family together held 61.78% of the voting share, making their eligibility decisive to the outcome.
5. **Effect of excluding disputed voters:** Dissenting creditors argued that these entities were associates under the IBC and should not have voted; without them, plan supporters would hold below 16%, against about 18% opposing votes.
6. **Wider concern over creditor recovery:** The case has attracted criticism because a very small repayment was proposed against a very large claim, while several major financial creditors opposed the plan.

How Did the Legal Dispute Escalate and What Were the Three Judicial Views?

1. **Initial split:** The original two-member Bench, comprising a **Judicial Member and a Technical Member**, gave different views on the repayment plan, requiring reference to a Third Member.
2. **Judicial Member—plan approved:** The Judicial Member treated the disputed creditors as eligible to vote and approved the repayment plan, while allowing dissenting creditors to pursue **available recovery remedies**.
3. **Technical Member—plan rejected:** The Technical Member rejected the plan and questioned **creditor eligibility, voting, the Resolution Professional's conduct, asset disclosure and repayment certainty**.
4. **Third Member—plan approved:** The Third Member treated the disputed creditors as eligible and approved the plan, while directing exclusion of certain other claims from the creditor list.
5. **Dissenting creditors also bound:** Unlike the Judicial Member, the Third Member held that the approved plan would bind **both assenting and dissenting creditors** under Section 115 of the **Insolvency and Bankruptcy Code (IBC)**.
6. **No majority emerged:** The original Bench found that the three views differed on material consequences and held that **no majority view had emerged**, so no final order could be passed.
7. **Five-member Bench and fresh challenge:** The matter was referred to the NCLT President, who constituted a **five-member Special Bench**.
8. **Challenge before NCLAT:** Subhash Chandra challenged the **NCLT's power to constitute the five-member Bench** before the **National Company Law Appellate Tribunal (NCLAT)**. The issue remains pending, while the NCLAT proceedings concerning the repayment plan have also been kept pending.

The Institutional Problem Exposed by the Case

1. **NCLT's inherited structure:** The **Insolvency and Bankruptcy Code (IBC)** uses the **National Company Law Tribunal (NCLT)** as its Adjudicating Authority (AA), so insolvency inherits the **Judicial Member-Technical Member** structure of the Companies Act.
2. **Personal guarantee liability:** The proceedings concern personal guarantees given by Subhash Chandra for borrowings of Essel Group-linked companies, rather than direct borrowings by him.
3. **AA's limited role:** The **Adjudicating Authority (AA)** is not primarily meant to resolve bilateral disputes or decide the commercial outcome; it should mainly ensure that creditors act **within the statutory framework**.
4. **Commercial wisdom needs a valid electorate:** Judicial deference to creditor commercial wisdom can apply only when the **creditor body is legally constituted**; an unlawful vote cannot be protected as commercial wisdom.
5. **Corporate insolvency safeguards:** The IBC provides safeguards such as excluding related-party financial creditors from the Committee of Creditors, restricting specified persons from bidding and protecting dissenting creditors.
6. **Personal insolvency gap:** The framework for individual insolvency requires the Adjudicating Authority to examine a repayment plan based on the creditors' report, but lacks a comparable mechanism for determining the valid electorate.
7. **Core institutional lesson:** The case shows that insolvency needs an adjudicatory structure designed specifically for **collective decision-making, speed, commercial certainty and preservation of value**, rather than an inherited company-law model.

Way Forward

1. **Create a dedicated insolvency AA:** A separate **Adjudicating Authority under the IBC** could avoid importing the broader institutional design of the Companies Act into insolvency proceedings.
2. **Single-member insolvency authority:** The dedicated authority should ordinarily function through a **single specialised member**, similar to the single-judge approach used for bankruptcy adjudication in the United States.
3. **Provide specialised procedures:** It should have its own procedure, case-management system and specialised members suited to insolvency matters.
4. **Keep appellate review for wider issues:** Questions of wider legal importance can continue through the **appellate hierarchy**, without repeatedly expanding the composition of the first-level authority.
5. **Separate company and insolvency adjudication:** Company-law matters can remain with the NCLT, while insolvency matters can be handled by an institution designed specifically for the **IBC's requirements**.
6. **Focus on core insolvency objectives:** The institutional design should prioritise **speed, collective decision-making, commercial certainty and preservation of value**.

Conclusion

The **Subhash Chandra case** goes beyond the dispute over a ₹6.25-crore repayment plan against claims of about ₹22,006 crore. It shows how disputed creditor eligibility can produce conflicting judicial views, **no majority and successive Benches**, creating institutional uncertainty. The case therefore strengthens the need for a **dedicated, simpler and specialised insolvency authority** that ensures statutory compliance while respecting valid creditor commercial wisdom.

Question for practice:

Examine the institutional challenges highlighted by the Subhash Chandra case before the National Company Law Tribunal (NCLT).

Source: [Businessline](#)

Dangerous phase: On the crisis in West Asia

Source: The post “Dangerous phase: On the crisis in West Asia” has been created based on “Dangerous phase: On the crisis in West Asia” published in “The Hindu” on 10th September 2026.

UPSC Syllabus: GS-2- International Relations

Context: The ongoing Iran war has escalated tensions across **West Asia**, with the conflict increasingly spreading beyond Iran and the United States. The involvement of regional actors and disruption of vital trade routes has created the possibility of an **economic and security crisis across the region**.

Key developments in the conflict

1. The **US has carried out strikes on Iranian oil tankers in the Gulf waters**, following what it described as Iranian attacks on US warships.
2. Iran responded with a **massive ballistic missile attack on a US air base in Jordan** and warned of a stronger response to further US attacks.
3. Iran has also declared a **restricted zone in the Strait of Hormuz**, warning commercial ships against crossing it without American naval escort.
4. **Yemen’s Houthis**, aligned with Iran, have attacked **Saudi Arabia**, causing casualties and injuries.
5. The Houthis have also imposed a **naval blockade on Saudi Arabia’s western ports** and launched an offensive against Saudi-backed forces in **Taiz and Mocha**.
6. Thus, the conflict has expanded from **Tehran to Jordan, Riyadh and the Bab-el-Mandeb region**.

Reason behind current phase being dangerous

1. Threat to strategic trade routes

- a. The **Strait of Hormuz** connects the Persian Gulf with the Gulf of Oman and is a critical channel for global energy trade.
- b. The **Red Sea and Bab-el-Mandeb** are also important trade routes connecting Europe and Asia.
- c. Any prolonged disruption of these routes can affect global trade, shipping and energy supplies.

2. Risk of energy and economic crisis

- a. The US naval blockade has largely prevented Iran from exporting its oil.
- b. At the same time, the American naval escort has helped a limited number of ships pass through the Strait of Hormuz, reducing the immediate impact of Iran's restrictions on global energy prices.
- c. However, continued disruption could put **global energy markets and the wider economy under pressure**.

3. Escalation of military confrontation

- a. The US is simultaneously using **intense military strikes and economic pressure** to force Iran to surrender.
- b. Iran has instead escalated the conflict by attacking American warships outside the Persian Gulf.
- c. This could invite a **stronger US military response** and further widen the conflict.

4. Rebuilding of Iranian military capabilities

- a. Iran's missile attack on US bases in Jordan indicates that Tehran may have been **rebuilding its strike capabilities**, despite earlier US claims that these capabilities had been destroyed.
- b. This raises concerns about the effectiveness of military pressure in permanently weakening Iran's ability to retaliate.

5. Political calculations

- a. Iran appears to believe that the US is entering its **midterm election period**, while President Trump is politically weak domestically.
- b. Iran may therefore see an opportunity to increase pressure on the US and strengthen its negotiating position.

Way forward

1. Both Washington and Tehran need to avoid further escalation and prevent the conflict from expanding to additional countries.
2. **Freedom of navigation** through the Strait of Hormuz and Bab-el-Mandeb should be protected to prevent disruption of global trade.
3. Diplomatic channels should be strengthened alongside military de-escalation measures.
4. Regional powers should work towards preventing the conflict from turning into a wider **West Asian security crisis**.

Conclusion: The Iran war has moved beyond a bilateral confrontation and now threatens **regional stability, maritime security and the global economy**. With neither the US nor Iran appearing ready to step back, the conflict risks entering a more dangerous phase with **far-reaching global economic implications**.

Question: The Iran war has pushed West Asia into a dangerous phase with serious economic and security implications. Discuss.

Source: [The Hindu](#)

India has to act on its 'sugar' problem

Source: The post "India has to act on its 'sugar' problem" has been created based on "India has to act on its 'sugar' problem" published in "The Hindu" on 10th September 2026.

UPSC Syllabus: GS-2- International Relations

Context: India is witnessing a rise in **obesity, diabetes and lifestyle-related diseases**, particularly among children. Excessive consumption of **sugar-sweetened beverages and processed foods** is emerging as an important public health concern.

Growing sugar consumption in India

1. **The Food Safety and Standards Authority of India (FSSAI)** has proposed restricting packaged foods high in **fat, salt and sugar** in school canteens and introducing **warning labels** on such products.
2. The number of children suffering from **obesity and diabetes is increasing**, with a significant share of them having lifestyle-related health problems.
3. In **2024**, the leading multinational cola company in India sold around **4 billion units of sugary drinks**, showing the large scale of consumption.
4. Popular products such as **soft drinks, energy drinks, flavoured milk and packaged snacks** are increasingly marketed towards children.
5. The problem is also linked to changing dietary habits, as children increasingly consume **processed and packaged foods** instead of healthier traditional options.

Major concerns

1. Rising childhood obesity

- a. Excessive sugar intake contributes to weight gain and increases the risk of **childhood obesity**.
- b. Obesity during childhood can continue into adulthood and increase the burden of lifestyle diseases.

2. Growing risk of diabetes

- a. High consumption of sugary foods and beverages increases the risk of **diabetes and other metabolic disorders**.
- b. The rising prevalence of obesity and diabetes among children indicates the need for early intervention.

3. Misleading perception of "healthy" products

- a. Products marketed as **"energy drinks", "health drinks" or fortified beverages** may contain substantial amounts of sugar.
- b. Such marketing can create the perception that these products are beneficial for children despite their high sugar content.

4. Easy availability and aggressive marketing

- a. Sugary products are widely available in **schools, colleges, shops and online platforms**.
- b. Aggressive advertising and promotional campaigns influence children's food preferences and consumption patterns.

5. Long-term public health burden: Excessive sugar consumption can contribute to **obesity, diabetes and other lifestyle-related diseases**, increasing healthcare costs and reducing productivity.

Measures required

1. Stronger food regulation

- a. FSSAI should implement clear **front-of-pack warning labels** for products high in sugar, salt and fat.
- b. The proposed restrictions on unhealthy packaged foods in **school canteens** should be effectively enforced.

2. Regulation of marketing

- a. Advertising of high-sugar products, particularly those **targeting children**, should be strictly regulated.
- b. Companies should not be allowed to create misleading health or nutritional claims for high-sugar products.

3. Fiscal measures

- a. Higher taxation on **sugar-sweetened beverages** can discourage excessive consumption.
- b. Revenue generated through such taxes can be used for **public health and nutrition programmes**.

4. Healthier school environments

- a. Schools should promote **fresh and nutritious food** and restrict the availability of sugary drinks and unhealthy packaged snacks.
- b. Children should be educated about the health consequences of excessive sugar consumption.

5. Consumer awareness

- a. Public awareness campaigns should explain the **actual sugar content** of popular beverages and packaged foods.
- b. Parents and schools should encourage healthier alternatives and balanced diets.

6. Industry responsibility

- a. Food and beverage manufacturers should reduce the amount of **added sugar** in their products.
- b. Companies should adopt responsible marketing practices and provide transparent nutritional information.

Conclusion: India's sugar problem requires a **whole-of-society approach involving government, schools, parents, consumers and the food industry**. Stronger regulation, transparent labelling, responsible marketing, healthier school environments and public awareness can help protect children and reduce the future burden of **obesity and diabetes**.

Question: India is facing a growing “sugar problem” due to rising consumption of sugary foods and beverages, particularly among children. Discuss the concerns associated with excessive sugar consumption and suggest suitable measures to address the issue.

Source: [The Hindu](#)

What is Article 371(K), and what could it mean for Ladakh?

UPSC Syllabus: Gs Paper 2- Issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein.

Introduction

The Centre has proposed **Article 371(K)** as a new constitutional safeguard for Ladakh, with a directly elected UT-level body and legislative powers. The proposal seeks to address long-standing demands for greater democratic control and protection of land, culture, environment and natural resources. However, **no detailed draft has been provided**, leaving major questions over executive, financial, planning, police and law-and-order powers.

Why Has Ladakh Been Seeking Constitutional Protection?

1. **2019 reorganisation of J&K:** In 2019, the erstwhile State of Jammu and Kashmir was reorganised, and Ladakh became a separate Union Territory without a legislative assembly.
2. **Loss of elected representation:** Ladakh had **four MLAs** in the erstwhile J&K Assembly, but after becoming a UT without a legislature, its administration became largely bureaucratic.
3. **Change in political expectations:** Leh had long demanded UT status because it felt neglected by the erstwhile Jammu and Kashmir government, but the absence of a legislature later created concerns over democratic representation.
4. **Concerns over land and identity:** Changes in domicile rules increased concerns about **land, employment, demography and protection of Ladakh's distinct cultural identity**.
5. **Limited Hill Council powers:** Ladakh has Hill Councils in **Leh and Kargil**, but neither is covered by the Sixth Schedule, leaving their powers limited.
6. **Demand for stronger safeguards:** These concerns led to demands for **statehood, tribal status, Sixth Schedule protection and greater local control** over administration, land and infrastructure decisions.

What Has the Centre Proposed Under Article 371(K)?

1. **New constitutional provision:** The Centre has proposed **Article 371(K) under Part XXI**, which contains temporary, transitional and special provisions for specific regions and states.
2. **Article 371 and its present scope:** Article 371 and provisions from **371-A to 371-J** provide special arrangements for **12 States**, covering different political, cultural, social and economic interests.
3. **Directly elected UT body:** The proposed arrangement would create a governing body for Ladakh whose members would be chosen through **direct elections**.

4. **Legislative subjects:** The body would have legislative powers over **land, culture and language, forests, environment and natural resources**.
5. **Article 240 subjects:** Its legislative role could also cover other subjects reserved for Ladakh under **Article 240**, which allows the President to make laws for specified Union Territories.
6. **A new constitutional model for a UT:** Article 371(K) would create a **separate constitutional arrangement for Ladakh**, marking a departure because existing special provisions under Article 371 apply to states.

How Would Article 371(K) Change Ladakh's Governance?

1. **Greater elected participation:** A directly elected UT-level body would give local representatives a formal role in **Ladakh's governance and decision-making**.
2. **Local role in resource decisions:** Legislative powers over **land, forests, environment and natural resources** would give the proposed body a role in decisions concerning these areas.
3. **Protection of cultural interests:** Legislative authority over **culture and language** would provide a constitutional basis for addressing Ladakh's distinct cultural interests.
4. **Shift from bureaucratic administration:** The proposed elected body is intended to increase **democratic control** in Ladakh, where administration has largely been led by bureaucrats since 2019.

What Is the Difference Between Article 371(K) and the Sixth Schedule?

1. **Sixth Schedule framework:** The Sixth Schedule creates **Autonomous District Councils** with constitutionally defined legislative, judicial and administrative powers within states.
2. **Subjects under Sixth Schedule:** These councils can regulate matters including **land, forests, water, agriculture, village councils, health, inheritance, social customs and mining**.
3. **Present geographical scope:** The Sixth Schedule applies to tribal areas in **Assam, Meghalaya, Mizoram and Tripura**.
4. **Ladakh's earlier recommendation:** The National Commission for Scheduled Tribes recommended Sixth Schedule protection for Ladakh in 2019, citing its **tribal population and distinct cultural heritage**.
5. **Tribal protection remains distinct:** With **97% of Ladakh's population being tribal**, people have demanded Sixth Schedule protection to give local councils greater autonomy to protect the region's **environment and culture**.
6. **Different institutional model:** Article 371(K) proposes a **directly elected UT-level body** with specified legislative powers, rather than Sixth Schedule-style autonomous district institutions.
7. **Separate constitutional route:** The proposal would create a distinct arrangement for Ladakh, while its exact difference from the Sixth Schedule depends on the final draft.

What Powers and Demands Remain Unresolved?

1. **No detailed draft yet:** Ladakh representatives have not received a draft specifying the proposed body's powers, making the Centre's offer incomplete in their view.
2. **Executive authority unclear:** It remains unsettled whether the elected body would exercise **executive powers or have supremacy over the existing bureaucracy** in governance.
3. **Financial and planning powers:** Ladakh has sought **budgetary, financial and planning powers**, but their scope under the proposed arrangement remains undecided.
4. **Police and law and order:** Representatives have sought control over **police and law and order**, while the Centre has only agreed to discuss these demands in October.
5. **Limits on Lieutenant Governor:** The **Leh Apex Body (LAB)** and **Kargil Democratic Alliance (KDA)** want no major decisions on **administration, bureaucracy or land** until constitutional safeguards and the elected body are established.
6. **Protection against irreversible changes:** They oppose major irreversible restructuring of **governance mechanisms and land transfers** before the proposed democratic arrangement is firmly established.
7. **Relief after 2025 violence:** The groups have sought **compensation for victims and withdrawal of criminal cases against 80 protesters** connected with the September 24, 2025 violence.
8. **Timeline for legislation:** Ladakh representatives want legislation passed during the **Winter Session**, while further talks and discussion of a draft Article are expected in October.

Conclusion

Article 371(K) could provide Ladakh with a **distinct constitutional framework and greater democratic control** over key local matters. However, its actual significance will depend on the powers finally given to the elected body, especially over **bureaucracy, finance, planning, police and law and order**. The proposed draft and further October discussions will therefore be crucial to settling the scope of Ladakh's constitutional safeguards.

Question for practice:

Discuss the proposed Article 371(K) and its significance for Ladakh.

Source: [Indian Express](#)

Issues in GDP Computation

UPSC Syllabus: Gs Paper 3- Indian Economy

Introduction

India's **7.8% real GDP growth in Q1FY27** has renewed **debate over** the reliability of **official GDP estimates**. The concern arises from the **downward revision of the historical base, gaps in measuring the informal economy, and changes in the methodology** used to calculate real growth. The unusually low 2.5% GDP deflator has added to these concerns. The absence of a consistent back-cast series has further raised questions about the **comparability and credibility of India's growth estimates**.

Current Situation: Revision of GDP Estimates

1. **Shift in Base Year:** India's GDP series has shifted from the **2011-12 base to the 2022-23 base**, changing estimates of past economic activity.
2. **Downward Revision of GDP:** The new series lowered **nominal GDP estimates by 3.3 percentage points compared with the earlier series during FY23-FY26**, reducing estimates by about **₹42 trillion** overall.
3. **Broad-Based Revision:** The downward revision affected **household consumption, government spending and capital formation**, covering major domestic demand components.
4. **Successive Quarterly Revisions:** Q1FY26 nominal GDP was revised downward at **every release**, from **₹82.7 trillion in November 2025 to ₹80 trillion in August 2026**.
5. **Effect on Current Growth:** With Q1FY27 GDP at **₹88.3 trillion**, using the original higher Q1FY26 base would have produced **6.7% nominal and 4.2% real growth**, instead of **10.3% and 7.8%**.
6. **Scale of Revision:** Q1FY26 alone saw a cumulative downward revision of **₹2.7 trillion**, showing that estimates continued to change even within the new GDP series.

Why Was the GDP Series Changed?

1. **Outdated Informal-Sector Measurement:** The earlier 2011-12 series relied on **static ratios extrapolated from formal-sector growth and workforce data collected during 2010-12**.
2. **Long Gap in Informal-Sector Surveys:** Survey-based tracking of the informal economy stopped after **2012-13**, leaving its subsequent changes insufficiently captured in GDP estimates.
3. **Major Disruptions Not Captured:** The older series could not adequately measure the informal sector's response to **demonetisation, GST disruptions, global protectionism and the pandemic**.
4. **Introduction of New Survey Data:** The 2022-23 series incorporated **Annual Survey of Unincorporated Sector Enterprises (ASUSE) and other surveys** that had resumed after long gaps, providing newer information on unincorporated economic activity.
5. **Employment Data Gap:** The Employment-Unemployment Survey ended after **2011-12**, while the **Periodic Labour Force Survey (PLFS) began in 2017-18**, creating a significant gap in labour-market information.
6. **Consumption Data Gap:** The Household Consumption Expenditure Survey stopped in **2017-18** and resumed in **2022-23**, when it showed a sharp deceleration in real household spending.

Why Are Critics Questioning the New Estimates?

1. **Adoption of Double Deflation:** The new GDP series uses **double deflation**, which requires granular price information across industries and output categories that has not been fully disclosed.
2. **Low GDP Deflator:** The Q1FY27 implied GDP deflator was only **2.5%**, despite Consumer Price Index (CPI) inflation near **4%** and WPI/PPI inflation above **9%**.
3. **Alternative Deflator Estimate:** Using earlier average weights of **46% for CPI and 54% for Wholesale Price Index (WPI)** gives an estimated GDP deflator of about **6.9%**, much higher than the reported 2.5%.
4. **Manufacturing Deflator Mismatch:** The reported **-1.5% manufacturing deflator** contrasts with **7.3% average manufacturing WPI inflation**, creating doubts about the assumptions used.
5. **Manufacturing Cost Pressure:** Data from more than **1,700 companies** showed **25.6% sales growth** against a **40% rise in raw-material costs**, while nominal value addition declined by **4.5%**.
6. **Concern Over Cost Pass-Through:** MoSPI's (Ministry of Statistics and Programme Implementation) negative manufacturing deflator relies on assumptions about **cost pass-through**, while company-level results show substantial cost pressure.
7. **Consumption Deflator Concern:** Private consumption growth implies a **2.8% deflator**, while Reserve Bank of India (RBI) surveys indicate lived urban inflation near **8.5%** and worsening sentiment on jobs, income and living costs.
8. **Limited Methodological Transparency:** Double deflation requires granular price data, but the underlying **price information, calculations and assumptions have not been fully disclosed**.

Impact of the Changes on Growth Assessment

1. **Lower Growth Under Alternative Deflation:** Using a **6% deflator instead of 2.5%** would reduce Q1FY27 real GDP growth to around **3.9–4.3%**, well below the reported 7.8%.
2. **Uncertain Ten-Year Growth Picture:** No back-cast data exists under the 2022-23 base for years before that base year, making long-term growth comparisons methodologically uncertain.
3. **Uncertain Initial Estimates:** Persistent downward revisions raise questions about whether **high-frequency indicators adequately capture the wider economy** when initial GDP estimates are prepared.
4. **Macroeconomic Assessment:** Uncertain GDP estimates complicate assessment of **nominal growth, public debt, tax elasticity, youth employment, trade deficit, external borrowing, foreign investment and balance-of-payments pressure**.
5. **Policy Assessment:** If GDP data does not accurately reflect economic conditions, policymakers may face difficulty in assessing the **true pace of economic expansion** and responding to underlying weaknesses.

Way Forward

1. **Publish a Back-Cast Series:** The National Statistical Office (NSO) should provide a **consistent historical GDP series** linking the old and new bases to enable reliable long-term comparisons.
2. **Improve Deflator Transparency:** The underlying **price indices, weights, assumptions and calculations** used to derive GDP deflators should be clearly disclosed.
3. **Ensure Regular Surveys:** Surveys covering the **informal sector, employment, household consumption and enterprises** should be conducted regularly to avoid long data gaps.
4. **Improve Initial GDP Estimates:** Initial GDP estimates should use data that **better reflect wider economic activity**, so that subsequent revisions are smaller and more reliable.
5. **Explain Revisions Clearly:** Methodological changes and revisions should be clearly explained so that users can understand **why GDP estimates change across releases**.
6. **Improve Statistical Coverage:** Regular and representative data collection should ensure that GDP estimates capture changes across both the **formal and informal sectors**.

Conclusion

India's GDP debate is ultimately about the **reliability, transparency and comparability of economic data**, rather than one quarterly figure. The new series addresses important gaps in the older system, but **base revisions, deflator concerns and missing back-cast data** leave the growth trajectory uncertain. **Regular surveys, transparent methodology and consistent historical estimates** are essential for accurately assessing growth and supporting sound policymaking.

Question for practice:

Examine the major issues in India's GDP computation and their impact on the credibility of growth estimates.

Source: [Businessline](#)

FCNR(B): Benefits outweigh costs

Source: The post "FCNR(B): Benefits outweigh costs" has been created based on "FCNR(B): Benefits outweigh costs" published in "Business Line" on 11th September 2026.

UPSC Syllabus: GS-3-Economy

Context: The **Foreign Currency Non-Resident (FCNR-B) scheme** was used by the RBI to attract foreign currency deposits at concessional swap rates and strengthen India's external position. The concessional swap window operated from **June 8 to August 31, 2026**, and mobilised **\$127.2 billion in just 85 days**.

Benefits of the FCNR(B) Swap Window

1. **Attracted foreign capital at a large scale:** The scheme mobilised \$127.2 billion, thereby strengthening foreign capital inflows and the balance of payments.

2. **Generated a net surplus for RBI:** With average forward premia of **2.93% for three-year** and **3.23% for five-year** tenors, against average US Treasury yields of **4.23% and 4.33%**, respectively, investment returns exceeded hedging costs.
3. **Created a positive balance-sheet impact:** Under the assumed deposit distribution of **40% in three-year, 10% in four-year and 50% in five-year tenors**, the estimated hedging cost was **\$16.3 billion**, while investment income was **\$22.4 billion**, generating a **net surplus of \$6.1 billion (₹58,372 crore)**.
4. **Provided banking-system liquidity:** The concessional swaps injected nearly **₹12 trillion** of rupee liquidity into the banking system, helping banks overcome elevated **credit-deposit (C-D) ratio constraints** and supporting productive-sector lending.
5. **Reduced government borrowing costs:** Surplus liquidity encouraged banks to invest in government securities, pushing yields lower and thereby reducing the government's borrowing costs.
6. **Strengthened external stability:** Despite foreign capital inflows of around **\$136 billion**, including FCNR, ECB and OFCB inflows, reserves increased from **\$681.6 billion to \$740.8 billion** between June 5 and August 28, indicating the strengthening of India's forex position.

Costs and Challenges

1. **High forward-premium costs:** USD/INR forward premia touched more than **1,500 basis points for five-year tenors**, raising concerns regarding the cost of the scheme.
2. **Surplus liquidity:** Durable surplus liquidity reached **₹8.06 lakh crore** by mid-August, pushing overnight rates below the repo rate, with **call money at 4.95% and TREPS at 4.45%**.
3. **Sterilisation burden:** RBI had to undertake sterilisation operations to keep liquidity within its comfort zone of **0.5–1% of NDTL**, creating an additional cost.
4. **Temporary liquidity-management challenge:** RBI's short dollar forward position is above **\$100 billion**, with around **\$40 billion maturing within one year**. Their unwinding will automatically contract rupee liquidity.
5. **Seasonal liquidity pressures:** September and October are likely to witness liquidity absorption due to **festive-season withdrawals, advance tax payments, credit growth, revival of capex, government borrowing and import payments ahead of Diwali**.

Why the Costs Remain Manageable

1. Even if RBI sterilises liquidity for up to one year, the estimated costs remain manageable.
 - a. With surplus liquidity of **₹3–8 trillion** and sterilisation rates of **5.3–5.7%**, quarterly sterilisation costs could be around **₹3,975–10,600 crore**, while annual costs could range from **₹17,000–45,600 crore**.
 - b. Against the FCNR(B) surplus of **₹58,372 crore**, RBI could still retain a net positive balance of approximately **₹12,772–54,397 crore**.
2. RBI can manage liquidity through **incremental CRR hikes, longer-term VRRRs and OMOs**, instead of relying on permanent sterilisation mechanisms such as RBI should use CRR, VRRRs and OMOs flexibly to manage surplus liquidity without imposing excessive sterilisation costs.
3. RBI should **gradually unwind its forward dollar positions** to absorb excess rupee liquidity in an orderly manner.
4. **Future FCNR(B)-type interventions** should be undertaken after carefully assessing their costs, returns and impact on liquidity.
5. RBI should **coordinate liquidity management** with seasonal factors, credit demand, government borrowing and import payments.

- a. Banks should channel surplus liquidity towards productive-sector lending rather than excessive investment in government securities.
6. RBI should **maintain adequate forex reserves and exchange-rate stability** while avoiding excessive market intervention.
7. Overall, monetary policy should balance external stability, liquidity management and economic growth while keeping sterilisation costs under control the **Market Stabilisation Scheme (MSS)**.

Way Forward

1. RBI should use CRR, VRRRs and OMOs flexibly to manage surplus liquidity without imposing excessive sterilisation costs.
2. RBI should gradually unwind its forward dollar positions to absorb excess rupee liquidity in an orderly manner.
3. Future FCNR(B)-type interventions should be undertaken after carefully assessing their costs, returns and impact on liquidity.
4. RBI should coordinate liquidity management with seasonal factors, credit demand, government borrowing and import payments.
5. Banks should channel surplus liquidity towards productive-sector lending rather than excessive investment in government securities.
6. RBI should maintain adequate forex reserves and exchange-rate stability while avoiding excessive market intervention.
7. Overall, monetary policy should balance external stability, liquidity management and economic growth while keeping sterilisation costs under control.

Conclusion: The FCNR(B) swap window has broadly achieved its objectives of **attracting foreign capital, strengthening the balance of payments, providing banking-system liquidity and lowering government borrowing costs**. Although forward-premium and sterilisation costs are significant, they are **temporary and manageable** compared with the estimated surplus and wider macroeconomic benefits. Therefore, the FCNR(B) intervention can be viewed as a **net-positive and prudent measure for financial stability**, particularly amid global liquidity tightening and volatile capital flows.

Question: The FCNR(B) swap window has been presented as a measure that strengthened India's external position while creating manageable liquidity and sterilisation costs. Discuss.

Source: [Business Line](#)

What is PERM, why does it matter for Indian workers?

Source: The post "What is PERM, why does it matter for Indian workers?" has been created based on "US suspends Cognizant's Green Card filings: What is PERM, why does it matter for Indian workers?" published in "Indian Express" on 11th September 2026.

UPSC Syllabus: GS-3-Economy

Context: PERM, or Program Electronic Review Management, is a system through which US employers generally obtain labour certification before sponsoring a foreign worker for an employment-based Green Card. The process seeks to ensure that employing a foreign worker permanently does not adversely affect the jobs, wages and working conditions of US workers.

About Program Electronic Review Management

1. PERM is an **employer-driven process** in which the US employer files the labour certification application on behalf of the foreign worker.
2. Before filing the PERM application, the **employer must obtain a prevailing wage** determination for the concerned position.
3. The employer must **undertake prescribed recruitment** to demonstrate that employing a foreign worker will not adversely affect the employment opportunities of US workers.
4. Once the US Department of Labor certifies the application, the employer can proceed to the subsequent **stages of the employment-based Green Card process**.
5. The date on which the Labour Department accepts the labour certification application generally becomes the worker's priority date, which determines their position in the Green Card queue.
6. The priority date is particularly important for Indian workers because demand for employment-based Green Cards from India is much higher than their availability.

Difference between PERM and H-1B

1. The H-1B is a **temporary, non-immigrant work** visa that allows US employers to employ foreign professionals in speciality occupations.
2. PERM, in contrast, **is part of the process through which an employer seeks permanent residency** for a foreign worker.
3. The H-1B therefore **provides a temporary employment pathway**, whereas PERM facilitates the transition towards an employment-based Green Card.
4. The **two processes can operate simultaneously** because an Indian professional may work in the US on an H-1B visa while their **employer separately sponsors them for a Green Card through PERM**.
5. A suspension of PERM filings by itself **does not cancel an employee's existing H-1B status** or an already-issued Green Card.

Implications for Indian Workers

1. The **suspension of Cognizant's PERM filings** can delay the Green Card process for employees whose cases have not yet reached the PERM filing stage.
2. Such **employees cannot obtain a new priority date** and therefore cannot move forward in the employer-sponsored Green Card process while the suspension continues.
3. The **impact is particularly serious for Indian workers** because they already face a substantial backlog in employment-based Green Card categories.
4. In the September 2026 U.S.A Visa Bulletin, the **EB-2 category for India** was listed as unavailable for final action, while the EB-3 final-action date was January 1, 2014.
5. Country-wise **limits on employment-based** Green Cards further contribute to the **prolonged waiting period** faced by Indian applicants.
6. The suspension **can create difficulties for some H-1B workers approaching the normal six-year limit** because certain extensions beyond six years depend on timely progress in the labour-certification process.
7. Workers who **already have approved petitions** and are waiting because an immigrant visa number is unavailable are in a different position and may, subject to applicable rules, qualify for H-1B extensions of up to three years at a time.

8. The issue is significant for **Indian professionals because Cognizant had more than 2,50,000 employees** based in India at the end of 2025, meaning that Indian workers could constitute a significant share of those affected by prolonged restrictions.

Broader Significance

1. The action against **Cognizant is part of a broader U.S.A crackdown** on employment-based immigration and increased scrutiny of the H-1B and PERM programmes.
2. U.S.A authorities **are investigating allegations** such as fraudulent filings, wage undercutting and displacement of American workers.
3. The **increased scrutiny is particularly important for India** because Indian professionals constitute a large share of H-1B beneficiaries and employment-based Green Card applicants.
4. Prolonged restrictions could **affect the career mobility of Indian IT professionals** and create greater uncertainty for Indian technology and IT services companies operating in the US.

Way Forward

1. U.S.A should **ensure that immigration enforcement remains transparent** and targeted at genuine violations without unnecessarily disrupting legitimate Green Card applications.
2. U.S.A authorities **should provide timely clarification regarding the allegations, duration and scope of the PERM suspension** so that affected workers and employers can plan accordingly.
3. India **should engage diplomatically with the U.S.A to seek predictable, fair and transparent procedures** for Indian professionals using H-1B and employment-based Green Card pathways.
4. Indian IT companies **should strengthen their compliance mechanisms and ensure accurate wage reporting, recruitment practices and documentation** to prevent allegations of fraud or misuse of immigration programmes.
5. Indian professionals **should develop advanced skills in areas** such as artificial intelligence, cybersecurity, semiconductors and other emerging technologies to improve their global employability.
6. India should **create more high-value employment opportunities domestically** so that skilled professionals have attractive career options within the country.
7. Both countries **should maintain regular institutional dialogue on skilled mobility** because the movement of professionals can promote technological cooperation, innovation and economic growth in both countries.

Conclusion: PERM is an important pathway through which the temporary employment of foreign professionals can eventually lead to permanent residency in the U.S.A. The suspension of PERM filings does not automatically terminate existing H-1B visas, but it can delay Green Card applications and create additional uncertainty for workers approaching H-1B time limits. Therefore, a balanced approach combining strict action against fraudulent practices with predictable immigration procedures is necessary to protect genuine workers while addressing legitimate U.S.A labour-market concerns.

Question: What is PERM certification in the U.S.A immigration system? How is it different from the H-1B visa, and what are its implications for Indian workers? Discuss.

Source: [Indian Express](#)

Should the Use of Gen AI Be Banned Among Younger Students in Schools?

UPSC Syllabus: Gs Paper 2- Issues relating to development and management of Social Sector/Services relating to Education **And GS Paper 3-** Science and Technology

Introduction

Generative AI is rapidly entering children's learning and digital environments through schools, educational apps, search engines and games. It can support **personalised learning, creativity and teachers**, but excessive dependence may affect **independent thinking, problem-solving and human interaction**. Younger students are still developing their cognitive abilities, making these concerns more important. The debate, therefore, is not only about banning AI, but also about whether schools should allow **age-appropriate, supervised and responsible use**.

Benefits of Generative AI for Younger Students

1. **Personalised Learning:** AI can explain difficult concepts according to a child's learning needs, speed and preferred way of learning.
2. **Interactive Learning:** AI-enabled tools can use quizzes, stories, games and other activities to make classroom learning more engaging than rote learning.
3. **Creative Learning:** Generative AI can help children create stories, artwork, music and software, even when they have limited technical skills.
4. **Teacher Resources:** AI can help teachers prepare worksheets, assessments, quizzes and slide decks, reducing preparation time and supporting classroom teaching.
5. **Better Teaching Methods:** AI can suggest different ways to explain a concept when a child does not understand the teacher's first explanation.
6. **Learning Support:** AI-based tools can record, transcribe and assess activities such as reading, helping students identify areas that need more practice.
7. **Accessibility:** Generative AI can offer new ways for children with disabilities to interact with digital systems and participate in learning.
8. **Support for Teacher Shortages:** India's Central and State governments are commissioning AI pilot projects in government and rural schools, especially where quality teachers are in short supply.

Risks of Generative AI for Younger Students

1. **Loss of Independent Thinking:** When AI directly completes homework, children may stop thinking for themselves and lose opportunities to develop reasoning skills.
2. **Loss of Learning Struggle:** Ready-made answers can remove trial and error, logical thinking and the satisfaction of solving a problem independently.

3. **Over-Reliance on Technology:** Frequent dependence on AI for thinking or synthesising ideas can make children rely on technology instead of developing their own mental abilities.
4. **Wrong Information:** AI can produce false or made-up information, so teachers need to check its outputs before using them for classroom learning.
5. **Bias and Unfair Outputs:** AI systems can contain algorithmic bias and may produce different results for users, including errors linked to language or accents.
6. **Harmful Content:** Generative AI can produce misleading, inappropriate or dangerous content, while AI-generated deepfakes can also be used to target children.
7. **Privacy Risks:** Children may share personal information while interacting with AI systems, raising concerns about how their data is collected and used.
8. **Influence on Children:** Human-like AI systems can affect children's perceptions, social behaviour and understanding, while biased outputs may also influence their views.
9. **Digital Inequality:** Unequal access to AI can widen existing inequalities, leaving some children without the same opportunity to benefit from the technology.

Initiatives and Safeguards Taken So Far

1. **New York Moratorium:** New York City announced a one-year moratorium on most generative AI tools for public school students up to Class 8 during the 2026–27 academic year.
2. **Snapchat Safety Measures:** Snapchat introduced tools to detect references to violence, sexual content, drugs, child sexual abuse, bullying and hate speech in its AI chatbot.
3. **WEF AI for Children Toolkit:** The World Economic Forum's AI for Children toolkit provides guidance to technology companies and parents on the responsible use of AI for children.
4. **UNICEF Child-Centred AI Guidance:** UNICEF's updated guidance provides 10 requirements for protecting children while using AI:
 - **Regulation and oversight** of AI systems used for children.
 - **Safety** from harmful AI content and interactions.
 - **Data and privacy protection** for children.
 - **Non-discrimination and fairness** in AI systems.
 - **Transparency, explainability and accountability** in AI decisions and outputs.
 - **Respect for human and child rights** through responsible AI practices.
 - **Protection of children's best interests, development and well-being.**
 - **Inclusion of and for children** in AI systems and their development.
 - **Preparation and skills** to help children understand and use AI.
 - **An enabling environment** for child-centred AI.

Way Forward

1. **Age-Appropriate Restrictions:** Younger students need stronger restrictions on AI use because their cognitive abilities and learning habits are still developing.
2. **AI as a Learning Assistant:** Schools should use AI to support teachers and students, but it should not replace teachers or direct human interaction.
3. **Protect Independent Learning:** AI should not be used for tasks where the main objective is independent thinking, problem-solving or developing basic skills.
4. **Teach AI Literacy:** Children should understand the benefits, limitations and risks of AI, rather than simply being kept away from it.
5. **Verify AI Outputs:** Teachers and students should check AI-generated information because these systems can produce inaccurate or biased answers.
6. **Protect Children's Data:** Schools and AI providers should ensure that children's personal data is collected and processed safely, with clear purposes.
7. **Strengthen Regulation:** Governments should develop clear rules covering safety, privacy, fairness, transparency and accountability for AI used by children.
8. **Continue Research:** Policymakers should study the long-term effects of generative AI on children and involve children, parents, teachers and other stakeholders in future planning.

Conclusion

Generative AI can improve learning and support teachers, but unrestricted use may weaken **independent thinking, human interaction and child safety**. A complete ban may not address children's growing exposure to AI outside school. The better approach is **age-appropriate and supervised use**, with teachers remaining central, strong safeguards protecting children, and AI used mainly to support rather than replace human learning.

Question for practice:

Discuss the benefits and risks of using Generative AI among younger students in schools.

Source: [The Hindu](#)

Regulation of RUPPs

UPSC Syllabus: Gs Paper 2- Political parties.

Introduction

A recent investigation found that **six Gujarat-based RUPPs received around ₹1,700 crore in donations in 2023-24**, despite limited electoral participation. The amount exceeded the ₹1,480 crore received by five nationally recognised parties other than the BJP. These findings, along with poor financial disclosure among

Registered Unrecognised Political Parties (RUPPs), have raised concerns over **political funding, transparency and misuse of party registration**.

RUPPs: Meaning and Legal Framework

1. Meaning of RUPPs: Registered Unrecognised Political Parties (RUPPs) are parties registered with the Election Commission but not recognised as national or state parties due to insufficient electoral performance.

2. Legal Framework:

- **Registration under Section 29A:** Political parties are registered with the Election Commission under **Section 29A of the Representation of the People Act, 1951**, after scrutiny of their documents.
- **Application within 30 days:** A political group must apply for registration within **30 days of its formation**, along with its name, constitution, leadership details, objectives and organisational information.
- **Democratic commitment:** The party must submit an affidavit confirming that its constitution follows **democratic principles** and does not promote discrimination or violence..
- **Electoral rights:** RUPPs can **contest elections and undertake political activities**, but their unrecognised status limits their electoral privileges compared with recognised parties.

3. Benefits Available to RUPPs

- **Tax exemption:** RUPPs can receive **tax exemption on eligible donations** under the prescribed provisions, subject to compliance with financial requirements.
- **Electoral facilities:** RUPPs can obtain a **common symbol for Lok Sabha and State Assembly elections** and use **20 star campaigners** during election campaigns.
- **Financial obligations:** RUPPs must disclose donors contributing above **₹20,000 annually**, while donations above ₹2,000 must be received through **cheques or bank transfers**.

Major Concerns Related to RUPPs

1. **Sharp rise in income:** ADR recorded a **223% rise in RUPP income during FY 2022-23**, with declared income exceeding **₹2,316 crore** among the sampled parties.
2. **Poor financial disclosure:** Of **2,764 RUPPs**, only **739 submitted financial records**, leaving over **73% without financial information** available to the Election Commission.
3. **Gujarat funding mismatch:** Five Gujarat-based RUPPs reported **₹2,316 crore between 2019 and 2024**, while collectively receiving only **22,000 votes** during that period.
4. **Limited electoral presence:** These five Gujarat parties fielded only **17 candidates** across two Lok Sabha and one Assembly election, and **none won**.

5. **Inactive RUPPs:** India had more than **2,800 RUPPs**, but only around **750 contested the 2024 general elections**, leaving many as so-called “letter pad parties”.
6. **Financial misuse risks:** Poor compliance and weak transparency can make inactive parties an **opaque channel for tax evasion, money laundering and other illegal financial transactions**.
7. **Voter confusion:** Temporary symbols allotted to RUPPs may resemble established parties, creating **confusion among voters**, particularly where literacy levels are lower.

Initiatives Taken to Regulate RUPPs

1. **Periodic delisting by ECI:** The Election Commission periodically publishes lists of **de-listed RUPPs**, with its October 2025 notification containing **over 800 such parties**.
2. **Supreme Court limitation:** In **Indian National Congress v. Institute of Social Welfare (2002)**, the Supreme Court held that the ECI lacks general power to deregister parties.
3. **Exceptional deregistration:** The ECI can deregister a party in exceptional cases such as **fraudulent registration, loss of constitutional allegiance or declaration as unlawful**.
4. **Law Commission proposal:** The **255th Law Commission Report** recommended deregistration where a political party fails to contest elections for **ten consecutive years**.
5. **ECI electoral reform proposal:** In its **2016 electoral reform memorandum**, the ECI proposed amending the RP Act to give it power to deregister political parties.
6. **Financial monitoring:** The Income Tax Department and other enforcement agencies can monitor party transactions and take **strict action against financial wrongdoing**.
7. **Tax exemption reform:** The ECI proposed restricting tax exemptions to parties winning seats, though a **suitable vote-share threshold** is considered a less extreme alternative.

Way Forward

1. Empowering the Election Commission

- **Deregistration powers:** The **Law Commission's 255th Report** recommended allowing deregistration when a political party fails to contest elections for **10 consecutive years**.
- **Legislative amendment:** The ECI's **2016 electoral reform memorandum** proposed amending the Representation of the People Act to empower it to **deregister non-serious political parties**.

2. Strengthening Financial Monitoring

- **Agency-level monitoring:** The **Income Tax Department and other enforcement agencies** should monitor RUPP transactions and take strict action against financial wrongdoing.
- **Digital financial scrutiny:** The existing digital environment can help authorities track transactions and act as a **deterrent against misuse of tax exemptions and political registration**.

3. Linking Tax Benefits with Electoral Support

- **Avoiding an extreme threshold:** Tax exemptions should not be restricted only to parties that **win Lok Sabha or Assembly seats**, as some genuine parties may consistently contest elections without electoral success.
- **Vote-share threshold:** A **suitable vote-percentage threshold**, similar to the 1% threshold used for common symbols, should be prescribed for RUPPs to avail tax exemptions on donations.

4. Avoiding Mere Electoral Compliance

- **Preventing token participation:** Deregistration alone may not solve the problem if parties simply contest elections to fulfil statutory requirements and continue misusing **tax exemptions and political registration**.

5. Centralised Financial Disclosure

- **Digital disclosure portal:** A **centralised portal** should require political parties to upload financial and operational information, including income statements, donor records and candidate details, in standardised formats.

Conclusion

RUPPs provide space for **political participation**, but weak financial disclosure and limited electoral activity can create opportunities for misuse. **Stronger ECI powers, transparent funding and better financial monitoring** are needed to prevent tax evasion, money laundering and misuse of political registration. At the same time, **proportionate eligibility rules** should protect genuine smaller parties and preserve political pluralism.

Question for practice:

Examine the need for effective regulation of Registered Unrecognised Political Parties (RUPPs) in India.

Source: [The Hindu](#) ; [adrindia](#)

Eyes on the road: on India and road traffic fatalities

Source: The post “**Eyes on the road: on India and road traffic fatalities**” has been created based on “**Eyes on the road: on India and road traffic fatalities**” published in “The Hindu” on 12th September 2026.

UPSC Syllabus: GS-2-Governance

Context: India faces a serious road safety crisis. Despite having only **1% of the world’s vehicular fleet, India accounts for around 11% of road traffic fatalities**. Therefore, road safety requires a systemic approach rather than focusing only on individual behaviour.

Major Challenges

1. High Contribution of Vulnerable Road Users: In 2024, **two-wheeler riders accounted for 46.2%** and **pedestrians for 20.6%** of road deaths. Thus, safety measures focused only on enclosed vehicles cannot address the majority of fatalities.

2. Poor Compliance with Safety Measures: Widespread non-compliance with **helmets, seat belts, rear-seat belts and child restraint systems** increases the severity of crashes. Victims may be ejected from vehicles or suffer fatal secondary collisions inside vehicles.

3. Speeding as a Major Cause: **Speeding is the dominant recorded violation associated with fatalities.** Therefore, reducing opportunities for vehicles to reach dangerously high speeds can potentially produce greater gains.

4. Weak Enforcement Capacity: Actual policing remains inadequate, partly because of **chronic shortages in traffic police cadres.**

5. Unsafe Road Environment: Roads are not always designed on the assumption that **human errors will occur.** Accident-prone locations and physical conditions that contribute to crashes require systematic correction.

6. Inadequate Emergency Response: Improving **timely access to trauma care** is essential for reducing deaths after crashes.

7. Weak Public Safety Culture: India lacks a strong public culture that consistently **reinforces safe behaviour and discourages unsafe behaviour.**

Way Forward: Safe System Approach

1. Safer Road Design: Governments should identify and fix **accident-prone locations** and create physical environments that compensate for human error.

2. Comprehensive Speed Management: A national strategy should focus on **limiting opportunities for vehicles to accelerate to high speeds.**

3. Better Vehicle Safety: Manufacturers should be encouraged to install **tamper-proof seat-belt reminders** and prevent unsafe modifications after purchase.

4. Protection of Children: Children's exposure to **two-wheeler traffic** should be reduced, along with better use of child restraints and rear-seat belts.

5. Stronger Enforcement and Trauma Care: Traffic-police capacity should be strengthened and **post-crash emergency and trauma services** improved.

Conclusion: The **Motor Vehicles (Amendment) Act, 2019** created several mechanisms for improving road safety, but the data have not shown improvement at the scale required. Hence, judicial intervention alone cannot solve the problem. A sustained reduction in road mortality requires a **Safe System approach combining enforcement, safer infrastructure, vehicle safety, speed management, public awareness and trauma care.**

Question: Road traffic fatalities in India cannot be addressed merely through stricter enforcement or judicial intervention. Discuss the need for a comprehensive and 'Safe System' approach to road safety in India.

Source: [The Hindu](#)

ISRO's 'privatisation' move: What India's space policy says

Source: The post "ISRO's 'privatisation' move: What India's space policy says" has been created based on "ISRO's 'privatisation' move: What India's space policy says" published in "The Hindu" on 12th September 2026.

UPSC Syllabus: GS-2-Governance

Context: Several employee associations of the Indian Space Research Organisation (ISRO) have raised concerns over the increasing role of private players in the space agency's core activities. The concerns followed a statement by IN-SPACe Chairperson Pawan Goenka that ISRO would eventually stop manufacturing launch vehicles and operating the spaceport currently under development.

Introduction

India's space sector has undergone significant reforms since **2020**, with the establishment of **IN-SPACe** and the *Indian Space Policy, 2023*. The objective is to **expand India's space ecosystem and increase its share in the global space economy**, rather than privatise ISRO.

Key Features of the Space-Sector Reforms

- 1. Research-Oriented Role for ISRO:** ISRO is expected to focus on **research, new technologies, applications and advanced missions**, while gradually moving away from manufacturing operational space systems.
- 2. Promotion of Private Sector:** Private entities are allowed to undertake **end-to-end space activities**, including satellites, launch services, ground infrastructure, communication, remote sensing and navigation.
- 3. Role of IN-SPACe:** IN-SPACe acts as an interface between ISRO and private entities. It promotes private participation, provides authorisation, facilitates technology transfer and creates an **enabling environment for industry**.
- 4. Commercial Role of NSIL:** NewSpace India Limited (NSIL), the commercial arm of ISRO, is responsible for **commercialising publicly developed space technologies** and providing launch services to Indian and international customers.

Technologies and Activities Being Transferred

- 1. Small Satellite Launch Vehicle (SSLV):** The SSLV was operationalised in **2024** and designed with industry participation in mind. HAL won the 2025 bid to manufacture SSLVs and eventually commercialise them.
- 2. Polar Satellite Launch Vehicle (PSLV):** PSLV became the first launch vehicle to be commercialised in **2022**, with manufacturing of five vehicles awarded to a **HAL-L&T consortium**. Further technology transfer to industry is being pursued.

3. LVM3 and Spaceport: The commercialisation of LVM3 is being pursued, while IN-SPACe has also initiated the process of handing over the upcoming **Kulsekharapattinam spaceport** for private **operation and management, with ISRO providing technical support.**

Need of Private Participation

1. Low Global Market Share: Despite being a major space-faring nation, India's share in the global space economy is **less than 2%**. Private participation can help expand this share.

2. Rising Private Investment: Investment in India's private space sector increased nearly **sixfold**, from \$100.5 million in 2021-22 to \$618.5 million by March 2026.

3. Expanding the Space Economy: India aims to expand its space sector from around **\$9 billion in 2026 to \$40-45 billion over the next decade.**

Concerns

1. Loss of Critical Expertise:

India needs to preserve **in-house expertise within ISRO**, particularly for strategic requirements and advanced scientific missions.

2. Nascent Private Sector:

The private space sector is still at an early stage and currently cannot compete with ISRO in terms of expertise and capabilities.

3. Workforce Concerns:

ISRO employee associations have raised concerns about the transfer of core processes to private entities and its implications for the existing workforce.

Way Forward

1. Preserve Strategic Capabilities: ISRO should retain expertise necessary for **strategic needs and advanced scientific missions** such as Chandrayaan, Gaganyaan and the Bharatiya Antariksh Station.

2. Ensure Gradual Technology Transfer: Private entities should receive adequate **technical guidance, training and handholding** during the technology-transfer process.

3. Focus ISRO on Core Research: ISRO should increasingly concentrate on **new technologies, scientific missions and human spaceflight**, while private industry undertakes routine commercial activities.

4. Strengthen Public-Private Partnership: A balanced partnership among **ISRO, IN-SPACe, NSIL and private entities** can expand India's space ecosystem while protecting strategic capabilities.

5. Balance Commercialisation with National Interest: Commercialisation should proceed without compromising **national security, strategic autonomy and India's long-term scientific capabilities.**

Conclusion: India's space reforms represent **expansion and commercialisation rather than privatisation of ISRO**. A balanced approach, where private players undertake routine commercial activities while ISRO

focuses on **strategic, scientific and advanced technological missions**, can strengthen India's space capabilities and help achieve a larger share of the global space economy.

Question: India's space-sector reforms seek to expand private participation while retaining ISRO's strategic and scientific role. Discuss.

Source: [Indian Express](#)

The BRICS Bank — An Alternative That Wasn't

UPSC Syllabus: Gs Paper 2- Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

Introduction

BRICS created the New Development Bank (NDB) and Contingent Reserve Arrangement (CRA) to provide developing countries with alternatives to the World Bank, IMF and dollar-dominated financial system. However, after a decade, these institutions remain much smaller and closely linked to the existing financial architecture. BRICS has therefore moved towards building a parallel financial system and greater multipolarity, rather than replacing the Bretton Woods system (global financial system centred on the World Bank and IMF).

Background: Need for an Alternative Financial Architecture

1. **Western dominance:** The post-Second World War financial system remains centred on the **World Bank and IMF**, where developing countries have limited influence over major decisions.
2. **Global South's demand:** BRICS seeks greater representation because of concerns over **IMF conditionality, dollar dominance and Western influence** in global financial decision-making.
3. **Creation of NDB:** Established in **2015**, the NDB was intended to provide development finance with equal governance, fewer political conditions and greater use of local currencies.
4. **Creation of CRA:** The **\$100-billion Contingent Reserve Arrangement** was created in 2015 to provide members with financial support during crises without depending entirely on the IMF.
5. **De-dollarisation objective:** BRICS also sought to increase **local-currency trade and financing** to reduce exposure to U.S. monetary policy and exchange-rate volatility.

Development So Far: Growth of the BRICS Financial Architecture

1. **Expansion of NDB:** The NDB has grown from **five founding members to eleven**, reflecting wider developing-country interest in alternative development financing.
2. **Rising project financing:** By the end of **2025**, **NDB approvals reached about \$42.9 billion across 139 projects**, covering infrastructure and social-development needs.
3. **Development projects:** NDB financing includes the **Delhi-Ghaziabad-Meerut RRTS, Chinese offshore wind power, Brazilian water services and Durban port modernisation**.

4. **Alternative governance:** The **five founding members have equal voting power**, giving the NDB a more balanced governance structure than institutions where voting power is linked more closely to economic weight.
5. **Local-currency lending:** Nearly **one-quarter of NDB funding** is now in local currencies, including the Chinese yuan, Indian rupee and South African rand.
6. **Broader currency diversification:** Around **65% of intra-BRICS trade is reportedly conducted in local currencies**, while some China-related energy transactions have also shifted towards the renminbi.

Present Status: Complement, Not Replacement

1. **Limited financial scale:** The NDB's **\$42.9-billion project approvals** remain far below the scale of the World Bank, which commits roughly **\$100 billion annually**, showing that the NDB is not yet a comparable financing institution.
2. **Smaller capital base:** The NDB has an authorised capital of **\$100 billion**, compared with the much larger capital resources associated with the World Bank and IMF.
3. **Complementary relationship:** The NDB itself describes cooperation with other multilateral development banks, including **co-financing opportunities with the World Bank Group**, showing that it currently works alongside existing institutions.
4. **Continued dollar financing:** The NDB continues to issue **U.S.-dollar bonds alongside local-currency bonds**, showing that dollar financing remains an important part of its funding model.
5. **Western market dependence:** The NDB accesses international capital markets and its bonds carry ratings from agencies such as **S&P and Fitch**, keeping its financing connected to the wider global financial system.
6. **Russia case:** In **March 2022, the NDB put new transactions in Russia on hold** following the restrictions imposed after the invasion of Ukraine, showing the importance of maintaining international compliance and financial access.

Limitations: Why a Genuine Alternative Has Not Emerged

1. **Structural dependence:** The NDB follows much of the **same financial model as the World Bank**, raising funds through international capital markets and remaining part of the existing global financial architecture rather than creating a separate system.
2. **CRA's weak autonomy:** The **\$100-billion CRA has never been activated**, and members seeking more than **30% of their allocation must first enter an IMF programme**, directly limiting its independence.
3. **Institutional weakness of CRA:** The CRA has **no permanent staff, independent surveillance capacity or research wing**, reducing its ability to operate as a full-fledged alternative to the IMF during financial crises.

4. **Divergent national interests:** BRICS members do not share one position on de-dollarisation; **India rejects a common BRICS currency, South Africa considers it risky, while China favours gradual internationalisation of the yuan.**
5. **Limited collective response:** When the U.S. threatened a **10% tariff surcharge** against countries aligning with “anti-American” BRICS policies, the bloc did not give a collective response, showing the limits of its financial coordination.
6. **Reform rather than replacement:** The **2024 Kazan and 2025 Rio declarations** called for a more adequately resourced, quota-based IMF, indicating that BRICS still seeks a greater role within the existing system rather than its complete replacement.
7. **Persistent Western financial dominance:** The U.S. holds **16.49% of IMF voting rights**, and the **85% supermajority requirement** gives Washington an effective veto over major IMF decisions, which BRICS has not been able to overcome.
8. **Rhetoric–reality gap:** BRICS speaks of reducing Western financial dominance, yet its institutions continue to use **dollar financing, Western credit ratings and IMF-linked mechanisms**, making the project more complementary than transformative.

Way Forward

1. **Expand local-currency financing:** BRICS can increase local-currency lending and settlements to gradually reduce dependence on **dollar financing and exchange-rate risks**.
2. **Develop alternative payment systems:** BRICS should work towards reliable alternatives to **SWIFT** to support cross-border transactions and reduce dependence on Western-controlled financial infrastructure.
3. **Create BRICS credit-rating agencies:** A credible **BRICS-based credit-rating system** can reduce dependence on Western agencies and help attract investment to developing economies.
4. **Strengthen the CRA:** BRICS should give the **Contingent Reserve Arrangement** stronger independent surveillance, research and crisis-response capacity so it can function with less IMF dependence.
5. **Increase NDB's scale:** The NDB should expand its **project financing and local-currency portfolio** to make its role more significant in development financing.
6. **Pursue gradual de-dollarisation:** BRICS should focus on **gradual financial diversification**, as members have different economic interests and do not seek an abrupt challenge to the dollar.
7. **Balance national and collective interests:** BRICS members should give greater priority to **common financial objectives** while managing their individual economic and geopolitical interests.
8. **Build supply-chain resilience:** BRICS should cooperate on **critical minerals, rare earths and resilient supply chains** to reduce vulnerabilities from concentrated global supplies.

Conclusion

BRICS has **not replaced the Bretton Woods system**, as the NDB and CRA remain connected to existing financial markets and institutions. However, growing local-currency financing, alternative payment mechanisms and stronger development cooperation can gradually increase the **financial autonomy of the Global South**. BRICS' realistic path is therefore to build a **parallel and more multipolar financial architecture**, rather than abruptly dismantling the existing order.

Question for practice:

Evaluate whether the BRICS Bank has emerged as a genuine alternative to the Bretton Woods system.

Source: [The Hindu](#)

Adapting Cooling Policy to India's AI Ambitions

UPSC Syllabus: Gs Paper 3- Infrastructure Introduction

India's rapid AI expansion is driving large-scale growth of hyperscale data centres, but their high heat generation creates a parallel cooling challenge. Cooling now affects **electricity demand, water use, grid stability and infrastructure costs**. The **India Cooling Action Plan (ICAP)** provides an important base, but it must evolve to address AI-driven cooling requirements while supporting sustainable and efficient digital infrastructure.

India's Rapid AI Infrastructure Expansion

1. **Rapid data-centre growth:** India's data-centre capacity is projected to exceed **12 GW by 2030**, rising sharply from around **1.5 GW in 2025**.
2. **Rising electricity requirement:** Data centres could require around **26.3 GW of electricity by 2031–32**, equal to nearly **6.7% of projected national consumption**.
3. **Higher AI rack density:** Traditional racks used **5–15 kW**, while modern AI racks can exceed **120 kW**, sharply increasing heat removal requirements.
4. **Rapid GPU power growth:** GPU power has risen from about **700W in 2022** to around **1,200W**, making conventional cooling increasingly inadequate.
5. **Cooling as a major energy load:** Cooling can consume **30–50% of data-centre electricity**, making efficient thermal management essential for expanding computing capacity.
6. **AI workload expansion:** AI workloads are expected to drive at least **75% of future Indian data-centre growth**, making cooling capacity central to digital expansion.

Emerging Challenges: Energy, Water and Infrastructure Pressures

1. **Persistent water demand:** Even advanced cooling systems that reduce water use cannot eliminate cooling-related water requirements, creating pressure in water-stressed regions.
2. **Round-the-clock electricity demand:** Data centres operate continuously, while solar generation falls after sunset, creating a need for **firm power** to support uninterrupted AI workloads.

3. **Competing cooling demand:** India is expected to add **130–150 million room air conditioners between 2025 and 2035**, increasing household cooling demand alongside AI data-centre requirements.
4. **Peak grid pressure:** Extreme heat can sharply increase cooling demand, creating additional stress on electricity systems when both data centres and households require reliable power.
5. **Unequal cooling burden:** Poor households can spend up to **8% of their income on cooling electricity**, compared with **0.2–2.5% for high-income households**, making cooling efficiency an equity issue.
6. **Regional resource pressure:** Rapid AI infrastructure growth can intensify local pressure on **electricity and water resources**, especially in urban regions already facing scarcity.

Why India's Existing Cooling Policy Needs to Evolve

1. **ICAP's existing framework:** The **India Cooling Action Plan (ICAP)**, introduced in 2019, provides a 20-year roadmap for sustainable cooling across buildings, cold chains, refrigeration and transport.
2. **Existing policy targets:** ICAP aims to reduce **cooling demand by 20–25%** and **cooling energy requirements by 25–40% by 2037–38**, providing a broad base for sustainable cooling.
3. **AI-era policy gap:** ICAP was formulated before hyperscale AI infrastructure became significant, so **AI data centres were not recognised as a distinct cooling sector**.
4. **Higher cooling intensity:** AI workloads use high-density GPUs that generate much more heat than conventional computing, requiring advanced cooling systems beyond ICAP's traditional applications.
5. **Need for sector-specific standards:** Future cooling policy should set **Power Usage Effectiveness (PUE)**, **cooling-efficiency and water-efficiency benchmarks** for AI data centres.
6. **Climate and resource alignment:** AI expansion needs to follow the **"People, Planet and Progress"** approach by balancing computing growth with energy security and environmental sustainability.

Emerging Solutions: Efficient Technologies and Integrated Planning

1. **Direct-to-chip cooling: Direct-to-Chip (D2C) liquid cooling** removes heat directly from high-power chips and is more efficient than conventional air-based cooling.
2. **Immersion cooling for high-density AI:** Immersion cooling places computing equipment in a cooling liquid, allowing high-power AI servers to manage heat more efficiently than conventional air cooling.
3. **Heat recovery:** Recovering waste heat from data centres can improve resource efficiency and extend ICAP's focus on sustainable cooling technologies.
4. **Water-efficient cooling:** Data centres can use different grades of water, including lower-quality water where suitable, reducing dependence on high-quality freshwater resources.

5. **Efficient infrastructure design:** New AI campuses should be designed around **100 kW-plus rack densities, liquid cooling and renewable-powered infrastructure** rather than retrofitting older facilities.
6. **Geographic resource matching:** Data-centre locations should consider regional availability of **renewable energy, water, land, climate conditions and grid capacity**.
7. **City-level planning:** ICAP's implementation across **250 Indian cities** provides a base for linking cooling planning with geographic decisions on future AI-centre locations.

Way Forward

1. **Make data centres an ICAP sector:** Future versions of ICAP should explicitly recognise hyperscale data centres and define cooling requirements for AI infrastructure.
2. **Link AI with firm clean power:** Long-term renewable energy combined with storage can help meet data centres' continuous demand while reducing pressure on the wider electricity system.
3. **Strengthen cooling standards:** Minimum efficiency standards should cover cooling systems, PUE and water use so that digital infrastructure expands without unnecessary resource consumption.
4. **Support indigenous innovation:** Indian companies should develop cooling solutions suited to local conditions instead of depending entirely on imported technologies designed for different markets.
5. **Improve distribution capacity:** Stronger distribution companies are needed to support grid upgrades and reliable power delivery as AI and household cooling loads increase.
6. **Use private investment strategically:** Creditworthy data-centre operators can provide long-term demand that helps finance **renewable energy and storage projects** benefiting wider electricity users.
7. **Coordinate public and private action:** Government should set standards and de-risk infrastructure, while investors and innovators take risks on new cooling and energy technologies.

Conclusion

India's AI ambitions require not only more computing capacity but also efficient management of the heat, electricity and water that support it. Updating **ICAP** to recognise AI data centres, promoting efficient cooling and planning infrastructure around regional resources can reduce future pressures. India must therefore align **AI growth, sustainable cooling and reliable power** to build a competitive and resource-efficient digital economy.

Question for practice:

Discuss the need to adapt India's cooling policy to support its growing AI and data-centre infrastructure sustainably.

Source: [Businessline](#)

At BRICS, India must bank on the NDB

Source: The post “At BRICS, India must bank on the NDB” has been created based on “At BRICS, India must bank on the NDB” published in “The Hindu” on 14th September 2026.

UPSC Syllabus: GS-3- International Relations

Context: BRICS has expanded significantly in recent years. While its members accounted for **20% of global GDP and 11% of IMF voting share in 2011**, the expanded grouping today represents nearly **40% of global GDP and 55% of the world’s population**, without a comparable increase in IMF voting share.

Challenges within BRICS

- 1. Lack of Common Geopolitical Identity:** Members differ on the nature of BRICS, with some favouring an **anti-West orientation**, while countries such as India, Brazil and South Africa prefer to view it as **non-West rather than anti-West**.
- 2. Risk of Strengthening China:** India needs to maximise BRICS’ potential without strengthening **Beijing’s overall strategic position**.
- 3. Problem of De-dollarisation:** India cannot fully support the **Beijing-Moscow de-dollarisation push**, particularly given the importance of India-U.S. relations and existing strains in bilateral ties.

New Development Bank as an Opportunity

- 1. Tangible BRICS Institution:** The NDB, established in 2015, is one of BRICS’ most concrete economic instruments, created to finance **infrastructure and sustainable development projects** in emerging and developing economies.
- 2. Limited Scale of Operations:** Despite a decade of existence, the NDB has approved only **139 projects worth around \$43 billion**, with only about **\$20 billion disbursed**.
- 3. Comparison with AIIB:** The Asian Infrastructure Investment Bank (AIIB) has 111 approved members and committed around **\$69 billion across 350 projects**, supported by a AAA credit rating, showing the NDB’s relatively limited scale.
- 4. Importance for India:** The NDB has already benefited India through commitments of nearly **\$10 billion across 32 projects**, including metro systems and the **Delhi-Ghaziabad-Meerut RRTS corridor**.

Concerns Regarding the NDB

- 1. Capital Constraints:** Increasing paid-up capital is difficult because some founding members, particularly **Russia**, face severe financial and geopolitical constraints.
- 2. Impact of Sanctions:** Sanctions have affected the NDB’s credit standing and dollar funding costs. The bank has provided **no new credit to Russia since March 2022** to protect its AA/AA+ credit rating.

3. Voting Structure: Equal voting shares among the founding members make capital expansion difficult, while new members can be admitted only if the founders' collective voting share remains at least **55%**.

4. Uneven Local-Currency Lending: Although the NDB has committed to increasing local-currency lending, such lending is heavily skewed towards the **Renminbi**, including the recent issuance of a **¥7 billion Panda bond**.

Way Forward for India

1. Strengthen NDB Capital: India should push for greater **capitalisation and membership expansion** of the NDB to increase its lending capacity and reach more developing countries.

2. Promote Rupee Bond: India should push the NDB to complete its **long-delayed rupee bond**, with the bank already planning a rupee bond programme of around **₹25,000 crore over five years**.

3. Expand Local-Currency Lending: India should promote wider use of **member countries' local currencies** in NDB lending and borrowing. This can reduce dependence on the dollar without seeking to replace it as the principal currency for trade invoicing.

4. Diversify Local-Currency Financing: India should ensure that local-currency financing does not become excessively concentrated in the **Renminbi**, thereby maintaining greater balance within the NDB.

5. Make NDB Comparable to Other Multilateral Banks: The NDB should expand its operations to reach more **emerging markets and developing countries**, making it comparable with other major multilateral development lenders.

Conclusion: BRICS need not become an **anti-Western bloc** to remain relevant. By strengthening the **NDB through greater capital, wider membership and diversified local-currency lending**, India can promote development-oriented multilateralism while avoiding excessive dependence on either the **dollar or Chinese-led financial mechanisms**. This can help BRICS emerge as a more effective economic grouping without compromising India's strategic autonomy.

Source: [The Hindu](#)

How new rules are set to change your online shopping experience

Source: The post "**How new rules are set to change your online shopping experience**" has been created based on "**How new rules are set to change your online shopping experience**" published in "Indian Express" on 14th September 2026.

UPSC Syllabus: GS-3- Economy

Context: The rapid growth of e-commerce has created new consumer concerns such as misleading discounts, manipulated search results, hidden charges, dark patterns and misuse of consumer data. To address these issues, the **Department of Consumer Affairs** has amended the **Consumer Protection (E-Commerce) Rules, 2020** through the **Consumer Protection (E-Commerce) (Amendment) Rules, 2026**. The new rules will come into force on **January 1, 2027**.

Key Amendments

- 1. Greater Price Transparency:** Whenever a price reduction is announced, platforms must display both the reduced price and the **prior price**, defined as the lowest price at which the product was offered during the preceding **30 days**.
- 2. Fair Search Results:** E-commerce platforms cannot manipulate search results in a manner that **misleads consumers or reduces the relevance of results** to their search query.
- 3. Clear Disclosure of Sponsored Listings:** Paid or sponsored products must be identified through **clear and prominent disclosures**, enabling consumers to distinguish advertisements from genuine search results.
- 4. Regulation of Dark Patterns:** Platforms must comply with the **2023 Guidelines on Prevention and Regulation of Dark Patterns**, conduct a **yearly self-audit** and prominently display a **certificate of compliance**. Dark patterns include false urgency, basket sneaking, subscription traps, drip pricing and disguised advertisements.
- 5. Strengthened Consumer Grievance Redressal:** Every e-commerce entity must provide the complainant with a **copy of the complaint recorded by its grievance officer**.
- 6. Integration with National Consumer Helpline:** Every e-commerce entity must become a partner in the convergence process of the **National Consumer Helpline (NCH)**. This is significant as **5,11,196 out of 17,71,622 NCH grievances in 2025 were related to e-commerce**, accounting for around **29%**.
- 7. Better Seller and Product Information:** Platforms must provide information such as **best-before/use-before dates, return and refund policies, warranty, delivery and payment details**, enabling informed purchasing decisions.
- 8. Protection of Consumer Information:** Consumer information cannot be used for specified purposes without **express and affirmative consent**.
- 9. Regulation of Bundled Fees:** Platforms cannot impose **bundled fees for services unrelated to the e-commerce platform**, except for the specified loyalty or membership programme provision.
- 10. Disclosure for Imported Goods:** For imported products, platforms must disclose the **importer's details and country of origin**.

Significance

- 1. Protects Consumer Interests:** The amendments seek to protect consumers from **misleading practices, hidden costs and manipulative digital interfaces**.
- 2. Promotes Transparency:** Price, search rankings, sponsored listings and product information become more transparent, helping consumers make **informed choices**.
- 3. Strengthens Accountability:** Self-audits, grievance documentation and integration with the NCH increase the **accountability of e-commerce entities**.
- 4. Balances Regulation and Ease of Doing Business:** The rules aim to create a **transparent and balanced regulatory framework** without imposing unnecessary regulatory burdens on businesses.

Potential Impact

- 1. Greater Consumer Empowerment:** Consumers will be able to make **better-informed purchasing decisions** because of clearer information on prices, sellers, products and advertisements.
- 2. Reduction in Misleading Practices:** Regulation of **fake discounts, dark patterns, manipulated search rankings and hidden charges** can reduce unfair trade practices.
- 3. Stronger Accountability:** Mandatory complaint records, annual self-audits and NCH integration will make platforms **more accountable to consumers**.
- 4. Better Data Protection:** The requirement of **affirmative consent** can provide consumers greater control over the commercial use of their information.
- 5. Improved Trust in E-Commerce:** Greater transparency can increase **consumer confidence and trust** in digital marketplaces.
- 6. Level Playing Field for Businesses:** Common disclosure and transparency requirements can create a **more balanced regulatory environment** for businesses operating in the digital marketplace.
- 7. Compliance Burden on Platforms:** At the same time, e-commerce entities may face **additional compliance, auditing and disclosure requirements**, particularly smaller businesses and platforms

Conclusion: The 2026 amendments strengthen the existing consumer-protection framework in response to evolving digital business practices. By combining **transparency, accountability, fair business practices, data-consent safeguards and stronger grievance redressal**, the rules seek to create a more **consumer-centric and trustworthy e-commerce ecosystem** while supporting innovation and Ease of Doing Business.

Question: The Consumer Protection (E-Commerce) (Amendment) Rules, 2026 seek to make India's digital marketplace more transparent and consumer-centric. Discuss the key provisions and their significance.

Source: [Indian Express](#) and [PIB](#)

Terror's changing face, India's counter-terror strategy

UPSC Syllabus: Gs Paper 3- Security

Introduction

The **9/11 attacks** marked a major shift in global counter-terrorism and changed how states responded to terrorist threats. Terrorism has since become more **decentralised, technology-driven and difficult to detect**. India has faced this changing threat along with persistent cross-border terrorism and internal security gaps. Since **2014**, India has moved from reactive restraint towards **zero tolerance, proactive deterrence, stronger institutions, intelligence-led prevention and international cooperation**.

Evolution of the Terrorism Threat

1. **Decentralised networks:** Terrorism has shifted from large organisations under central leaders to **smaller, autonomous entities**, making detection and prevention more difficult.
2. **Lone-wolf attacks:** Individuals can now carry out attacks with limited organisational support, creating new challenges for conventional intelligence methods.
3. **Technology as a terror tool:** **Drones, cyber capabilities and artificial intelligence** are increasingly being used by terrorist groups for new forms of attacks.
4. **Digital recruitment:** Social media, encrypted platforms and the dark web are being used for **propaganda, recruitment, financing and coordination**.
5. **Rise of self-radicalisation:** ISIS created new risks through online extremist propaganda and recruitment of individuals capable of conducting low-intensity attacks.
6. **Changing financing methods:** Terrorist networks increasingly use **hawala, cryptocurrencies and concealed financial channels**, requiring stronger financial intelligence.

India's Early Struggle with Terrorism

1. **Kashmir challenge:** Cross-border terrorism expanded in **Kashmir during the early 1990s**, while India lacked a clearly defined comprehensive counter-terror strategy.
2. **Terror beyond Kashmir:** The **1991 Rajiv Gandhi assassination** showed that India also faced terrorism from organisations operating beyond its immediate conflict zones.
3. **Internal security gaps:** The **1993 Mumbai blasts**, which killed over 250 people in 13 coordinated explosions, exposed weaknesses in terror detection.
4. **Further urban attacks:** The **1998 Coimbatore blasts** showed that terrorist groups could conduct coordinated attacks in different parts of the country.
5. **Pakistan-based networks:** The **1999 IC-814 hijacking** exposed the direct role of Pakistan-based terrorists and forced India to release terrorists including Masood Azhar.
6. **Parliament attack:** The **2001 Parliament attack** triggered Operation Parakram, but nuclear escalation prevented direct military punishment of Pakistan.
7. **Continued attacks:** Attacks in **Akshardham, Varanasi, Pune and Delhi**, followed by 26/11, demonstrated the continuing threat despite security responses.
8. **Reactive approach:** India largely relied on **warnings, diplomatic pressure and restraint**, even when evidence linked attacks to Pakistan-based networks.

Turning Point: From Restraint to Decisive Action

1. **Policy change after 2014:** The government formed in **May 2014** adopted a **zero-tolerance approach**, seeking to dismantle the wider terror ecosystem rather than merely respond to attacks.

2. **Surgical strikes:** After the **2016 Uri attack**, India conducted cross-border strikes on September 28–29, establishing a new willingness to impose costs.
3. **Pre-emptive deterrence:** The Uri response showed that India was prepared to target terrorists before they could infiltrate and attack Indian territory.
4. **Balakot operation:** Following the **2019 Pulwama attack**, the IAF struck a JeM camp at Balakot, crossing Pakistani airspace for the first time in such an operation.
5. **Operation Sindoor:** After the **2025 Pahalgam attack**, India struck LeT and JeM leadership and headquarters and Pakistani military assets.
6. **Act-of-war position:** India declared that future **cross-border terrorism from Pakistan would be treated as an “act of war”**.
7. **Nuclear restraint rejected:** India also stated that Pakistan’s nuclear capability would no longer prevent it from responding to terrorism.
8. **Strategic doctrine:** The approach shifted from **managing terrorism to imposing direct costs on its sponsors, networks and infrastructure**.

India’s Comprehensive Counter-Terror Framework

1. **UAPA empowerment:** The **2019 Unlawful Activities (Prevention) Act (UAPA) amendment** allowed individuals to be designated as terrorists and strengthened investigative powers against terrorist organisations.
2. **Expanded NIA mandate:** The **2019 National Investigation Agency (NIA) amendment** expanded investigation powers over terrorism, cyber terrorism and offences outside India affecting Indian interests.
3. **BNS reform:** The **Bharatiya Nyaya Sanhita, 2023**, effective from July 2024, formally defines terrorist acts and provides stringent punishment.
4. **NIA capacity:** NIA’s budget rose from **₹91.32 crore in 2014–15 to ₹394.66 crore in 2024–25**, alongside expanded branches, special courts and training.
5. **Integrated intelligence:** The **MAC-SMAC (Multi-Agency Centre- Subsidiary Multi-Agency Centre) system** enables real-time intelligence sharing among central and state security agencies.
6. **Data integration:** **NATGRID and CCTNS** (Crime and Criminal Tracking Network and Systems) connect multiple databases and agencies, helping identify suspects, terror networks and financing trails.
7. **Technology-driven response:** **CyMAC (Cyber Multi-Agency Centre), CCTNS 2.0 and AI-enabled analytical systems** have strengthened cyber monitoring and threat detection.
8. **Terror-financing action:** **PMLA** (Prevention of Money Laundering Act) mechanisms and specialised efforts have strengthened the tracing, freezing and confiscation of terror-linked assets.

9. **PRAHAAR framework:** PRAHAAR, launched in February 2026, consolidates prevention, rapid response, whole-of-government coordination and whole-of-society participation.

International Counter-Terrorism and Strategic Cooperation

1. **Global financial cooperation:** India has strengthened coordination with **Financial Action Task Force (FATF)** and created the Combating Financing of Terrorism Cell to disrupt terrorist funding.
2. **No Money for Terror(NMFT) :** India hosted the **third NMFT Ministerial Conference in November 2022**, focusing on financial intelligence, legislation and international cooperation.
3. **CCIT advocacy:** India continues to seek adoption of the **Comprehensive Convention on International Terrorism (CCIT)**, first proposed at the UN in 1996.
4. **UN designation:** India secured the **UN designation of Masood Azhar in May 2019**, enabling international travel restrictions, asset freezes and arms embargoes.
5. **Tahawwur Rana extradition:** Rana's extradition in April 2025 strengthened India's ability to investigate the wider 26/11 conspiracy.
6. **Counter-terror partnerships:** India has Joint Working Groups on Counter-Terrorism with **27 countries and five multilateral forums**, including SCO, BRICS, BIMSTEC, EU and QUAD.
7. **INTERPOL coordination:** BHARATPOL, launched in January 2025, connects Indian law-enforcement authorities with the CBI's INTERPOL coordination system.
8. **Diplomatic pressure:** India has used international forums to raise the cost for states and organisations that provide **safe havens, support or financing to terrorists**.

Outcomes of the Counter-Terrorism Transformation

1. **Fewer terror incidents:** Terrorist incidents declined from **7,217 during 2004–2014 to 2,242 during 2014–2024**, showing a major improvement in the security environment.
2. **Sharp Kashmir decline:** Terrorist-initiated incidents fell from **228 in 2018 to 12 in 2025**, reflecting stronger preventive and operational capabilities.
3. **Lower civilian deaths:** Civilian casualties declined from **55 in 2018 to 28 in 2025**, while security-force fatalities fell from 91 to 16.
4. **Reduced stone-pelting:** Organised stone-pelting fell by **over 87%** from its 2010–2014 average and remained near-zero since 2022.
5. **Return of normalcy:** Organised strikes and shutdowns declined from **52 in 2018 to zero from 2023 through April 2026**.
6. **Development momentum:** Improved security conditions supported development in Jammu and Kashmir, with **63 major projects worth about ₹80,000 crore approved; over ₹51,000 crore invested and 53 projects completed**.

7. **Economic revival:** Jammu and Kashmir recorded **over 2.3 crore tourist arrivals in 2024**, alongside increased investment and employment.
8. **Public confidence:** The combined gains in security, development and normal public life strengthened **Vishwas, Vikas and Jan-Kalyan**.
9. **Preventive success:** Intelligence-led operations and stronger coordination helped foil multiple ISIS-inspired plots and maintain very low levels of hinterland terrorism.

Way Forward

1. **Eliminate remaining networks:** Security agencies should continue dismantling the remnants of terrorist networks, particularly in Jammu and Kashmir.
2. **Prevent infiltration:** India should use intelligence capabilities and operational experience to take **pre-emptive action against emerging threats and launch pads**.
3. **Strengthen intelligence:** Real-time information sharing among central, state and field agencies should remain central to preventing terrorist attacks.
4. **Expand de-radicalisation:** A nationwide programme should bring vulnerable youth into the mainstream and reduce the appeal of terrorist organisations.
5. **Disrupt terror financing:** India should continue tracing and blocking **hawala, cryptocurrency and other financial channels** used by terrorist networks.
6. **Counter emerging technologies:** Security agencies must continuously adapt to the use of **drones, cyber tools, encrypted communication and AI** by terrorists.
7. **Deepen international cooperation:** India should strengthen bilateral and multilateral cooperation against terrorist financing, safe havens and cross-border networks.

Conclusion

India's counter-terrorism journey has moved from **reactive restraint to proactive deterrence and a comprehensive security architecture**. Stronger laws, institutions, intelligence systems, technology and international cooperation have reduced terrorist violence and improved public security. However, terrorism continues to evolve through new networks, technologies and financing methods. India therefore needs to remain **adaptive, intelligence-led and coordinated** while continuously dismantling terrorist networks and their support systems.

Question for practice:

Discuss the changing nature of terrorism and the evolution of India's counter-terrorism strategy since 9/11.

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

The Evidence Gap in Dole Politics

UPSC Syllabus: Gs Paper 2- Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes

Introduction

Dole politics refers to recurring **cash transfers, subsidies and free services** used to provide immediate welfare support. In India's poor and informal economy, such support can help households facing unstable incomes. However, the growing use of these measures creates concerns about **fiscal sustainability, targeting and their impact on public goods**. The key gap is the lack of clear evidence on **who benefits, what changes, and whether these schemes create lasting welfare gains**.

Rise of Dole Politics in India

1. **Election promises and implementation:** Election promises often become difficult to fulfil because they require **public money, administrative capacity, public acceptance and changes in existing priorities**.
2. **Complete policy cycle:** A welfare promise requires **agenda setting, consultation, policy formulation, resource mobilisation, implementation, monitoring, evaluation and correction**, rather than only announcing a scheme.
3. **Growing welfare commitments:** Dole politics now includes **monthly cash transfers, free electricity, free bus travel, subsidised food and utility subsidies** across States.
4. **Expansion of women's transfers:** Unconditional cash transfers to women increased from **two States in 2022-23 to 12 States in 2025-26**, showing their growing role in welfare policy.
5. **Growing fiscal scale:** States were estimated to spend **₹1.68 lakh crore**, about **0.5% of GDP**, on unconditional cash transfers to women in 2025-26.
6. **Major State commitments:** West Bengal budgeted **₹36,000 crore**, Tamil Nadu **₹14,412 crore**, and Assam **₹5,000 crore** for major women-focused transfer schemes.

Major Gains of Dole Politics in India

1. **Significant income support:** Transfers form **11-24% of monthly income for women daily-wage workers and 11-87% for self-employed women**, showing their importance for vulnerable households.
2. **Immediate financial relief:** Cash assistance helps poor households manage **unstable incomes and immediate financial needs**, especially in an informal economy.
3. **Support for vulnerable households:** Transfers can soften financial pressures faced by households when regular income is uncertain or insufficient.
4. **Support for women:** Women-focused transfers provide direct financial assistance and can strengthen their control over household expenditure, making the design of such schemes socially important.

Concerns with Dole Politics in India

1. **Permanent fiscal commitments:** A transfer that begins as relief can become a **long-term expenditure commitment** when governments do not review its continuing cost and purpose.
2. **Pressure on public priorities:** Large recurring transfers can compete with spending on **health centres, childcare, government schools and better employment opportunities**, which provide more durable welfare.
3. **Unclear targeting:** Governments need to establish **who should receive benefits, what baseline data supports eligibility, and whether schemes should be targeted or universal**.
4. **Weak outcome assessment:** Governments often do not clearly show how transfers are expected to affect **consumption, debt, nutrition, schooling, health spending, labour supply or women's bargaining power**.
5. **Lack of expenditure data:** An ADB study prepared for the **16th Finance Commission** found that India lacks a systematic dataset on government expenditure on cash-transfer schemes.
6. **Risk of unemployment traps:** Poorly designed unemployment benefits may reduce incentives to seek work and leave people dependent on support without escaping poverty.
7. **Duplication and exclusion:** Multiple schemes may provide several benefits to one family while others remain excluded, weakening the fairness and purpose of welfare delivery.
8. **Weak policy consultation:** Policies developed without involving beneficiaries and other stakeholders may be economically sustainable but fail to reflect user needs and gain wider acceptance.

Way Forward: Towards Evidence-Based Welfare

1. **Pre-rollout welfare assessment:** Every large recurring transfer should specify its **objective, eligibility, expected coverage, five-year fiscal cost, alternatives, leakage and exclusion errors** before implementation.
2. **Wider stakeholder consultation:** Governments should consult **beneficiaries, non-beneficiaries and other relevant stakeholders** and consider the social benefits and costs before finalising major welfare policies.
3. **Beneficiary participation:** People affected by a policy should have a role in its design so that programmes reflect actual needs and remain acceptable to beneficiaries.
4. **Stronger delivery institutions:** Governments should build delivery capacity and ensure **transparent implementation, efficient service delivery, monitoring and evaluation**.
5. **Outcome-based evaluation:** Household surveys should measure changes in **consumption, debt, health spending, schooling, mobility, work incentives, household expenditure control and well-being**.

6. **Independent scrutiny: Anonymised microdata** should be made available for independent research to assess whether welfare schemes achieve their stated objectives.
7. **Better scheme coordination:** Welfare programmes should be linked with other policies to prevent **duplication and multiplicity of benefits**, while ensuring that deserving households are not excluded.
8. **Better political commitments:** Political parties should prioritise **transparent services, citizen participation, community audits, public mobility, disaster protection and individual rights**, rather than relying mainly on dole promises.

Conclusion

Cash transfers can provide important support in a poor and informal economy. However, recurring welfare commitments need **clear objectives, fiscal assessment and measurable outcomes**. Better monitoring and independent evaluation can help governments identify what works and correct weak schemes. This can make welfare spending more **effective, transparent and accountable**.

Question for practice:

Evaluate the benefits and concerns of dole politics in India and suggest measures to make welfare schemes more evidence-based and accountable.

Source: [The Hindu](#)

EVM totalisers protect both votes and voters

Source: The post “EVM totalisers protect both votes and voters” has been created based on “EVM totalisers protect both votes and voters” published in “Hindustan Times” on 15th September 2026.

UPSC Syllabus: GS Paper 2 – Indian Polity & Governance

Context: The Supreme Court sought the Centre’s response on the use of **EVM totalisers as a “fall-back option”** in elections. The issue is significant for strengthening the **secrecy of the ballot and ensuring free and fair elections**, as booth-wise results can potentially reveal the voting preferences of particular areas.

Introduction

The right to vote is a fundamental pillar of electoral democracy. However, free and fair elections require not only the freedom to cast a vote but also protection from intimidation, coercion and consequences arising from the choice made by a voter.

Significance of EVM Totaliser

1. **Protection of the secret ballot:** The secret ballot is an essential component of free and fair elections because voters should be able to choose their representatives without fear of consequences.
2. **Prevents identification of booth-wise voting patterns:** A totaliser machine cumulatively counts votes from multiple booths rather than displaying the results of individual booths.

3. **Protects voters from political reprisals:** Booth-wise results combined with modern data analysis can reveal voting patterns at an aggregate level. This may enable political actors to identify areas that voted against them. A totaliser can reduce this possibility.
4. **Reduces fear and coercion:** Political representatives can potentially influence the allocation of developmental works. The source notes that roads, electricity and other developmental benefits could be denied to groups perceived as having voted against a representative.
5. **Protects genuine voter choice:** Fear of reprisals may encourage voters to support the candidate whom they believe is more likely to win rather than the candidate they genuinely prefer. Protecting ballot secrecy therefore helps voters exercise their choice freely.
6. **Strengthens democratic representation:** When voters are protected from post-election consequences, the relationship between voters and representatives can remain closer to a representative-constituent relationship rather than becoming a patron-client relationship.
7. **Provides an additional safeguard in the EVM era:** The totaliser performs a function similar to scrambling physical ballots before counting, a practice used earlier to prevent the identification of voting patterns.

Challenges

1. **The use of totaliser machines has remained under judicial consideration.** Public interest litigation seeking their mandatory use has been pending before the Supreme Court for the last 12 years.
2. **Political parties may lack the necessary political will to introduce totaliser machines.** This makes judicial intervention important for strengthening the secrecy of voting patterns.
3. **Modern data analysis can potentially reveal voting patterns even when the ballot remains formally secret.** Booth-wise counting can make it possible to identify how particular areas or groups have voted.
4. **Voters may face the fear of reprisals for voting against a particular candidate or political party.** Such fear can influence voters to support the candidate whom they believe is more likely to win rather than the candidate they genuinely prefer.

Way Forward

1. **Totaliser machines should be used to cumulatively count votes from multiple booths.** This can make it difficult to identify the voting pattern of individual booths and thereby strengthen ballot secrecy.
2. **The electoral system should protect voters from the consequences of their electoral choices.** Voters should be able to support the candidate they genuinely prefer without fearing administrative or developmental reprisals.
3. **Judicial intervention can be considered to strengthen the protection of ballot secrecy.** This becomes important when political parties lack sufficient willingness to introduce necessary safeguards.
4. **The secrecy of the ballot should remain meaningful in the age of EVMs.** This is necessary to ensure that free and fair elections provide voters with genuine freedom to choose their representatives.

Conclusion: EVM totalisers can strengthen Indian democracy by ensuring that voters are not only free to cast their votes but are also protected from the consequences of their electoral choices. By safeguarding the secrecy of voting patterns, they can reinforce **free choice, voter security and the integrity of free and fair elections.**

Question: What is the significance of EVM totaliser machines in ensuring free and fair elections in India? Discuss how they can strengthen the principle of secret ballot.

Source: [Hindustan Times](#)

India must build, not just trade

Source: The post “India must build, not just trade” has been created based on “India must build, not just trade” published in “The Tribune” on 15th September 2026.

UPSC Syllabus: GS Paper 3 – Indian Economy

Context: India’s economic engagement with China has witnessed a major transformation. While China used foreign investment and trade as instruments for industrialisation and technological development, India increasingly used them for services and market development. This experience highlights the need for India to focus on **building domestic industrial capabilities rather than merely expanding trade**.

India-China Economic Relationship

1. **India-China trade has changed significantly since 1991.** India’s exports to China were less than \$1 billion in 1990-91, but bilateral trade had reached around \$76 billion by 2011-12.
2. **The nature of trade has remained different for both countries.** China increasingly supplied capital goods and industrial inputs to India, while India mainly exported primary products such as ores and cotton.
3. **China developed a much larger manufacturing base than India.** Since 1991, China’s manufacturing sector became about eight times larger, while its high-value product sector became around 50 times larger.
4. **China used foreign direct investment as an instrument of industrialisation.** Foreign investment helped China develop manufacturing, acquire technology and progressively build its own technological capabilities.
5. **India used foreign direct investment differently.** India largely used FDI as an instrument of services and market development rather than as an instrument for building manufacturing capabilities.

Lessons India Can Learn from China

1. **India needs a stronger industrial policy.** The experience of China suggests that economic growth should be accompanied by deliberate efforts to develop domestic industrial capabilities.
2. **India should build technological capabilities.** Instead of remaining dependent on imported technology and industrial inputs, India needs to develop enterprises capable of controlling their own technological development.
3. **Trade policy should support industrial development.** Trade policy should not merely focus on opening markets but should also contribute to building domestic manufacturing and technological capabilities.
4. **India needs to learn from China’s use of FDI.** China integrated FDI into its manufacturing sector, whereas India’s FDI has been more strongly integrated into services and market development.
5. **India should focus on high-value manufacturing.** The expansion of high-value products and manufacturing capabilities is necessary for India to become a strong economic power.

Challenges

1. **India has developed significant dependence on imported industrial inputs.** This dependence can weaken domestic manufacturing capabilities and make industrial development more difficult.
2. **Past economic policies did not adequately build industrial capabilities.** The article argues that the industrial policy followed after the 1991 reforms did not produce the desired industrial transformation.
3. **India's economic policy has often been influenced by free-market thinking.** The article argues that economic policies under successive governments were influenced by economists associated with US capitalist ideology.
4. **India faces stronger competition from China.** China has developed much greater manufacturing and technological capabilities, making it difficult for India to compete merely through trade.
5. **India needs to create sufficient employment opportunities.** Economic growth must translate into better jobs, incomes and social security for citizens rather than being measured only through GDP growth.

Way Forward

1. **India should align its trade policy with industrial policy.** Trade policy should directly contribute to the development of domestic manufacturing and technological capabilities.
2. **India should use FDI strategically for industrialisation.** Foreign investment should help create manufacturing capabilities, transfer technology and develop domestic enterprises.
3. **India should encourage enterprises to control their own technology.** Building indigenous technological capabilities will help Indian firms become competitive and reduce excessive dependence on foreign technology.
4. **India should develop high-value manufacturing sectors.** Greater emphasis should be placed on sectors that can generate technological capabilities, employment and economic power.
5. **India should pursue a long-term industrial strategy.** The objective of becoming a developed economy by 2047 requires sustained efforts to build competitive industries and technological capabilities.
6. **Economic growth should remain connected with citizens' welfare.** India's economic strategy should focus not only on GDP growth but also on creating jobs, improving incomes and strengthening social security.

Conclusion: China's experience demonstrates that **trade and foreign investment can become powerful instruments of industrialisation when they are integrated with a clear industrial strategy.** India therefore needs to move from an approach focused primarily on trade, services and markets towards one that builds **manufacturing capacity, technological capabilities and globally competitive Indian enterprises.** This will be essential for India to achieve sustainable economic strength and its development goals by 2047.

Question: India's experience with China shows that trade alone cannot ensure economic transformation. Discuss the need for India to focus on industrial capacity and technological development along with trade.

Source: [The Tribune](#)

Understanding double deflation: What it does and why it matters

UPSC Syllabus: Gs Paper 3 - Indian economy

Introduction

India's **revised GDP series** has brought renewed attention to double deflation as a method for measuring real economic activity. The method separately adjusts output and intermediate consumption for price changes, unlike single deflation. This is important because output and input prices may move differently, affecting real GVA estimates. It also explains why the implicit GVA deflator can move differently from familiar indices such as CPI, WPI and PPI.

Understanding Deflation

1. **Current-price value:** A **nominal value** is measured at the prices prevailing in the current period, so it reflects the value of goods and services at those prices.
2. **Constant-price value:** A **real value** is measured at the prices of a fixed base period, so the effect of price changes is removed.
3. **Meaning of deflation:** Deflation is the process of converting nominal values into real values by adjusting them for changes in prices.
4. **How deflation works:** An appropriate **price index** is used to adjust a nominal value for price changes and obtain its real or volume value.

Single Deflation and Its Limitations

1. **Single Deflation Approach:** Single deflation utilizes a single price index to deflate nominal gross value added estimates into constant price figures.
2. **Price Movement Assumption:** This method assumes that output prices and intermediate input prices move together continuously without any significant divergence.
3. **Divergence Vulnerability:** Single deflation fails when input and output prices diverge sharply, leading to heavily distorted real growth metrics nationwide.
4. **Absence of Input Tracking:** The traditional single index framework completely ignores individual price variations occurring within diverse intermediate goods and industrial production supplies.
5. **Overestimation Risks:** Assuming parallel price movements can artificially inflate national income statistics during periods characterized by highly volatile raw input costs.
6. **Data Simplification Errors:** Relying on one price index simplifies statistical calculations but introduces substantial measurement errors in volatile macroeconomic environments

Double Deflation: Concept and Measurement

1. **Core concept:** Double deflation separately adjusts **output and intermediate consumption** for their respective price changes, removing the assumption that their prices move together.
2. **Output deflation:** Current-price output is adjusted using an appropriate output price index to obtain **real output**.

3. **Intermediate consumption deflation:** Current-price intermediate inputs are separately adjusted using suitable prices for the goods and services used in production.
4. **Real GVA calculation:** Real GVA is calculated as real output minus real intermediate consumption, giving the volume-based value added.
5. **International recognition:** The UN System of National Accounts describes real GVA as output in volume terms less intermediate consumption in volume terms, making double deflation internationally recognised.

Data Requirements and Role of Price Indices

1. **Need for detailed data:** Double deflation needs detailed information on both output and intermediate-use items, making it more data-intensive than single deflation.
2. **Inter-industry linkages:** An industry's output can become another industry's input, such as coal for electricity and manufacturing or cotton yarn for textiles.
3. **Role of PPI:** Output PPI (Producer Price Index) covers intermediate-use products as well as final-use products, supporting separate deflation of production items and inputs.
4. **Item-level mapping:** In India, output and input items from the latest **Annual Survey of Industries (ASI)** data are mapped with item-level PPI, allowing more granular deflation.
5. **Sources of estimates:** Manufacturing estimates use **MCA-21 (Ministry of Corporate Affairs database)** for private corporations, **annual reports** for public corporations, and **ASUSE (Annual Survey of Unincorporated Sector Enterprises)** and **PLFS (Periodic Labour Force Survey)** for the unincorporated sector.

Concerns and Challenges in Double Deflation

1. **Data availability:** Detailed and timely output and input data are difficult to obtain across all sectors, limiting wider application of double deflation.
2. **Changing input structures:** Input baskets can change because of **technology, imports, quality changes and shifts in sourcing patterns**, affecting price measurement.
3. **Input-mapping difficulties:** Correctly matching input items with suitable price indices is difficult, especially where industries use diverse production inputs.
4. **Sectoral coverage:** Services and sectors lacking suitable producer-price information create additional difficulties in applying double deflation consistently.
5. **PPI limitations:** PPI requires adequate coverage, reliable data, updated weights and changing production information to remain useful for national-accounting purposes.

Benefits and Significance of Double Deflation

1. **Better volume measurement:** Separately deflating output and intermediate consumption gives a more realistic measure of underlying production volumes.
2. **Captures relative prices:** The method directly captures differences between output-price and input-price movements, which single deflation can miss.
3. **Improves GVA estimates:** It provides a better measure of real GVA when input prices and output prices move in different directions.
4. **International comparability:** Double deflation is used for industry-level volume GVA estimation in countries and regions including the **US, Japan, UK, Canada, Australia and Eurozone**.
5. **Better statistical framework:** Richer survey, administrative and price data allow national accounts to measure real economic activity with greater detail and consistency.

India's Approach under the Revised GDP Series

1. **Use in the new GDP series:** The revised GDP series uses **double deflation for agriculture and manufacturing**, while volume extrapolation is used for the remaining sectors.
2. **Manufacturing focus:** Manufacturing has detailed double-deflation estimates because of its **input-intensive nature** and the availability of rich ASI and price data.
3. **Extent of application:** Of **30 manufacturing compilation categories**, double deflation is applied to **28 categories** broadly corresponding to combinations of two- and three-digit NIC industries.
4. **Exceptions:** **Food products and pharmaceutical products** use volume extrapolation because of difficulties in mapping their input items.
5. **Move towards PPI:** The move towards PPI is important because its greater granularity and coverage can better match the valuation principles used in national accounts.
6. **Implicit GVA deflator:** The **implicit GVA deflator** is a measure of the overall price change reflected in GVA, calculated as **Nominal GVA ÷ Real GVA × 100**.
7. **Why it behaves differently:** Under double deflation, output and intermediate consumption are deflated separately, so the implicit GVA deflator depends on their **relative price movements and weights**, rather than on one directly observed GVA price index.
8. **Why it can decline:** If **input prices rise faster than output prices**, real GVA can grow faster than nominal GVA, causing the implicit GVA deflator or its growth rate to decline even when CPI, WPI or PPI are rising.
9. **Why CPI or WPI cannot replace it:** CPI, WPI and PPI have different **coverage and weights**, so nominal GDP growth minus CPI or WPI inflation does not necessarily give real GDP growth.

Conclusion

Double deflation improves the measurement of real economic activity by separately accounting for output and input price movements. Its results may differ from CPI or WPI because the implicit GVA deflator emerges from the national-accounts calculation. Its effectiveness therefore depends on detailed, appropriate and consistent data, making better price and input information central to improving GDP measurement.

Question for practice:

Examine the concept of double deflation, its significance in measuring real GVA, and its application in India's revised GDP series.

Source: [Business Standard](#) ; [Financial Express](#)

Dedicated freight corridor strengthens the foundation of a faster growing India

UPSC Syllabus: Gs Paper 3- Infrastructure

Introduction

India's rapidly growing economy needs faster, cheaper and more reliable movement of goods. Dedicated Freight Corridors (DFCs) provide separate, high-capacity infrastructure for freight trains, reducing pressure on busy railway routes. Their completion can improve freight speed and reliability, free capacity for passenger services, strengthen links between industries and ports, reduce logistics costs and support a more efficient supply chain. Thus, DFCs are emerging as an important foundation for India's manufacturing, trade and long-term economic growth.

Why India Needed Dedicated Freight Corridors

1. **Congested trunk routes:** Howrah-Delhi and Mumbai-Delhi routes operated at about **115-150% of designed capacity**, delaying both freight and passenger movement.
2. **Shared railway infrastructure:** Freight and passenger trains used the same tracks, limiting available capacity and making goods movement slower and less predictable.
3. **Rising logistics needs:** A larger economy requires efficient movement of raw materials, agricultural produce, manufactured goods and export-import cargo across long distances.
4. **Need for better competitiveness:** High transport delays and costs can weaken Indian manufacturing, making reliable freight movement important for domestic and global markets.
5. **Limited freight efficiency:** Conventional routes faced lower average freight speeds, creating a need for dedicated infrastructure that could handle goods trains more efficiently.
6. **Need for future capacity:** India's long-term growth requires freight infrastructure that can handle rising cargo volumes without putting greater pressure on existing railway routes.

Key Features and Network of India's Dedicated Freight Corridors

1. **Two operational corridors:** The **1,337-km Eastern DFC** runs from New Sahnewal to New Son Nagar, while the **1,506-km Western DFC** connects Dadri with Jawaharlal Nehru Port Trust (JNPT).

2. **Dedicated high-capacity infrastructure:** Separate freight tracks allow goods trains to move with greater speed, throughput and reliability while releasing capacity on conventional railway routes.
3. **Double-stack container operations:** The Western DFC supports **double-stack container trains**, allowing more cargo in one movement and improving long-distance rail freight productivity.
4. **Port and industrial connectivity:** Western DFC links northern industrial centres with JNPT, while Eastern DFC serves major bulk freight flows from the mineral-rich eastern region.
5. **Integrated logistics ecosystem:** DFCs form part of a wider network involving **industrial corridors, logistics parks, warehouses, ports and multimodal transportation** infrastructure.
6. **Proposed expansion:** A proposed **2,052-km Dankuni-Surat Dedicated Freight Corridor** would integrate with the Western DFC and enable smoother movement of goods to ports along the western coast.

Benefits of Dedicated Freight Corridors

1. **Faster freight movement:** Average freight speeds on DFCs are **above 50 kmph**, around twice the average speed on non-DFC routes, improving transit reliability.
2. **Higher freight capacity:** **More than 400 freight trains operate daily**, while double-stack operations increase cargo moved per train without proportional infrastructure expansion.
3. **Decongestion of conventional routes:** Shifting freight to dedicated tracks creates additional paths for passenger and other services on existing railway lines, improving overall capacity utilisation.
4. **Lower logistics costs:** Rail freight costs about **Rs 1.96 per tonne-km**, compared with around **Rs 4 by road**, supporting cheaper long-distance goods movement.
5. **Stronger supply chains:** Better links among factories, warehouses, logistics hubs, markets and ports help companies manage inventories, shipments and production more efficiently.
6. **Manufacturing and export gains:** Faster port connectivity and predictable transit can reduce logistics costs, expand market access and improve Indian manufacturing and export competitiveness.
7. **Benefits for agriculture:** Reliable long-distance transport can connect agricultural production centres with consumption markets and ports, creating better opportunities for agricultural producers.
8. **Greener freight movement:** Electrified, high-capacity rail can support greater rail use for long-distance freight and contribute to more energy-efficient and lower-emission logistics.

Challenges in Maximising the Potential of DFCs

1. **Weak first- and last-mile links:** Freight corridors need standardised and upgraded feeder connectivity so cargo can efficiently enter and leave dedicated freight routes.

2. **Limited terminal integration:** Gati Shakti terminals and multimodal logistics parks need DFC-grade connectivity to convert railway capacity into seamless cargo movement.
3. **Low rail freight share:** Rail carries only about **20% of India's freight**, while road transport still handles most cargo despite higher estimated transportation costs.
4. **Pricing and service gaps:** Competitive freight pricing, including **Gross Tonne-Kilometre (GTKm)-based models and assured transit slots**, is needed to improve rail's attractiveness for cargo users.
5. **Need for stronger port integration:** Better port-rail links are required to fully use the Western DFC's connection with major western-coast cargo gateways.
6. **Capacity and participation needs:** Further DFC expansion and greater **private-sector participation** are needed to match rising freight demand and improve overall logistics efficiency.

Way Forward

1. **Strengthen feeder connectivity:** Upgrade peripheral routes and first- and last-mile links so dedicated freight capacity connects smoothly with production and consumption centres.
2. **Expand multimodal infrastructure:** Develop **Gati Shakti terminals and multimodal logistics parks** with direct, high-quality connectivity to DFC routes and major freight centres.
3. **Improve freight pricing:** Introduce competitive and transparent pricing models across cargo categories to make rail freight more attractive and improve its market share.
4. **Offer reliable freight products:** Assured transit slots and better planning tools can improve delivery certainty while allowing better returns from investments in freight rolling stock.
5. **Increase rail's freight share:** Use DFC capacity to encourage a **shift from road to rail**, especially for long-distance bulk and container cargo.
6. **Integrate ports and logistics networks:** Strengthen port-rail integration, industrial connectivity and private participation to maximise the economic value of completed and future freight corridors.
7. **Expand the DFC network:** Develop proposed freight corridors in line with rising cargo requirements and India's ambition to become a larger manufacturing and export hub.

Conclusion

The Dedicated Freight Corridors can strengthen India's growth by making freight movement faster, more reliable and cost-efficient while freeing capacity on existing railway routes. Their full potential will depend on better feeder links, terminals, pricing, port connectivity and multimodal integration. Expanding the network can further support manufacturing, trade, supply-chain efficiency, competitiveness and India's long-term development ambitions towards 2047.

Question for practice:

Evaluate how Dedicated Freight Corridors can strengthen India's logistics efficiency, economic competitiveness and long-term growth.

Source: [DD News](#); [economictimes](#)

Four priorities for India's AI policy

Source: The post "Four priorities for India's AI policy" has been created based on "Four priorities for India's AI policy" published in "Business Standard" on 16th September 2026.

UPSC Syllabus: GS Paper 3 – Science & Technology

Context: Artificial Intelligence (AI) is emerging as a transformative technology with applications across the economy and society. However, its rapid development also raises concerns regarding **human control, employment, inequality, sovereignty, democracy and resource consumption**. India therefore needs a policy framework that promotes innovation while preventing excessive dependence on others.

Four priorities for India's AI policy

1. Ensuring human control over AI development

- a. India should support a **global consensus** to ensure that the development and orientation of AI systems remain subject to meaningful human control.
- b. Regulation should prevent advanced AI systems from becoming difficult to **monitor, control or regulate**.

2. Protecting employment and ensuring fair distribution

- a. India should address the potential impact of AI on **employment and income distribution**.
- b. AI may substitute workers in certain skilled tasks, while returns from AI could increasingly accrue to **owners of AI models and technology**.
- c. Policy should therefore promote a **fair distribution of the economic gains from AI**.

3. Ensuring AI sovereignty and protecting democracy

- a. AI outputs may reflect the **biases and worldviews of their developers or governments**.
- b. Dependence on foreign AI models could therefore create concerns regarding **technological sovereignty and politically influenced information**.
- c. India needs greater capacity to develop and use **domestically controlled AI models**, particularly for strategic and sensitive applications.

4. Developing domestic data-centre capacity sustainably

- a. India needs to increase its **domestically owned data-centre capacity**, as data centres are essential AI infrastructure.
- b. Expansion must account for their significant **electricity and water requirements**.
- c. Data-centre development should therefore incorporate strong standards for **energy and water efficiency**.

Key challenges

1. Rapid advances in AI may make **regulation and human oversight** difficult.
2. AI-driven automation can lead to **job displacement and greater income inequality**.
3. Dependence on foreign AI models can create risks to **data and technological sovereignty**.
4. AI-generated information can potentially influence **public discourse and democratic communication**.
5. India faces a gap between its large volume of data generation and its **domestic data-centre capacity**.
6. Large AI systems require substantial **energy and water**, creating environmental concerns.

Way Forward

1. India should participate in developing **international rules and standards** for responsible and human-controlled AI.
2. It should promote **Indian AI models and domestic technological capabilities** to reduce excessive external dependence.
3. AI adoption should be accompanied by **reskilling and upskilling programmes** to help workers adapt to changing employment patterns.
4. India should develop mechanisms for a **fair distribution of AI-generated economic benefits** among technology companies, information providers and users.
5. AI systems used in sensitive areas should have appropriate **human oversight, transparency and accountability**.
6. Data-centre expansion should follow **energy-efficient and water-efficient standards**, while encouraging renewable energy.
7. India should balance **innovation, economic benefits, technological sovereignty, democratic values and environmental sustainability**.

Conclusion: India's AI policy should not focus merely on rapid adoption of AI. It should create an ecosystem where **AI remains human-controlled, economically inclusive, technologically sovereign and environmentally sustainable**, enabling India to harness its benefits while managing its emerging risks.

Question: What are the key priorities for India's AI policy? Discuss the challenges and suggest the way forward.

Source: [Business Standard](#)

India joins US-led 6G initiative: How does it fit with Bharat 6G Mission?

Source: The post "India joins US-led 6G initiative: How does it fit with Bharat 6G Mission?" has been created based on "India joins US-led 6G initiative: How does it fit with Bharat 6G Mission?" published in "Business Standard" on 16th September 2026.

UPSC Syllabus: GS Paper 3 – Science & Technology

Context India has joined the **US-led 'Call to Action for 6G Leadership and Security'**, along with 25 other countries, to promote secure, interoperable and resilient 6G networks. The initiative complements India's existing **Bharat 6G Vision and Bharat 6G Alliance**.

Key features of the US-led initiative

1. The initiative seeks to promote **open, interoperable, secure, resilient, AI-supported and resource-efficient 6G networks**.
2. The participating countries will cooperate to strengthen the **security and resilience of future telecommunications networks**.
3. The framework focuses on developing **secure and resilient 6G supply chains** and addressing cybersecurity risks associated with telecom investments.
4. The initiative seeks greater coordination between governments and industry for developing **global 6G standards**.
5. It promotes **innovation and competitiveness** by encouraging countries to cooperate on 6G technologies and infrastructure.
6. The framework provides for engagement with **telecom companies, research institutions, academia and other stakeholders**.
7. Participating governments will designate **government-level 6G contacts** and identify relevant industry and academic stakeholders.
8. The countries will discuss **barriers to 6G leadership** and examine resources that can strengthen their competitiveness.
9. The framework does not seek to replace **industry-led organisations** involved in the technical development of 6G and aims to avoid duplication with their work.
10. Participation in the initiative does not restrict countries from pursuing their **own positions and autonomy** in other 6G organisations.

Bharat 6G Mission

1. India's **Bharat 6G Vision**, released in March 2023, aims to make India a **frontline contributor to the design, development and deployment of 6G technologies by 2030**.
2. The Bharat 6G Vision is based on the principles of **affordability, sustainability and ubiquity**.
3. The **Bharat 6G Alliance (B6GA)** brings together Indian industry, telecom service providers, academia, national research institutions and standards organisations.
4. B6GA is an **industry-led body facilitated by the government** and focuses on strengthening indigenous 6G research and development.
5. B6GA has established international partnerships with the **US Next G Alliance, Europe's 6G-IA, Finland's 6G Flagship, South Korea's 6G Forum, Japan's XGMF, NGMN Alliance and 6G Brasil**.
6. These international partnerships are intended to promote **collaborative research and standardisation** in 6G.
7. India has also contributed to the **ITU IMT-2030 framework**, including 'Ubiquitous Connectivity' among the six 6G usage scenarios.

Strengthening India's Global 6G Engagement

1. India already has international engagement through the Bharat 6G Alliance, but the new initiative brings **governments directly into the framework**.
2. It therefore creates a **government-to-government channel** for cooperation on 6G leadership, security and resilience.
3. This governmental cooperation will operate alongside the existing **research, industry and standards-related engagement** under Bharat 6G.

4. The initiative can strengthen India's ability to participate in discussions on **global standards, secure supply chains and cybersecurity**.
5. It also provides India with an additional platform to discuss **barriers to 6G leadership and resources required for global competitiveness**.

Significance for India

1. The initiative can help India strengthen its role in **shaping global 6G technologies and standards**.
2. Cooperation with other countries can help India develop **secure and resilient telecommunications supply chains**.
3. Greater international collaboration can complement India's efforts to build **indigenous 6G research and technological capabilities**.
4. India can potentially contribute technologies, standards and **infrastructure models that can be scaled beyond the domestic market**.
5. At the same time, India's participation does not prevent it from maintaining its **autonomy and independent positions** in other international 6G bodies.

Conclusion: India's 6G strategy therefore combines **indigenous technological development with international cooperation**. While **Bharat 6G** focuses on building India's domestic research, industry and innovation ecosystem, the US-led initiative provides a **government-to-government platform for security, resilience, supply chains, innovation and global standards**. Together, these efforts can support India's objective of becoming a significant contributor to the **global 6G ecosystem by 2030**.

Question: India has joined the US-led 'Call to Action for 6G Leadership and Security' while pursuing its own Bharat 6G Mission. Discuss the significance of this initiative and explain how it complements India's existing 6G ambitions.

Source: [Business Standard](#)

Decoding India's GDP Base Revision

UPSC Syllabus: Gs Paper 3- Indian economic

Introduction

On **27 February 2026**, MoSPI released a new Gross Domestic Product (GDP) series with **FY 2022-23 as the base year**, replacing FY12. The revision changed estimates of India's economic size because newer data, wider coverage and improved methods provided a different picture of economic activity. **Nominal GDP was revised downward**, but the change mainly reflects statistical re-estimation rather than a sudden contraction in the economy.

GDP Base Revision: Why the Measuring Framework Matters

1. **Base year as a reference:** The base year provides the reference for calculating constant-price GDP, helping measure changes in economic activity after removing price effects.

2. **Need for periodic updating:** Economic structures change over time, so the statistical framework must be updated to capture new industries, formalisation and changing consumption patterns.
3. **Impact on nominal GDP:** Rebasing can also change nominal GDP because improved data and methods may produce a different estimate of the economy's rupee size.
4. **Revisions can move either way:** International statistical practice recognises that better evidence can raise or lower previously estimated GDP levels.
5. **India's earlier experience:** The earlier shift from **2004-05 to 2011-12** also changed India's estimated economic size, showing that revisions are not unusual.

Why FY23 Was Chosen as the New Base Year

1. **Post-pandemic reference year:** FY23 was selected because it represented a relatively normal economic year after the major disruptions caused by the COVID-19 pandemic.
2. **Avoiding distorted years:** The pandemic years saw abnormal supply, demand and production patterns, making them less suitable as a stable reference for national accounts.
3. **Capturing structural transformation:** FY23 better reflects changes since FY12, including **GST-led formalisation, digital payments, online activity and wider corporate reporting.**
4. **Improved data availability:** The period also offered richer administrative, financial and survey data, allowing economic activity to be measured more directly.

What Changed in the New GDP Methodology

1. **Wider data universe:** The new series uses data from the **Goods and Services Tax (GST), Ministry of Corporate Affairs (MCA), Public Financial Management System (PFMS), e-Vahan, Periodic Labour Force Survey (PLFS), Annual Survey of Unincorporated Sector Enterprises (ASUSE), Reserve Bank of India (RBI), National Bank for Agriculture and Rural Development (NABARD)** and state governments to improve coverage and measurement..
2. **Better informal-sector measurement:** ASUSE and PLFS provide a more direct basis for measuring unincorporated enterprises than earlier estimates based mainly on benchmark figures and proxy indicators.
3. **Improved price measurement:** Greater use of **double deflation** separately adjusts input and output prices, helping measure real value added more accurately.
4. **Better quarterly benchmarking:** The **proportional Denton method** replaces the earlier pro-rata approach, improving alignment between quarterly estimates and annual totals.
5. **Greater internal consistency:** **Supply-Use Tables** reconcile production and expenditure approaches, helping reduce discrepancies within the national accounts framework.

What the Revised GDP Estimates Reveal

1. **Downward nominal GDP revision:** Nominal GDP was revised down by **2.7% in FY23, 3.5% in FY24 and 3.8% in FY25** compared with the earlier series.
2. **Unincorporated sector as a major factor:** Improved measurement of the **unincorporated services sector** was a major driver of the downward revision in nominal GDP.
3. **Upward sectoral revisions:** Agriculture and allied activities rose by **3.8–5.9%**, while financial services, real estate, professional services and ownership of dwellings rose by roughly **7.8–9.0%**.
4. **Downward sectoral revisions:** Trade and transport and storage saw reductions of around **23–26%**, while **trade GVA fell 36%** and road transport by **16.9%**.
5. **Hotels and restaurants revised upward:** Hotels and restaurants' GVA increased by **5.7%**, mainly because of revised estimates for the unincorporated sector.
6. **Revisions carried forward:** Since later quarterly and annual estimates build on earlier figures, the revised FY23 estimate naturally affected subsequent GDP estimates.
7. **No sudden economic contraction:** A lower revised GDP level does not mean the economy suddenly became smaller or slowed during those years; it partly reflects a revised and better-measured starting point.

Implications for Policy, Markets and Economic Indicators

1. **Better policy foundation:** More current and comprehensive GDP estimates can provide policymakers with a better measurement base for assessing economic activity and trends.
2. **Clearer economic structure:** Sector-wise revisions provide a more detailed picture of where economic activity is being measured differently under the new framework.
3. **Effect on macro ratios:** Changes in nominal GDP can alter indicators such as the **fiscal deficit-to-GDP ratio**, even when underlying fiscal conditions remain unchanged.
4. **Improved statistical credibility:** A data-rich national accounts system can strengthen confidence among **investors, credit rating agencies and multilateral institutions**.
5. **Quarterly growth becomes clearer:** The revised series indicates that quarterly growth during FY2023–24 to FY2025–26 is **less volatile and more broad-based** than previously estimated.
6. **Statistical change versus economic change:** A lower revised GDP level does not mean the economy suddenly became smaller or slowed during those years; it reflects a different starting estimate.

Way Forward

1. **Release the historical back series:** A recalculated historical GDP series is needed so that long-term growth trends can be compared consistently under the new methodology.
2. **Publish detailed methodology:** A comprehensive **Sources and Methods** document can improve transparency about data sources, estimation techniques and sector-wise revisions.

3. **Improve informal-sector measurement:** Continued use of better survey and administrative data is important because revisions in the unincorporated sector vary significantly across activities.
4. **Keep the framework current:** Regular updating of the base year and statistical methods can ensure that national accounts continue to reflect India's changing economic structure.

Conclusion

India's GDP revision shows that **economic measurement must keep pace with economic change**. The downward nominal GDP revision mainly reflects better evidence and improved measurement, especially of the unincorporated sector. The new framework provides wider data coverage and improved methods for measuring economic activity. Its long-term value will depend on **transparent methods, consistent historical data and regular statistical updating**.

Question for practice:

Examine the significance of India's GDP base revision in improving the measurement of economic activity and understanding the changing structure of the Indian economy.

Source: [The Hindu](#)

How AI Risks Can Outpace Safeguards

UPSC Syllabus: Gs Paper 3- Science and Technology

Introduction

Artificial Intelligence (AI) capabilities are advancing rapidly, while safeguards may not always develop at the same pace. Recent cases show users already testing AI for harmful activities in biology, cybersecurity, surveillance and weapons-related work. At the same time, broader research identifies risks ranging from dangerous capabilities and cyberattacks to inequality and concentration of power. The central challenge is to ensure that **detection, access controls and governance develop alongside increasingly capable AI systems**.

From Hypothetical Risks to Real-World AI Misuse

1. **Evidence of actual misuse:** Anthropic documented harmful attempts involving **cybersecurity, surveillance and biotechnology**, moving AI-risk discussions from hypothetical scenarios towards observed misuse.
2. **Biological dual-use risk:** Biological capabilities can support legitimate research or harmful activities, making it difficult to distinguish beneficial research from potential misuse.
3. **Less stringent older-model safeguards: Opus 4 and Sonnet 4.5** had less stringent biological safeguards because Anthropic's evaluations found them below the capability level for meaningfully assisting sophisticated dangerous biological research.

4. **Delayed strengthening of controls:** Stronger biological safeguards were introduced with newer models, while Anthropic separately disclosed that blocking biological classifiers were inactive on roughly **133 million contractor exchanges** from May 2025 to April 2026.
5. **Examples of attempted misuse:** Users applied older Claude models to activities including **gain-of-function research on chikungunya** and a **guided-rocket programme**, after which Anthropic terminated accounts when potential illicit use became clear.

Limitations of Existing AI Safeguards

1. **Classifier limitations:** Input and output classifiers cannot always identify harmful intent from individual messages because the same technical knowledge can have legitimate or harmful uses; **pins and screws may form a rifle or wheelchair, while a control loop may serve a missile or air-conditioner.**
2. **Need for contextual patterns:** Harmful intent may become clear only after several related interactions reveal a broader pattern, making individual messages difficult to classify reliably.
3. **Generation-detection gap:** A dangerous output may already be generated before classifiers recognise the wider harmful pattern, creating a gap between **generation and intervention.**
4. **Data exfiltration risk:** Users can save harmful outputs offline before their accounts are terminated, so stopping further access cannot recover information already obtained.
5. **Limits of monitoring alone:** Monitoring individual interactions may not be sufficient for highly dangerous capabilities, raising the need to consider **who should receive access in the first place.**

The Expanding Spectrum of AI Risks

1. **Expert-based risk assessment:** A MIT FutureTech–University of Queensland study asked **272 international AI experts** to assess **24 AI risks** over the **2025–2030** period.
2. **Catastrophic-risk exposure:** Under business as usual, experts judged **18 of 24 risk areas** to have more than a **10% probability of catastrophic outcomes** over the next five years.
3. **Scale of catastrophic harm:** The study defined catastrophic outcomes as potentially causing **more than 1 million deaths, over \$100 billion in financial losses, or comparable civilizational-scale intangible damage.**
4. **Five risks despite mitigation:** Under pragmatic mitigation, five areas still had more than a **10% probability** of catastrophic outcomes: **dangerous capabilities (12%), AI-enabled weapons and cyberattacks (12%), environmental harm (12%), inequality and unemployment (11%), and power centralisation and unfair distribution of AI benefits (11%).**
5. **Dangerous capability expansion:** More capable AI can make difficult activities easier, including **persuasion, surveillance, deepfakes, and assistance with chemical or biological weapons.**

6. **Cyber and weapons exposure:** AI can identify software vulnerabilities, generate code and accelerate offensive cyber activities through its strengths in **coding, pattern recognition and information synthesis**.

The Governance and Responsibility Gap

1. **Sectoral vulnerability:** Experts identified the **information, finance and national security sectors** as particularly vulnerable to AI-related risks.
2. **Information-sector risks:** AI can increase **misinformation, disinformation, privacy loss and manipulation**, while weakening trust in the information people receive.
3. **National-security risks:** Increasingly capable AI can create concerns around **cyberattacks, weapons development, surveillance and hostile actors** using these systems.
4. **Financial-sector risks:** AI can amplify **fraud, cyber risks, market manipulation, privacy breaches and system failures** with wider economic effects.
5. **Unequal exposure and responsibility:** AI users and the general public were judged most vulnerable, while those exposed to risks are often not best positioned to address them.
6. **Developer and government responsibility:** Experts assigned the highest responsibility to **general-purpose AI developers and governance actors**, including governments, regulators and standards bodies.
7. **Competitive pressure:** Companies and countries seeking economic or strategic advantage may have incentives to **deploy AI quickly, resist constraints or underinvest in safety**, which can intensify other risks.

Way Forward

1. **Continuous risk assessment:** Organisations should regularly assess what increasingly capable AI systems can do and whether existing governance practices remain adequate.
2. **Risk-based prioritisation:** Leaders should focus on harms that experts consider both serious and plausible rather than treating every AI risk equally.
3. **Business-process review:** Organisations should examine where AI creates value, changes wider ecosystems, replaces human tasks or introduces new vulnerabilities.
4. **Access-based safeguards:** AI governance can learn from export controls by combining **restricted access, identified users and end-use conditions** with ongoing monitoring of dangerous capabilities.
5. **Integrated governance:** AI risk should become part of existing discussions on **cybersecurity, privacy, safety and business continuity**, rather than remaining a separate compliance issue.
6. **Continuous adaptation:** Safeguards cannot be a one-time adjustment because AI capabilities, methods of misuse and organisational exposure are changing rapidly.

Conclusion

AI misuse is no longer only hypothetical, as documented cases show users already testing advanced systems for harmful purposes. Existing safeguards can detect and disrupt misuse, but they may not prevent every dangerous transfer before detection. At the same time, AI risks extend beyond deliberate misuse into cybersecurity, national security, finance, inequality and power concentration. **Effective governance therefore requires safeguards, access controls and oversight to advance alongside AI capabilities.**

Question for practice:

Discuss how the rapid advancement of Artificial Intelligence (AI) can outpace existing safeguards and examine the measures needed to manage its emerging risks.

Source: The Hindu ; [MIT](#)

BRICS, and the future of cross-border payments

Source: The post “BRICS, and the future of cross-border payments” has been created based on “BRICS, and the future of cross-border payments” published in “Business Line” on 17th September 2026.

UPSC Syllabus: GS Paper 2- International Relations

Context: BRICS has been working towards greater use of national currencies and improved cross-border payment mechanisms since the **Ufa Declaration of 2015**. A **Payment Task Force of BRICS central banks was established in 2020**, and the initiative was formally called the **BRICS Cross-Border Payments Initiative at the Kazan Summit in 2024**. India has consistently maintained that it is **not pursuing de-dollarisation or a common BRICS currency**.

Reason behind Cross-Border Payments gaining importance

1. The importance of efficient cross-border payments has increased because **intra-BRICS exports reached \$1.17 trillion in 2024**, which was 13 times their level in 2003.
2. India's trade with BRICS countries crossed **\$417 billion in FY26**, although India recorded a trade deficit of about **\$226 billion**.
3. Cross-border payments continue to face delays because of **correspondent banking chains, different time zones, batch processing and largely manual compliance checks**.
4. According to the Financial Stability Board's 2025 report, **fewer than 45 per cent of global B2B payments were credited within one business day**, highlighting the need for faster systems.
5. BRICS countries now have large-scale domestic fast-payment systems such as **UPI in India, Pix in Brazil, SBP in Russia, QRIS in Indonesia and Aani in the UAE**, creating a technological base for interoperability.

Major Developments

1. The **New Delhi Declaration** encourages interoperability of payment and messaging channels and greater settlement of trade in local currencies while respecting the national priorities of member countries.

2. The Declaration recognises that there is **no one-size-fits-all approach** to cross-border payments and does not establish a common BRICS payment system or common settlement currency.
3. The proposed Russian settlement and depositary infrastructure has remained at the **technical workshop stage rather than becoming a formal decision**.
4. The **Jaipur Consensus** has proposed studying an invoice-discounting mechanism to support MSME exporters.
5. The **BRICS Multilateral Guarantees initiative** is moving towards pilot transactions, which can facilitate cross-border trade.
6. The **New Development Bank** has been encouraged to expand its lending in local currencies.

Opportunities for India

1. Greater interoperability can make **cross-border payments faster, cheaper and more transparent** for Indian businesses and individuals.
2. International expansion of **UPI connectivity** can strengthen India's position in the global digital-payment ecosystem.
3. Faster payments can particularly benefit **MSME exporters by improving their cash flows and reducing payment-related delays**.
4. Direct connectivity between payment systems can reduce dependence on **multiple correspondent banking intermediaries**.
5. Local-currency settlement can facilitate bilateral trade where suitable mechanisms exist for managing accumulated currency balances.
6. The growth of cross-border payments can create opportunities for **Indian banks and regulated fintech companies** to develop innovative payment solutions.
7. Common technical standards among BRICS countries can make cross-border transactions more **accessible, secure and transparent**.

Challenges

1. BRICS countries have **different regulatory frameworks, currency-convertibility regimes, payment infrastructures and financial systems**, making a single common system difficult.
2. Unequal trade balances can create difficulties in local-currency settlement because one country may accumulate large balances of another country's currency.
3. India's experience with **rupee settlement for Russian oil** demonstrated this problem when surplus rupees accumulated faster than they could be utilised.
4. Cross-border payments involve different requirements for **KYC, settlement, reporting, data sharing and compliance**, which require coordination between countries.
5. Retail payments between travellers and consumers, exporter payments and central-bank settlements involve **different participants, risks and technical requirements** and therefore cannot necessarily be addressed through one mechanism.
6. Wholesale transactions between central banks may require specialised systems such as **CIPS and mBridge**, rather than retail fast-payment platforms.
7. Geopolitical factors, including **Russia's exclusion from SWIFT after 2022**, add complexity to discussions on alternative payment arrangements.

Way Forward

1. BRICS should adopt a **bilateral and layered approach** rather than attempting to immediately establish one common payment system.
2. BRICS countries should develop common **standards for messaging formats, QR interoperability, data exchange, security and dispute resolution**.
3. Domestic fast-payment systems should be connected where there is sufficient **trade volume, regulatory compatibility and mutual trust**.
4. India's **UPI-PayNow linkage with Singapore** provides an example of how bilateral payment connectivity can be developed.
5. The proposed **UPI-Aani linkage with the UAE and QRIS-UPI linkage with Indonesia** can further expand India's international payment connectivity.
6. Local-currency settlement should be accompanied by mechanisms that provide **productive avenues for surplus currency balances**, including appropriate investment options.
7. Regulators should establish common safeguards while allowing **banks and fintech companies to compete on speed, cost and transparency**.
8. India can build on its **2023 framework for cross-border payment aggregators**, which provides regulatory requirements relating to KYC, settlement and reporting.
9. The **New Development Bank can play a greater role in local-currency lending**, thereby supporting trade and investment among member countries.

Conclusion: The future of BRICS cross-border payments is likely to depend more on **interoperability, common standards and bilateral connectivity than on the creation of a common currency**. BRICS can provide a **broad common template while allowing individual countries to develop arrangements according to their specific economic and regulatory conditions**. The ultimate measure of progress would be whether an Indian exporter can receive payment from a buyer in another BRICS country **as quickly, cheaply and transparently as from a domestic customer**.

Question: BRICS is moving towards greater interoperability in cross-border payments without pursuing a common currency. Discuss the opportunities, challenges and the way forward for India.

Source: [Business Line](#)

UPI Fee: Small Price, Smart Call, Smooth Going

Source: The post "UPI Fee: Small Price, Smart Call, Smooth Going" has been created based on "UPI Fee: Small Price, Smart Call, Smooth Going" published in "Times of India" on 17th September 2026.

UPSC Syllabus: GS Paper 3- Indian Economy

Context: The Government has decided to allow a fee of up to **₹2 per UPI transaction above ₹2,000**, while transactions below ₹2,000 will remain exempt. The debate is not merely about who pays the fee, but about **who should bear the cost of maintaining and developing the UPI ecosystem**.

UPI and Financial Inclusion

1. **UPI has expanded digital payments to millions of small businesses and informal-sector vendors**, thereby reducing dependence on cash.
2. Digital payments create a **transaction record**, which can help individuals and businesses build a financial history.

3. Such records can make it easier for businesses to access **formal credit and financial services**.
4. UPI has therefore contributed to the broader objective of **financial inclusion and formalisation of economic activity**.
5. However, payments are only one component of financial inclusion, and the larger objective is to ensure that people can also access **affordable and reliable credit**.

Reason behind consideration of a UPI Fee

1. UPI transactions involve costs related to **cybersecurity, servers, connectivity, investment in infrastructure and continuous innovation**, which need a sustainable source of financing.
2. The existing model largely absorbs these costs without directly charging users for individual transactions.
3. Banks and payment service providers therefore need adequate revenue to **maintain records, develop technology and ensure reliable payment services**.
4. A small and predictable fee could provide a source of revenue without necessarily undermining the larger benefits of UPI.

Arguments in Favour of a Small Fee

1. A small fee can help ensure the **economic sustainability of the UPI ecosystem** by contributing towards its operational and technological costs.
2. If payment providers cannot recover their costs, they may eventually reduce investment in **technology, cybersecurity and innovation**.
3. A nominal charge on higher-value transactions can be designed so that **small-value everyday transactions remain largely unaffected**.
4. A fee can also ensure that the costs of payment services are not entirely borne by banks, fintech companies or other intermediaries.

Concerns Regarding the Fee

1. Merchants may ultimately transfer the **Merchant Discount Rate (MDR)** to consumers by increasing the prices of goods and services.
2. Small merchants may have less capacity to absorb additional costs and may therefore increase their prices.
3. If merchants start charging consumers for UPI payments, it could **discourage digital payment adoption**.
4. Charging users merely for using a digital payment system raises the question of whether frequent users should effectively subsidise those who make fewer transactions.
5. A fee could become particularly problematic if it is imposed without considering the **different capacities of large retailers and small merchants**.

Way Forward

1. The fee structure should be designed in a manner that **protects small-value transactions and does not discourage ordinary users from adopting UPI**.
2. The government and regulators should ensure that payment charges remain **transparent, predictable and proportionate to transaction value**.

3. The burden of payment costs should be distributed fairly among **banks, payment providers, merchants and users**, rather than being disproportionately transferred to consumers.
4. Any fee mechanism should preserve the affordability and accessibility that have made UPI an important instrument of **digital financial inclusion**.
5. Greater attention should also be given to converting digital transaction records into **responsible and affordable credit opportunities** for small businesses.

Conclusion: The objective should not simply be to make UPI free at any cost or to impose charges without safeguards, but to create a **financially sustainable payment ecosystem without weakening its wider social and economic benefits**. A carefully designed, transparent and proportionate fee structure can help maintain the infrastructure while preserving **UPI's role in digitalisation, formalisation and financial inclusion**.

Question: The proposed UPI transaction fee raises concerns about balancing the financial sustainability of digital payments with the objective of financial inclusion. Discuss.

Source: [Times of India](#)

Mining Amendment is Unfair to States

UPSC Syllabus: Gs Paper 2- Issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein.

Introduction

Mining is concentrated in States such as Odisha, Jharkhand, Chhattisgarh and Karnataka, which bear both the benefits and costs of extraction. The **MMDR Amendment Act, 2026** seeks predictable taxation and greater mining investment by restricting State levies on mineral rights and mineral-bearing land. The central concern is whether investment certainty should reduce the fiscal space and constitutional powers of resource-rich States.

Why the Mining Amendment Was Introduced

1. **Predictable tax environment:** The Union government seeks a stable taxation framework because mining projects require huge investment and may operate for decades.
2. **Preventing excessive levies:** Multiple State levies, different rates and taxes introduced after operations begin can increase costs and create uncertainty for mining projects.
3. **Encouraging investment:** Greater tax certainty is intended to encourage long-term investment and prevent mining projects from becoming commercially unviable.
4. **Supporting mineral supply:** Stable mining investment can encourage exploration and domestic production and may reduce excessive dependence on imports.
5. **Long project life:** Mining deposits cannot be relocated when tax rules change, making stable financial conditions important for projects lasting decades.

6. **Industrial competitiveness:** The Union argues that fragmented State levies raise mineral costs and can weaken the competitiveness of Indian mining.
7. **Energy transition needs:** Renewable energy, electric mobility, battery storage and advanced manufacturing will require dependable mineral supplies for future development.

Key Changes Under the MMDR Amendment Act, 2026

1. **Mineral-bearing land under Union regulation:** Section 2 has been expanded to bring mineral-bearing land within the field of Union regulation, while Section 3 gives the term a statutory meaning.
2. **Restriction on State levies:** New **Section 9D** restricts State Governments from imposing taxes, cesses or other levies on mineral rights and mineral-bearing land except under conditions prescribed by the Centre.
3. **Central rule-making power:** **Section 13** has been amended to provide the necessary rule-making authority for implementing the new framework.
4. **Greater central regulation:** Taken together, these changes reduce the space available to States for exercising fiscal powers over mineral resources and move the law towards a more centrally regulated system.

Major Concerns Related to the MMDR Amendment Act, 2026

1. Constitutional Concerns

- **Entry 50 and mineral taxation:** States have constitutional power to tax mineral rights, subject to limitations imposed by Parliament.
- **Entry 49 and land taxation:** States separately possess the power to tax lands and buildings, raising questions about restrictions on mineral-bearing land.

2. Federal Concerns

- **Reduced fiscal autonomy:** Section 9D limits States' ability to create new taxes, cesses and levies related to minerals.
- **Mining-related expenditure:** Resource-rich States and mining districts bear costs such as displacement, environmental damage and infrastructure pressure.
- **Restricted future revenue options:** Existing royalties and other core revenues remain, but States may lose an important fiscal instrument for raising future resources from mineral wealth.
- **Centre-State balance:** The amendment raises a broader question about whether States can retain adequate financial capacity for responsibilities linked to mineral extraction.

3. Judicial Concerns

- **2024 Supreme Court judgment:** A nine-judge Bench held that royalty is not a tax and recognised State powers over mineral taxation and mineral-bearing land.
- **Possible tension with the judgment:** Section 9D's restriction on mineral-bearing land raises questions about the extent to which Parliament can restrict the State's separate land-taxation power.

4. Other Concerns

- **Past unpaid dues:** The amendment also extinguishes certain unpaid or unrecovered dues from earlier State levies, adding another concern for States over their revenue claims.
- **Balance between uniformity and autonomy:** Greater tax uniformity may improve predictability, but excessive central control can narrow the fiscal choices available to States.

Way Forward

1. **Balance investment with State autonomy:** Ensure greater tax predictability for long-term mining investment without unnecessarily removing the fiscal choices available to resource-rich States.
2. **Strengthen Centre-State consultation:** Make States part of policy design when changes affect natural resources, taxation powers and revenues, rather than limiting consultation to the implementation stage.
3. **Ensure regional development:** A meaningful share of the value generated from mining should support **infrastructure, education, livelihoods and stronger local communities** in mining regions.
4. **Promote sustainable extraction:** Mining policy should combine mineral production with **ecological restoration, environmental safety and responsible resource use**, since minerals are exhaustible.
5. **Support industrial development:** Greater certainty in mining should help secure minerals needed for **steel, manufacturing, infrastructure, renewable energy, electric mobility and battery storage**.
6. **Reduce import dependence:** Encourage exploration and domestic mineral production so that India can meet growing mineral requirements without excessive dependence on imports.
7. **Protect future generations:** The economic value created from exhaustible minerals should leave behind permanent development benefits rather than only short-term gains from extraction.

Conclusion

The MMDR Amendment, 2026 aims to improve tax predictability and attract mining investment, but it narrows the fiscal space of States. Since States bear costs of mineral extraction, their constitutional and financial interests require protection. A balanced framework should support mineral security and industrial growth while preserving State fiscal capacity and ensuring mining regions receive lasting benefits.

Question for practice:

Evaluate whether the MMDR Amendment Act, 2026 strikes a fair balance between mining investment and the fiscal autonomy of States.

Source: [The Hindu](#)

What Lies Beyond India's E20 Push

UPSC Syllabus: Gs Paper 3- Infrastructure

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Introduction

India's E20 programme seeks to reduce **crude oil dependence, emissions and foreign exchange outgo** through greater ethanol use. However, lower fuel efficiency can increase consumer costs and emissions, while diverting sugarcane and maize towards ethanol can affect food security and agricultural trade. With the government now considering **blending beyond E20 through flexi-fuel vehicles**, the next phase must balance energy security with consumer, environmental and agricultural concerns.

E20 Petrol: Meaning and Rationale

1. **Composition:** E20 petrol contains **80% motor gasoline and 20% anhydrous ethanol**, making ethanol a significant part of transport fuel.
2. **Introduction:** India introduced E20 on **February 6, 2023**, when public sector oil marketing companies began selling it at selected outlets.
1. **Reason for Expansion:** The programme has been scaled up amid **rising crude prices and supply disruptions linked to the West Asia crisis**, increasing the focus on domestically available fuel alternatives.
2. **Policy Promise:** The government broadly links E20 with **consumer savings, lower carbon emissions and foreign exchange savings** through reduced crude oil use.

Potential Benefits of E20 Blending

1. **Lower Crude Dependence:** Replacing part of gasoline with ethanol reduces the amount of crude oil required for transport fuel and can lower import dependence.
2. **Foreign Exchange Savings:** Since oil forms a significant part of India's import bill, substituting domestically produced ethanol can potentially reduce foreign exchange outgo.
3. **Lower Carbon Content:** Ethanol contains **less embodied carbon per litre** than gasoline, creating potential for lower emissions when fuel efficiency does not fall significantly.
4. **Domestic Ethanol Use:** Higher blending creates greater demand for domestically produced ethanol, supporting the use of available agricultural feedstocks for fuel production.

Key Concerns Associated with E20

1. **Mileage Loss:** A joint **ARAI-SIAM-IOCL study** cited by the Road Transport and Highways Minister found that E20 can reduce fuel economy by **2%–6%**, depending on vehicle category and vintage.
2. **Higher Household Cost:** With E10 priced at ₹100 and mileage falling 6%, a car travelling 15 km would need **1.06 litres instead of one litre**, raising the effective cost to ₹106.
3. **Consumer Burden:** The Reporters' Collective estimated that consumers spent an additional **₹88,234 crore between April 2023 and March 2026** because of higher fuel consumption linked to the mileage penalty.

4. **Emission Trade-off:** E20 can reduce emissions per litre, but emissions for the same distance may rise when mileage falls; calculations show an increase with **4%–6% mileage loss**.
5. **Vehicle Vintage:** Newer E20-compatible vehicles may see lower emissions, while older vehicles may have higher emissions depending on their mileage loss.
6. **Food Security Pressure:** Ethanol production from **sugarcane and maize** diverts agricultural resources towards fuel, creating longer-term concerns for food availability.
7. **Agricultural Trade Impact:** Higher domestic demand contributed to restrictions on sugar exports, while rising maize use for ethanol coincided with sharply lower export earnings and India becoming a **net maize importer last year**.

Government Initiatives and the E20 Transition

1. **E20 Expansion:** Public sector oil marketing companies expanded E20 availability after its initial introduction at selected fuel outlets in 2023.
3. **Ethanol Capacity:** The government says India's **ethanol production capacity has surpassed current blending requirements**, creating a need for additional uses for the surplus capacity.
4. **Flexi-Fuel Vehicles:** The government is supporting **flexi-fuel vehicles** as part of its plan to enable higher ethanol blending beyond E20.
5. **Pure Ethanol Availability:** Higher blending will require greater availability of **pure ethanol at fuel outlets** alongside vehicles capable of using higher ethanol concentrations.
6. **Biofuel-Based Diesel Additives:** The government is exploring **biofuel-based additives for diesel**, with experiments involving isobutanol identified as a possible new avenue.
7. **GOBARDhan Scheme:** The **GOBARDhan scheme** brings together incentives from different ministries to promote **compressed biogas (CBG)**, although progress in this area has remained limited.

Beyond E20: India's Emerging Biofuel Strategy

1. **Higher Ethanol Blending:** India is preparing for blending percentages **higher than E20**, shifting the focus from the current blend towards a wider ethanol-based fuel system.
2. **Flexi-Fuel Transition:** Flexi-fuel vehicles can enable higher ethanol use, making vehicle compatibility an important part of the next stage of the programme.
3. **Utilising Surplus Capacity:** Since production capacity has exceeded current blending requirements, **new uses for ethanol** will be needed to absorb the surplus.
8. **Diversified Biofuels:** India is also looking beyond petrol ethanol blending through **isobutanol, biofuel-based diesel additives and compressed biogas**.
9. **Energy Security Focus:** The West Asia crisis and crude prices approaching **USD 100 per barrel** have increased the importance of using domestically available energy resources.

Way Forward

1. **E10-E20 Choice:** Consumers could be given a choice between **E10 and E20**, particularly while many existing cars and motorcycles are not ready for higher ethanol blends.
2. **Countercyclical Taxation:** The government could use **countercyclical indirect taxes** to reduce the impact of rising crude prices on consumers without relying only on higher ethanol blending.
3. **Vehicle Compatibility:** Expansion beyond E20 should be accompanied by wider availability of **flexi-fuel vehicles and compatible fuel infrastructure**.
4. **Food-Fuel Balance:** Ethanol expansion should account for the diversion of **sugarcane and maize** so that fuel production does not create wider food-security and trade pressures.
5. **Public Transport:** Reliable and subsidised public transport with **last-mile connectivity** can reduce dependence on cars and motorcycles.
6. **Clean Mobility:** Better facilities for **cycling and walking** can further reduce fuel demand, emissions and pollution.

Conclusion

India's E20 push can support **energy security and reduced crude dependence**, but its wider costs need equal attention. Mileage losses, consumer expenditure, emissions, food security and agricultural trade create important trade-offs. As India moves beyond E20, **flexi-fuel vehicles, diversified biofuels, consumer choice and stronger public transport** can help create a more balanced transition.

Question for practice:

Discuss the benefits, concerns and future prospects of India's E20 ethanol blending programme.

Source: [The Hindu](#)

Government health schemes at a crossroads

Source: The post "**Government health schemes at a crossroads**" has been created based on "**Government health schemes at a crossroads**" published in "**Business Line**" on 18th September 2026.

UPSC Syllabus: GS-2-Governance

Context: The **Central Government Health Scheme (CGHS)** has provided healthcare security to serving and retired government employees and their families for more than seven decades. However, rising healthcare costs, an increasing number of beneficiaries, inadequate budgets and fragmented purchasing arrangements are creating challenges for the long-term sustainability of government health schemes.

Major Challenges

1. Government health schemes such as **CGHS, ECHS, Railways and State employee schemes** face rapidly increasing healthcare expenditure.

2. The **fee-for-service system** encourages providers to conduct more consultations, investigations and procedures rather than focusing on efficient and outcome-based treatment.
3. Increasing expenditure on **medicines**, particularly through authorised local chemists, adds to the financial burden.
4. Weak **gatekeeping** allows patients to directly access expensive specialist and tertiary care without appropriate clinical referral.
5. Different government schemes often separately **empanel hospitals, negotiate prices, process claims and maintain IT systems**, resulting in duplication and fragmentation.
6. Delays in payments, claims processing and grievance resolution can reduce **providers' confidence in government health schemes**.

Key Reforms Needed

1. **Shift from fee-for-service to package-based payments**
 - a. The government should increasingly pay hospitals through **well-defined treatment packages** instead of paying separately for every investigation, procedure and consumable.
 - b. Over time, systems such as **Diagnosis-Related Groups (DRGs)** can be introduced to account for the complexity of patients while encouraging efficient treatment.
2. **Improve medicine procurement**
 - a. Government schemes should promote **quality-assured generic medicines** through strong formularies and bulk procurement.
 - b. Better inventory management and prescription audits can help reduce unnecessary expenditure without restricting access to medicines.
3. **Strengthen primary healthcare and gatekeeping**
 - a. CGHS wellness centres should function as **coordinators of care** by providing primary care, preventive screening and chronic disease management.
 - b. Patients should be referred to specialists and tertiary hospitals when clinically necessary.
 - c. Similar gatekeeping mechanisms should be strengthened in **ECHS, Railways and State employee schemes**.
4. **Consider carefully designed beneficiary contributions**
 - a. Modest **co-payments or deductibles** for selected services, particularly private-hospital treatment, may help reduce unnecessary utilisation.
 - b. Such contributions should be differentiated according to **income, age and type of service**, with exemptions for vulnerable groups and people with chronic conditions.
5. **Promote convergence among government health schemes**
 - a. Greater coordination among **CGHS, ECHS, ESI, Railways and other government schemes** can create larger risk pools and increase government's purchasing power.
 - b. Common provider networks, standard treatment packages, shared technology platforms and interoperable claims systems can reduce duplication.
6. **Improve claims and grievance management**
 - a. Payments to hospitals should be **timely and transparent**, with clear visibility of the claims process.
 - b. Grievances and disputes should be resolved within clearly defined timelines.
 - c. Digital platforms should simplify transactions, while strong anti-fraud measures should not cause unnecessary delays in legitimate payments.

Conclusion: The objective should not be to dismantle existing government health schemes but to **strengthen their foundations for the future**. The recent revision of CGHS reimbursement rates addresses an immediate

concern, but long-term sustainability requires a shift from **simply paying healthcare bills to strategically purchasing healthcare**. Such reforms can make government health schemes **affordable, efficient, transparent and trusted**, while ensuring continued financial protection and quality healthcare for beneficiaries.

Question: Government health schemes such as CGHS face growing challenges of rising healthcare costs, increasing beneficiaries and inefficient purchasing mechanisms. Discuss the reforms needed to make these schemes financially sustainable and beneficiary-friendly.

Source: [Business Line](#)

Who has to pay MDR on UPI and who stands to gain the most?

Source: The post “Who has to pay MDR on UPI and who stands to gain the most?” has been created based on “Who has to pay MDR on UPI and who stands to gain the most?” published in “The Hindu” on 18th September 2026.

UPSC Syllabus: GS-3- Indian Economy

Context: Merchant Discount Rate (MDR) is a fee charged for processing digital payments, which is generally shared among banks, payment service providers and UPI application providers. Under the new arrangement, MDR will apply to certain Person-to-Merchant (P2M) UPI transactions above ₹2,000, while most UPI transactions will remain free.

Who will pay MDR

1. Merchants **receiving UPI payments above ₹2,000** will generally bear the MDR.
2. **Transactions of ₹75,000 and above** will have MDR capped at ₹300 per transaction.
3. **Essential and thin-margin sectors** such as railways, telecommunications, insurance, fuel and agricultural inputs will attract a flat MDR of ₹5 per transaction.
4. **Transactions involving mutual funds, stockbrokers, dealers and F&O** will attract 0.02% or ₹300 per transaction, whichever is lower.

Who will not pay MDR

1. P2P transactions will remain completely free.
2. Merchant payments up to ₹2,000 will remain free.
3. Small merchants receiving up to ₹1 lakh per month through UPI will be exempt.
4. P2PM transactions will also remain exempt.
5. Hence, around 97.5% of UPI transactions by volume will remain free.

Who stands to gain

1. MDR collections **will be shared among banks**, payment service providers and UPI application providers.
2. The **payer's bank gets about 40%, the merchant/receiving bank about 30%**, UPI applications/TPAPs about 20%, and PSPs about 10%.

3. A **dedicated fund equivalent to 5% of total MDR collections** will also be used to promote UPI adoption among small merchants.
4. Since **P2M transactions above ₹2,000 constitute** around 20% of UPI transactions by value, the new mechanism can generate significant revenue for the payment ecosystem.

Challenges

1. **Higher cost for merchants:** MDR may increase the cost of accepting digital payments, particularly for merchants with low profit margins.
2. **Risk of discouraging digital payments:** Some merchants may prefer cash or other payment modes if MDR makes UPI transactions costlier.
3. **Impact on small businesses:** Although small merchants are exempt up to ₹1 lakh monthly UPI receipts, businesses growing beyond this threshold may face additional costs.
4. **Complexity of the MDR structure:** Different rates, exemptions and transaction limits may make the system difficult for merchants to understand and comply with.
5. **Possibility of shifting the burden:** Merchants may indirectly pass the additional cost to consumers through higher prices.
6. **Revenue-sharing concerns:** The distribution of MDR among banks, TPAPs and PSPs could raise questions about whether the compensation adequately reflects the costs and responsibilities of each participant.

Way Forward

1. **Protect small and low-margin merchants:** MDR exemptions and concessional rates should continue for essential sectors and small businesses.
2. **Maintain transparency:** The applicable MDR, exemptions and caps should be clearly communicated to merchants.
3. **Monitor consumer impact:** Regulators should ensure that merchants do not impose inappropriate additional charges on consumers for using UPI.
4. **Periodic review:** MDR rates, exemptions and transaction limits should be periodically reviewed based on transaction costs and the development of the digital-payment ecosystem.
5. **Strengthen competition:** A competitive payment ecosystem can help keep transaction costs reasonable while ensuring adequate compensation to banks, PSPs and UPI applications.

Conclusion: MDR can provide a sustainable revenue mechanism for the UPI ecosystem while retaining free access for the overwhelming majority of transactions. The way forward should be to balance the financial sustainability of digital payments with affordability for merchants and consumers, especially small and low-margin businesses.

Question: What is Merchant Discount Rate (MDR) on UPI transactions? Discuss who will bear the MDR on UPI transactions above ₹2,000. Examine the challenges associated with MDR and suggest a way forward.

Source: [The Hindu](#)

A War Room for India in an Age of Sanctions

UPSC Syllabus: Gs Paper 2- International relations

Introduction: A War Room for India in an Age of Sanctions

Economic sanctions are no longer limited to foreign policy; they can affect **banks, shipping, energy supplies, trade and households**. The latest U.S. sanctions and tariff measures show how India's dependence on global financial and maritime networks can turn external pressure into domestic economic risks. India therefore needs a coordinated response that connects diplomacy, finance, trade, energy, shipping and law.

America's New Sanctions and Tariff Push

1. **100% tariff authority:** The U.S. House passed the **Lindsey O. Graham Sanctioning Russia and Iran Act of 2026** by **262–159**, sending it to President Trump.
2. **Targeting Russian energy buyers:** The Act gives the President power to impose **up to 100% tariffs** on countries buying Russian crude oil or natural gas.
3. **Wider sanctions framework:** The legislation also targets **Russian leadership, energy networks, banks and vessels** involved in sanctions evasion, while adding measures against Iran.
4. **Five-year tariff power:** The additional tariff authority against energy-importing countries would remain available for **five years**, increasing uncertainty for countries dependent on Russian energy.
5. **Iran-related pressure:** Washington has separately expanded sanctions across **digital assets, technology, gold, aviation and shipping**, widening pressure beyond direct oil transactions.
6. **Sanctions beyond sellers:** Modern U.S. restrictions increasingly target **tankers, insurers, ship managers, traders and financial institutions**, making entire transactions vulnerable to disruption.
7. **Indian companies already targeted:** Washington sanctioned **four India-based companies and three Indian nationals** over alleged trade in Iranian oil and petrochemicals.

Why India Is Directly Exposed

1. **Russian crude dependence:** India imported **\$40.8 billion of Russian crude in FY2026**, equal to **30.3% of total crude imports worth \$134.7 billion**.
2. **Rising dependence:** By **July 2026**, Russian crude accounted for **51% of India's imported crude**, increasing India's exposure to possible U.S. action.
3. **Export vulnerability:** Higher U.S. tariffs could affect Indian exporters because the **U.S. is an important destination for Indian goods**, creating risks for trade recovery.
4. **Energy-security pressure:** Reducing Russian oil purchases could create adjustment pressures because India must simultaneously protect **affordable energy supplies and stable domestic consumption**.
5. **Iran-linked exposure:** U.S. sanctions on Indian companies and nationals over alleged Iranian oil and petrochemical trade show that Indian businesses can also face direct sanctions risks.

6. **Shipping exposure:** Iran's Persian Gulf Strait Authority listed **45 vessels initially and 77 by September 14**, including vessels serving or registered in India.

How Sanctions Travel from Global Networks to Indian Households

1. **Weaponised interdependence:** Control over critical financial, insurance or transport networks allows one country to pressure businesses that depend on those networks.
2. **Dollar-payment chokepoint:** An Indian company may follow Indian law but still depend on an **American bank and dollar-payment system**, creating additional sanctions risks.
3. **Insurance chokepoint:** Foreign insurers can become another pressure point because Iran warned insurers against covering vessels on its non-compliant list.
4. **Hormuz chokepoint:** Restrictions around the **Strait of Hormuz** can affect shipping even when the original dispute concerns sanctions or trade.
5. **Domestic transmission:** Disruption can move from international transactions to **fuel supplies, LPG availability, farmers, seafarers and household kitchens**, linking foreign policy with daily economic life.
6. **Crisis coordination:** During the West Asia crisis, India coordinated Ministries, monitored vessels and supplies, increased LPG production and arranged alternative cargoes to keep supplies moving.

India's Strategic Choices in the Face of Sanctions

1. **Diversify energy sources:** India can reduce concentration risks by securing **alternative crude and LNG supplies**, including long-term LNG contracts outside Hormuz.
2. **Build LPG resilience:** Greater **LPG storage capacity** can provide more protection when external disruptions threaten regular supplies.
3. **Expand Indian shipping:** A larger **Indian-controlled tanker fleet** can reduce dependence on foreign shipping capacity during sanctions or maritime disruptions.
4. **Strengthen maritime insurance:** A stronger **Bharat Maritime Insurance Pool** can improve domestic capacity when foreign insurers become unwilling to cover vulnerable vessels.
5. **Use rupee settlement:** Rupee settlement can support lawful trade where sellers accept it, but it cannot protect transactions involving banks that still depend on New York.
6. **Protect lawful trade:** India needs to preserve **energy security, fertiliser supplies, seafarer interests and lawful trade** while maintaining relations with the U.S., Russia, Iran and Gulf countries.

Why India Cannot Simply Follow China's Approach

1. **China's legal position:** China has argued that American measures lack a basis in **international law or UNSC authorisation**.

2. **China's business instructions:** Beijing earlier directed Chinese businesses not to recognise, enforce or comply with American sanctions against five Chinese refining companies.
3. **India's position:** India recognises **UNSC-mandated sanctions** but does not accept unilateral sanctions, creating a position that differs from direct compliance with U.S. measures.
4. **Different economic capacity:** China has greater **market power, state-directed economic capacity and leverage over critical supply chains**, giving it more room to resist external pressure.
5. **India's U.S. dependence:** India's financial and commercial links with the U.S. make direct replication of China's approach more costly for Indian businesses.
6. **Legal objection is insufficient:** Rejecting unilateral sanctions legally does not remove the commercial costs faced by Indian firms through banks, insurers, payments or trade restrictions.
7. **Need for balance:** India must protect domestic interests while maintaining working relationships with **the U.S., Russia, Iran and Gulf countries**.

Way Forward

1. **Permanent coordination:** An **Economic Security and Sanctions Office under the Cabinet Secretariat** can provide a permanent mechanism for handling economic coercion.
2. **Whole-of-government structure:** It should bring together **foreign policy, finance, commerce, energy, shipping, law, defence, RBI and market regulators**.
3. **Track the full chain:** The office should identify where transactions can fail, covering **payment, insurance, shipping, ports and final delivery**.
4. **Support affected companies:** It should provide early warnings when a **payment route, insurer or port** becomes vulnerable to foreign action.
5. **Negotiate exemptions:** India should seek evidence behind foreign listings, support legitimate delisting requests and negotiate **written exemptions and transition periods**.
6. **Clear domestic guidance:** Banks should distinguish **legal prohibitions from commercial caution**, while companies should receive clear Indian guidance before sanctions disrupt legitimate transactions.

Conclusion

Sanctions now operate across **finance, trade, shipping and energy**, making fragmented responses inadequate. India cannot control every international chokepoint, but it can reduce its vulnerability through diversification, domestic capacity and coordination. A permanent **economic-security war room** can help India to assess the full transaction chain before taking decisions and protect energy security, lawful trade and national interests.

Question for practice:

Examine how the growing use of economic sanctions by the United States can affect India's economic security and strategic autonomy.

Source: [The Hindu](#)

Uniform Civil Code Debate

UPSC Syllabus: Gs Paper 2- Constitution of India

Introduction

The **Uniform Civil Code (UCC)** seeks common civil laws for citizens in matters such as marriage, divorce, inheritance and adoption. **Article 44 of the Constitution**, under the Directive Principles of State Policy, directs the State to endeavour to secure a common civil code for citizens throughout India. The issue has gained fresh attention after the Union Home Minister announced that **BJP-led NDA governments in 21 States aim to introduce UCC before 2029**.

Present Personal Law System

1. **Scope of Personal Laws:** Personal laws govern private matters such as marriage, divorce, inheritance, maintenance and adoption, unlike common public laws.
2. **Existing Uniform Laws:** India already follows uniform criminal laws and common civil laws covering areas such as taxation, contracts and negotiable instruments.
3. **Hindu Personal Laws:** Hindus are governed by laws including the Hindu Marriage Act, 1955 and Hindu Succession Act, 1956 for family matters.
4. **Other Hindu-law Communities:** Jains, Buddhists and Sikhs are covered by Hindu personal-law legislation, while Sikh marriages can be registered under the Anand Marriage Act, 1909, as amended in 2012.
5. **Christian and Parsi Laws:** Christians and Parsis have separate personal laws governing their family matters within the existing legal framework.
6. **Muslim and Tribal Practices:** Muslims are governed by the Muslim Personal Law (Shariat) Application Act, 1937, while some tribals follow customary family laws under constitutional exceptions.

2. Constitutional Foundation of Uniform Civil Code (UCC)

1. **Article 44:** Article 44 directs the State to endeavour to secure a UCC for citizens throughout India, but places it under non-justiciable Directive Principles.
2. **Constituent Assembly Debate:** Constitution makers differed on UCC, with some seeking uniform civil laws and women's equal rights, while others feared religious-rights violations.

3. **Fundamental Right to Religion:** Article 25 guarantees freedom to practise religion, creating constitutional concerns when common personal laws affect religiously based practices.
4. **Cultural Protection:** Article 29 protects the right of sections of citizens to conserve their distinct culture, including concerns about customary practices.
5. **Equality and Dignity:** UCC debates also involve Articles 14 and 21, particularly where personal laws affect equality, dignity and women's rights.

Arguments in Favour of Uniform Civil Code (UCC)

1. **Equal Civil Status:** A common personal law would subject citizens to the same civil rules, irrespective of their religion, caste or community.
2. **Gender Justice:** UCC is supported as a means to secure equal rights for women in marriage, divorce, maintenance and inheritance.
3. **Secular Civil Framework:** Uniform personal laws are seen as strengthening secularism by separating civil rights from differences based on religious personal laws.
4. **National Integration:** Common rules for personal matters are argued to promote greater national integration by creating a shared civil framework.
5. **Younger Generation:** Supporters argue that UCC can meet the expectations of a younger generation seeking equal and common civil rights.
6. **Avoiding Selective Reform:** A common framework could avoid repeatedly addressing individual discriminatory provisions within separate personal laws.

Concerns and Arguments Against Uniform Civil Code (UCC)

1. **Religious Freedom:** Critics argue that UCC provisions may conflict with religious scriptures and doctrines, raising concerns under Article 25.
2. **Cultural Diversity:** India's social and religious diversity makes a single personal-law framework a delicate and difficult task.
3. **State Intervention:** Opponents raise concerns that the State could intervene excessively in private and religious family matters.
4. **Minority Resistance:** There is resistance to UCC among minorities, particularly Muslims, because of concerns about religious and personal-law protections.
5. **Tribal Exemption:** State-level UCC frameworks have provided exemptions or special protection to tribal communities, reflecting constitutional safeguards and the need to protect tribal customs and culture.

6. **Question of Discrimination:** Exempting tribal groups while applying UCC to other communities, including minorities, raises concerns about equal treatment under the same framework.

Judicial Perspective

1. **Shah Bano Case, 1985:** The Supreme Court advocated the need for UCC while highlighting concerns about injustice, particularly affecting women.
2. **Sarla Mudgal Case, 1995:** The Court addressed conversion being used to circumvent monogamy laws, bringing personal-law conflicts into constitutional discussion.
3. **Constitutional Morality:** The Sabarimala judgment, 2018, strengthened the debate over equality, religious practices and constitutional morality, which also informs discussions on personal-law reform.
4. **Judicial Role:** The judiciary can protect constitutional rights through interpretation, but legislative action remains necessary for creating and implementing personal laws.
5. **Uneven Codification:** Hindu personal laws were substantially codified during the 1950s, whereas Muslim personal law remains largely uncoded.

Experience of Uniform Civil Code (UCC) in India

1. **Uttarakhand Model:** Uttarakhand has had a UCC in force since January 2025, covering areas including marriage, divorce and inheritance.
2. **State-Level Expansion:** Uttarakhand has implemented the UCC, while Gujarat, Assam and Madhya Pradesh await Presidential assent and notification; Maharashtra, West Bengal and Chhattisgarh have formed drafting committees. The Union Home Minister has also said that 21 NDA-ruled States are expected to introduce UCC before 2029.
3. **Uttarakhand's Coverage:** The Uttarakhand framework focuses on marriage, divorce, inheritance and cohabitation, while Scheduled Tribes remain outside its scope.
4. **Goa Model:** Goa's common civil-law framework is often cited as an existing example, but its historical and religious exceptions mean it cannot simply be replicated across India.

Way Forward

1. **Gender Justice as Priority:** Civil-law reform should primarily ensure equal rights for women in marriage, divorce, maintenance and inheritance.
2. **Equality Within Communities:** The 2018 Law Commission Consultation Paper preferred reforming discriminatory personal-law provisions over immediately imposing a blanket UCC.
3. **Targeted Legal Reform:** Reforms should address marriage, divorce, custody, adoption, maintenance, succession and inheritance to improve gender justice.

4. **Ambedkar's Voluntary Approach:** Dr. B.R. Ambedkar supported the idea of a UCC while recognising concerns about religious freedom and the need for legislative discretion in its implementation.
5. **Balancing Rights and Diversity:** Reforms should uphold equality and constitutional morality while considering religious practices, cultural diversity and constitutional protections.
6. **Consensus-Based Implementation:** A sustainable approach requires transparent consultation and broad consensus, rather than treating uniformity as the only measure of reform.

Conclusion: Balancing Equality and Diversity

The UCC debate requires a balance between **equal civil rights and India's plural social structure**. Reform should address discriminatory practices, particularly those affecting women, without weakening constitutional and cultural protections. **Targeted reforms, wider consultation and consensus-based implementation** can make civil-law reform more acceptable and effective. The goal should be substantive equality rather than uniformity for its own sake.

Question for practice:

Discuss the constitutional issues, arguments and challenges surrounding the implementation of the Uniform Civil Code (UCC) in India.

Source: [The Hindu](#)

U.S.A–Russia Sanctions Bill: Implications for India's Oil Imports and Trade

Source: The post “U.S.A–Russia Sanctions Bill: Implications for India's Oil Imports and Trade” has been created based on “U.S.A–Russia Sanctions Bill: Implications for India's Oil Imports and Trade” published in “Indian Express” on 19th September 2026.

UPSC Syllabus: GS-2-International Relations

Context: The U.S.A House of Representatives has passed a Bill proposing tariffs of up to **100% on the top five buyers of Russian energy**, with India being the second-largest export market for Russian crude. The Bill still requires the U.S.A President's approval and provides scope for waivers.

India's energy dependence

1. India imports **over 88% of its crude oil requirements**, making it highly dependent on global energy markets.
2. Russia currently accounts for **nearly half of India's crude oil imports**.
3. In August 2026, India imported **2.08 million barrels per day of Russian oil**, accounting for about **45% of total oil imports**.
4. Russian crude became important after Western countries reduced purchases from Russia, as Russian suppliers offered **discounted oil** to countries such as India.

Implications for India

1. Energy security concerns

- a. A sharp reduction in Russian oil imports would be difficult because global energy supplies are already constrained amid the West Asia crisis.
- b. Russian crude is currently considered a practical and competitive source for Indian refiners.

2. Risk of higher oil and fuel prices

- a. Removing large quantities of Russian oil from global markets could further tighten supplies.
- b. This may increase international crude prices and consequently raise India's import bill and domestic fuel costs.

3. Pressure on the India-U.S.A trade relationship: The proposed legislation could provide the U.S.A administration with an additional instrument to exert pressure on India during India-U.S.A trade negotiations.

4. Limited scope for immediate substitution: Replacing nearly half of India's crude imports from Russia overnight is difficult because alternative sources may not provide comparable volumes and prices.

5. Increased policy uncertainty: The final impact will depend on how aggressively the U.S.A implements the legislation and whether exemptions or waivers are granted.

Way Forward

1. **Pursue diplomatic engagement:** Continue discussions with the U.S.A to communicate the implications for India's energy security and the global energy market.
2. **Seek waivers and exemptions:** Utilise the discretionary powers provided to the U.S.A President to protect India's legitimate energy interests.
3. **Diversify energy sources:** Reduce excessive dependence on any single supplier while maintaining access to competitively priced crude.
4. **Strengthen strategic reserves:** Expand the ability to withstand temporary disruptions in international oil supplies.
5. **Promote domestic alternatives:** Accelerate renewable energy, electric mobility, biofuels and other alternatives to reduce long-term dependence on imported crude.
6. **Protect trade interests:** Work closely with Indian industry and trade bodies to manage the economic consequences of the proposed measures.
7. **Maintain strategic autonomy:** India should pursue its energy requirements through **diversified sourcing and evolving market dynamics**, as stated by the MEA.

Conclusion: The proposed sanctions create a difficult balance between **energy security, affordable crude supplies and India-U.S.A relations**. India's approach should therefore combine diplomatic engagement and pursuit of exemptions with long-term diversification of energy sources, thereby protecting both its economic interests and strategic autonomy.

Question: The proposed U.S.A sanctions on buyers of Russian energy could have significant implications for India's energy security and strategic autonomy. Discuss the challenges for India and suggest a suitable way forward.

Source: [Indian Express](#)

Orangutans in Odisha: Does India have to repatriate the primates? What law says

Source: The post “Orangutans in Odisha: Does India have to repatriate the primates? What law says” has been created based on “Orangutans in Odisha: Does India have to repatriate the primates? What law says” published in “**Indian Express**” on 19th September 2026.

UPSC Syllabus: GS-3-Environment

Context: The rescue of five baby orangutans from a forest in Balasore, Odisha, has highlighted concerns regarding illegal exotic pet trade in India. Orangutans are native to Indonesia and Malaysia and are critically endangered.

Legal framework governing wildlife trade

1. **CITES framework:** International wildlife trade is not completely prohibited but is strictly regulated under the **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)**. India became a party to CITES in **1976**.
2. **CITES Appendices:** CITES classifies species into three Appendices according to their level of protection.
3. **Appendix-I:** It covers species facing the threat of extinction, for which commercial trade is generally prohibited and trade is allowed only in exceptional, non-commercial circumstances.
4. **Indian law:** The **Wild Life (Protection) Act, 1972**, was amended in **2022** to harmonise India's legal framework with CITES and added a Schedule covering CITES-listed species.
5. **Orangutans:** The Bornean, Sumatran and Tapanuli orangutans are listed under **CITES Appendix-I**, restricting their trade to purposes such as research, recognised zoos and breeding projects.

What happens to illegally traded animals?

1. Where an animal has been illegally traded, the authorities have to consider its **welfare, legal status and country of origin**.
2. CITES recommends consultation with the scientific authorities and, where possible, the state of export or origin before deciding on repatriation.
3. If repatriation is feasible, the **state of origin bears the expense**.
4. If repatriation is not feasible, the animal may be sent to a **rescue centre or another appropriate facility**.
5. Importantly, CITES does **not make returning animals to the wild compulsory**.

Challenges in repatriation

1. Establishing the country of origin: Trafficked animals may pass through several countries and intermediaries, making it difficult to establish their exact geographical origin.

2. Animal health and welfare

- a. The immediate challenge for enforcement agencies is to ensure the survival and welfare of rescued animals.
- b. Repatriation must consider the physical and psychological condition of the animals.

3. Difficulty in returning animals to the wild

- a. Animals involved in the exotic pet trade may have changed multiple hands and may have been captive-bred, with no known geographical origin.
- b. Therefore, returning them to their natural habitat may not always be feasible.

4. Legal and administrative complexities

- a. Repatriation requires coordination between Indian authorities, the country of origin and scientific authorities.
- b. Agencies also require competent personnel and specialised training to handle such cases.

Growing exotic pet trade in India

1. India is increasingly becoming a **destination for exotic pets**, rather than merely a transit route.
2. The trade creates risks of **zoonotic diseases**, as stressed and illegally trafficked animals can facilitate disease transmission to humans through intermediary hosts.
3. Wildlife trafficking can also have links with organised criminal networks involved in other illegal activities.
4. Major trafficking routes include **land routes through India's borders with Bangladesh and Myanmar and air routes through major international airports**.
5. India's 2021 voluntary disclosure scheme for exotic live animals received **43,693 applications from 30 States and Union Territories**, indicating the significant presence of exotic species in private possession.

Way Forward

1. **Strengthen enforcement** at airports, seaports and land borders to prevent illegal wildlife trafficking.
2. **Improve inter-agency coordination** among forest departments, customs, wildlife authorities and international counterparts.
3. **Develop specialised capacity** for identification, quarantine, veterinary care and repatriation of exotic species.
4. **Strengthen monitoring of the exotic pet trade**, including online and social-media-based transactions.
5. **Ensure strict CITES compliance** and prevent illegally sourced animals from being passed off as legally captive-bred animals.
6. **Prioritise animal welfare** while deciding between repatriation, rescue centres and recognised zoological facilities.
7. **Create better inventories and data** on exotic species in private possession to improve regulation and enforcement.

Conclusion: The orangutan case demonstrates that wildlife trafficking is not merely a conservation issue but also involves **animal welfare, public health, organised crime and international cooperation**. India needs to combine effective enforcement with CITES-compliant procedures and scientifically informed decisions on repatriation to address the growing exotic pet trade.

Question: India's growing demand for exotic wildlife has created challenges related to wildlife conservation, international obligations and animal welfare. In this context, discuss the legal framework governing exotic

wildlife trade and the challenges associated with repatriation of rescued animals.

Source: [Indian Express](#)

A Homegrown Innovation Ecosystem is Taking Root

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

Introduction

India is gradually moving from importing technology to developing it through **public research institutions, corporate R&D and deep-tech startups**. Rising patent activity, indigenous technologies in semiconductors, communications, space and healthcare, and growing private R&D show this shift. However, low R&D spending, weak commercialisation and limited research capacity still prevent India from becoming a fully technology-driven innovation economy.

India's Innovation Landscape: Progress with Persistent Gaps

1. **Rising patent activity:** Patent filings increased from over 1,10,000 in 2024–25 to more than 1,43,000 in 2025–26, a 30.2% rise.
2. **Growing domestic participation:** Domestic applicants now account for almost seven in ten patent filings, showing greater participation by Indian innovators.
3. **Limited patents in force:** India had just over 2,40,000 patents in force in 2025, far below China, the U.S. and Japan, indicating weaker conversion of applications into active patents.
4. **Low R&D spending:** India spends just under 1% of GDP on R&D, compared with about 2.4% in China and 3.5% in the U.S.
5. **Weak commercialisation:** Limited movement from research outputs to marketable products reduces the economic impact of India's growing patent activity.
6. **Improving global position:** India ranked 38th among 139 economies in the Global Innovation Index 2025, while its innovation output rank was 32nd.

Three Emerging Pillars of India's Innovation Ecosystem

A. Public Research and Government Institutions

- **Long-gestation research:** Public institutions, with government support, are developing **foundational technologies** that require long-term research and investment.
- **Indigenous GaN capability:** The DRDO, through its **Solid State Physics Laboratory (SSPL)** and **Gallium Arsenide Enabling Technology Centre (GAETEC)**, developed **Gallium Nitride (GaN)-based Monolithic Microwave Integrated Circuits (MMICs)** critical for military and defence applications.

- **Technology transfer:** DRDO is transferring **Gallium Nitride High Electron Mobility Transistor (GaN HEMT)-based** technology for **5G/6G infrastructure, electric-vehicle chargers and renewable-energy inverters**.
- **Research-to-market pipeline:** The GaN ecosystem shows how **government laboratories develop foundational technology, academic institutions build research capacity, and startups move it towards commercial markets**.

B. Corporate R&D and Industry-Led Innovation

- **Rising private R&D:** Private-sector **Research and Development (R&D)** spending exceeded the combined spending of all government levels for the first time in **2024** and is expected to account for **55% in 2025–26**.
- **6G technology development:** Members of the **Bharat 6G Alliance (B6GA)** have made over **7,700 patent filings** across 5G and 6G technologies, including more than **4,400 foreign filings**.
- **Greater standards participation:** Indian entities made almost **3,000 technical contributions to the 3rd Generation Partnership Project (3GPP)**, a 15-fold increase from 2020, strengthening India's participation in global communication standards.
- **Intellectual property ownership:** **Jio Platforms Limited** entered the **top 20 international patent filers in 2025**, ranking 19th and showing greater participation in global technology creation.

C. Deep-Tech Startups and Commercialisation

- **Shift towards deep technology:** Indian startups are moving beyond service-based platforms towards **deep-tech and complex manufacturing**, supported by government initiatives and private capital.
- **Space technology:** **Pixxel, Skyroot Aerospace and Agnikul Cosmos** are developing capabilities in **hyperspectral imaging, launch vehicles and reusable space technology**.
- **Affordable healthcare innovation:** **ImmunoACT** developed **NexCAR19**, India's first indigenous **Chimeric Antigen Receptor T-cell (CAR-T) therapy**, at around **one-tenth of typical treatment costs**.
- **AI-enabled medical technology:** **Remidio Innovative Solutions** uses **smartphone-based retinal imaging and Artificial Intelligence (AI)** to address preventable blindness, including diabetic retinopathy and glaucoma.

From Technology Importer to Technology Creator

1. **From implementation to standard-setting:** Growing participation in international standards and intellectual-property ownership is shifting India from a technology implementer towards a standard-setting innovator.
2. **Ownership of critical technologies:** Indigenous capabilities in **GaN semiconductors and 5G/6G**

technologies show increasing domestic ownership of technologies earlier dependent on external sources.

3. **Research-to-market transition:** The emerging innovation pipeline increasingly connects **government laboratories, academic institutions and startups**, allowing research capabilities to move towards commercial applications.
4. **Broader technological entrepreneurship:** Growth in **space, healthcare and deep-tech startups** shows that domestic innovation is expanding beyond traditional service-based platforms.

Key Challenges in Building an Innovation-Led Economy

1. **Low global patent scale:** India's patent applications remain far below **China's 1.8 million and the U.S.'s nearly 6 lakh**, showing a large gap in technological scale.
2. **Low international patenting:** India filed **4,547 Patent Cooperation Treaty (PCT) applications in 2024**, compared with over **70,000 from China and 54,000 from the U.S.**
3. **Weak research workforce:** India ranks **80th in full-time-equivalent researchers** and **95th in knowledge-intensive employment**, showing a limited research talent base.
4. **Gender gap in advanced research:** India ranks **101st among 119 economies** in employment of women with advanced degrees, indicating limited participation of women in high-level research.
5. **Weak university-industry linkages:** **Technology transfer, venture creation and financial connections** between universities and industry remain underdeveloped, slowing the movement of research into markets.
6. **Limited deep-tech financing:** Deep-tech ventures need **patient capital, strong intellectual-property protection and tolerance for failure**, but these conditions remain limited in India.

Government Policy Push for Innovation

1. **Large RDI funding:** The government announced a ₹1 lakh crore Research, Development and Innovation (RDI) Scheme and support for deep-tech innovation to strengthen long-term research and private-sector participation.
2. **School-level innovation:** In Budget 2025–26, 50,000 Atal Tinkering Labs were proposed in government schools, while funding for the programme increased from ₹500 crore to ₹3,200 crore in Budget 2026–27.
3. **Regulatory support for deep-tech:** Removing the three-year existence requirement can make deep-tech startups eligible for schemes under the Industrial R&D Promotion Programme.
4. **Opening nuclear innovation:** The SHANTI Act, 2025 permits research, development, design and innovation in peaceful nuclear-energy and radiation applications, subject to the legal framework.
5. **Inclusion in science:** Programmes such as **Women's Instinct for Developing and Ushering in**

Scientific Heights and Innovations (WIDUSHI) and Women in Science and Engineering – KIRAN (WISE-KIRAN) aim to increase women's participation in scientific research and engineering fields.

Way Forward

1. **Increase private-sector R&D:** Industry should invest more in **long-term and high-risk research** to strengthen private-sector leadership in India's innovation ecosystem.
2. **Strengthen research-industry-finance links:** Stronger connections between **academia, industry and financial capital** can help move research from laboratories towards commercial applications.
3. **Improve technology transfer: Standardising technology-transfer terms for publicly funded intellectual property** can make it easier for research institutions to transfer innovations to industry.
4. **Bridge the commercialisation gap:** Greater funding is needed between a **granted patent and the first paying customer** to help promising technologies reach the market.
5. **Strengthen the patent system:** Expanding **patent-examiner capacity** can support more efficient processing of India's growing patent activity.
6. **Support deep-tech and frontier technologies:** Greater support for **deep-tech sectors and emerging technologies** can help Indian startups develop globally relevant technological capabilities.
7. **Build global technology standards:** Continued participation in **6G standards and standard-essential patents (SEPs)** can strengthen India's role in developing future communication technologies.

Conclusion

India's innovation ecosystem is taking shape as public research, corporate R&D and deep-tech entrepreneurship increasingly reinforce one another. Indigenous capabilities in semiconductors, communications, space and healthcare show technological capacity. However, low R&D investment, limited patenting scale, weak commercialisation and talent gaps remain. Sustained investment, stronger research-industry links, better technology transfer and support for frontier technologies can help India build a technology-driven innovation economy.

Question for practice:

Examine the emerging homegrown innovation ecosystem in India, its key pillars, major challenges, and the measures needed to strengthen it.

Source: [The Hindu](#)

Balancing Deep-Sea Discovery with Environmental Stewardship

UPSC Syllabus- GS 2/GS 3- Government policies and interventions for development in various sectors/
Achievements of Indians in science & technology

Introduction

India's expanding deep-sea capabilities are opening opportunities in critical minerals, climate research, food security and the Blue Economy. India is developing technologies for deep-sea mining, underwater robotics and human submersibles. However, the deep ocean remains poorly understood, and seabed mining could disturb fragile ecosystems. The key challenge is to balance scientific and technological progress with ecological protection, while ensuring that the ability to exploit deep-sea resources does not automatically become a reason to exploit them at scale.

India's Growing Deep-Sea Footprint

1. **ISA Exploration Contracts:** India holds **three ISA (International Seabed Authority) exploration contracts covering about 95,000 sq km** across the Central Indian Ocean Basin, Central Indian Ridge and Carlsberg Ridge.
2. **Mineral Resources:** Exploration has identified an estimated **366 million tonnes of polymetallic nodules** containing nickel, copper, cobalt and manganese.
3. **Deep-Sea Technology:** India is developing **deep-sea mining technology and underwater robotics** under the Deep Ocean Mission, expanding its capacity for ocean exploration.
4. **Mining Capability:** The National Institute of Ocean Technology has tested a mining machine at depths of about **5,270 metres**, showing progress in deep-sea technology.
5. **Biodiversity Research:** Surveys across **19 seamounts** have studied around **1,300 organisms**, including nearly **23 species reported as new to science**.
6. **Environmental Studies:** Mineral exploration has also involved environmental and biodiversity studies, building knowledge before any possible commercial exploitation.

Deep-Sea Exploration and India's Development Needs

1. **Critical Mineral Security:** Deep-sea minerals such as **cobalt, nickel, copper and manganese** can support India's renewable-energy, electric-mobility and advanced-manufacturing ambitions.
2. **Climate Resilience:** Understanding ocean processes can improve **monsoon, cyclone and long-term climate predictions**, supporting disaster preparedness and climate-resilient planning.
3. **Food Security:** Capture fisheries remain within **2.7–3.8 MMT (Million Metric Tonnes)** against an estimated potential of **5.3 MMT**, while deep-sea fishing and mariculture could raise marine fish production to nearly **10 MMT**.
4. **Scientific Capability:** Indigenous submersibles, mining systems, robotics and seabed mapping can strengthen India's scientific and technological capabilities in ocean exploration.
5. **Strategic Autonomy:** India's location along major maritime routes makes ocean exploration and protection important for **economic resilience and strategic autonomy**.
6. **Blue Economy:** India has a coastline exceeding 11,000 km, 1,382 islands and an EEZ (Exclusive Economic Zone) of about 2.37 million sq km, while the Blue Economy currently contributes around 4% of GDP.

7. **Climate and National Goals:** Deep-ocean technologies and data can support India's climate commitments, reduce dependence on imported critical minerals and create opportunities for coastal communities.

India's Initiatives for Ocean Science and Sustainable Development

1. **Deep Ocean Mission:** The mission integrates deep-sea technology, ocean observation, biodiversity research, seabed exploration, ocean energy and marine biotechnology under one framework.
2. **MATSYA-6000:** The indigenous submersible is designed to descend to **6,000 metres** and carry three people for direct observation and sampling.
3. **Ocean Observation Network:** More than **50 Argo floats, 57 wave drifters and 11 glider missions** have been deployed in the Bay of Bengal and Arabian Sea.
4. **Climate Advisory Services:** Ocean observations and high-resolution climate models will provide seasonal-to-decadal projections of **waves, sea level, cyclones and storm surges**.
5. **Biodiversity Conservation:** Inventories, genomic characterisation, biodiversity grids and microbial bioprospecting will expand knowledge of deep-sea life while supporting conservation.
6. **Ocean Energy and Freshwater:** Ocean Thermal Energy Conversion (OTEC), wave energy and Low-Temperature Thermal Desalination (LTTD) are being developed, including a Kavaratti pilot designed to produce **0.1 million litres of freshwater daily**.
7. **Marine Research Infrastructure:** Seabed mapping, autonomous vehicles and an indigenous multi-purpose research vessel will strengthen long-duration ocean exploration.
8. **Marine Innovation:** Advanced Marine Station for Ocean Biology (**AMSOB**) at **Nemmeli, Tamil Nadu**, will connect marine research with biotechnology, mariculture, entrepreneurship and blue-economy activities.

Environmental Challenges of Deep-Sea Exploitation

1. **Limited Ecological Knowledge:** Deep-sea ecosystems remain poorly understood, while biodiversity research continues to reveal previously unknown organisms and biological communities.
2. **Seabed Disturbance:** Commercial mining would physically disturb the seabed and could affect fragile ecosystems associated with mineral-rich areas.
3. **Uncertain Consequences:** Large-scale seabed disturbance may produce impacts that cannot be confidently predicted while scientific understanding remains incomplete.
4. **Potential Irreversibility:** Intervention in poorly understood ecosystems may create ecological effects that are difficult or impossible to reverse.
5. **Mineral Need versus Ecological Cost:** The strategic importance of deep-sea minerals cannot automatically become ecological permission for large-scale extraction.

6. **Exploration versus Exploitation:** Scientific exploration can improve knowledge, biodiversity assessment and environmental baselines without requiring commercial mining.
7. **Limits of Adaptive Management:** Adaptive management alone cannot guarantee ecological protection when mining itself physically alters the seabed.

Way Forward

1. **Establish Necessity:** Before extraction, India should determine whether deep-sea minerals are genuinely required at the proposed scale and whether alternatives exist.
2. **Reduce Resource Demand: Recycling, resource efficiency, substitution and circular consumption** can reduce dependence on new mineral extraction.
3. **Strengthen Scientific Evidence:** Continued biodiversity studies, environmental baselines, monitoring and ocean observations should guide decisions on future intervention.
4. **Apply a High Ecological Threshold:** Since India's ISA activities remain at the exploration stage, stronger ecological conditions can be established before commercial exploitation.
5. **Keep Exploration Separate:** India can continue scientific research and technological development without treating commercial mining as an inevitable outcome.
6. **Use Science to Set Limits:** Scientific progress should determine not only **how resources can be extracted**, but also whether extraction is necessary and which ecosystems should remain undisturbed.
7. **Protect Natural Capital:** Ocean governance should recognise ecosystems as the natural capital supporting climate stability, biodiversity and long-term economic development.
8. **Align Development with Sustainability:** India's Blue Economy should follow the principles of **Mission LiFE, Circular Economy, Nature-based Solutions and the SDGs**, while keeping ecological integrity central to development.

Conclusion

India's deep-sea ambitions can strengthen resource security, scientific capability, climate resilience and the Blue Economy. However, sustainable development requires necessity before extraction, stronger science before intervention and conservation alongside development. India can pursue exploration and innovation while setting clear ecological limits, reducing dependence on extraction and protecting natural capital. Scientific progress should include discovering new frontiers and deciding which ecosystems should remain undisturbed.

Question for practice:

Discuss the need to balance India's deep-sea exploration and resource development with environmental stewardship.

Source: [The Hindu](#)

India urgently needs a National Chemicals Code

Source: The post “India urgently needs a National Chemicals Code” has been created based on “India urgently needs a National Chemicals Code” published in “Hindustan Times” on 21st September 2026.

UPSC Syllabus: GS-2-Governance

Context: India’s chemical sector is expanding rapidly, but its regulatory framework remains fragmented across different ministries and laws. Recent industrial accidents in **Tiruvallur, Surat and Visakhapatnam** have exposed gaps in coordination, maintenance, emergency preparedness and chemical regulation.

Major Challenges

1. **Fragmented regulatory structure**
 - a. Industrial safety is handled by the **Ministry of Labour and state factory inspectorates**.
 - b. Hazardous substances come under **MoEF&CC**.
 - c. Chemicals and fertilisers are handled by the **Ministry of Chemicals and Fertilisers**.
 - d. Transport safety falls under the **Ministry of Road Transport and Highways**.
 - e. Chemical weapons compliance is handled by the **National Authority for the Chemical Weapons Convention**.
 - f. This creates multiple authorities with different rules, lists and enforcement mechanisms.
2. **Different definitions of hazardous chemicals**
 - a. Different laws classify chemicals according to different criteria such as **industrial accident potential, toxicity, dual-use potential and waste-disposal risk**.
 - b. Consequently, the same chemical may be regulated under one framework but remain outside another.
3. **Weak emergency preparedness**
 - a. Emergency responders may not have access to **real-time chemical inventories**.
 - b. Lack of standardised emergency protocols can delay coordinated action.
 - c. In Tiruvallur, authorities had to coordinate among several agencies during emergencies.
4. **Ageing industrial infrastructure**
 - a. **Ageing machinery, inadequate maintenance and insufficient training** increase the possibility of industrial accidents.
5. **Risks during transportation**
 - a. Nearly **60% of India's chemical cargo moves by road**.
 - b. Poor labelling, inadequate driver training and absence of effective tracking increase transportation risks.
 - c. Between 2018 and 2022, hazardous-goods vehicles were involved in more than **4,000 road accidents**.
6. **Chemical safety and security overlap**
 - a. Certain sensitive chemicals are governed separately under frameworks dealing with **chemical weapons, narcotic precursors, industrial safety and hazardous substances**.
 - b. Lack of coordination can create security and regulatory grey areas.

Need for a Unified Framework

1. **National Chemicals Code:** A unified code can harmonise **definitions, reporting thresholds, safety standards and enforcement mechanisms** across ministries.

2. **National Chemical Authority:** A dedicated authority can provide **single-point coordination** for chemical safety and security.
3. **Integrated emergency response**
 - a. Chemical inventories should be digitally available to district authorities and first responders.
 - b. Emergency planning should involve all relevant agencies through common protocols.
4. **Safer chemical transportation:** Mandatory **GPS tracking, driver certification and strict penalties** can improve monitoring of hazardous cargo.
5. **Technology-based regulation:** **Digital inventories, digital twins and real-time tracking** can improve monitoring and preparedness.
6. **Risk-based inspections:** Industrial facilities should move towards **risk-based digital inspections** rather than fragmented regulatory compliance.

Conclusion: India needs to move from **fragmented chemical regulation to an integrated safety and security framework**. A National Chemicals Code, coordinated institutional mechanism, technology-based monitoring and integrated emergency planning can help protect workers, communities, the environment and national security.

Question: India's fragmented chemical governance framework poses serious challenges to industrial safety, emergency response and national security. Discuss the need for a unified chemical governance architecture in India.

Source: [Hindustan Times](#)

The copyright stakes in the EU FTA

Source: The post "The copyright stakes in the EU FTA" has been created based on "The copyright stakes in the EU FTA" published in "The Hindu" on 21st September 2026.

UPSC Syllabus: GS-2-International Relations

Context: The proposed **India-EU Free Trade Agreement (FTA)** contains intellectual property provisions that may require changes to India's **Copyright Act, 1957**. While stronger copyright protection can promote innovation, some provisions may affect India's existing safeguards for education, research, libraries and digital services.

Key Concerns

1. **Departure from the WIPO Copyright Treaty (WCT):**
 - a. The draft reportedly omits the **National Treatment clause** of the WCT while retaining stronger enforcement obligations.
 - b. This could reduce India's flexibility in framing copyright exceptions suited to its domestic needs.
2. **Impact on educational and research exceptions:**
 - a. India's Copyright Act provides exceptions for **education, research and related activities**.
 - b. A strict anti-circumvention regime could make it difficult for students and security researchers to bypass digital locks for legitimate purposes.
3. **Threat to libraries and archives:**

- a. Libraries and academic archives increasingly use **format-shifting** to preserve digital and printed material.
- b. Strong technological protection measures could restrict such preservation activities.
4. **Impact on Internet Service Providers (ISPs):**
 - a. Existing Indian rules provide **safe-harbour protection** to ISPs for certain temporary or incidental copies created during data transmission and caching.
 - b. The proposed provisions could expose intermediaries to greater copyright liability.
5. **Possible changes to Section 65A:**
 - a. Section 65A of the Copyright Act provides exceptions where technological protection measures are circumvented for permitted purposes.
 - b. The draft provisions could narrow the practical scope of such exceptions.
6. **Chilling effect on education and research:** Students, researchers, libraries and educational institutions could face greater legal uncertainty while accessing or preserving digital material.

Way Forward

1. India should seek to **retain the National Treatment principle under the WCT** in the final agreement.
2. Existing **copyright exceptions for education, research, libraries and archives** should be preserved.
3. Anti-circumvention provisions should contain **clear exceptions for legitimate activities**, including security research and interoperability.
4. The existing **safe-harbour framework for Internet intermediaries** should not be unnecessarily weakened.
5. India should ensure that FTA commitments do not restrict Parliament's ability to maintain **digital copyright flexibility**.

Conclusion: India needs to balance **effective copyright protection with access to knowledge, education, research and digital innovation**. The India-EU FTA should therefore protect intellectual property while preserving the flexibility available under India's domestic copyright framework.

Question: The proposed copyright provisions in the India-EU Free Trade Agreement may affect India's digital policy flexibility and existing copyright exceptions. Discuss the concerns and suggest a balanced way forward.

Source: [The Hindu](#)

India's Real Rate Moment, the Cost of Delay

UPSC Syllabus: Gs Paper 2- Constitution of India

Introduction

India is facing a monetary-policy challenge as inflation rises while the **Reserve Bank of India (RBI)** keeps the repo rate at **5.25%**. The real policy rate is losing its cushion as inflation and inflation expectations move closer to the policy rate. At the same time, economic growth and bank credit remain strong. This raises an important policy issue: whether delayed action could make a later adjustment larger and more difficult.

Current Status of Indian Economy

1. **Repo rate remains unchanged:** The RBI kept the **repo rate at 5.25%** and retained its **neutral policy stance**, while waiting for clearer evidence on inflation.
2. **Retail inflation is rising:** Consumer price inflation increased from **4.45% in July to 4.82% in August**, marking the third consecutive month above the 4% target.
3. **Food inflation remains elevated:** Food inflation reached **5.95% in August**, keeping food prices as an important source of overall inflationary pressure.
4. **Core inflation is broadening:** Core inflation rose to around **4.2%**, showing that price pressures are spreading beyond food and fuel.
5. **Growth remains resilient:** GDP growth is running at **7.8%**, while the RBI raised its growth forecast to **6.7% from 6.6%**, reflecting confidence in economic resilience..
6. **Credit demand remains strong:** Bank credit grew **19.1% year-on-year** at the end of August, showing strong borrowing demand despite the existing policy rate.
7. **Real-rate cushion is narrowing:** If inflation expectations move towards the **5.25% repo rate**, the ex-ante real policy rate could approach zero, reducing monetary restraint.

Cause of Inflationary Pressure

1. **Higher crude oil prices:** Brent crude moved above **\$100 a barrel**, approaching **\$110**, creating a significant external inflationary pressure for India.
2. **West Asia conflict:** Renewed conflict disrupted shipping through the **Strait of Hormuz**, increasing risks to oil supplies and global energy prices.
3. **Weaker rupee:** A weaker rupee raises the domestic cost of imported crude and other commodities, adding to inflationary pressure.
4. **Monsoon uncertainty:** Uncertain monsoon conditions can affect food supplies and increase pressure on food prices.
5. **Global commodity pressures:** Elevated global commodity prices can raise domestic production and transportation costs, making inflation harder to contain.
6. **Inflation is broadening:** Price pressures are spreading beyond food and fuel, with increases also seen in areas such as clothing, household goods and education.
7. **Inflation expectations pose a risk:** Persistent inflation can influence wages, prices and credit decisions, increasing the risk that temporary inflation becomes more lasting.

Strong Demand and Credit Limit the Case for Monetary Easing

1. **Lower real rates can increase demand:** When real interest rates fall, borrowing and spending can increase, which may add inflationary pressure when demand is already healthy.

2. **Supply shock meets strong demand:** Monetary policy becomes difficult when inflation comes from supply pressures while domestic demand remains resilient.
3. **Credit remains an important transmission channel:** Strong credit demand means easier real financial conditions can continue supporting borrowing and spending rather than simply helping a weak economy recover.
4. **Manufacturing activity has softened:** The purchasing managers' index fell to a **five-year low**, showing some weakness despite continued strength in credit demand.
5. **Monetary easing has limited space:** Rising inflation alongside resilient demand and strong credit reduces the scope for further easing without adding demand-side pressure.
6. **Timing matters:** If inflationary pressures persist, a timely **25-basis-point adjustment** could potentially reduce the need for a larger correction later.

Impact on Banks, Depositors and Household Savings

1. **Deposit growth is strong:** Bank deposits grew **17.8% by August**, the fastest pace in a decade, partly due to the special FCNR(B) mobilisation scheme.
2. **Foreign inflows affect deposit growth:** The rise in deposits does not necessarily show a sudden increase in domestic household preference for conventional bank deposits because foreign-currency inflows contributed to the increase.
3. **Credit-deposit ratio remains high:** The credit-deposit ratio stood at around **80.3%**, reflecting strong credit demand alongside the need for stable bank funding.
4. **Banks face deposit competition:** Strong lending demand requires banks to attract stable deposits while households have more investment alternatives.
5. **Real returns on deposits weaken:** Rising inflation reduces the real return from conventional deposits, making them less attractive to savers.
6. **Households have alternative assets:** Mutual funds, equities, gold and other market-linked assets can become more attractive when inflation reduces the real return on traditional savings.
7. **Past inflation shows the risk:** RBI research found that during **2010–2013**, real returns on savings instruments became negative, household financial savings weakened and gold demand increased.
8. **Gold demand reflected inflation expectations:** The correlation between **gold imports and household inflation expectations was estimated at 0.83** during the period studied, showing the importance of inflation expectations for saving behaviour.

Initiatives Taken

1. **Repo rate held at 5.25%:** The RBI kept the benchmark rate unchanged and retained a **neutral stance**, reflecting its data-dependent approach to inflation.

2. **Inflation forecast set at 5%:** The RBI projected average inflation at **5%** for the current financial year, lower than its earlier 5.1% projection.
3. **Core inflation forecast revised:** The RBI lowered its core inflation forecast to **4.3% from 4.7%**, indicating a more moderate expected underlying inflation path.
4. **Growth forecast increased:** The RBI raised its growth forecast to **6.7% from 6.6%**, reflecting confidence in the economy's resilience.
5. **FCNR(B) mobilisation scheme:** The RBI's special **Foreign Currency Non-Resident (Bank) [FCNR(B)] mobilisation scheme** helped attract foreign-currency inflows and contributed to the sharp rise in bank deposits.
6. **Foreign inflows increased:** These measures attracted **more than \$41 billion** in inflows, strengthening the external balance and supporting sentiment towards the rupee.
7. **Exchange-rate volatility is being managed:** The RBI continues to allow the rupee to be market-determined while seeking to limit excessive volatility, speculative behaviour and disorderly movements.

Way Forward

1. **Track inflation expectations closely:** The RBI needs to assess whether current price pressures remain temporary or become embedded in wages, prices and credit decisions.
2. **Monitor core inflation:** Core inflation needs close monitoring because its rise indicates that price pressures are spreading beyond food and fuel.
3. **Assess oil-price persistence:** Policymakers need to distinguish a temporary crude-price shock from a sustained increase that could affect wider domestic inflation.
4. **Watch the rupee:** Currency movements need attention because a weaker rupee can increase the domestic cost of imported crude and other commodities.
5. **Balance inflation and growth:** Monetary policy needs to consider strong economic growth while preventing persistent inflation from weakening price stability.
6. **Use timely policy action:** If inflationary pressures continue to strengthen, a smaller and timely adjustment may reduce the need for a larger correction later.
7. **Keep policy data-dependent:** Future decisions should consider inflation, growth, credit, commodity prices, capital flows and external risks together.

Conclusion

India's real-rate challenge is becoming sharper as inflation moves closer to the **5.25% repo rate**, while growth and credit remain strong. **Higher oil prices, a weaker rupee and rising core inflation add further risks.** The RBI therefore **needs to closely track inflation expectations and demand conditions.** The key issue is

not only the rate level, but the timing of policy action to maintain price stability without unnecessarily weakening growth.

Question for practice:

Examine the challenges facing India's monetary policy as rising inflation narrows the real interest rate cushion despite strong economic growth and credit demand.

Source: [The Hindu](#)

Missing Measure in India's Magnet Mission

UPSC Syllabus: Gs Paper 3- Indian economy

Introduction

India's advanced manufacturing and energy-transition goals increasingly depend on high-performance permanent magnets, especially Neodymium-Iron-Boron (NdFeB) magnets. These magnets are used in EV motors, wind turbine generators, semiconductor facilities and precision manufacturing machinery. Yet India's vulnerability is not limited to access to rare-earth minerals. The larger concern is the limited understanding of dependence across the permanent-magnet value chain, from mineral processing and separation to metals, alloys and finished magnets, as clearly exposed by China's April 2025 export controls.

What is the Permanent-Magnet Value Chain?

1. **NdFeB Magnets: Neodymium-Iron-Boron (NdFeB)** magnets combine very high magnetic strength with a high power-to-weight ratio, making them important for advanced industrial applications.
2. **Production Stages:** The value chain moves from **geological exploration and mining to mineral processing, chemical separation, oxides, metals, alloys, magnetic materials and finished magnets.**
3. **Stage-Specific Capabilities:** Each stage needs different scientific knowledge, industrial capability and technological maturity, so mineral ownership alone cannot ensure complete manufacturing capability.
4. **Midstream Importance:** The stages between raw materials and finished magnets, especially metal, alloy and magnet production, determine whether mineral resources become usable industrial capacity.

India's Current Position and Need for a Domestic Magnet Ecosystem

1. **Existing Capabilities:** India has capabilities across several stages of permanent-magnet manufacturing, but their global competitiveness and critical gaps are not systematically identified.
2. **Industrial Applications:** Permanent magnets are used in **EV motors, wind turbine generators, semiconductor facilities and precision manufacturing machinery.**

3. **Clean-Energy Relevance:** Their use in EVs and wind turbines makes reliable magnet supply important for India's wider **energy-transition goals**.
4. **Clean-Tech Dependence:** NITI Aayog's assessment shows near **100% import dependence for lithium, nickel, cobalt and rare-earth elements**.
5. **Strategic Supply Exposure:** China's **April 2025 export controls** on rare-earth magnets and materials exposed vulnerabilities created by concentrated global supply chains.
6. **Domestic Manufacturing Need:** India needs capabilities across the complete value chain because securing mineral resources alone cannot ensure access to finished permanent magnets.

Key Gaps in India's Permanent-Magnet Ecosystem

1. **Mismatch in Market Data:** The Annual Survey of Industries estimates the domestic permanent-magnet market at around **₹750 crore**, while international trade data shows import values several times higher.
2. **Lack of Value-Chain Mapping:** India lacks an Integrated Techno-Economic Mapping (ITEM) framework to identify where magnets enter the economy, where technological dependence develops and where domestic capability should be built.
3. **Lack of Midstream Capacity:** India imports **all its sintered NdFeB magnets** because oxide-to-metal, metal-to-alloy and alloy-to-magnet production remains inadequate.
4. **High Import Dependence:** Permanent-magnet import dependence reached **90.4% in 2024-25**, leaving domestic industries highly dependent on external supplies.
5. **Insufficient NdPr Supply:** India has **400 MTPA NdPr oxide capacity and 500 MT stock**, supporting only about **1,500 MTPA magnets** against the proposed 6,000 MTPA capacity.
6. **High NdPr Price Volatility:** NdPr prices fell from triple-digit levels to around **\$60/kg in 2023**, reached the low-\$50s in mid-2024, and increased again in 2026.
7. **Battery PLI Lesson:** The Battery PLI experience showed that production incentives alone may not ensure capacity creation when **technology, skilled manpower, equipment and upstream materials** remain constrained.

Government Measures to Build a Domestic Magnet Ecosystem

1. **National Critical Mineral Mission:** India has strengthened its critical-mineral strategy through the **National Critical Mineral Mission**, covering the broader critical-mineral value chain.
2. **Resource Development:** India is pursuing **overseas mineral acquisitions and expanded geological exploration** to strengthen access to critical minerals and rare-earth resources.
3. **Rare-Earth Permanent Magnet PLI:** The **Rare Earth Permanent Magnet Production Linked Incentive (REPM PLI) Scheme** aims to establish **6,000 MTPA integrated permanent-magnet capacity** and develop missing midstream production stages.

4. **Rare-Earth Corridors:** Newly announced **Rare Earth Element (REE) corridors** aim to create integrated mining-to-processing ecosystems with supporting infrastructure and streamlined development.
5. **Whole-of-Government Approach:** The Critical Minerals Mission and REE corridors involve multiple ministries covering **mines, atomic energy, industry, finance, transport, environment and other sectors..**

Way Forward

1. **Secure Feedstock:** NdPr allocation under the REPM PLI needs a **time-bound plan** to expand domestic availability and create a predictable oxide-to-alloy pathway.
2. **Accelerate REE Corridors:** **Rare Earth Element (REE) corridors** should receive **plug-and-play infrastructure, streamlined approvals and clear execution timelines** to connect mining with processing.
3. **Promote Recycling:** Producer responsibility, incentives and penalties should support **rare-earth recovery from end-of-life products** and increase secondary feedstock.
4. **Create Assured Offtake:** Government procurement in **defence, public transport and renewables** can anchor demand and improve the bankability of domestic magnet capacity.
5. **Standardise Contracts:** Demand aggregation and standardised long-term contracts can provide revenue certainty needed to finance new critical-mineral capacity.
6. **Manage Price Risks:** **Price floors and stockpile-linked stabilisation** can reduce NdPr price uncertainty and make new investments more financially viable.
7. **Build Skills and Testing:** India needs specialised training, government-backed testing and certification, with skilling treated as **essential industrial infrastructure**.
8. **Strengthen Governance:** Magnets and batteries should be nested within the Critical Minerals Mission through **one dashboard, one escalation channel and common milestones**, with clear responsibilities for government and industry.

Conclusion

India's magnet strategy must move beyond production incentives and build an integrated ecosystem covering resources, processing, manufacturing, demand, technology and infrastructure. Coordinated action between government and industry is needed to turn critical-mineral ambitions into durable industrial capability. Success depends on reliable feedstock, assured markets, manageable price risks, skilled manpower, common infrastructure and credible governance across the value chain.

Question for practice:

Discuss the key gaps in India's permanent-magnet ecosystem and the measures needed to build a resilient domestic value chain.

Source: [The Hindu](#) ; [newindianexpress](#)

Student Well-being and Institutional Reform in Higher Education

Source: The post “Student Well-being and Institutional Reform in Higher Education” has been created based on “Student Well-being and Institutional Reform in Higher Education” published in “Indian Express” on 22nd September 2026.

UPSC Syllabus: GS-2-Governance

Context: Recent student deaths at IIT Delhi and IIT Bombay have renewed concerns about **student well-being in higher educational institutions**. Student well-being extends beyond mental-health counselling and requires an educational environment based on **freedom, equity, trust, empathy, dignity and due process**.

Student Well-being Requires an Institutional Approach

1. **Well-being extends beyond mental-health treatment:** Counselling and therapy are important during a crisis, but they cannot by themselves address the institutional conditions that generate distress.
2. **Academic pressure affects well-being:** Excessive workload, examination pressure, grading practices and career anxiety can significantly influence students' well-being. Time management and resilience cannot solve an inherently unmanageable workload.
3. **Institutional culture matters:** Hierarchies, rigid disciplinary practices, poor communication and an excessive emphasis on obedience can create fear, humiliation and loss of agency.
4. **Need for autonomy and voice:** Students should be treated as **rights-bearing adults**, with the freedom to question grades, disagree with supervisors, express dissent and participate in institutional decision-making.
5. **Due process and fairness are essential:** Students should be able to report unfair treatment and seek reasons for institutional decisions without fear of retaliation.
6. **Everyday campus conditions matter:** Hostels, infrastructure, discrimination, financial hardship, administration and grievance-redressal mechanisms directly influence student well-being.
7. **Well-being is a shared responsibility:** It should not be outsourced exclusively to counsellors and therapists. Faculty, administrators, student-affairs teams and institutional leadership must share responsibility.
8. **WHO and national approach:** Mental health is influenced by social, economic and physical environments. The **2026 interim report of India's National Task Force on Student Mental Health and Suicide Prevention** similarly links student well-being with academic pressure, discrimination, financial hardship, institutional culture, distrust and faculty preparedness.
9. **Teaching and evaluation are part of well-being:** A classroom should be considered supportive when students can make mistakes, admit uncertainty, disagree with teachers and express criticism without humiliation or retaliation.

Challenges

1. **Paternalistic institutional culture:** Students may be treated as adults when responsibility, fees and performance are demanded but as children when autonomy and dissent are exercised.
2. **Confusing discipline with obedience:** Harshness may be justified as character-building, while obedience may be equated with respect.
3. **Weak student participation:** Students often have limited meaningful representation in institutional governance and decision-making.

4. **Fear of retaliation:** Students may hesitate to question grades, challenge supervisors, report unfair treatment or protest institutional decisions.
5. **Over-reliance on counselling:** Institutions may locate distress within the individual instead of examining academic, administrative and social conditions.
6. **Inadequate faculty preparedness:** Faculty and student-affairs personnel may lack adequate training to recognise distress, understand bias, maintain confidentiality and respond appropriately to crises.
7. **Poor grievance mechanisms:** Opaque or unresponsive grievance systems can increase uncertainty and distrust.
8. **Discrimination and inequality:** Discrimination, financial hardship and unequal access to institutional support can adversely affect well-being.
9. **Hostile disciplinary practices:** Public shaming, arbitrary penalties, exclusion from opportunities or hostile communication can make the educational environment distressing.
10. **Implementation gap:** India already has several guidelines concerning student mental health, but translating these principles into everyday institutional practices remains difficult.

Way Forward

1. **Treat students as rights-bearing adults:** Institutions should recognise student autonomy, voice, dignity and due process as integral components of education.
2. **Institutionalise student participation:** Students and alumni should have meaningful representation in institutional governance, including appropriate representation on governing boards.
3. **Create trustworthy grievance mechanisms:** Students should have accessible, transparent and time-bound mechanisms to question decisions, report unfair treatment and seek remedies without fear of retaliation.
4. **Train faculty and administrators:** Faculty and student-affairs teams should receive role-specific training to recognise distress, protect confidentiality, understand bias, communicate without humiliation and follow crisis protocols.
5. **Adopt humane disciplinary procedures:** High-stress disciplinary encounters should begin with a humane conversation, clearly explain available institutional support and be followed by appropriate follow-up.
6. **Strengthen preventive support:** Institutions should address academic overload, discrimination, financial hardship, hostel conditions, career anxiety and administrative unresponsiveness instead of focusing only on crisis intervention.
7. **Conduct annual student well-being audits:** Institutions should periodically examine whether their academic, administrative and disciplinary practices actually promote a safe and supportive environment.
8. **Make classrooms part of the well-being framework:** Teaching and evaluation practices should allow students to ask questions, make mistakes, disagree and express legitimate criticism without fear.
9. **Maintain academic standards with empathy:** Well-being should not mean abandoning academic standards. Students can be wrong and faculty can be right; however, disagreement should be handled through **fairness, transparency, dignity and due process**.

Conclusion: Student well-being is not merely a counselling-room issue; it is a question of how universities teach, evaluate, govern and exercise authority. A genuinely supportive institution must combine professional mental-health care with **autonomy, equity, trust, empathy, participation and accountable institutional practices**.

Question: “Student well-being in higher educational institutions cannot be ensured merely through counselling and mental-health services.” Discuss the institutional and governance reforms required to create a safe, inclusive and empowering educational environment.

Source: [Indian Express](#)

Unsafe space: On the U.S. and ‘on-orbit space control weapons

Source: The post “Unsafe space: On the U.S. and on-orbit space control weapons” has been created based on “Unsafe space: On the U.S. and on-orbit space control weapons” published in “The Hindu” on 22nd September 2026.

UPSC Syllabus: GS-3-Science and Technology

Context: The U.S.A military’s move towards offensive and defensive space-control capabilities has raised concerns. On September 14, U.S.A Air Force Secretary Troy Meink, confirmed by Space Force Chief Gen. Douglas Schiess, acknowledged the deployment of “on-orbit space control weapons” to defend against hostile actions. This development highlights the growing militarisation of outer space and the need for greater international regulation.

Need of Multilateral Governance in Space

1. **Growing militarisation of space:** Major powers are developing counter-space capabilities, making Earth’s orbit a potential future battlefield.
2. **Dual-use nature of satellites:** The same satellite systems may serve both civilian and military purposes, making it difficult to distinguish peaceful activities from military operations.
3. **Risk of miscalculation:** When two steerable or autonomous satellites approach each other without understanding the other's intentions, ambiguity can result in unintended escalation.
4. **Unclear definition of hostile action:** Existing international rules do not clearly define what constitutes a “hostile action” in outer space.
5. **Gaps in the Outer Space Treaty:** The treaty prohibits nuclear weapons and weapons of mass destruction in orbit, but does not comprehensively prohibit conventional weapons or all forms of destructive counter-space activities.
6. **Ambiguous military doctrines:** When a country describes a space capability as defensive while its military doctrine permits both offensive and defensive space operations, it can create uncertainty about its actual intentions.
7. **Inadequate existing legal framework:** Existing rules, including the **Liability Convention**, were developed when space technology was less complex and are not always adequate for today's highly interconnected and dual-use space systems.
8. **Commercialisation of space:** Commercial satellites increasingly perform functions critical to national security and civilian life, making attacks on such systems capable of causing widespread disruption.
9. **Emergence of autonomous systems:** Future satellites may operate with considerable autonomy and even run artificial intelligence models onboard, creating additional challenges for attribution and accountability.
10. **Difficulty in determining accountability:** Existing rules are too broad to clearly determine responsibility when autonomous or commercially operated space assets cause damage.

Major Challenges

1. **Lack of precise international definitions** of hostile acts and acceptable military activities in space.
2. **Weak regulation of conventional space weapons** compared with the restrictions on nuclear weapons and weapons of mass destruction.
3. **Rapid technological change** is outpacing existing international law.
4. **Increasing involvement of private companies** makes attribution and state responsibility more complicated.
5. **Strategic mistrust among major powers** can encourage counter-space capability development.
6. **Absence of clear rules for autonomous and AI-enabled satellites** creates uncertainty regarding human control and accountability.
7. **Risk to civilian infrastructure:** Since satellite-based networks underpin contemporary societies, attacks on space assets can have consequences far beyond the military domain.

Way Forward

1. **Strengthen multilateral space governance** through negotiations involving major space powers and other stakeholders.
2. **Clarify what constitutes hostile action** and establish internationally accepted thresholds for military action and escalation.
3. **Develop rules for responsible behaviour in space**, particularly regarding proximity operations, autonomous satellites and potentially harmful interference.
4. **Strengthen transparency and confidence-building measures** through notification, information-sharing and communication mechanisms between space powers.
5. **Address conventional weapons:** International discussions should move beyond the existing focus on nuclear weapons and WMDs to address conventional counter-space capabilities.
6. **Establish accountability for autonomous systems:** Rules should clearly determine responsibility for actions of autonomous and AI-enabled space assets.
7. **Regulate commercial and dual-use satellites:** Private space companies operating strategically important assets should be incorporated into the international governance framework.
8. **Use existing UN mechanisms:** The **UN Open-Ended Working Group on Prevention of an Arms Race in Outer Space (PAROS)** provides an avenue for governments to address emerging security concerns.
9. **Promote multilateral space arrangements:** Countries should work towards agreements that establish clear **thresholds of action and escalation** and **reduce the possibility of miscalculation**.

Conclusion: Outer space is no longer a purely scientific or civilian domain. Its growing military, commercial and dual-use character requires rules that keep pace with technological change. A **rules-based, transparent and multilateral governance framework** is essential to prevent miscalculation, protect civilian space infrastructure and ensure that outer space remains peaceful and secure.

Question: The increasing militarisation and commercialisation of outer space has created new challenges for international peace and security. Discuss the need for multilateral governance of space activities.

Source: [The Hindu](#)

A Malacca-Singapore Model for Resolving Hormuz

UPSC Syllabus: Gs Paper 2- International relations

Introduction

The Strait of Hormuz is a vital maritime chokepoint where regional tensions can disrupt international navigation and affect wider security. The Malacca-Singapore Straits provide a useful precedent of cooperation among littoral states, supported by international users and maritime institutions. Their experience shows how territorial interests can coexist with safe and continuous navigation. However, applying this model to Hormuz is difficult because of differences in maritime disputes, legal positions, regional security structures and the role of major powers.

Evolution of the Malacca-Singapore Cooperative Maritime Model

1. **Strategic geography:** The **800-km Malacca Strait** connects the Andaman Sea with the Singapore Strait, which extends about **105 km** towards the South China Sea.
2. **Territorial assertion:** Indonesia declared surrounding and connecting waters as its territory in **1957**, mainly to strengthen the security of its dispersed islands.
3. **Joint territorial approach:** Indonesia and Malaysia adopted **12-nautical-mile territorial seas**, causing their maritime zones to meet because the Straits are narrower than 24 nautical miles.
4. **Initial passage regime:** The territorial arrangement initially provided foreign vessels only **innocent passage**, which could be suspended by the coastal states on security grounds.
5. **Three-state coordination:** In **1971**, Indonesia, Malaysia and Singapore proposed a coordinating body, while Singapore strongly supported cooperation to maintain safe navigation.
6. **International support:** Japan supported the three states through the **Malacca Strait Council**, while the United States and Soviet Union supported continued international transit through the Straits.
7. **UNCLOS transition:** The introduction of **transit passage** allowed continuous and expeditious movement through qualifying straits, including passage by warships.
8. **2007 Cooperative Mechanism:** The three states established a permanent mechanism with user states and industry to support **navigation aids, hydrographic surveys and maritime safety projects**.

Relevance of the Model to Hormuz

1. **Similar territorial setting:** Both waterways contain sections where the **territorial waters of neighbouring littoral states intersect**, creating a need for coordinated maritime management.
2. **Shared navigation responsibility:** The Malacca experience shows that coastal states can retain territorial responsibilities while cooperating with international users to ensure safe navigation.

3. **International participation:** Major maritime users can support maritime safety without seeking direct control over the waterway or establishing permanent naval alliances.
4. **Voluntary funding:** The Malacca model uses **voluntary contributions** from states, industry and organisations for navigation and safety rather than compulsory tolls.
5. **Navigation technology:** Real-time navigational data, hydrographic surveys and related technology can improve the safety and efficiency of vessel movement.
6. **Joint security measures:** Joint patrols established in **2004** demonstrate how littoral states can coordinate against maritime threats affecting navigation.
7. **Shared responsibility:** The model treats safe navigation as both a **regional and international responsibility**, involving coastal states, users and industry.

Why the Model Is Difficult to Replicate in Hormuz

1. **Unresolved maritime disputes:** Malaysia and Indonesia resolved their maritime boundary disputes in **2023**, while Hormuz remains affected by Iran's territorial claims involving the three Emirati islands.
2. **Different legal position:** The Malacca states operate within the **1982 United Nations Convention on the Law of the Sea (UNCLOS)** framework, while Iran has signed but not ratified the Convention.
3. **Warship passage dispute:** Iran's **1993 law** requires foreign warships to obtain its authorisation before passing through the Strait, creating a major difference from the Malacca transit framework.
4. **Power asymmetry:** Indonesia, Malaysia and Singapore managed their differences without allowing the larger state to dominate the cooperative arrangement, while Iran has greater strategic weight in Hormuz.
5. **Lack of common regional framework:** The Malacca states are all members of **ASEAN**, which provides a regional platform for coordination, while the Gulf lacks a comparable framework accepted by both Iran and the GCC.
6. **Competing security visions:** The **Gulf Cooperation Council (GCC)** and Iran follow different approaches to regional security, especially regarding the presence of foreign powers.
7. **Different nature of threats:** Malacca cooperation developed mainly around **piracy, navigation and environmental safety**, whereas Hormuz is closely linked to state-level geopolitical tensions involving Iran.
8. **Major-power disagreement:** Even if regional states reach an arrangement, implementation may remain difficult because the **United States has not accepted the reported Hormuz framework**.

Prospects for a Hormuz Mechanism

1. **Emerging Iran–Oman framework:** Iran and Oman have reportedly agreed on a framework for reopening the Strait, although **the Strait has not yet reopened**.

2. **Proposed funding mechanism:** The reported Omani proposal envisages **voluntary user fees** for navigation services, environmental protection and search-and-rescue operations.
3. **Reduced unilateral control:** The proposed arrangement could provide for **joint regional management**, rather than leaving the Strait solely under Iranian control.
4. **Wider strategic significance:** A permanent mechanism could affect the **security architecture of the Gulf**, given the Strait's importance to both regional and global maritime security.

Way Forward

1. **Resolve maritime differences:** Regional states need greater progress on **maritime boundaries and territorial disputes** before a stable cooperative framework can emerge.
2. **Build regional consensus:** Iran, Oman and other Gulf states need agreement on the basic principles governing maritime navigation and security.
3. **Create clear mechanisms:** Broad principles should be translated into **specific rules, responsibilities and implementation procedures**.
4. **Secure international acceptance:** Major international users, particularly the United States, need to be accommodated because Hormuz connects **regional security with global maritime interests**.
5. **Institutionalise cooperation:** A permanent mechanism should provide continuity beyond individual negotiations and temporary responses to crises.

Conclusion

The Malacca–Singapore experience offers useful institutional lessons, but not a ready-made solution for Hormuz. Its framework emerged from specific legal and regional conditions that differ from the Gulf. A workable Hormuz mechanism therefore requires regional consensus, clear navigation rules, concrete commitments and international acceptance. Such cooperation could improve maritime safety while strengthening the wider **security architecture of the Gulf**.

Question for practice:

Discuss the relevance and challenges of applying the Malacca–Singapore model to ensure safe and cooperative navigation in the Strait of Hormuz.

Source: [The Hindu](#)

When the House Ceases to Hold Power to Account

UPSC Syllabus: Gs Paper 2- Parliament and State legislatures

Introduction

India's Parliament and State Legislatures are central to representation, law-making and executive accountability, but their effectiveness has declined sharply. Falling sitting days, frequent disruptions, weak committee scrutiny and hurried law-making have reduced meaningful legislative oversight. As legislatures lose time and capacity to question governments, the democratic link between citizens, elected representatives and the executive becomes weaker. The issue therefore concerns not merely legislative productivity, but the quality of democracy between elections.

Declining Legislative Effectiveness in India

1. **Falling Parliamentary Sittings:** Parliament met for **127 days in the 1950s and 138 days in the 1960s**, but the average fell to just **55 days during the 17th Lok Sabha**.
2. **Rising Disruptions:** More than **25% of parliamentary time** can be lost to disruptions, sharply reducing the time available for meaningful legislative and oversight work.
3. **Declining State Assembly Sittings:** State legislatures have fallen from around **80 days annually in the 1950s and 1960s to about 25 days today**.
4. **Regional Spread of Decline:** Uttar Pradesh, Karnataka, Kerala, Tamil Nadu, Punjab, Haryana, Bihar and Tripura have all experienced substantial reductions in annual sittings.
5. **Weakening of Question Hour:** Disruptions and inadequate preparation have reduced the effectiveness of **Question Hour**, limiting MPs' ability to question ministers and demand explanations.
6. **Reduced Legislative Discussion:** Fewer sitting days leave less time for **Call Attention Motions, Demands for Grants, debates and other legislative business**.
7. **Weak Representative Role:** When legislatures rarely meet, MPs and MLAs get fewer opportunities to raise **constituency concerns and public issues** before the government.

Causes of Declining Legislative Effectiveness

1. **Government–Opposition Confrontation:** Limited consultation and disagreements over the legislative agenda often create confrontation, reducing opportunities for structured discussion inside the House.
2. **Disruption as Political Strategy:** Opposition parties may use **slogan-shouting, placards and adjournments** to highlight issues when they believe normal parliamentary avenues are inadequate.
3. **Majoritarian Functioning:** Strong government majorities can reduce incentives for wider consultation, creating concerns that legislative numbers may override detailed parliamentary scrutiny.
4. **Erosion of Political Trust:** Earlier practices such as **all-party meetings, back-channel consultations and floor coordination** helped manage disagreements but have weakened over time.
5. **Growing Political Polarisation:** Increasingly adversarial politics and personalised attacks have reduced the mutual trust needed for compromise and constructive legislative work.

6. **Media and Political Optics:** Disruptions create highly visible moments for television and social media, giving political actors incentives to prioritise public optics.
7. **Weak Enforcement of Rules:** Presiding officers may hesitate to use suspension and other disciplinary powers consistently, especially without wider political agreement.

Impacts of Dysfunctional Legislatures

1. **Weak Executive Accountability:** Loss of Question Hour and debates reduces opportunities for legislators to question ministers, weakening an important check on executive power.
2. **Poor Legislative Scrutiny:** Bills passed with limited debate or committee examination may receive inadequate attention to **drafting, rights, financial and federal concerns**.
3. **Declining Quality of Law-Making:** Some Bills have been passed within only **two to five minutes**, leaving little time for serious discussion of their provisions.
4. **Marginalisation of Smaller Voices:** Continuous disruption can reduce speaking opportunities for **smaller parties, regional interests and individual legislators**, narrowing legislative representation.
5. **Erosion of Deliberative Democracy:** Legislatures increasingly struggle to function as forums for reasoned debate, reducing the role of discussion in shaping public policy.
6. **Weakening of Separation of Powers:** When legislative scrutiny declines, the executive faces fewer institutional checks, increasing the imbalance between the legislature and government.
7. **Judicialisation of Policy Disputes:** When legislative deliberation is inadequate, policy conflicts may increasingly reach courts, placing greater pressure on the judiciary.

Institutional Weaknesses and Accountability Costs

1. **Declining Committee Participation:** Departmentally-Related Standing Committees have faced **around 50% attendance in many cases**, despite allowances provided to MPs for participation.
2. **Reduced Committee Scrutiny:** Bills referred to parliamentary committees fell from **60% in the 15th Lok Sabha to 13% in the 17th Lok Sabha**, reducing expert examination.
3. **Party Control Over MPs:** Parliamentary parties often prioritise compliance with the **party whip and leadership directions**, leaving limited space for independent legislative engagement.
4. **Rising Cost of Parliament:** The estimated daily cost rose from ₹36,000 in the 1950s to ₹1.23 crore in 2004, ₹2 crore in 2012 and about ₹9 crore today, even as legislative productivity declined.
5. **Perquisites Amid Declining Duties:** High salaries, allowances and other privileges raise concerns when legislative participation and accountability remain weak.

6. **Constitutional Minimum for States: Article 174(1)** requires that not more than six months should intervene between two sessions of a State Legislature, but this does not ensure adequate legislative work.
7. **Accountability Gap:** Low sitting days, weak scrutiny and disruptions together create a gap between the resources provided to legislators and their actual legislative performance.

Existing Institutional Initiatives

1. **Standing Committee System:** The Departmentally-Related Standing Committee system was introduced in **1993** to allow MPs to examine public policy and legislation in greater detail.
2. **Presiding Officers' Powers:** Parliamentary rules provide presiding officers with disciplinary powers, including action against members who repeatedly disrupt proceedings.
3. **All-Party Consultations:** Meetings among political parties and floor coordination provide existing mechanisms for resolving disagreements and facilitating smoother legislative functioning.
4. **Pre-Legislative Consultation:** Consultation before introducing major Bills can provide stakeholders and political parties greater opportunity to examine proposals and reduce legislative surprises.
5. **Constitutional Session Requirement: Article 174** provides a constitutional limit between State Legislature sessions, ensuring that governments cannot indefinitely avoid summoning their legislatures.
6. **NCRWC Recommendation:** The **National Commission to Review the Working of the Constitution** recommended **120 sitting days for Parliament and 60 days for State Legislatures**.
7. **Unimplemented Sitting-Day Proposal:** In **2012**, **Sitaram Yechury** proposed making at least **100 annual sitting days mandatory for Parliament**, but the proposal was not implemented.
8. **Parliamentary Accountability Mechanisms:** Question Hour, debates, committee scrutiny and discussions on government expenditure already provide institutional tools for holding the executive accountable.

Way Forward

1. **Minimum Sitting Days:** Parliament and State Legislatures should follow a clear annual calendar with adequate sitting days, ensuring sufficient time for legislation and executive scrutiny.
2. **Mandatory Committee Scrutiny:** Important, complex and rights-sensitive Bills should normally undergo detailed examination by standing or select committees before final passage.
3. **Protect Question Hour:** Question Hour should be protected from routine disruption so ministers remain answerable and legislators can raise issues affecting citizens.
4. **Guaranteed Opposition Space:** Fixed time or sessions for Opposition-led issues can provide political space for scrutiny while reducing incentives to disrupt other legislative business.

5. **All-Party Code of Conduct:** A written code should clearly regulate **entry into the Well, slogan-shouting and repeated adjournment tactics**, with predictable penalties.
6. **Strengthen Committee Functioning:** Better attendance, stronger research support and greater party discipline can improve the quality and seriousness of parliamentary committee work.
7. **Restore Parliamentary Conventions:** Regular all-party consultations, pre-legislative briefings and cooperative floor management can rebuild trust and reduce avoidable confrontation.

Conclusion

Democracy requires effective legislatures between elections, not merely regular elections. Parliament and State Assemblies must regain adequate sitting time, meaningful debate, committee scrutiny and Opposition participation. Strengthening these institutions is essential for executive accountability, quality law-making, representation and separation of powers. A functioning legislature is therefore vital to preserve public trust and ensure that government remains answerable to citizens.

Question for practice:

Examine the declining effectiveness of Parliament and State Legislatures in ensuring executive accountability and suggest measures to strengthen their functioning.

Source: [Indian Express](#)

Easing funding for coops

Source: The post “Easing funding for coops” has been created based on “Easing funding for coops” published in “Business Line” on 23rd September 2026.

UPSC Syllabus: GS-3- Economy

Context: The **NCDC Amendment Bill, 2026** seeks to update the institutional and financial framework of the **National Cooperative Development Corporation (NCDC)** in accordance with the changing needs of India's cooperative sector. The Bill proposes to **broaden NCDC's financing channels and instruments** to support cooperative development.

Key Provisions of the Bill

1. The Bill proposes to enable NCDC to **finance any entity engaged in cooperative development**, subject to prescribed conditions, even if such an entity is not itself registered as a cooperative society.
2. NCDC would be able to provide **loans and grants directly to eligible entities**, which could reduce procedural delays in financing cooperative-development projects.
3. With the approval of the **Central Government**, NCDC would be permitted to **participate in the share capital of cooperative societies or entities engaged in cooperative development**.
4. The Bill proposes to expand the scope of “**foodstuffs**” to include other food items notified by the Central Government.
5. It also proposes to **remove the geographical restriction relating to industrial goods**, thereby facilitating greater diversification and value addition.

6. NCDC would be empowered to **collect and share credit information with the RBI and other notified financial institutions**, strengthening credit appraisal and risk management.

Significance

1. Wider institutional ecosystem: The proposed provision can enable NCDC to support **infrastructure providers, technology institutions, processing organisations, marketing agencies and other specialised entities** that contribute to cooperative development.

2. Faster availability of finance: Direct loans and grants can reduce procedural delays and support **technology, infrastructure, processing, storage, market linkages and value-chain development**.

3. Support for modernisation

- a. Cooperatives are increasingly diversifying into **processing, branding, logistics, digital services and marketing**.
- b. Flexible financing can help cooperatives adapt to these emerging activities.

4. Strengthening of capital base: NCDC's participation in share capital can provide **long-term financial support** to institutions that may require capital beyond conventional borrowing.

5. Improved credit assessment: Sharing credit information with the RBI and other financial institutions can **reduce information asymmetry and promote responsible lending and better risk management**.

6. Benefits across the cooperative value chain

- a. The provisions can support activities ranging from **production and processing to storage, marketing and supporting infrastructure**.
- b. This can benefit **PACS, cooperative marketing societies, processing cooperatives and other grassroots institutions**.

Concerns

1. Risk of diversion of resources: Expanding beneficiaries beyond cooperative societies may lead to **disproportionate allocation of NCDC resources to non-cooperative entities**.

2. Need to protect grassroots cooperatives: **PACS and other grassroots cooperatives** may face capacity and financial constraints and therefore require adequate access and priority.

3. Risks from equity participation: NCDC's participation in share capital exposes **public funds to investment and business risks**. Therefore, due diligence, valuation, investment limits and performance monitoring are necessary.

4. Accountability and transparency: The expanded mandate requires **transparent reporting of beneficiaries, financial assistance and outcomes**.

5. Risk of implementation gaps: Coordination will be required among **State cooperative departments, cooperative banks and other institutions** to ensure effective implementation.

Way Forward

1. The Government should **clearly define an “entity engaged in cooperative development” and establish objective eligibility criteria.**
2. The framework should **ensure that cooperative societies remain the primary beneficiaries of NCDC assistance.**
3. **Grassroots institutions such as PACS should receive appropriate priority** so that smaller cooperatives are not disadvantaged.
4. A clear **“cooperative-benefit test”** should be introduced, under which financing to a non-cooperative entity should be justified by identifiable and measurable benefits to cooperative societies and their members.
5. NCDC should establish **strong due-diligence, risk-assessment, monitoring and exit mechanisms** before participating in the share capital of entities.
6. The Government should ensure **transparent reporting and outcome-based assessment** of NCDC's financial assistance.

Conclusion: The proposed amendments can provide NCDC with **greater flexibility to finance India's expanding and diversifying cooperative ecosystem.** However, the expansion of NCDC's mandate should be accompanied by **strong eligibility criteria, accountability and safeguards.** The central principle should be to **expand NCDC's financing capacity while ensuring that cooperative societies and their members remain the primary beneficiaries.**

Question: The NCDC Amendment Bill, 2026 seeks to expand the financing role of the National Cooperative Development Corporation (NCDC). Discuss its significance and the concerns associated with the proposed expansion.

Source: [Business Line](#)

Why it's time to scrap dollar billing for local SEZ deals

Source: The post “Why it's time to scrap dollar billing for local SEZ deals” has been created based on “Why it's time to scrap dollar billing for local SEZ deals” published in “Business Line” on 23rd September 2026.

UPSC Syllabus: GS-3- Economy

Context: **Special Economic Zones (SEZs)** were created primarily to promote exports and earn foreign exchange. At present, SEZ units providing services to **Domestic Tariff Area (DTA) customers** are generally required to receive payment in foreign currency. The proposed amendment to **Section 2(z) of the SEZ Act, 2005** seeks to permit **rupee payments** for such services.

Key features of the proposed change

1. The **Commerce Department has circulated a draft Cabinet note** proposing amendment of Section 2(z) of the SEZ Act.
2. SEZ units would be allowed to receive **rupee payments from DTA customers for services.**
3. This would bring services broadly in line with the treatment already available to **goods.**
4. The Government is also working to **harmonise the definition of services under the SEZ Act with the GST law.**

5. The proposal is under **inter-ministerial consultation involving Commerce, Finance and the RBI** before being placed before the Cabinet.

Reason for the need for the change

1. Reduction in transaction costs

- a. Currently, an Indian DTA customer has to purchase foreign currency through an authorised dealer bank.
- b. The SEZ unit subsequently converts the foreign currency back into rupees. This results in **banking charges and unnecessary currency-conversion costs** for a transaction that takes place entirely within India.

2. Benefit to specialised sectors

- a. Sectors such as **IT, IT-enabled services, defence, aerospace, engineering, maintenance and repair and overhaul (MRO)** are likely to benefit.
- b. Indian SEZ-based firms can sometimes provide specialised services much faster than foreign vendors.

3. Benefit to public sector organisations

- a. Defence, space and aerospace PSUs often require specialised maintenance and engineering services.
- b. Rupee billing could reduce the additional costs and administrative burden associated with foreign-currency transactions.

4. Improve attractiveness of SEZs

- a. Several IT firms have reconsidered their SEZ presence after the withdrawal of earlier **Income Tax incentives**.
- b. Rupee billing could provide an additional incentive for firms to retain operations in SEZs.

5. Ease of doing business: Government departments and other domestic customers would face less paperwork and lower transaction costs while procuring services from SEZ-based firms.

Challenges and concerns

1. SEZs have a special legal status

- a. SEZs are treated as **territory outside India for several legal, customs and tax purposes**.
- b. This legal framework supports their customs and tax privileges. Therefore, relaxing foreign-exchange requirements needs careful regulation.

2. Risk of regulatory ambiguity: If the definition of a **domestic transaction** is not clearly specified, the distinction between domestic and export transactions could become blurred.

3. Possibility of revenue leakage: The Finance Ministry would need to ensure that the proposed relaxation does not create opportunities for **tax or revenue leakage**.

4. Need for clear banking rules

- a. The **RBI and authorised dealer banks** would require a clear framework for rupee settlement.
- b. Ambiguous rules could lead individual banks to interpret the provisions differently.

5. Sectoral differences

- a. A defence contractor providing specialised services to a PSU and an IT company providing services to a private Indian client may have different regulatory and operational requirements.
- b. Hence, **sector-specific guidance** may be necessary.

Way Forward

1. **The Government should harmonise the definition of services under the SEZ Act with that under the GST law** to ensure regulatory clarity.
2. The Government should **clearly define what constitutes a domestic or DTA transaction** to prevent ambiguity and misuse of the provision.
3. The **RBI should establish a transparent framework for rupee-based settlement** so that authorised dealer banks can process such transactions uniformly.
4. The Government should **issue sector-specific guidelines for defence, aerospace, IT, engineering and MRO services** according to their different operational requirements.
5. The regulatory framework should **include adequate safeguards to prevent tax evasion and revenue leakage**.
6. The Government should **periodically review the impact of rupee billing on SEZ exports, domestic business and government revenue** and make necessary adjustments.

Conclusion: Allowing rupee billing for services provided by SEZ units to domestic customers can remove an **unnecessary currency-conversion and compliance burden**. At the same time, the reform must preserve the regulatory distinction that supports the **customs and tax framework of SEZs**. Thus, the proposal can form part of a broader effort to **reorient SEZs from a purely export-led model towards an economy where domestic demand is also an important opportunity**.

Question: The proposed shift from dollar billing to rupee billing for services provided by SEZ units to domestic customers can improve ease of doing business, but may also create regulatory challenges. Discuss.

Source: [Business Line](#)

Using Trade Treaty Policy to Strengthen Commercial Arbitration

UPSC Syllabus: Gs Paper 3- Indian Economy

Introduction

India's expanding network of **Bilateral Investment Treaty (BIT)** and **Free Trade Agreement (FTA)** is reshaping how it protects investment and manages disputes. Since the 1990s, India has moved from a broad BIT regime towards narrower agreements with stronger regulatory safeguards and domestic remedies. Recent FTAs also show limited reliance on conventional **Investor-State Dispute Settlement (ISDS)**. This creates an opportunity to use India's existing commercial arbitration framework to offer foreign investors credible dispute resolution while preserving regulatory autonomy and strengthening India's position as a trusted investment destination.

Evolution of India's BIT Policy

1. **BITs after economic liberalisation:** India signed its first Bilateral Investment Treaty (BIT) with the United Kingdom in **1994**, following the 1991 opening of its economy to foreign investment.
2. **Rapid expansion of BIT network:** By **2015**, India had signed **83 BITs**, including 74 then in force, mainly with capital-exporting countries.
3. **Rise of investment disputes:** India's first treaty claim emerged in the mid-2000s, followed by its first adverse award in **White Industries** in 2011.
4. **Growing concern over ISDS:** By 2015, India faced about **17 known BIT claims**, increasing concerns over investor-state dispute settlement and regulatory constraints.
5. **Adoption of Model BIT:** In December 2015, India adopted a new Model BIT seeking **investor protection while maintaining a balance between investor rights and government obligations**.
6. **Narrower post-2015 framework:** The new approach introduced narrower definitions, stronger regulatory rights, extensive exclusions and **mandatory domestic remedies before arbitration**.
7. **Shift towards new-generation BITs:** Since 2016, India terminated **77 BITs** and adopted new-generation agreements largely based on the 2015 Model BIT.
8. **Continuing relevance of terminated BITs:** Investments made before termination can remain protected under **sunset or survival clauses, typically for 10–15 years**, keeping some terminated treaties legally relevant.

From Investor-State Disputes to Commercial Arbitration

1. **Regulatory sovereignty:** Recent BITs give greater importance to India's right to regulate, while maintaining selected protections for foreign investors.
2. **Recent treaty recalibration:** The **2025 India-Israel agreement** retained regulatory safeguards while reducing the local-remedy period to three years and extending protection to portfolio investments.
3. **Review of Model BIT:** Budget 2025–26 announced a review of the 2015 Model BIT to make it more investor-friendly while retaining regulatory safeguards.
4. **Recent expansion of trade agreements:** India has entered into **Comprehensive Economic Partnership Agreements (CEPAs)** with the UAE and Oman, along with trade agreements with Australia and EFTA, expanding its investment and trade partnerships.
5. **Changing role of ISDS:** Recent Indian FTAs generally omit conventional Investor-State Dispute Settlement (ISDS), while newer BITs continue to provide investment dispute mechanisms with stronger conditions and domestic-remedy requirements.

6. **Alternative dispute mechanisms:** The European Free Trade Association (EFTA) agreement uses a **government-to-government mechanism** instead of conventional ISDS, supported by a dedicated India-EFTA Desk.
7. **Importance of commercial arbitration:** The **Arbitration and Conciliation Act, 1996** already covers domestic arbitration, international commercial arbitration and enforcement of foreign awards.
8. **Contractual disputes and ISDS:** The India-Uzbekistan BIT excludes disputes arising solely from contractual breaches, clearly separating commercial disputes from treaty-based investment claims.

Using BITs and FTAs to Strengthen Commercial Arbitration

1. **Clarifying ISDS omission:** Future FTAs could explain that the absence of ISDS reflects confidence in India's available domestic dispute-resolution mechanisms.
2. **Providing an investor alternative:** Commercial arbitration can offer foreign investors an alternative to Indian courts when disputes arise from contracts with State agencies.
3. **Creating a middle ground:** Stronger commercial arbitration can balance India's reservations about ISDS with investors' concerns about relying exclusively on domestic courts.
4. **Recognising Indian arbitration in treaties:** Future BITs could clarify that submitting an investment dispute to commercial arbitration in India can satisfy local-remedy requirements.
5. **Separating funding rules:** Restrictions on third-party funding in ISDS should not automatically apply to commercial arbitration because their underlying policy concerns differ.
6. **Building regulatory space:** Clear treaty language could allow Indian regulators to develop a comprehensive third-party funding policy for domestic commercial arbitration.

Way Forward

1. **Balance investor protection and regulatory autonomy:** India should bring its treaty framework closer to a balance between **investor protection and the State's regulatory autonomy**.
2. **Strengthen domestic dispute resolution:** Shorter domestic-remedy periods make efficient domestic institutions and **predictable commercial arbitration** increasingly important.
3. **Review the Model BIT:** The ongoing review should make the framework more investor-friendly while retaining necessary **regulatory safeguards**.
4. **Create an external expert group:** International lawyers, economists, academics and experts from research institutions and think tanks can provide independent advice during treaty review.
5. **Ensure wider stakeholder consultation:** India should seek views from **industry bodies, arbitrators, law firms and civil society organisations** before finalising the revised framework.

6. **Enable public and parliamentary scrutiny:** The revised Model BIT should be placed in the **public domain for comments** and examined by Parliament and relevant department-related parliamentary committees.
7. **Make consultation meaningful:** The process should genuinely consider different and dissenting views rather than becoming a **box-ticking exercise**, strengthening the democratic legitimacy of investment treaties.
8. **Build investor confidence:** India should aim for agreements that prevent disputes, efficient arbitration when disputes arise and **predictable enforcement of arbitral awards**.

Conclusion

India's treaty policy is moving towards a balance between **investor protection and regulatory autonomy**. The next step is to connect this approach with strong commercial arbitration, clearer treaty provisions, wider consultation and predictable enforcement. Such reforms can improve investor confidence while strengthening India's domestic dispute-resolution system. This can support India's broader ambition of becoming a **global arbitration hub**.

Question for practice:

Discuss how India can use its trade treaty policy to strengthen commercial arbitration and improve investor confidence.

Source: [The Hindu](#)

Towards Recognising Women Farmers

UPSC Syllabus: Gs Paper 3- Land reforms in India.

Introduction

Women are playing a growing role in Indian agriculture, but their contribution is often not matched by formal recognition as farmers. Since farmer identity is largely linked to land records, women who cultivate family or other land without ownership rights can remain outside official databases and agricultural schemes. This creates a gap between **who actually farms and who is recognised as a farmer**.

Current Status of Women Farmers in India

1. **Rising participation in agriculture:** Agriculture employed around 110 million women and 127 million men in 2025, bringing women's participation close to gender parity.
2. **Feminisation of agriculture:** Women's agricultural workforce has more than doubled since 2017-18, partly because men are moving from farming towards non-farm employment.
3. **Growing share of rural women workers:** Nearly three-fourths of rural women workers are now engaged in agriculture, compared with less than half of rural men.

4. **High burden of unpaid work:** More than 41% of female agricultural workers were unpaid in 2025, compared with 20% of male agricultural workers.
5. **Limited independent work status:** Nearly 63% of men were own-account workers, compared with only 39% of women, showing women's greater dependence on family farming.
6. **Low ownership of agricultural land:** Women held only about 14% of operational agricultural land holdings according to the 2015-16 Agricultural Census, despite their growing farming role.
7. **Maharashtra's recognition gap:** In Maharashtra, 82% of rural female workers were engaged in agriculture against 58% of rural men, while women held only 15.5% of operational farmland.

Major Concerns Related to Women Farmers in India

1. **Land-linked access to benefits:** Dependence on land titles restricts women's access to **credit, crop insurance, subsidies, technology, extension services and price-support mechanisms**, despite their actual farming contribution.
2. **Limited access to government schemes:** Land-linked identification prevents many women farmers from accessing credit, subsidies, technology, extension services and other agricultural opportunities.
3. **Unequal access to PM-KISAN:** Women accounted for only 23% of PM-KISAN beneficiaries, even though women form a much larger share of agricultural workers.
4. **State-level differences in recognition:** Meghalaya had women accounting for 70% of beneficiaries and Kerala 44%, showing better outcomes where alternative recognition mechanisms exist.
5. **Structural role of social institutions:** Customary tenure and matrilineal systems in some northeastern States, along with Kerala's collective farming, improve women's access to agricultural resources.
6. **Land ownership affects economic security:** Without titles, women face weaker access to institutional credit, crop insurance and price-support mechanisms, regardless of their actual farming contribution.
7. **Recognition does not guarantee ownership:** A farmer certificate can identify a woman as a farmer, but it does not automatically provide inheritance, mortgage, sale or tenure rights.

Initiatives to Recognise and Empower Women Farmers

1. **International attention in 2026:** The United Nations' International Year of the Woman Farmer in 2026 has increased policy attention towards women's contribution and rights in agriculture.
2. **National Policy for Farmers, 2007:** The policy adopted an activity-based and land-delinked definition of farmer, but this approach was not operationalised for nearly two decades.

3. **Women Farmers' Entitlements Bill:** The Women Farmers' Entitlements Bill, 2011, introduced by M.S. Swaminathan in the Rajya Sabha in 2012, lapsed in 2013 but kept women farmers' rights in the national policy debate.
4. **Kerala's collective farming model:** Kudumbashree enables women to participate in group farming, creating an alternative pathway for agricultural participation beyond individual land ownership.
5. **Odisha's KALIA support:** The KALIA scheme has reached landless and sharecropper women, showing how agricultural support can extend beyond formal land ownership.
6. **Uttarakhand's co-ownership reform:** A 2021 amendment made mandatory co-ownership of ancestral land for wives, strengthening women's formal position over agricultural property.
7. **Maharashtra Women Farmers Empowerment Act, 2026**
 - **Independent farmer identity:** The Act recognises women engaged in farming or allied activities for at least one season **irrespective of land ownership**, through a Woman Farmer Certificate.
 - **Inclusive definition of farmer:** It covers **landless cultivators, tenant farmers, sharecroppers, agricultural labourers, livestock rearers and other allied agricultural workers**, expanding recognition beyond landowners.
 - **Institutional mechanism:** Women can seek recognition through **Gram Panchayats or Nagar Panchayats**, while dedicated assistance officers at the Taluka and District levels support certification and access to agricultural services.

Way Forward

1. **Build a standardised national framework:** States should develop common definitions, certification procedures and databases so women farmers can be identified consistently across administrative systems.
2. **Integrate farmer identity with digital systems:** Woman Farmer Certificates should connect with Agri Stack and Farmer IDs to integrate women into the wider agricultural digital ecosystem.
3. **Improve database coordination:** New women farmer databases should connect with existing agricultural databases while preventing duplication, exclusion and repeated registration.
4. **Strengthen local identification:** Self-registration and Gram Sabha identification should be supported by sustained information campaigns so that landless and title-less women are not missed.
5. **Link recognition with actual benefits:** Certification should directly improve access to credit, insurance, subsidies, technology, extension services and agricultural schemes, rather than remain an administrative identity.
6. **Strengthen land and inheritance rights:** Recognition should be followed by dual-name land titling and stronger tenure security, building on the co-ownership approach adopted by Uttarakhand.

7. **Make mechanisation gender-responsive:** Agricultural mechanisation should consider the women increasingly performing farm work rather than being designed around a different labour force.
8. **Build administrative capacity:** State revenue systems need stronger implementation mechanisms so that legal recognition can gradually become secure and enforceable tenure rights.

Conclusion

Women's growing role in Indian agriculture requires a shift from recognising only landowners to recognising actual cultivators. Maharashtra's reform provides this identity, but lasting empowerment requires linking recognition with **land rights, credit, technology, welfare and decision-making power**. The long-term goal should be to make women not only visible as farmers, but equal holders of agricultural resources.

Question for practice:

Examine the need to recognise and empower women farmers in India and the measures required to bridge the gap between agricultural participation and ownership.

Source: [The Hindu](#) ; [Downtoearth](#)

How India can counter the Graham Act

Source: The post "**How India can counter the Graham Act**" has been created based on "**How India can counter the Graham Act**" published in "**Business Line**" on 23rd September 2026.

UPSC Syllabus: GS-3- Economy

Context: India faces a dual challenge of **high dependence on Russian crude oil and significant dependence on the US export market**. The Graham Act, which authorises tariffs of up to **100% on the five largest importers of Russian oil and gas**, can therefore create pressure on India's external sector.

Introduction

Graham act is a U.S. law aimed at increasing economic pressure on **Russia and Iran**. It strengthens sanctions targeting Russia's **political, financial, energy and commercial networks**. Although it does not specifically name India or China, its provisions can **affect major buyers of Russian energy, including India and China**.

Major Provisions and Their Implications for India

1. **The Act allows the U.S. President to impose tariffs of up to 100% on imports from major purchasers of Russian crude oil or natural gas.** If applied to India, this could make Indian exports such as textiles, electronics and engineering goods more expensive in the U.S. market.
2. **The Act targets Russia's "Shadow Fleet" and other entities involved in transporting Russian oil and evading sanctions.** This could make the purchase, transportation and insurance of Russian crude more difficult or costly for Indian companies.
3. **The Act provides conditional exemptions for countries that meet specified requirements relating to Russian natural-gas imports.** This may provide some flexibility to countries that are taking significant steps to reduce their dependence on Russian gas.

4. **The Act authorizes tariffs of up to 500% on certain Russian-origin goods.** This is intended to increase economic pressure on Russia and could indirectly affect global trade and energy markets.

India's major vulnerabilities

1. **High dependence on Russian crude:** India imports over **88% of its crude oil**. In July 2026, Russia accounted for **51.1% of India's crude imports**, worth \$7.27 billion.
2. **Limited diversification so far:** In FY26, India imported **\$40.82 billion of Russian crude**, compared with only **\$9.87 billion of US oil**, showing the continuing dependence on Russia.
3. **Exposure to the US market:** India's merchandise exports to the US reached **\$87.31 billion in FY26**, accounting for **19.78% of total exports** and generating a bilateral surplus of \$33.86 billion.
4. **Threat to export sectors:** Major exports to the US include **electrical machinery, pharmaceuticals, nuclear reactors, gems and jewellery, and minerals**. Higher tariffs could therefore affect several important sectors.
5. **Pressure on the external account:** India's merchandise trade deficit widened to **\$86.1 billion in Q1 FY27**. A fall in exports could further widen the deficit and put pressure on the current account.
6. **Oil-price vulnerability:** Brent crude crossed **\$100 per barrel**, while India's crude basket reached **\$113.91**. The oil and gas import bill rose **36.5% year-on-year to over \$60 billion** during April-August 2026.
7. **Rupee and reserves pressure:** The rupee touched **₹96.84 per dollar**, while foreign-exchange reserves stood at **\$785.7 billion**. However, a substantial part of the recent increase came from a concessional swap window involving over **\$136 billion in borrowed foreign-currency deposits**.

Way Forward

1. **Conclude the India-US bilateral trade agreement quickly** with preferential rather than merely reciprocal tariff arrangements.
2. **Diversify crude sources substantially** to reduce excessive dependence on Russian oil and qualify for the Act's provision relating to significant diversification.
3. **Strengthen genuine foreign-exchange earnings** so that the reserve cushion is supported by sustainable external surpluses rather than borrowing-based inflows.
4. **Diversify export markets** beyond the US to reduce concentration risk and protect Indian exporters from future tariff shocks.
5. **Maintain diplomatic engagement with the US** while pursuing energy diversification rather than relying on Washington's discretion.

Conclusion: India's objective should be to **reduce excessive dependence on any single source of energy or export market**. A combination of energy diversification, a stable India-US trade arrangement, stronger external-sector resilience and wider export markets can enhance India's strategic autonomy.

Question: The increasing dependence of India on Russian crude and the possibility of higher US tariffs pose challenges to India's external sector. In this context, discuss the vulnerabilities created by such dependence and suggest measures India can adopt to safeguard its economic interests.

Source: [Business Line](#)

Cyber resilience in banking sector

Source: The post “Cyber resilience in banking sector” has been created based on “Cyber resilience in banking sector” published in “Business Line” on 24th September 2026.

UPSC Syllabus: GS-3- Economy

Context: India’s banking sector is increasingly dependent on **digital infrastructure, fintechs, technology providers and third-party service providers**. The emergence of AI-enabled and agentic cyberattacks has increased the scale, speed and sophistication of cyber threats, requiring a shift from merely preventing attacks to building **sector-wide cyber resilience**.

Emerging challenges

1. **AI-enabled attacks:** Agentic AI models can autonomously identify vulnerabilities, reducing the time, cost and technical expertise required by attackers.
2. **Expanded attack surface:** Banks are interconnected with **fintechs, NBFCs, technology providers and other third parties**, creating vulnerabilities beyond individual institutions.
3. **Systemic impact:** The **2024 ransomware attack on C Edge Technologies**, a core technology provider, temporarily disrupted payment services across about **300 cooperative and rural banks**, affecting ATM withdrawals and UPI transactions.
4. **Asymmetric cyber risk:** An attacker needs to exploit only **one vulnerability**, whereas financial institutions must protect numerous interconnected systems.
5. **Weak AI-risk preparedness:** The RBI’s FREE AI Committee Report found that only **one-fourth of respondents** had formal processes for AI-related incidents or failures. Among 127 entities using AI, only **14% conducted regular audits, 18% maintained audit logs and 14% conducted real-time performance monitoring**.
6. **Uneven technological capacity:** Banks, NBFCs and microfinance institutions differ significantly in their technological maturity, operational capacity and financial resources.

Measures to strengthen cyber resilience

1. **Real-time information sharing:** The RBI should operationalise real-time sharing of cyberattack, near-miss and third-party incident information among financial institutions through **CSIRT-Fin**.
2. **Non-punitive reporting:** Confidential and non-punitive incident reporting can encourage institutions to report vulnerabilities and near-misses, similar to practices in aviation safety.
3. **Create an AI cyber-risk catalogue:** Collective intelligence should be used to develop a common database of **AI-enabled cyberattack scenarios, attack vectors, potential impacts and mitigation strategies**.
4. **Common resilience standards:** Establish minimum, non-negotiable cybersecurity standards across **banking, securities, pensions and insurance**, irrespective of institutional size.
5. **Strengthen regulatory frameworks:** The RBI’s **Model Risk Management guidance and Cybersecurity, Technology: Risk, Resilience and Assurance Framework Directions, 2026** should be implemented effectively, with lessons from incidents, tests and drills continuously incorporated.
6. **Improve basic cyber hygiene:** Strong authentication, access controls, audit logs, continuous monitoring, employee awareness and regular stress testing should remain the foundation of cyber resilience.

Conclusion: AI is changing cyber risk from an institution-specific problem into a **sector-wide systemic risk**. Therefore, India needs an ecosystem-based approach centred on **real-time information sharing, collective intelligence, common resilience standards and continuous learning**. The RBI can thereby ensure that financial institutions are not merely prepared to prevent attacks but are capable of **withstanding, containing and recovering from them**.

Question: Artificial Intelligence (AI)-enabled cyberattacks are creating new vulnerabilities for India's banking and financial sector. Discuss the challenges posed by such attacks and suggest measures to strengthen cyber resilience in the financial sector.

Source: [Business Line](#)

Quality Control and India's Manufacturing Growth

UPSC Syllabus: Gs Paper 3- Indian economy

Introduction

India is seeking to expand manufacturing, deepen global value-chain integration and improve the competitiveness of Indian firms. Quality Control Orders (QCOs) have become an important regulatory tool for improving product safety, reliability and manufacturing standards. However, their rapid expansion has also raised concerns about certification costs, input availability, supply-chain disruptions and MSME viability. The policy challenge is therefore to maintain quality standards while ensuring that regulation does not weaken manufacturing scale, efficiency, value addition and international competitiveness.

Evolution of QCOs: From Quality Assurance to Industrial Regulation

1. **Meaning:** A **Quality Control Order (QCO)** is a government order that makes compliance with specified **Indian Standards mandatory** for selected products.
2. **Purpose:** QCOs aim to ensure **product safety, performance and reliability**, while protecting consumers and improving manufacturing quality.
3. **Legal foundation:** QCOs were introduced under the **BIS Act, 2016** to ensure safety, performance and reliability of products sold in India.
4. **Rapid expansion:** QCO coverage increased sharply from **88 products in 2019 to 765 products by December 2024**, expanding their industrial significance.
5. **Wider sectoral coverage:** More than **700 QCOs now cover nearly 100 sectors**, including toys, steel, chemicals, textiles, electronics and industrial inputs.
6. **Shift towards industrial policy:** QCOs have moved beyond targeted quality assurance and now influence manufacturing, imports, investment and India's wider industrial strategy.
7. **Protection against low-quality products:** Mandatory standards aim to reduce exposure to low-quality imports while encouraging domestic manufacturers to improve their production practices.

Importance of QCOs for Manufacturing Competitiveness

1. **Consumer protection:** Mandatory standards help ensure that products meet prescribed requirements for **safety, performance and reliability**, protecting consumers from inferior products.
2. **Higher manufacturing quality:** Quality requirements encourage firms to upgrade production practices and improve the reliability of products manufactured for domestic and international markets.
3. **Fairer competition:** Common quality requirements can reduce competition based mainly on inferior standards and encourage manufacturers to compete through better-quality products.
4. **Industrial upgrading:** Stronger standards can support manufacturing improvement by pushing firms towards better production practices and greater attention to product quality.
5. **Global competitiveness:** Indian products need to become safer, more reliable and competitive if India is to expand its presence in international manufacturing markets.
6. **Scale as the wider objective:** For **Viksit Bharat 2047**, quality regulation must improve standards while allowing Indian manufacturing to achieve greater scale, efficiency and competitiveness.

Major Concerns and Challenges of QCOs

1. **Certification burden:** Domestic and foreign producers must obtain BIS certification, which can involve inspections, testing, documentation and procedures that may take several months.
2. **Foreign supplier difficulties:** Overseas manufacturers have raised concerns about limited acceptance of internationally accredited testing reports, creating additional testing costs and approval delays.
3. **Intermediate-input bottlenecks:** Extending QCOs to raw materials and intermediate goods can restrict access to inputs and create disruptions across downstream manufacturing networks.
4. **Steel-sector disruption:** Certification requirements for steel intermediates created uncertainty for importers and downstream manufacturers, while shipments faced compliance difficulties and possible supply shortages.
5. **MSME vulnerability:** Smaller firms face greater pressure because they often have limited compliance capacity and less ability to absorb certification and input costs.
6. **Firm-level impact:** Chemical-using firms faced different outcomes by size, with larger firms seeing **9.6% higher production but 37% lower GVA**, while smaller firms experienced a **47.6% fall in profitability**.

QCOs and India's Global Value-Chain Integration

1. **Input-side exposure:** Chemical products under QCOs increased to **52 by 2024**, while firms exposed to input-side regulation rose from **11.8% in 2019 to 56.6%**.

2. **Downstream linkages:** Chemicals serve industries such as rubber, plastics, pharmaceuticals and electronics, so input regulations can affect several manufacturing sectors.
3. **Investment decisions:** Companies consider regulatory predictability alongside production costs, infrastructure and market size when deciding where to manufacture and source components.
4. **Trade-partner concerns:** During the **WTO's eighth Trade Policy Review in July 2026**, QCOs and other non-tariff barriers were raised by the EU, US, Brazil, China and Indonesia.
5. **Global supply-chain participation:** Efficient and predictable certification systems are important for India's efforts to attract investment, expand exports and become a reliable manufacturing partner.

Government's Recent Response and QCO Reassessment

1. **Slower expansion:** The pace of QCO expansion slowed considerably towards the end of **2025**, reflecting a change in the government's regulatory approach.
2. **Revocation and suspension:** Several QCOs were revoked or suspended, particularly those covering intermediate goods, because of concerns about input availability, costs and supply-chain disruptions.
3. **Pending reassessment:** More than **600 QCO-covered products** still require reassessment, including important inputs used in chemicals, steel, textiles, machinery, electronics, rubber and plastics.
4. **Transition Facilitation Order:** DPIIT notified the **Transition Facilitation (Quality Control) Order, 2026 on June 25, 2026** to ease certification-related regulatory bottlenecks.
5. **Temporary sourcing flexibility:** Eligible firms facing difficulty obtaining BIS Scheme-I certification can temporarily source specified products from **BIS Scheme-II licensed suppliers** in sectors including toys, footwear and air conditioners.
6. **Controlled access:** Firms can use the transition mechanism only after meeting prescribed eligibility conditions and receiving approval from a committee constituted by DPIIT.

Way Forward

1. **Prioritise intermediate goods:** The next phase of QCO reassessment should focus especially on intermediate inputs because their regulation can affect several downstream manufacturing sectors.
2. **Assess wider effects:** QCOs should be assessed not only for product quality but also for **input availability, costs, competitiveness and domestic value addition**.
3. **Support MSMEs:** Smaller firms need dedicated assistance to meet certification and compliance requirements and manage the additional costs created by mandatory standards.
4. **Use transition periods:** Appropriate exemptions or transition periods can help firms adjust where immediate compliance creates particularly high costs or supply difficulties.
5. **Improve certification efficiency:** Conformity assessment should avoid unnecessary duplication, particularly where equivalent internationally accepted testing practices are available.

6. **Strengthen predictability:** Regulatory implementation should provide adequate preparation time, clear procedures and administrative readiness so that manufacturers can adjust without sudden disruptions.

Conclusion

India needs strong quality standards, but QCOs must support manufacturing rather than constrain it. Their effectiveness should be assessed through quality improvement alongside input availability, value addition, efficiency and competitiveness. A proportionate and predictable framework, with suitable transition support for MSMEs, can help India strengthen product standards while expanding manufacturing scale and deeper integration into global value chains.

Question for practice:

Examine the role of Quality Control Orders (QCOs) in strengthening India's manufacturing competitiveness while addressing concerns related to costs, supply chains and MSMEs.

Source: [The Hindu](#)

Dialogue, not agitation, holds key to Ladakh's political future

UPSC Syllabus: Gs Paper 2- issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein.

Introduction

A year after the September 24 violence in Leh, political dialogue between Ladakh's representatives and the Centre continues on constitutional safeguards, democratic representation, land, jobs, culture and environment. The violence, which killed four people and injured dozens, led to a judicial inquiry. Recent discussions have shown progress towards an elected Union Territory-level body, making the present challenge one of converting political demands into durable institutions through dialogue, consultation and consensus rather than renewed confrontation.

Historical Roots of Ladakh's Political Demands

1. **Historical kingdom:** Ladakh was once an independent kingdom on the Silk Route before Dogra forces incorporated it into Jammu and Kashmir in 1834.
2. **Post-Independence governance:** After 1947, Ladakh's Buddhist and Shia communities were governed from Srinagar, creating a political movement demanding direct rule from Delhi.
3. **Union Territory status:** In 2019, Ladakh became a Union Territory, meeting a major political demand but leaving several other grievances unresolved.
4. **Social diversity:** Ladakh covers **60,000 sq km** and includes Tibetan Buddhists, Baltis, Sunnis, Shias, Noorbakhshis and Christian, Hindu and Sikh minorities.
5. **Regional administration:** Leh and Kargil have remained the main administrative centres, reflecting the region's distinct geographical and social interests.

6. **Decentralised governance:** Five new districts are being developed with elected Hill Development Councils, while panchayat elections are also being prepared to deepen local participation.

Developmental Transformation Since 2019

1. **Connectivity expansion:** Roads now reach remote valleys, while sustained border infrastructure investment has significantly improved connectivity across difficult terrain.
2. **Strategic infrastructure:** The **13-km Zojila Tunnel** is nearing completion and is expected to end Ladakh's winter isolation.
3. **Air connectivity:** Nearly **20 flights** reach Leh daily during summer, while a new airport terminal and a second airstrip at Nubra are being developed.
4. **Digital connectivity:** BharatNet is rapidly expanding telecom connectivity, improving communication access in remote villages across the Union Territory.
5. **Electricity and public services:** Grid expansion is reaching remote villages, while schools and public institutions are being made winter-friendly for local communities.
6. **Water and climate resilience:** Nearly every rural household has piped water, while **Him Sarovars** are being built to store meltwater as glaciers retreat.
7. **Livelihood development:** Government support covers **pashmina, apricot, dairy, floriculture and sea buckthorn**, while tourism is also expanding.

Emerging Constitutional, Administrative and Employment Framework

1. **Proposed UT-level body:** A directly elected UT-level body under **Article 371** is proposed with legislative, executive and financial powers.
2. **Local safeguards:** The proposed framework seeks to protect **land, culture, heritage, environment, natural resources and employment** through constitutional and legislative safeguards.
3. **Electoral representation:** Ladakh's representatives have expressed consensus on direct elections through constituencies for forming the proposed UT-level body.
4. **LAHDC coordination:** Ladakh's representatives are to prepare a draft defining power-sharing and institutional relations between Ladakh Autonomous Hill Development Councils (LAHDCs) and the proposed UT body.
5. **Employment protection:** Ladakh has **95 per cent reservation of local positions**, while nearly **5,000 young people** have received government employment.
6. **Administrative services:** The Ministry of Home Affairs (MHA) has approved the creation of the **Ladakh Administrative Service and Ladakh Police Service**, with modalities for their implementation to be worked out.

Other Governance Issues and Remaining Challenges

1. **Nautor land framework:** The draft rules do not envisage monetisation of Nautor land but seek to address tenancy and eligible conversion of tenancy rights into ownership, while regularisation remains with elected Hill Councils.
2. **Land-use concerns:** The proposed framework may address difficulties involving permissible land use and access to institutional finance for landholders.
3. **Religious and institutional land:** Provisions for monastery and religious institution land are being examined, including measures to reduce burdens on small landholders.
4. **Statehood and Sixth Schedule:** Statehood and Sixth Schedule inclusion remain important demands, even as recent discussions increasingly focus on practical constitutional safeguards.
5. **Constitutional process:** Constitutional amendments require **broad political consensus, stakeholder consultation and parliamentary consideration** before safeguards can be formally established.
6. **Internal differences:** Differences within the Leh Apex Body (LAB) and Kargil Democratic Alliance (KDA) concern the sequencing and implementation of proposed institutions, creating delays in the process.
7. **Post-violence issues:** Withdrawal of cases and compensation for families affected by the September 24 incident remain under consideration by the administration.

Way Forward

1. **Continue dialogue:** The Centre and Ladakh's representatives should sustain negotiations and use emerging consensus to develop workable constitutional and institutional arrangements.
2. **Finalise institutions:** The proposed UT-level body should receive clearly defined powers, electoral arrangements and representation suited to Ladakh's requirements.
3. **Clarify responsibilities:** The relationship between the proposed UT body and LAHDCs should be clearly defined to prevent overlapping administrative responsibilities.
4. **Strengthen local participation:** Recruitment reforms, reservation provisions and dedicated administrative and police services should expand opportunities for Ladakh's youth.
5. **Protect local interests:** The final framework should safeguard **land, jobs, culture, heritage, natural resources and Ladakh's fragile environment**.
6. **Maintain peaceful engagement:** Political differences should be pursued through dialogue, consultation and consensus to avoid renewed tensions and strengthen democratic institutions.

Conclusion

Ladakh's political future depends on converting its demands into durable constitutional and democratic institutions. Continued dialogue can help build consensus on representation, land, jobs, culture and environmental protection. A clear institutional framework, stronger local participation and peaceful

consultation can address unresolved concerns while preserving democratic processes and supporting development. The focus should therefore remain on negotiated and sustainable solutions.

Question for practice:

Discuss why sustained political dialogue and institutional reforms are important for addressing Ladakh's political demands and securing its future.

Source: [Indian Express](#)

Effect of a wider EPFO net

Source: The post "Effect of a wider EPFO net" has been created based on "Effect of a wider EPFO net" published in "Business Line" on 25th September 2026.

UPSC Syllabus: GS-3- Economy

Context: The Union Cabinet raised the **mandatory EPFO wage ceiling from ₹15,000 to ₹25,000 per month on 16 September 2026**, effective from 17 September. The move is expected to bring **more than 51 lakh additional workers** under provident fund, pension and insurance coverage.

Key Implications

1. **Wider social security:** The higher ceiling will extend **PF, pension and insurance protection** to workers earning between ₹15,000 and ₹25,000.
2. **Long-pending revision:** The ceiling had remained unchanged since **September 2014**. The Supreme Court had also directed the Centre and EPFO in January 2026 to consider its revision.
3. **Covers typical salaried workers:** In 2025, average monthly earnings of regular salaried workers were **₹24,217 for men** and **₹18,353 for women**. Thus, the new ceiling covers a significant section of existing salaried workers.
4. **Formalisation of existing jobs:** A worker earning ₹20,000 who was previously outside mandatory EPF coverage will now be automatically covered. **The nature of the job remains unchanged; only its legal and social-security treatment changes.**
5. **Increase in nominal ceiling:** The ceiling has increased by **66.7%** from ₹15,000 to ₹25,000. However, this represents roughly **4.3% annualised growth over 12 years**, below the 2024–25 nominal wage growth of **5.8% for men** and **7.2% for women**.
6. **Government expenditure:** The estimated government outgo is **₹11,339 crore annually** and **₹56,696 crore over five years**, strengthening workers' retirement security.

How it can generate new jobs

1. **EPFO enrolment is an output, not an employment outcome:** An increase in EPFO membership shows that workers have been brought under formal social security. It does **not necessarily show that new jobs have been created**.
2. **Limited share of regular employment:** Regular wage/salaried employment constituted only **23.6% of the workforce in 2025**, although it increased from 22.4% in 2024.

3. **Self-employment remains dominant: 56.2% of workers were self-employed** in 2025. A large part of this workforce does not have a conventional employer-employee relationship and therefore remains outside EPFO's coverage.
4. **Large existing EPFO base:** EPFO already had **7.98 crore contributing members across 7.68 lakh establishments**. The additional 51 lakh therefore represents an expansion of coverage within the existing wage economy.
5. **Employment absorption remains a challenge:** India's overall unemployment rate was **5% in August 2026**, while urban unemployment was **6.8%**. Since regular salaried employment is concentrated in urban areas, wider EPFO coverage cannot solve the problem of workers who are unable to find regular employment.

Way Forward

1. India needs to combine **social-security expansion with creation of new regular jobs**.
2. Greater emphasis is required on **labour-intensive manufacturing, MSMEs and employment-generating services**.
3. Skill development should be aligned with actual labour-market demand.
4. Employment policy should distinguish between **formalisation of existing jobs and creation of additional jobs**.
5. EPFO enrolment should be assessed along with **new-job creation, employment quality and labour-force absorption**.

Conclusion: The wider EPFO net is an important step towards **formalisation, worker protection and retirement security**. However, **51 lakh additional EPFO enrolments cannot by themselves demonstrate the creation of 51 lakh new jobs**. India therefore needs both **greater protection for existing workers and sustained creation of new regular employment opportunities**.

Question: The expansion of the EPFO coverage can strengthen formalisation and social security, but EPFO enrolment should not be equated with job creation. Discuss.

Source: [Business Line](#)

The next phase of Make in India

Source: The post "**The next phase of Make in India**" has been created based on "**The next phase of Make in India**" published in "**Business Line**" on 25th September 2026.

UPSC Syllabus: GS-3- Economy

Context: Make in India was launched in **2014** with the objective of making India a major manufacturing hub by promoting production **for India and for the world**. Over the last twelve years, it has evolved from an initiative into a broader manufacturing ecosystem supported by **ease of doing business, infrastructure development, digital and tax reforms, investment, PLI schemes and innovation**.

Achievements of Make in India

1. Improved Ease of Doing Business

- a. India has reduced more than **47,000 compliances** as of November 2025 through simplification, digitisation, decriminalisation and removal of redundant compliances.
- b. The **National Single Window System** has integrated approvals across **32 Central Ministries and 34 States/UTs**, covering more than **686 Central and 7,498 State approvals**.
- c. The **Jan Vishwas (Amendment of Provisions) Act, 2026** has further strengthened trust-based governance by decriminalising **717 provisions** and amending **784 provisions across 79 Central Acts**.

2. Expansion of Infrastructure

- a. The development of **Dedicated Freight Corridors, Industrial Corridors, Sagarmala and Bharatmala** has improved connectivity between production centres and markets.
- b. The expansion of **ports and airports**, along with **PM Gati Shakti**, has **strengthened integrated logistics planning and helped reduce logistics costs**.

3. Digital and Tax Reforms

- a. The introduction of **GST** has created a more integrated national market and facilitated the movement of goods across states.
- b. Platforms such as **ONDC and the Unified Logistics Interface Platform (ULIP)** have strengthened India's digital commerce and logistics infrastructure.
- c. Thus, India's digital public infrastructure is increasingly supporting its physical manufacturing ecosystem.

4. Increase in Foreign Investment

- a. India has liberalised FDI norms in sectors such as **defence, railways, insurance, construction and space**, thereby improving access to global capital, technology and expertise.
- b. FDI inflows increased to **₹49.46 lakh crore during 2014–24**, compared with **₹25.40 lakh crore during the previous decade**.

5. Success of the Production Linked Incentive Scheme

- a. As of June 2026, the **PLI schemes** have attracted **₹2.58 lakh crore in investment**, generated **₹23.79 lakh crore in production and sales**, and contributed to **₹15.53 lakh crore in exports**.
- b. The PLI schemes have also supported more than **14.57 lakh direct and indirect jobs**.
- c. In the electronics sector, production reached **₹13.11 lakh crore in FY 2025–26**, while electronics exports reached **₹4.24 lakh crore**.
- d. In the automobile sector, the Auto PLI scheme has attracted **₹45,477 crore in investment** and generated more than **67,000 jobs**.

6. Development of Semiconductor and Industrial Ecosystem

- a. The **India Semiconductor Mission**, with a recently announced outlay of **₹1.27 lakh crore**, aims to strengthen India's semiconductor ecosystem and deepen the value chain.
- b. The **BHAVYA Scheme**, with an outlay of **₹33,660 crore**, aims to establish **100 world-class industrial parks** during FY 2026–27 to FY 2030–31.

- c. These industrial parks can provide common infrastructure and help MSMEs achieve greater scale and competitiveness.

7. Support to MSMEs and Startups

- a. **ECLGS 5.0** aims to facilitate an additional credit flow of **₹2.55 lakh crore**, thereby supporting businesses facing financial pressures.
- b. The **Government e-Marketplace (GeM)** has facilitated procurement of more than **₹20 lakh crore** through over **three crore orders**.
- c. **Startup India** has enabled more than **2.5 lakh recognised startups**, which have generated over **25 lakh jobs**.
- d. Nearly half of these recognised startups have emerged from **Tier-2 and Tier-3 cities**, thereby promoting entrepreneurship beyond major urban centres.

8. Promotion of R&D and Innovation

- a. **The ₹1 lakh crore Research, Development and Innovation (RDI) Fund** aims to promote private-sector research, deep-tech development and high-impact innovation.
- b. This initiative can help India move beyond **scale and assembly towards technology-led manufacturing, stronger intellectual property creation and greater domestic value addition**.

9. Greater Global Market Access

- a. India has signed **nine FTAs covering 38 countries in six years**, thereby expanding preferential market access for Indian manufacturers.
- b. These agreements can help Indian companies diversify export destinations, integrate more deeply into **global value chains** and increase production for international markets.

Challenges

1. Limited Domestic Manufacturing Depth

- a. Although India has expanded its final assembly capabilities, it still needs to deepen domestic manufacturing of **components, raw materials, precision parts and capital goods**.
- b. Greater domestic value addition is necessary to make manufacturing more resilient and competitive.

2. Weak Linkages between Large Industries and MSMEs

- a. Stronger linkages between large **Original Equipment Manufacturers (OEMs)** and MSME suppliers are required to develop efficient domestic supply chains.
- b. This can help MSMEs become an integral part of large manufacturing ecosystems.

3. Need for Export-Oriented Manufacturing Clusters

- a. India needs specialised manufacturing clusters equipped with **plug-and-play infrastructure, testing laboratories, logistics facilities and worker housing**.
- b. Such clusters can reduce logistics costs and help Indian manufacturers achieve economies of scale.

4. Technology Gap

- a. Indian manufacturing needs to move beyond **cost competitiveness towards technology competitiveness**.
- b. Greater adoption of **AI, automation and Industry 4.0** is required to improve productivity, quality and efficiency.

5. Limited R&D and Intellectual Property Creation

- a. India needs greater private-sector investment in **research and development, deep technology and innovation**.
- b. Stronger R&D capabilities are essential for developing high-value products and increasing domestic technological capabilities.

6. Under-utilisation of FTAs

- a. Signing FTAs alone cannot ensure higher exports because Indian industries also need to effectively utilise the preferential market access provided by these agreements.
- b. Greater awareness, better standards, quality improvement and stronger export capabilities are therefore required.

7. Difficulty in Technology Adoption by MSMEs

- a. Many MSMEs require greater support to adopt **AI, automation, predictive maintenance, digital twins and AI-based quality control**.
- b. Without wider technology adoption, MSMEs may find it difficult to remain competitive in increasingly technology-driven global markets.

Way Forward

1. Deepen Domestic Value Addition

- a. India should promote domestic production of **components, raw materials, precision parts and capital goods** to reduce dependence on external sources.
- b. Stronger supply-chain linkages should be developed between large industries and MSMEs to increase domestic value addition.

2. Develop Export-Oriented Manufacturing Clusters

- a. India should develop world-class manufacturing clusters with **plug-and-play infrastructure, testing laboratories, logistics facilities and worker housing**.
- b. These clusters should focus on sectors such as **electronics, textiles, auto components, chemicals and engineering**.

3. Continue Trust-Based Governance

- a. India should continue **Non-Financial Regulatory Reforms (NFRR)** and legislative decriminalisation under the **Jan Vishwas framework**.
- b. Regulatory simplification should be accompanied by greater transparency and accountability.

4. Promote Smart Manufacturing

- a. The government should support MSMEs in adopting **AI, automation and Industry 4.0 technologies**.
- b. Shared Industry 4.0 facilities can be developed within manufacturing clusters to make advanced technologies accessible to smaller firms.
- c. Technologies such as **predictive maintenance, digital twins and AI-based quality control** should be encouraged to improve manufacturing efficiency.

5. Build Human Capital for Industry 4.0

- a. Workers should be reskilled and upskilled for **human-machine collaboration**.
- b. Skill-development programmes should be aligned with emerging technologies and the changing requirements of modern manufacturing.

6. Strengthen R&D and Innovation

- a. The **RDI Fund** should be effectively utilised to promote private-sector R&D, deep-tech innovation and intellectual property creation.
- b. The **AI Mission should be linked with manufacturing** to encourage the development of technology-driven production capabilities.

7. Maximise the Benefits of FTAs

- a. Indian industries should be supported in effectively utilising existing FTAs and accessing international markets.
- b. Improvements in **product standards, quality, logistics and export capabilities** can help Indian firms integrate more deeply into global value chains.

Conclusion: Make in India has evolved from a policy initiative into a broader manufacturing ecosystem supported by infrastructure, PLI schemes, digital reforms, investment, startups and innovation. The next phase should focus on deeper domestic value addition, export-oriented clusters, stronger R&D and smarter manufacturing through AI and Industry 4.0. This approach can help India move from being primarily a large-scale assembly and manufacturing destination towards a technology-driven global manufacturing hub.

Question: “Make in India has evolved from an initiative into a national manufacturing mission.” Discuss its major achievements, challenges and the way forward for strengthening India’s manufacturing competitiveness.

Source: [Business Line](#)

Policing the Line Between Publicity and Justice

UPSC Syllabus: Gs Paper 2- Governance

Introduction

Police publicity can support investigations by helping identify persons, trace fugitives and recover missing children. However, photographs of arrested persons can spread rapidly through social media, sometimes before they appear before a magistrate. This raises concerns about **legal authority, privacy, dignity and the presumption of innocence**. The central issue is to distinguish disclosure that serves a genuine investigative need from publicity that presents an accused as guilty before trial.

Why Police Publicity Matters

1. **Public Assistance in Investigation:** Publishing photographs can help police obtain information from citizens when they need identification, witnesses or other investigative leads.
2. **Tracing Wanted Persons:** Photographs and reward notices can help locate wanted persons and fugitives, including those whose trails have gone cold for years.
3. **Recovery of Missing Children:** Public circulation of photographs can assist in identifying and recovering missing children through wider public participation.
4. **Supporting Limited Police Capacity:** Public cooperation can extend police investigative efforts when a **thinly stretched police force** cannot independently reach all potential sources of information.
5. **Crime Prevention and Public Order:** Disclosure can serve legitimate purposes such as **crime prevention, public order and law-and-order requirements** when public assistance is genuinely needed.
6. **Rewards as an Investigative Tool:** Reward announcements can encourage people to provide information about wanted persons and support efforts to trace them.

Existing Legal and Constitutional Framework

1. **No Single Governing Statute:** India has no single statute that expressly permits or prohibits police from publishing photographs of accused persons.
2. **BNSS Proclamation of Absconders: Section 84 of the Bharatiya Nagarik Suraksha Sanhita, 2023** allows courts to proclaim absconders and publish proclamations in newspapers after a warrant fails.
3. **Photographs in Court Proclamations:** Section 84 does not expressly mention photographs, but attaching them has become settled practice because photographs can help secure the person's appearance.
4. **Investigation-Stage Disclosure:** Publicity during investigation relies on general investigative powers and established police practices rather than a specific provision expressly authorising social-media publication.
5. **Hue and Cry Notices:** State Police Manuals contain pre-Independence **"Hue and Cry Notice"** provisions whose broad descriptions can plausibly cover photographs and rewards.
6. **Reward Regulations:** State Police Regulations under the **Police Act, 1861** generally govern rewards, with sanctioning authority ranging from the **Station House Officer to the State government**.

7. **Identification Act, 2022:** The **Criminal Procedure (Identification) Act, 2022** regulates taking, storing and using measurements including photographs, but does not authorise their public circulation.
8. **Article 21 and Presumption of Innocence:** Constitutional protection of **privacy, dignity and reputation**, along with the presumption of innocence, places important limits on how accused persons may be publicly presented.
9. **Emerging Media-Briefing Framework:** The **Bureau of Police Research and Development (BPR&D)** prepared a draft media-briefing manual in July 2024, and the Supreme Court in January 2026 directed States to evolve appropriate policies.

Judicial Interpretation of Police Publicity

1. Madhya Pradesh High Court:

- **On Article 21:** In *Arun Sharma v. State of Madhya Pradesh (2020)*, the court held that **privacy, reputation and dignity** are protected under Article 21.
- **No Public Display of Accused:** The court found no legal justification for publicly displaying photographs of accused persons, including history-sheeters, even inside police stations.
- **Limits on Executive Instructions:** The court held that police authorities cannot use executive instructions to override fundamental rights without adequate legal authority.
- **Public Shaming as Deterrence:** The court rejected public shaming as a valid deterrent and stressed that criminal justice must respect **human dignity and constitutional values**.

2. Rajasthan High Court:

- **On Humiliation:** The Rajasthan High Court described the public display of arrested persons in degrading circumstances as “**institutional humiliation**”, highlighting the harm caused by such exposure.
- **Presumption of Innocence:** Courts have emphasised that an arrested person remains an **accused, not a convict**, until guilt is established through a fair trial.

3. Supreme Court:

- **On Media Trials:** The Supreme Court has cautioned that selective police disclosures can influence public opinion and contribute to a **media trial**, as police do not determine guilt.
- **On Media Briefings:** In January 2026, the Supreme Court directed States to develop appropriate **police media-briefing policies** based on the Police Manual for Media Briefing prepared by the amicus.

Legal and Constitutional Limits on Police Publicity

1. **Presumption of Innocence:** An arrested person remains an accused until guilt is established through a fair trial, so arrest alone cannot establish criminality.

2. **Article 21 Protection: Privacy, dignity and reputation** are protected under Article 21 and remain relevant even when a person is accused of an offence.
3. **Irreversible Reputational Harm:** Publicly displaying an accused person's photograph can cause serious harm that may continue even if the person is later acquitted.
4. **Digital Permanence:** Social-media circulation is **permanent and searchable**, making the consequences of premature publicity difficult to reverse.
5. **Juvenile Protection:** A juvenile in conflict with law cannot be identified except in the child's best interest and with permission of the **Juvenile Justice Board**.
6. **Sexual-Offence Survivor Protection:** The identity of a sexual assault survivor is protected by law and therefore cannot be disclosed through police publicity.

Balancing Investigative Necessity with Individual Rights

1. **Legitimate Investigative Purpose:** Public disclosure can support **crime prevention, public order, law-and-order purposes, identification, tracing absconders and finding witnesses**.
2. **Public Assistance as a Police Tool:** Photographs and notices can enable citizens to provide information that police may not obtain through their own limited resources.
3. **Police Achievement Publicity:** Disclosure becomes problematic when photographs are released mainly to **showcase arrests or police achievements** rather than to meet an investigative need.
4. **Investigation Versus Publicity:** The central distinction is between disclosure required to assist an investigation and disclosure that mainly creates a public narrative around an accused.
5. **Adult Accused as the Grey Area:** The most difficult question concerns the **ordinary adult who has been accused and arrested but has not yet been tried**.
6. **No Outright Ban:** A complete prohibition on public assistance would be unwarranted because photographs and wanted notices can genuinely help investigations.

Way Forward

1. **Uniform National Protocol:** India needs a **codified and uniform national protocol** governing police media briefings and public disclosure.
2. **Clear Legal Basis:** The framework should clearly specify when police can publish photographs instead of relying on inherited practices and broad administrative powers.
3. **Proportionate Disclosure:** Disclosure should be based on **necessity and proportionality**, rather than convenience or publicity.
4. **Blackout Categories:** The framework should maintain strict protection for **juveniles and sexual-offence complainants**.

5. **Time-Bound Takedown:** Published material should be reviewed and removed once the investigative purpose ends or an accused is **discharged or acquitted**.
6. **Uniform State Policies:** Common standards should apply across States to prevent different practices for similar situations.
7. **Necessity Test:** Before releasing a photograph, police should ask whether the disclosure is **necessary for the investigation or merely convenient to the narrative**.

Conclusion

Police publicity can support investigation, but unchecked exposure can damage **dignity, reputation and the presumption of innocence**. India needs a **clear, uniform and legally backed framework** that permits necessary public assistance while preventing prejudicial publicity and protecting vulnerable persons. Ultimately, police disclosure should serve **justice and investigation, not public judgement before trial**.

Question for practice:

Discuss the need to balance police publicity with the rights and dignity of accused persons in India.

Source: [The Hindu](#)

Should permanent membership and veto powers of the UNSC be abolished?

UPSC Syllabus: Gs Paper 2- Important International institutions, agencies and fora- their structure, mandate.

Introduction

The **UN Security Council (UNSC)** is responsible for maintaining international peace and security, but its structure gives five permanent members (P5) special voting powers. A P5 veto can block substantive action, raising concerns about sovereign equality and collective security. France has proposed voluntary restraint on veto use during genocide, crimes against humanity and large-scale war crimes. This has renewed the question of whether the veto should be abolished or made more accountable and responsible.

UNSC: Role, Structure and Veto Power

1. **Role of UNSC:** The UNSC is responsible for **maintaining international peace and security** and can adopt binding decisions, sanctions, peacekeeping measures and other actions.
2. **Composition:** The Council has **15 members**, including five permanent members (P5)—**China, France, Russia, the United Kingdom and the United States**—and ten non-permanent members elected for two-year terms.
3. **Veto power:** A single P5 member can block the adoption of a **substantive resolution**, even when the remaining members support the proposed action.
4. **Basis of the system:** The arrangement reflects the idea that an international organisation cannot effectively function if it takes decisions directly against the **fundamental interests of major powers**.

5. **Core controversy:** The veto creates a tension between sovereign equality and the special decision-making power of the P5, making its reform a central issue.
6. **Veto and humanitarian crises:** Veto use has raised concerns when it prevents collective action during **genocide, crimes against humanity, war crimes and major conflicts**.

Why is UNSC Reform Being Demanded?

1. **Changing global realities:** The UNSC's present structure reflects the **1945 power distribution**, while contemporary international politics involves wider and more diverse centres of power.
2. **Conflict-related paralysis:** Vetoes can prevent collective action during serious conflicts, as seen when **Russian and Chinese vetoes restricted UNSC action during the Syrian civil war**.
3. **Humanitarian concerns:** The debate has intensified around situations involving **genocide, crimes against humanity and large-scale war crimes**, where delayed action can create serious humanitarian consequences.
4. **Sovereign equality versus power:** The UN formally promotes **sovereign equality**, but the veto gives five states a special position in decisions affecting international peace and security.
5. **Need for broader reform:** **UNSC reform should address** veto use, permanent membership, new permanent members, non-permanent representation and the Council's overall structure.

Understanding Permanent Membership and Veto Power

1. **Permanent membership:** The **P5 hold permanent seats** on the UNSC, unlike ten non-permanent members elected by the General Assembly for two-year terms.
2. **Purpose of the arrangement:** The system rests on the idea that an international organisation cannot effectively survive if it takes decisions directly against the **fundamental interests of major powers**.
3. **Veto and Charter:** The term "**veto**" is not specifically used in the UN Charter; the power emerged through the arrangements governing Security Council decision-making.
4. **Question of expansion:** Reform also raises whether **new permanent members should receive veto powers**, especially if permanent membership itself is expanded.

The Debate over Abolishing Permanent Membership and Veto

A. Arguments Supporting Abolition

1. **Greater equality:** Abolishing permanent membership could make UNSC decision-making more consistent with the principle of **sovereign equality among UN members**.
2. **Democratic representation:** Removing fixed permanent seats could make the Council more **representative of the wider international community**.

3. **Reduced paralysis:** Removing veto powers could reduce the ability of a single permanent member to **block collective action on major security issues**.
4. **Greater accountability:** Without special veto privileges, major powers would face greater pressure to justify their positions within a **more equal decision-making system**.

B. Arguments Against Abolition

1. **Major-power interests:** Major powers may not accept UNSC decisions that directly affect their **fundamental national interests**, limiting the practical value of abolition.
2. **Political stability:** Removing permanent membership could make the Security Council **less stable and predictable**, as commitments and priorities could change with membership.
3. **Continuity:** Permanent membership provides **continuity in major security decisions**, whereas rotational membership could bring less experienced countries into crucial decision-making.
4. **Charter amendment:** Complete abolition would require **difficult amendments to the UN Charter**, making such structural change challenging.

Alternatives to Complete Abolition

1. Voluntary Restraint on Veto

- **French-Mexican initiative:** Launched in **2015**, it seeks P5 restraint from using vetoes during **genocide, crimes against humanity and large-scale war crimes**.
- **Growing support:** **128 states support the declaration**, with **21 joining in the previous four months**, while the **United Kingdom has joined France** among the P5.

2. Accountability after the Use of Veto

- **Liechtenstein Initiative:** Adopted by the **UNGA in 2022**, it requires the General Assembly to meet within **10 working days after a veto**.
- **Explanation of veto:** The permanent member using the veto must **explain and defend its decision before the UNGA**, keeping the issue open for discussion.

3. Accountability, Coherence and Transparency (ACT) Code of Conduct

- **Responsible voting:** The ACT initiative asks **UNSC members, including non-permanent members**, not to block credible action against genocide, crimes against humanity and war crimes.
- **Focus on mass atrocities:** It seeks responsible voting particularly when Security Council action is designed to **prevent or halt serious international crimes**.

4. Broader UNSC Structural Reform

- **Membership expansion:** Structural reform can consider expanding both **permanent and non-permanent membership** to make the Council more representative.
- **Geographical representation:** Greater representation of different regions can address concerns about the **unequal distribution of decision-making power**.
- **Veto for new members:** Expansion also raises the question of whether **new permanent members should receive the same veto power** as the existing P5.

Key Challenges to Veto Reform

1. **P5 disagreement:** The five permanent members have **different positions on UNSC reform**, and none is proposing to eliminate its existing veto.
2. **National interests:** Permanent members may continue using the veto when they consider their **fundamental national interests** to be involved.
3. **Charter amendment:** Beyond political disagreement, changing the existing veto arrangement requires a **formal amendment to the UN Charter**, making structural reform particularly difficult.
4. **Membership disagreements:** Expanding permanent membership creates difficult questions about **which countries should receive permanent seats**.
5. **Different conflict interpretations:** UN members have different interpretations of conflicts, creating difficulties in applying concepts such as **humanitarian crisis and international law** consistently.
6. **Politicised criteria:** Conditions such as **human rights records, peacekeeping contributions or adherence to international law** could themselves become subjects of political disagreement.

Way Forward

1. **Responsible veto use:** P5 members should promote **restraint in using vetoes**, particularly during genocide, crimes against humanity and large-scale war crimes.
2. **UNGA accountability:** The General Assembly should continue providing a platform where a permanent member must **explain and defend its veto**.
3. **Better representation:** UNSC reform should improve **permanent and non-permanent representation** and address geographical imbalances.
4. **Incremental reform:** Voluntary restraint and accountability mechanisms can be pursued **before attempting difficult Charter-level changes**.
5. **Wider consensus:** Sustainable reform requires greater agreement among the **P5 and other UN members** on the future structure and functioning of the UNSC.

Conclusion

The veto reflects the power structure that shaped the UN in **1945**, but its use can create paralysis during major humanitarian crises. Complete abolition faces political and legal difficulties, while voluntary restraint and greater accountability offer incremental alternatives. **UNSC reform therefore involves balancing sovereign equality, effective collective security, representation and the continuing interests of major powers.**

Question for practice:

Examine whether the permanent membership and veto powers of the UNSC should be abolished or reformed.

Source: [The Hindu](#)

Revisiting India's nuclear doctrine without revising it

Source: The post “**Revisiting India's nuclear doctrine without revising it**” has been created based on “**Revisiting India's nuclear doctrine without revising it**” published in “**The Hindu**” on 26th September 2026.

UPSC Syllabus: GS-2- International Relations

Context: India’s nuclear doctrine, operationalised in **2003**, is based on **credible minimum deterrence, No First Use (NFU), and massive retaliation**. Although the core principles have remained largely unchanged, India’s security environment has undergone significant strategic, technological and geopolitical changes.

Key features of India’s nuclear doctrine

1. India follows a policy of **credible minimum nuclear deterrence**.
2. It maintains a **No First Use (NFU)** posture, while retaining the option of nuclear retaliation following a major biological or chemical attack.
3. The doctrine emphasises **massive retaliation** in response to a nuclear attack.
4. Its implementation has been supported by **survivable second-strike capability**.
5. The doctrine has contributed to **continuity, predictability and strategic stability** for more than two decades.

Reason behind the change in strategic environment

1. **China and Pakistan have moved closer strategically**, creating a more complex security environment for India.
 - a. **China has expanded and modernised its nuclear forces** and strengthened military infrastructure along the **Line of Actual Control (LAC)**.
 - b. **Pakistan has diversified its nuclear capabilities**, including the development of **tactical nuclear weapons**, partly intended to offset India’s conventional advantages.
2. **Emerging technologies** such as artificial intelligence, cyber capabilities, space-based surveillance, hypersonic weapons and ballistic-missile defence are shortening decision-making timelines.
 - a. These technologies have increased the vulnerability of **command-and-control networks** and complicated assumptions about assured retaliation.
3. The **Indo-Pacific has become an area of great-power competition**, while the international system is becoming more multipolar and geopolitical competition is widening.

Need for review without revising the doctrine

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1. India's existing doctrine has provided **continuity, predictability and strategic stability** for more than two decades.
2. A review does not necessarily mean changing the core principles of **credible minimum deterrence, NFU and massive retaliation**.
3. India needs to examine whether its **nuclear capabilities are sufficiently survivable and credible** in the changing technological environment.
4. Greater attention is required to **second-strike capabilities**, so that India retains the ability to retaliate even after an adversary's first strike.
5. India needs to strengthen **command, control and communication systems** to ensure reliable decision-making during a crisis.
6. **Early-warning systems and surveillance capabilities** need to be strengthened to cope with shorter decision-making timelines.
7. India also needs greater **cyber resilience** because cyber vulnerabilities could affect nuclear command-and-control systems.
8. The continuing relevance of existing concepts should be examined in the context of **China's expanding nuclear capabilities and Pakistan's tactical nuclear weapons**.
9. The issue of **massive retaliation** also deserves scrutiny because Pakistan's tactical nuclear weapons could create situations in which India would face difficult response options.
10. At the same time, changing the doctrine itself could create **greater uncertainty and instability**, whereas strengthening supporting capabilities can improve deterrence without altering declared policy.

Way Forward

1. India should **modernise its nuclear delivery systems** and strengthen their survivability.
2. India should improve **command-and-control, early warning, surveillance and cyber-resilience capabilities**.
3. Regular doctrinal reviews should examine the changing **technological, strategic and geopolitical environment**.
4. Nuclear policy should remain aligned with India's broader **diplomatic objectives and strategic autonomy**.
5. India should maintain a balance between **restraint and credible deterrence**, ensuring that its declared policy is backed by adequate capabilities.

Conclusion: India's nuclear doctrine is a **policy instrument, not an immutable doctrine**. Therefore, regular review of its assumptions and supporting capabilities is necessary. **Reviewing the doctrine is not the same as revising it**; India can strengthen credible deterrence and strategic stability while retaining the core principles of its existing nuclear policy.

Question: India's nuclear doctrine has remained largely unchanged for over two decades despite significant changes in the strategic environment. Discuss why India needs to review its nuclear capabilities without necessarily revising its core nuclear doctrine.

Source: [The Hindu](#)

Mines and Minerals (Development and Regulation) Amendment Act, 2026 and States' Opposition to it

Source: The post “**Mines and Minerals (Development and Regulation) Amendment Act, 2026 and States' Opposition to it**” has been created based on “**Mines and Minerals (Development and Regulation) Amendment Act, 2026 and States' Opposition to it**” published in “**Indian Express**” on 26th September 2026.

UPSC Syllabus: GS-3- Economy

Context: Mining is an important source of revenue for several mineral-rich states. The **Mines and Minerals (Development and Regulation) Amendment Act, 2026** seeks to restrict specified state levies on mineral rights and mineral-bearing land and establish greater uniformity in the fiscal burden on mining. The issue has created a debate over **state revenues, mining-sector costs and fiscal federalism**.

Provisions of the new law

1. The law seeks to **restrict states from imposing specified levies on mineral rights and mineral-bearing land**.
2. It seeks to establish a **uniform national framework** for major mineral-related taxation.
3. The law will **extinguish unpaid or unrecovered dues** arising from such levies imposed before it comes into force.
4. The government argues that excessive state-level levies can **increase the cost of key minerals**, thereby increasing inflation and infrastructure costs.
5. The Mines Ministry has stated that around **14 levies in the mineral sector will continue**, but their combined burden should not exceed a certain percentage.
6. The percentage will be decided **after consultation with the states**.

Reasons behind states opposing the law

1. The amendments override key financial aspects of the **Supreme Court's July 25, 2024 ruling**, which upheld states' exclusive power to tax mineral rights and mineral-bearing lands.
 - a. The 2024 judgment had also allowed states to **stagger payment of dues over 12 years from April 1, 2026**, after waiving interest and penalties for the period before July 25, 2024.
2. Mineral-rich states fear a **significant reduction in their own-source revenue**, particularly because mining contributes substantially to their non-tax receipts.
 - a. In 2024-25, mineral and petroleum receipts constituted about **23% of Odisha's revenue receipts, 13% of Jharkhand's and 5% of Chhattisgarh's**, according to the figures cited in the article.
3. Odisha's Opposition has alleged that the law could result in **annual revenue losses of around ₹12,000 crore and arrears of about ₹1 lakh crore**.
4. Jharkhand has also expressed concern because mineral-bearing land cess is an important source of its revenue.
5. States have also raised a broader concern about **fiscal federalism**, as taxation powers are an important component of their financial autonomy.

Centre's rationale

1. The Centre argues that **multiple and excessive levies** can increase the fiscal burden on mining companies.
2. A more predictable taxation framework could provide **greater certainty for mining investment**.
3. The government also argues that controlling the cumulative burden of levies can prevent an excessive increase in the prices of essential minerals.
4. Industry representatives have similarly argued that greater certainty regarding the fiscal burden could help the **mining sector and investment climate**.

Federalism dimension

1. The issue reflects the constitutional balance between **Union regulation of mines and minerals and the financial powers of states**.
2. The Supreme Court's 2024 judgment dealt specifically with the distribution of legislative powers concerning taxation of mineral rights, including **Entry 50 of the State List**.
3. Restricting state levies can affect the **fiscal autonomy of mineral-rich states**.
4. At the same time, excessive and fragmented levies can increase costs for industries and create uncertainty in the mining sector.
5. Therefore, the issue requires a balance between **national economic interests, investment certainty and states' fiscal autonomy**.

Way Forward

1. The Centre should undertake **extensive consultation with mineral-rich states** before determining the overall ceiling on mineral-sector levies.
2. A transparent mechanism should be developed to address the **revenue concerns of affected states**.
3. The framework should maintain a balance between **reasonable taxation and the competitiveness of the mining sector**.
4. Any changes affecting states' taxation powers should be implemented with due regard to the **constitutional scheme of fiscal federalism**.

Conclusion: The mining law represents a conflict between two legitimate objectives: **ensuring a predictable and cost-efficient mining regime and protecting the revenue autonomy of states**. A cooperative approach involving the Centre, states and the mining sector can help reconcile these objectives while strengthening India's federal fiscal framework.

Question: The Mines and Minerals (Development and Regulation) Amendment Act, 2026, has triggered concerns among mineral-rich states. Discuss the provisions of the law, reasons for opposition by states and its implications for Indian federalism.

Source: [Indian Express](#)

The case for accountable lottery regulation in India

UPSC Syllabus: Gs Paper 2- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Introduction

Lotteries occupy a difficult space between individual choice, social harm and public revenue. While they can disproportionately affect poorer households and encourage compulsive gambling, outright prohibition may shift persistent demand towards illegal operators, causing revenue loss, enforcement burdens and weaker consumer protection. India therefore faces a policy choice between prohibition and accountable regulation. The issue requires balancing consumer safeguards, State taxation and regulatory powers, legitimate livelihoods, federal autonomy and transparent use of lottery revenues.

Status and Legal Framework of Lotteries in India

1. **Limited State Participation:** A March 2023 Lok Sabha reply identified only nine States operating lotteries—Arunachal Pradesh, Goa, Kerala, Maharashtra, Mizoram, Nagaland, Punjab, Sikkim and West Bengal.
2. **Union Legislative Authority:** Entry 40 of the Union List gives Parliament legislative competence over lotteries organised by the Government of India or a State.
3. **State Taxation Power:** Entry 62 of the State List empowers States to levy taxes on betting and gambling, including gambling taxes applicable to lotteries.
4. **Regulatory Framework:** The Lotteries (Regulation) Act, 1998 allows States to organise lotteries subject to Section 4 conditions, while Sections 5 and 6 provide powers to prohibit non-compliant lotteries.
5. **Constitutional Position:** The Supreme Court treats gambling, including State-organised lotteries, as *res extra commercium*, placing it outside the protections of Articles 19(1)(g) and 301.
6. **Inter-State Restriction:** Section 5 of the Lotteries (Regulation) Act, 1998 empowers a State to prohibit lotteries organised by other States, subject to the interpretation given by the Supreme Court in *B.R. Enterprises v. State of U.P. (1999)*.
7. **Taxation Clarity:** The Supreme Court held that lottery transactions are not subject to Central service tax, while States retain their taxation power under Entry 62, reducing uncertainty over Centre–State taxing powers.

Why Prohibition is Not a Sustainable Solution

1. **Persistent Demand:** Prohibition cannot automatically remove demand for lotteries, creating a gap between legal restrictions and actual consumer behaviour.
2. **Black-Market Expansion:** Bans can shift players towards smuggled tickets, matka, satta and offshore portals, where audits, age checks and fraud protection are weaker.
3. **Revenue Loss:** Prohibition can reduce lottery surplus and GST revenue while increasing enforcement costs for governments.
4. **Livelihood Disruption:** Legitimate lottery vendors, including poor and disabled persons, can lose income when legal lottery sales are replaced by underground markets.

5. **International Evidence:** Nearly four-fifths of countries permit lotteries, while regulated systems commonly direct lottery surpluses towards education, health, welfare, sports or infrastructure.
6. **Choice with Safeguards:** Like regulated financial markets, lotteries can preserve adult choice while using disclosure, regulation and penalties for fraud, with stronger safeguards for games of chance.

Key Challenges in Accountable Lottery Regulation

1. **Regressive Financial Impact:** Lotteries can disproportionately affect poorer households by encouraging them to spend scarce income on highly uncertain rewards.
2. **Compulsive Behaviour:** Rapid draws, instant games, large jackpots and loss-chasing can encourage compulsive play and distort perceptions of risk.
3. **Weak Consumer Protection:** Credit sales, opaque odds and manipulative advertising can increase financial harm and reduce informed decision-making.
4. **Illegal-Operator Risks:** Underground operators may use cash agents and mule accounts, without secure prize funds, proper audits or effective remedies against fraud.
5. **Federal Regulatory Conflict:** States directly control their own lotteries but have less control over lotteries from other States operating within their territory.
6. **All-or-Nothing Constraint:** The Supreme Court, in *B.R. Enterprises v. State of U.P. (1999)*, held that a State can ban lotteries from other States only if it also stops organising its own lottery, creating an all-or-nothing rule.

Reforming the Regulatory Framework

1. **Allow States to Ban Outside Lotteries:** Parliament should amend Section 5 of the Lotteries (Regulation) Act, 1998 to allow a State to prohibit lotteries organised by other States even if it continues to operate its own lottery.
2. **Ensure Uniform Treatment:** A destination State should either admit all outside lotteries or exclude all of them, preventing selective discrimination among States.
3. **Enable Common Lotteries:** A proposed Section 4A in the Lotteries (Regulation) Act, 1998 could allow two or more States to jointly establish a lottery through an agreement, pooling players, prizes, technology and operating costs.
4. **Strengthen Consumer Safeguards:** Regulation should address age restrictions, transparent odds, advertising practices, secure prize funds and fraud protection.
5. **Prefer Direct Operation:** Section 4 of the Lotteries (Regulation) Act, 1998 permits direct State sales, while departmental operation can improve transparency and reduce excessive dependence on marketing intermediaries.

6. **Protect Local Livelihoods:** Retail distribution can involve small vendors, persons with disabilities, women's self-help groups and cooperatives, widening legitimate livelihood opportunities.
7. **Maintain Tax Certainty:** Clear allocation of taxation powers between Centre and States can reduce disputes and give lottery operators more predictable compliance requirements.

Lessons from International and Indian Models

1. **Public-Operator Model:** Nearly 70% of lottery jurisdictions use government bodies, statutory authorities or State-owned companies to operate lotteries, while private firms may provide retail or technology services.
2. **Concession Model:** Some systems allow the State to retain regulatory control while granting operating rights to a private concessionaire.
3. **Federal Cooperation:** The U.S., Canada, Australia and Germany use jurisdiction-based systems where States or provinces retain autonomy while cooperative lotteries pool players and prizes.
4. **Destination-State Consent:** Cross-border lottery sales generally require the destination jurisdiction's consent or participation in a cooperative arrangement.
5. **Kerala's Public Model:** Kerala earned ₹2,883.80 crore in FY 2023-24, including ₹1,129.71 crore lottery surplus and ₹1,754.09 crore State GST, while using lottery surpluses for health and welfare.
6. **Broader Regulatory Lesson:** India can combine State autonomy, public operation, consumer safeguards and transparent revenue use instead of relying only on prohibition.

Conclusion

India needs a lottery framework that combines **social protection with accountable regulation**, rather than relying only on prohibition. Clearer Centre–State taxation rules, stronger consumer safeguards, regulated inter-State cooperation and transparent public operation can reduce illegal-market risks while protecting legitimate livelihoods and State revenue. A balanced framework should therefore focus on **responsible participation, regulatory accountability and transparent public benefit**.

Question for practice:

Discuss the social, economic, legal and regulatory dimensions of lottery regulation in India and suggest measures to strengthen its accountability.

Source: [The Hindu](#)

Don't Export Tomorrow's Wheat Surplus Today

UPSC Syllabus: Gs Paper 3- issues of buffer stocks and food security

Introduction

India has a strong wheat stock position and renewed export opportunities after easing restrictions. However, the current surplus comes from the harvested crop, while the next crop is yet to be sown and faces rainfall deficits, water stress, El Niño and heat risks. At the same time, global disruptions and rising prices are creating demand for Indian wheat. The core issue is whether India should export today's surplus before knowing the size of tomorrow's harvest with confidence.

Current Wheat Surplus and Export Opportunity

1. **High central stocks:** Central Pool wheat stocks reached **57.8 MMT**, including 22 MMT carry-forward stocks and 35.8 MMT fresh procurement during 2026-27.
2. **Procurement has strengthened:** Wheat procurement rose to **35.76 MMT**, compared with about 30 MMT last year, improving current domestic availability.
3. **Stocks exceed food-security needs:** The government requires about **21 MMT** for welfare schemes and another **7.5 MMT** as buffer stock, leaving substantial stocks above these needs.
4. **Exports have been reopened:** India moved from restricted wheat exports to a more open regime after allowing **2.5 MMT each in February and April**.
5. **Export parity has improved:** Rising international prices have made Indian wheat competitive in Bangladesh, with delivered prices of about **\$305–326 per tonne**.
6. **Domestic prices remain manageable:** Delhi wholesale wheat prices increased only **1.7% in the past month**, while Open Market Sales can help control lean-season price pressure.
7. **Current surplus needs distinction:** A large buffer stock reflects present availability, but it does not guarantee that the next harvest will create another exportable surplus.

Climate and Production Risks to the Next Wheat Crop

1. **Rainfall deficit is widespread:** The monsoon is around **15% below normal**, creating different levels of water stress across major wheat-producing regions.
2. **Punjab and Haryana face groundwater pressure:** Large rainfall deficits may be managed through irrigation, but greater groundwater use can increase aquifer stress and state power-subsidy costs.
3. **Rajasthan faces sharper water stress:** Rajasthan has about **25% lower rainfall** and reservoir storage around **31% below normal**, reducing its water cushion before rabi sowing.
4. **Bihar faces pre-sowing concerns:** Bihar has received around **35% less rainfall**, raising concerns about soil moisture before sowing and groundwater recharge.
5. **El Niño increases uncertainty:** NOAA expects **El Niño to continue through January–March 2027**, while climate projections indicate higher chances of below-normal rainfall and above-normal temperatures.
6. **Warm winter can reduce yields:** Early temperature increases during **March grain filling** can shorten the crop's effective winter period and reduce wheat yields.

7. **Production risk remains uncertain:** These conditions do not indicate crop failure, but they reduce the margin available to absorb an adverse weather shock.

Implications for India's Food and Cereal Security

1. **Rice cannot provide a full cushion:** Rice prices are already **7-8% higher**, while kharif rice acreage has declined by nearly **17 lakh hectares**, limiting its ability to absorb a wheat shock.
2. **Water stress affects the cereal basket:** Weak reservoirs and an unfavourable weather outlook could constrain rabi and summer rice recovery, increasing pressure on overall cereal availability.
3. **Domestic welfare needs remain large:** The government needs about **21 MMT of wheat** for the Public Distribution System and other welfare schemes, apart from the 7.5 MMT buffer requirement.
4. **Open Market Sales can manage domestic supply:** The government can sell excess wheat through the **Open Market Sales Scheme** to maintain availability and control prices during the lean period.

Global Demand and Lessons from Past Export Restrictions

1. **Black Sea disruptions support demand:** Continued disruption in Russia-Ukraine grain trade has pushed importing countries towards alternative suppliers, increasing opportunities for Indian wheat.
2. **Bangladesh is a major nearby market:** Bangladesh imports more than **7 MMT of wheat annually**, and India supplied nearly **70%** of its purchases before the 2022 export ban.
3. **Regional purchases have resumed:** Bangladesh has booked over **200,000 tonnes**, while Sri Lankan importers recently purchased around **60,000 tonnes** from India.
4. **Indian exports may expand:** USDA's Foreign Agricultural Service expects Indian wheat exports to rise to around **2 MMT in 2026-27**, more than four times the previous level.
5. **Global prices have improved competitiveness:** Chicago wheat futures rose by more than **14% in one month**, helping Indian wheat achieve export parity, especially with Bangladesh.
6. **2022 showed production uncertainty:** Wheat production estimates were cut from **111.3 MMT to 106.4 MMT** after an unusually hot March, forcing India to prohibit exports soon after promoting them.
7. **Sugar shows how surplus can reverse:** The government first expanded sugar exports expecting comfortable availability, but weaker production later led India to allow **duty-free imports of 1 MMT of raw sugar** in August 2026.
8. **Policy reversals hurt reliability:** Abrupt changes from export promotion to restrictions can weaken India's credibility as a dependable agricultural supplier, as seen in wheat and sugar.

Way Forward

1. **Keep exports calibrated:** India should maintain an adjustable export window instead of committing the entire present surplus to overseas markets.

2. **Link exports with crop assessment:** Export quantities should be reviewed as **sowing, rainfall, reservoir levels, crop conditions and production estimates** become clearer.
3. **Protect domestic food requirements:** Export decisions must account for welfare schemes, buffer stocks and adequate domestic market supply.
4. **Use the regional market opportunity:** India can expand supplies to neighbouring import-dependent markets when global prices provide viable export parity.
5. **Increase exports after harvest clarity:** If the next wheat crop is strong, India can raise exports later without risking domestic availability.
6. **Preserve policy flexibility:** Since wheat exported today cannot be recovered after a poor harvest, India should retain the ability to respond to changing production conditions.

Conclusion

India has enough wheat to support calibrated exports, but current stocks cannot guarantee next season's surplus. Weather risks, pressure on the wider cereal basket and past export reversals require flexibility. India should **protect domestic food security while keeping exports open. Shipments should expand only after the next harvest confirms a durable surplus and supply outlook.**

Question for practice:

Discuss the challenges and considerations involved in India's decision to export wheat amid uncertainties over the next harvest.

Source: [Indian Express](#)

Prioritise insurance distribution reforms

Source: The post "**Prioritise insurance distribution reforms**" has been created based on "**Prioritise insurance distribution reforms**" published in "**Business Line**" on 28th September 2026.

UPSC Syllabus: GS-3- Indian Economy

Context: IRDAI released a **consultation paper on distribution reforms on September 23**, acknowledging that the 2023 reforms had not fully achieved their objectives of improving customer benefits and insurance penetration. The proposed reforms focus on **commission structures, underserved markets, expense classification and customer-oriented conduct.**

Key Issues in Insurance Distribution

1. The existing distribution system tends to favour **urban and salaried customers**, while underserved rural and small-town markets receive less attention.
2. Commission payouts vary significantly across distribution channels, with **brokers and corporate agents receiving substantially higher commissions** than individual agents.
3. Despite the growth in premium volumes, there has not been a corresponding increase in the **number of insured lives.**

4. The existing remuneration system gives limited financial recognition to **customer retention, quality of advice, servicing and favourable claim experience**.
5. Raising the minimum educational qualification for new agents from **Class 10 to Class 12** could reduce the availability of agents in rural areas.
6. The existing system can also encourage **short-term acquisition, mis-selling, dark patterns and compulsory product bundling**.

Proposed Reforms

1. IRDAI proposes **hard, all-inclusive commission caps** after finding that the 2023 system of board-approved commission policies had not achieved its intended objectives.
2. The proposed framework recognises that **agents tied to one insurer should receive higher remuneration** than multi-tied distributors because of their greater role in solicitation.
3. Additional commission incentives are proposed for **rural and small-town insurance business** to expand coverage in underserved markets.
4. The article proposes an additional **10% incentive for first-time life insurance policyholders**, which could help increase the number of insured lives.
5. The **Public Insurance Registry (PIR)** could be used to identify first-time policyholders once it becomes operational, while proposal forms and IIB records could be used in the interim.
6. Genuine social-security benefits such as **gratuity, group term life and health cover** should be kept outside direct commission caps.
7. Expenses related to **long service, sustained performance, persistency, premium collection, local servicing and agency development** should be treated as operating expenses where appropriate.
8. Instead of raising the educational qualification alone, the quality of agents could be improved through **better training and higher qualifying standards**.

Improving Customer-Centricity

1. The remuneration system should reward **long-term customer service, persistence, retention and quality of advice**, rather than focusing mainly on new-policy acquisition.
2. Commissions can be linked to **effort and complexity**, while higher renewal commissions can encourage long-term policy persistency.
3. Measures to curb **mis-selling, dark patterns and compulsory product bundling** can strengthen customer protection.
4. Better distribution practices can help achieve **lower net costs, greater transparency and improved post-sales service**.

Way Forward

1. Insurance distribution reforms should balance **lower acquisition costs with the sustainability of the individual-agent network**.
2. Greater focus should be placed on **rural, small-town and first-time insurance customers** to bridge the protection gap.
3. Commission structures should encourage **good conduct and long-term customer relationships** rather than short-term sales.
4. The regulatory framework should be refined **gradually and thoughtfully** while keeping customer value at its centre.

Conclusion: India's insurance sector needs to move beyond growth in premium volumes towards **wider coverage and more insured lives**. A balanced distribution framework that promotes **affordability, wider access, good conduct and customer value** can contribute to the goal of **"Insurance for All by 2047."**

Question: Insurance penetration in India remains inadequate despite growth in premium volumes. Discuss the key issues in insurance distribution and the reforms proposed to make the sector more inclusive and customer-centric.

Source: [Business Line](#)

Should voting be a fundamental right?

Source: The post "Should voting be a fundamental right?" has been created based on "Should voting be a fundamental right?" published in "The Hindu" on 28th September 2026.

UPSC Syllabus: GS-3- Indian Economy

Context: A recent controversy has renewed attention to the right to vote and electoral-roll integrity, following reported differences within the Election Commission over electoral procedures and voter additions/deletions.

About Universal Adult Suffrage in India

1. The right to vote is the foundation of representative democracy as it enables citizens to participate in choosing their government.
2. India adopted **universal adult suffrage** from the outset, thereby ensuring democratic equality irrespective of gender, caste, religion, education or property.
3. **Article 326 of the Constitution** provides for elections on the basis of adult suffrage.
4. The inclusive nature of Indian democracy ensured that citizens could participate in elections irrespective of their **gender, caste, religion, education or property**.
5. **Sukumar Sen**, the first Chief Election Commissioner, introduced election symbols to make elections accessible to a largely illiterate electorate.
6. The **Representation of the People Act, 1950** governs the preparation and revision of electoral rolls, while the **Representation of the People Act, 1951** regulates election conduct, candidature and electoral offences.
7. The Supreme Court, beginning with **Kesavananda Bharati v. State of Kerala (1973)**, recognised democracy as part of the **basic structure of the Constitution**.

Constitutional and legal status of the right to vote

1. **Constitutional basis:** Article 326 provides for elections on the basis of adult suffrage. Articles 325 and 326 together provide the constitutional framework governing electoral participation.
2. **Not a Fundamental Right:** The Constituent Assembly had considered placing the right to vote among Fundamental Rights, but the proposal was ultimately rejected.
3. **Statutory right:** In **Kuldip Nayar v. Union of India (2006)**, a Constitution Bench held that the 'right to elect' is a **statutory right under Section 62 of the Representation of the People Act, 1951**, and is neither a Fundamental nor a Constitutional Right.

4. **Judicial debate:** Although the larger Bench position in *Kuldip Nayar* continues to prevail, Justice Ajay Rastogi's dissent in **Anoop Baranwal v. Union of India (2023)** viewed the right to vote as connected with Article 19(1)(a) and reflecting the essence of Article 21.
5. **Democratic significance:** Despite its statutory status, courts have regarded voting as an **inseparable part of democracy** because it enables citizens to shape governance.

Importance of accurate electoral rolls

1. **Protects 'one person, one vote':** Errors such as wrongful deletions, duplicate entries and inclusion of ineligible persons can lead to impersonation, disenfranchisement and dilution of legitimate votes.
2. **Ensures electoral integrity:** Section 21 of the RPA, 1950 empowers the Election Commission to prepare and revise electoral rolls, while Article 324 gives it the responsibility of superintendence, direction and control of elections.
3. **Ensures inclusion:** Section 19 of the RPA, 1950 provides for registration of citizens aged 18 years or above who are ordinarily resident in a constituency and not otherwise disqualified.
4. **Prevents systemic exclusion:** The reported Goa episode, where **97 eligible voters were reportedly excluded** due to limitations in the ECINet software, highlights the importance of effective correction mechanisms and administrative accountability.
5. **Requires institutional safeguards:** The 2023 law provides for the functioning of the Election Commission, including provisions concerning its decision-making and allocation of business. Where Commissioners differ, matters are decided by majority.

Way Forward

1. The debate over elevating the right to vote from a statutory to a Fundamental Right needs careful constitutional consideration.
2. Electoral systems should provide **effective mechanisms to correct wrongful deletions** and prevent technological systems from becoming barriers to voter participation.
3. Greater transparency and accountability in electoral administration are necessary as technology increasingly mediates the relationship between the voter and the ballot.

Conclusion: Universal adult suffrage gave India an inclusive democratic foundation. However, democracy becomes meaningful only when every eligible citizen can actually exercise the right to participate. Therefore, **accurate electoral rolls, accountable electoral administration and effective safeguards against wrongful exclusion** are essential for preserving electoral integrity and democratic participation.

Question: Discuss the constitutional and legal status of the 'right to vote' in India. Why is the accuracy of electoral rolls crucial for strengthening democracy?

Source: [The Hindu](#)

Kashmir as India's Gateway to Eurasian Opportunity

UPSC Syllabus: Gs Paper 3- Indian Economy and issues relating to planning, mobilisation of resources, growth, development and employment.

Introduction

India's large youth population offers a major demographic opportunity, but this advantage depends on education, skills, employment and meaningful opportunities for young citizens. Jammu and Kashmir faces the same youth aspirations, alongside conflict, political uncertainty and economic isolation. Its natural resources, skilled traditions, strategic location and historical links with Central Asia create scope for wider economic integration. Reimagining Kashmir as a gateway to Eurasia can connect local talent, trade and enterprise with wider Indian and regional markets.

From Demographic Potential to Economic Opportunity

1. **Demographic dividend requires employment:** India's youthful population becomes an economic advantage only when young citizens receive education, skills, gainful employment and meaningful opportunities.
2. **India's demographic window:** Unlike China, where decades of low fertility have accelerated ageing, India has a large population entering the workforce.
3. **Aspiration–reality gap:** Smartphones have expanded young Indians' awareness of global lifestyles, education, work and travel, while tangible opportunities remain limited.
4. **Education–employment mismatch:** Higher education has expanded, but meaningful employment has not kept pace, making degrees less reliable pathways to financial security.
5. **Youth frustration:** Rising aspirations combined with limited opportunities can produce protests around recruitment, unemployment, examination irregularities and test-paper leaks.
6. **Infrastructure requirement:** India must create economic opportunities and infrastructure needed to convert its large youth population into productive human capital.
7. **Time-bound demographic window:** Demographic advantage is not permanent, making timely expansion of employment and productive opportunities essential for the next generation.

Kashmir's Youth and Untapped Economic Potential

1. **Shared youth aspirations:** Kashmiri youth seek **economic independence, dignity, opportunity and a secure future**, similar to young people elsewhere in India.
2. **Historical constraints and perception:** Conflict, political uncertainty and economic isolation have restricted youth opportunities, while a security-centric view has limited recognition of their potential.
3. **Natural resource base:** Jammu and Kashmir has substantial **hydroelectric potential, mineral resources and tourism assets**, creating several foundations for economic activity.
4. **Geographical significance:** Kashmir's location gives it strategic importance beyond its natural resources, creating scope for stronger links between South Asia, Central Asia and wider Eurasia.
5. **Existing economic strengths:** Agriculture, horticulture, craftsmanship, hospitality and tourism provide an established base that can support newer forms of economic activity.

6. **Changing value creation:** Research, design, digital services, creative work and specialised skills are becoming more important as modern economies generate value beyond physical production.
7. **Local talent opportunity:** Knowledge and digital work can allow people in Kashmir to serve customers, organisations and audiences outside the region.

Kashmir's Historical Role as a Eurasian Crossroads

1. **Historic crossroads:** Kashmir historically connected the Indian subcontinent with **Central Asia, Tibet and wider Eurasia** through important caravan routes.
2. **Connectivity beyond commerce:** These routes carried people, ideas, philosophies, literature, cultures and skills, showing that connectivity can build broader economic and social ecosystems.
3. **Craft traditions:** The arrival of **Shah-i-Hamadan** is traditionally associated with Persian and Central Asian craftsmen who enriched Kashmir's celebrated handicraft traditions.
4. **Historical role as a bridge:** India can gradually restore Jammu and Kashmir and Ladakh's historical role as a bridge between South Asia, Central Asia and the wider Eurasian region.
5. **Changing strategic approach:** Connectivity planning needs to look beyond the immediate constraints created by the Line of Control and Line of Actual Control.
6. **Historical lesson:** Kashmir's past shows that connectivity can create economic ecosystems by linking the movement of goods with people, ideas, skills, culture and knowledge.

Reimagining Kashmir as India's Gateway to Eurasia

1. **Gateway to Central Asia:** Jammu and Kashmir and Ladakh can potentially serve as India's northern economic gateway, improving access to Central Asian markets and attracting trade, investment and tourism.
2. **Reviving trade corridors:** Historically important routes can be gradually developed into modern economic corridors where political, diplomatic and security conditions are favourable.
3. **Employment across sectors:** Land corridors can create opportunities in construction, transport, warehousing, hospitality, manufacturing, agriculture, logistics, finance, technology and services.
4. **Wider geographical impact:** Unlike air connectivity, whose benefits often concentrate around limited nodes, land corridors can spread economic activity across wider routes.
5. **Wider market access:** Digital connectivity can allow Kashmir's professionals, creators and enterprises to reach customers and audiences beyond the region.
6. **Creative economy:** Crafts, design, art, food, culture and heritage can be documented, developed and presented through digital media for wider audiences.
7. **Technology and entrepreneurship:** AI, digital commerce, innovation, semiconductor and chip-design initiatives in India show how technology and enterprise can create new products and services.

8. **Knowledge economy institutions:** Universities, businesses, innovation centres, research facilities, finance and workspaces can help local ideas move towards practical use.

Way Forward

1. **Parallel roadmaps:** India needs an **infrastructure roadmap and diplomatic roadmap together**, because cross-border connectivity depends on physical links and sustained engagement.
2. **Engagement with Pakistan:** Where feasible, India can explore confidence-building measures and trade connectivity while recognising the political and security conditions surrounding such routes.
3. **Dialogue with China:** India can pursue practical dialogue on trans-Himalayan connectivity where economic interests and security concerns can be reconciled.
4. **Pilot corridors:** Instead of opening every route at once, India should begin with selected corridors where security and diplomatic conditions are most conducive.
5. **Progressive expansion:** Successful pilot corridors can be expanded gradually on the basis of practical experience and changing conditions.
6. **Regulated connectivity:** Security need not automatically oppose connectivity; properly regulated links can increase economic interdependence and potentially strengthen incentives for stability.
7. **Regional economic benefits:** Improved connectivity can bring investment, tourism and commerce to Jammu and Kashmir and Ladakh while giving Indian businesses greater access to Central Asian markets.
8. **Enabling ecosystem:** Skills, research, finance, guidance, digital infrastructure and market access can help local talent build knowledge-based, creative and technology enterprises.

Conclusion

Kashmir can turn its historic location into a modern economic advantage by combining connectivity, diplomacy, skills and technology. Wider links with Eurasian markets can expand trade, investment and employment, while digital and knowledge-based activities can connect local talent with distant markets. Building on existing strengths can create new opportunities for youth and strengthen Kashmir's role in India's wider Eurasian economic engagement.

Question for practice:

Discuss how Kashmir can emerge as India's gateway to Eurasian economic opportunities through connectivity, youth potential and regional integration.

Source: [The Hindu](#)

The paradox of de-Sinification in global production

UPSC Syllabus: Gs Paper 2- Constitution of India

Introduction

Global production is being reshaped by geopolitical tensions, tariffs and national-security concerns, but the change goes beyond shifting factories. Firms must also examine the suppliers, technologies, skills and relationships embedded deep within production networks. This creates the paradox of de-Sinification: foreign firms seek to reduce dependence on China, while Chinese firms expanding overseas seek to carry or recreate the ecosystem supporting their competitiveness. Thus, changing factory locations is easier than changing the industrial networks that sustain production.

De-Sinification and Its Paradox

1. **Meaning of de-Sinification:** De-Sinification means reducing or eliminating dependence on China for suppliers, technology, production capabilities and deeper supply-chain connections.
2. **Foreign firms' challenge:** Companies reducing Chinese exposure must disentangle themselves from suppliers and capabilities deeply integrated into their existing production networks.
3. **Chinese firms' reverse challenge:** Chinese companies expanding overseas must decide which domestic suppliers and capabilities can travel with them and which must be recreated locally.
4. **Industrial competitiveness:** Firms such as **BYD and Xpeng** depend partly on dense Chinese networks of component makers, engineering capabilities and production relationships.
5. **Choice of localisation:** Overseas expansion can involve taking existing suppliers, developing local suppliers, or combining both approaches, creating different costs and levels of localisation.
6. **Moving target:** China is reducing its own dependence on foreign technology, even as foreign firms try to reduce their dependence on Chinese production capabilities.
7. **CXMT's semiconductor progress:** CXMT is the world's fourth-largest DRAM producer, while still trailing advanced-memory leaders and remaining dependent on foreign chipmaking equipment. **DRAM means Dynamic Random-Access Memory.**

Why Industrial Ecosystems Are Difficult to Move

1. **Beyond identifiable suppliers:** Industrial ecosystems include specialised skills, tooling, production knowledge, logistics networks and long-term relationships between firms.
2. **Accumulated capabilities:** Supplier responsiveness to changing designs and production volumes develops through repeated interaction, making such capabilities difficult to reproduce quickly elsewhere.
3. **Factory relocation gap:** Moving a factory abroad does not automatically transfer the surrounding capabilities and relationships that previously supported efficient production.
4. **Supplier replacement gap:** Replacing one Chinese supplier may reduce direct dependence but does not necessarily remove dependence on the wider Chinese production system.

5. **Ecosystem portability:** Chinese firms therefore face a choice between carrying established networks abroad and gradually building equivalent local capabilities.

Three Emerging Responses to Supply-Chain Restructuring

1. **Diversification:** Firms are spreading production across countries while retaining some Chinese capacity, thereby reducing concentration without fully abandoning China.
2. **Japanese manufacturing diversification:** Japanese electronic-component makers such as **TDK and Murata** are expanding manufacturing in India while retaining significant production in China, showing a **China-plus-one** approach rather than complete relocation.
3. **Local supplier development:** BYD is developing relationships with European suppliers alongside manufacturing capacity in Hungary, linking overseas production with greater regional sourcing.
4. **Partner-based assembly:** Xpeng has chosen local assembly through Magna in Austria, showing how firms can enter overseas markets without immediately recreating the entire production ecosystem.
5. **Host-country localisation:** European policy increasingly seeks jobs, suppliers and industrial capabilities from foreign investment, including proposed “**Made in EU**” provisions under the Industrial Accelerator Act.
6. **Security-led de-Sinification:** SpaceX’s reported approach seeks zero Chinese exposure by examining suppliers, personnel, equipment and internal systems beyond the country of final production.

The Growing Tension Between Efficiency, Resilience and National Security

1. **Efficiency-resilience trade-off:** China’s supplier depth, scale, skills and manufacturing capabilities remain commercially attractive even as geopolitical risks encourage firms to diversify.
2. **Limits of China-plus-one:** Diversification can reduce concentration risk but does not automatically create durable alternative production networks or determine how much production should move.
3. **Security-driven restructuring:** National security can become more important than commercial efficiency when firms seek to eliminate Chinese connections throughout deeper supply-chain layers.
4. **Verification burden:** Monitoring suppliers and sub-suppliers across several countries increases costs as firms attempt to verify that Chinese exposure has been removed.
5. **Limits of certainty:** Deeper scrutiny can reduce exposure but cannot guarantee that every Chinese connection has been eliminated from international networks.
6. **Rising separation costs:** As firms and governments push efficiency and security further apart, supply-chain separation can become more costly and uncertain.

India’s Opportunity

1. **Manufacturing opening:** Global production restructuring is creating opportunities for India to receive parts of production ecosystems previously concentrated in China.
2. **Domestic supplier capacity:** India needs suppliers that can meet demanding cost, quality and delivery standards if foreign investment is to create deeper industrial linkages.
3. **Supporting infrastructure:** Reliable logistics, skilled workers and access to critical inputs are necessary to convert individual factories into stronger domestic production networks.
4. **Deeper local linkages:** New investments should progressively connect with Indian firms and bring specialised capabilities and intermediate production into the domestic economy.
5. **Capability accumulation:** India's opportunity lies in converting incoming factories into a broader industrial ecosystem rather than simply increasing the number of assembly plants.
6. **Value of Chinese investment:** Chinese investment should also be assessed by the local supplier networks and capabilities it develops, supporting India's own industrial ecosystem.

Conclusion

The future of global production will depend not only on where factories are located, but also on where suppliers, skills and industrial capabilities are built. India can benefit by converting incoming investment into deeper domestic supply networks. At the same time, firms and governments must balance efficiency, resilience and national security, as deeper separation from China can increase costs, complexity and uncertainty.

Question for practice:

Examine the paradox of de-Sinification in global production and its implications for India.

Source: [The Hindu](#)

Nepal's flash floods: How can communities rebuild after a disaster?

Source: The post "Nepal's flash floods: How can communities rebuild after a disaster?" has been created based on "Nepal's flash floods: How can communities rebuild after a disaster?" published in "The Hindu" on 29th September 2026.

UPSC Syllabus: GS-3- Indian Economy

Context: The recent flash floods in **Nepal's Rasuwa, Nuwakot and Dhading districts** destroyed towns, roads, bridges and communication networks. The disaster highlights the need to move beyond immediate rescue and relief towards **decentralised, participatory and rights-based disaster governance**.

Challenges

1. **Disaster viewed only as a natural event:** Disasters are often treated as sudden natural occurrences, ignoring the role of **long-term vulnerabilities, risks and governance failures**.
2. **Weak long-term recovery:** Governments often respond rapidly during emergencies but face difficulties in sustaining commitment to **rehabilitation, reconstruction and long-term recovery**.

3. **Centralised approach:** Excessive reliance on central authorities and security forces can undermine the role of **local governments and community organisations**, which understand local conditions better.
4. **Limited community participation:** Affected communities may have a **voice** in relief and reconstruction decisions but often lack the institutional power or resources—the necessary **‘teeth’—to influence outcomes**.
5. **Inadequate local resources:** Local disaster-management bodies may lack adequate **human, financial and physical resources**, such as ambulances, hospitals and relief shelters.
6. **Governance-related vulnerabilities:** Decisions regarding the construction and licensing of **hydropower projects, roads and other critical infrastructure** in vulnerable areas can increase disaster risks.
7. **Community priorities overlooked:** Reconstruction often focuses mainly on physical infrastructure without adequately considering **community choices regarding resettlement and recovery**.
8. **Climate and transboundary risks:** Climate change is increasing the importance of disaster preparedness, while disasters along the **Nepal–India border** require cooperation beyond national boundaries.

Way Forward

1. **Decentralise disaster governance:** Empower local governments with adequate **funds, personnel, equipment and decision-making authority**.
2. **Adopt a community-led approach:** Involve ward officials, elected representatives, NGOs and community-based organisations in **relief, reconstruction and resettlement**.
3. **Strengthen accountability:** Ensure **transparency, fairness and responsiveness** in rescue, relief distribution and reconstruction.
4. **Follow a rights-based approach:** Protect the rights of affected communities and ensure that they have both **voice and institutional capacity (‘teeth’)** to influence decisions.
5. **Risk-sensitive development:** Assess disaster risks before approving infrastructure projects, particularly in **riverine and other vulnerable areas**.
6. **Build local resilience:** Strengthen local emergency infrastructure, including **hospitals, ambulances, shelters and communication systems**.
7. **Promote interdisciplinary planning:** Integrate **climate change, social vulnerabilities, governance and physical hazards** into disaster-management planning.
8. **Enhance transboundary cooperation:** Nepal and India should cooperate on **early warning, disaster preparedness and response** in areas affected by cross-border risks.

Conclusion: The Nepal floods demonstrate that effective disaster management requires more than emergency rescue. A **decentralised, accountable and community-led approach**, supported by adequate resources and risk-sensitive development, can strengthen long-term resilience and reduce future disaster vulnerability.

Question: Disasters are not merely natural events but also result from vulnerabilities and governance failures. Discuss the challenges and way forward in disaster management with reference to Nepal’s recent flash floods.

Source: [The Hindu](#)

Tackling Rare Diseases in India

Source: The post “Tackling Rare Diseases in India” has been created based on “Tackling Rare Diseases in India” published in “The Hindu” on 29th September 2026.

UPSC Syllabus: GS-3- Indian Economy

Context: Rare diseases individually affect a small number of people, but collectively affect **hundreds of millions worldwide**. India has reported **1,004 rare genetic disorders**. The small market size has historically discouraged pharmaceutical companies from developing such medicines, leading to the term “**orphan drugs**.”

About Rare Disease

1. The World Health Organization (WHO) defines rare diseases as debilitating, lifelong conditions that affect one or fewer persons per 1,000.
2. Some commonly recognised rare diseases include **Haemophilia, Pompe disease, Thalassemia, Sickle-cell Anaemia, and Gaucher's disease**.

Status of Rare Disease in India

1. In India, rare diseases are categorised into three groups based on the nature and complexity of available treatment options.
 - a. **Group 1** includes diseases that can be treated with a one-time curative procedure.
 - b. **Group 2** diseases require long-term or lifelong treatment which are relatively less costly and have shown documented benefits, but patients need regular check-ups.
 - c. **Group 3 diseases** are those for which effective treatments are available, but they are expensive and must often continue lifelong. There are challenges in selecting the right beneficiaries for these treatments.
2. It is estimated that **around 6%–8% of India's population lives with a rare disease**, translating to approximately 8.4 - 10 crore people.
3. Currently, **63 rare diseases are included under the National Policy for Rare Diseases**, which was recommended by the Central Technical Committee for Rare Diseases (CTCRD).
4. **Therapies are available for less than 5% of rare diseases**, leading to less than 1 in 10 patients receiving disease-specific care.
5. **Many medicines and therapies for rare diseases are patented**, which makes them **very expensive**.
6. The **market for these drugs is small and the development costs are also high**, so pharmaceutical companies often don't find it profitable to produce them, pushing up prices. Therefore, these drugs are called ‘**orphan drugs**’

Challenges

1. **Limited commercial incentive:** The small patient population reduces the incentive for pharmaceutical companies to invest in research and development of orphan drugs.
2. **High cost of medicines:** Rare-disease medicines can cost around **₹1 crore or more per patient annually**, making them inaccessible without government support or insurance.
3. **Insufficient financial support:** Although the Government of India provides support of up to **₹50 lakh**, this may not cover the total treatment cost, forcing families to depend on crowdfunding.
4. **Limited availability of drugs:** Existing rare-disease drugs address only around **5% of rare diseases and associated conditions**, leaving most patients without suitable treatment.

5. **Difficulty in clinical trials:** Identifying adequate patient cohorts and determining suitable **clinical endpoints** are major challenges in developing orphan drugs.
6. **Limited participation of Indian patients:** Despite India's large patient population, Indian patients are generally underrepresented in **international orphan-drug clinical trials**.
7. **Small-scale manufacturing:** After approval, producing and distributing medicines in **small volumes at affordable prices while maintaining quality** remains difficult.
8. **Regulatory challenges:** Greater transparency and clearer guidance for drug developers and sponsors can improve the regulatory approval process.
9. **Access versus benefit-sharing:** Patients participating in research should be able to access the resulting medicines. Developing expensive drugs that remain unaffordable locally limits the social benefit of such research.
10. **Global competition:** Countries such as the U.S.A and China are investing heavily in rare-disease drug development, creating both competition and opportunities for international collaboration.

India's Opportunities

1. **Large patient pool:** India's population provides a potentially **large cohort for clinical trials**. Certain communities also have higher prevalence of particular genetic disorders because of **endogamy**.
2. **Patient advocacy networks:** Patient groups and disease-specific registries can help identify suitable participants for clinical research.
3. **Unique genetic diversity:** Indian and diaspora populations possess **unique genetic mutations**, providing opportunities for research into rare diseases.
4. **Strong pharmaceutical manufacturing base:** India has established capabilities in **generics, biosimilars and newer therapies such as CAR-T**, and can manufacture medicines at relatively low cost.

Way Forward

1. **Promote global-Indian collaboration:** Encourage multinational pharmaceutical companies to establish **rare-disease drug-development centres in India** in collaboration with Indian organisations and patient groups.
2. **Increase Indian participation in trials:** Integrate Indian patients into international clinical trials while ensuring that participating communities can benefit from the resulting medicines.
3. **Adopt benefit-sharing:** Drug-development benefits should be shared **fairly and equitably**, including affordable access to medicines in India and the Global South.
4. **Streamline regulation:** Develop clearer regulatory guidance and reduce unnecessary duplication while maintaining **bioequivalence, safety, toxicity, efficacy, pharmacovigilance and manufacturing standards**.
5. **Provide targeted incentives:** Use **production-linked incentives, tax incentives and investment support** to encourage domestic orphan-drug manufacturing.
6. **Support technology transfer:** Facilitate technology transfer and process development through collaboration between pharmaceutical companies and **national laboratories**.
7. **Use Advanced Market Commitments:** The government can commit to purchasing a specified quantity at an agreed price, thereby providing manufacturers with **predictable demand**.
8. **Strengthen public procurement and distribution:** Medicines can be distributed through **Centres of Excellence for Rare Diseases, CGHS and Pradhan Mantri Bhartiya Jan Aushadhi Kendras**.
9. **Promote exports:** Incentives can encourage Indian manufacturers to supply affordable rare-disease medicines to **low- and middle-income countries**.

10. **De-risk rather than merely subsidise:** Government policy should reduce the initial financial risks sufficiently to make orphan-drug manufacturing **commercially viable**, rather than simply subsidising companies.

Conclusion: India already possesses the **manufacturing capacity, large patient pool, scientific potential and pharmaceutical expertise** required to enter the rare-disease drug sector. A combination of **affordable access, patient participation, streamlined regulation, targeted incentives, government procurement and international collaboration** can help India move from being the “pharmacy of the world” to becoming a significant producer of **accessible rare-disease medicines**.

Question: Rare diseases pose challenges of affordability, accessibility and limited research. Discuss how India can leverage its pharmaceutical capabilities to develop a globally competitive rare-disease drug industry.

Source: [The Hindu](#)

Tackling Food Loss and Waste — India's Opportunity

UPSC Syllabus: Gs Paper 3- issues of buffer stocks and food security

Introduction

Food loss and waste is a major global challenge affecting **food security, climate, natural resources and economic efficiency**. India produces enough food for its 1.4 billion people, yet significant losses occur across the value chain. Reducing these losses can create a **triple win** through stronger nutrition and food security, lower emissions and resource pressure, and better incomes and productivity.

Present Status of Food Loss and Waste in India

1. **National evidence base:** India is the only country with three national post-harvest loss surveys, covering **45, 45 and 54 commodities** during 2005-07, 2012-14 and 2020-22.
2. **Supply-chain coverage:** The surveys cover losses from farm to retail, supporting India's reporting of the **Food Loss Index under the Sustainable Development Goals**.
3. **Data gap:** Existing estimates mainly cover farm and supply-chain losses, while data on **retail, hotels, restaurants and household food waste** remains less developed.
4. **Wholesale waste:** Major wholesale markets can generate **up to 100 tonnes of organic waste daily**, contributing significantly to urban waste streams.
5. **Scale of market waste:** Wholesale markets generate an estimated **3.5 million tonnes of organic waste annually**, showing a major resource-recovery opportunity.
6. **International focus:** September 29 is observed as the International Day of Awareness of Food Loss and Waste, bringing attention to food-system sustainability and climate impacts.

Major Causes of Food Loss and Waste

1. **Post-harvest losses:** Food is lost through weaknesses in **storage, drying, cooling, moisture management and processing** across the value chain.
2. **Spoilage:** Food becomes waste when it **spoils** before reaching consumers, contributing to the large volume of uneaten food globally.
3. **Excess production:** Producing more food than required can create **surplus that may ultimately remain unused**.
4. **Poor meal planning:** Poor planning at the consumption stage can leave **prepared food uneaten**, adding to household food waste.
5. **Supply-chain handling gaps:** Weak movement and management of food across the supply chain can increase avoidable losses before food reaches consumers.

Key Challenges in Reducing Food Loss and Waste

1. **Limited data:** India has stronger evidence on farm and supply-chain losses, but data on **household, retail, hotel and restaurant food waste** remains less developed.
2. **Technology and infrastructure access:** Farmers, producer organisations and small businesses need **affordable access** to improved storage, cooling, drying and moisture-control technologies.
3. **Fragmented policy approach:** Food loss and waste need stronger integration into **agricultural planning, food-processing strategies, climate action and investment decisions**.
4. **Waste-management capacity:** Municipalities and market committees need better **segregation, collection and treatment systems** for organic waste.
5. **Financing gap:** Moving from individual interventions to a connected national approach requires investment directed towards technologies and infrastructure with the greatest impact.

Environmental and Socio-Economic Implications

1. **Food security:** Reducing food losses can strengthen **food security and nutrition** by keeping more produced food available for use.
2. **Resource efficiency:** Lost food also wastes the **land, water, energy and other resources** used to produce it, increasing pressure on natural resources.
3. **Climate impact:** Food loss and waste cause up to 10% of global greenhouse gas emissions, while methane from food waste has 86 times the warming effect of CO₂ over 20 years.

Initiatives and Emerging Models

1. **FAO-SIDBI partnership:** FAO and SIDBI are linking food-loss hotspots with **drying, moisture control, energy-efficient cooling and storage**, along with financing for SMEs.

2. **Urban food-waste management:** FAO is developing a **Package of Practices** to help cities measure, prevent, reduce, redistribute and valorise food waste.
3. **Waste-to-value model:** A **50-tonne-a-day bio-CNG plant in Surat** has operated for over five years and reportedly reduces methane-related emissions by about **7,500 tonnes annually**.
4. **Food Waste Breakthrough:** Launched at **COP30 in Belém**, the initiative brings governments, businesses and cities together to **halve food waste by 2030** and reduce methane emissions by up to 7%.
5. **Global methane commitment:** More than **60 countries** have pledged to reduce waste-sector methane emissions by **30–35% below 2020 levels by 2030**, while promoting waste prevention, composting and biogas.
6. **International models:** Brazil, Japan, the UK and Kenya demonstrate approaches including **food-waste prevention, surplus-food redistribution and organic-waste recovery**

Opportunities for India

1. **Resource recovery:** India can convert the estimated **3.5 million tonnes of annual wholesale-market organic waste** into compost, biogas, energy and carbon-credit value.
2. **Food security and nutrition:** Reducing losses can make more food available for consumption, strengthening **food security and nutrition**.
3. **Resource efficiency:** Reducing food loss can lower pressure on **land, water and energy** while supporting India's resource-efficiency goals.
4. **Income and productivity:** Better storage, cooling, processing and moisture management can reduce losses while improving **productivity and incomes** for farmers, producer organisations and small businesses.
5. **Circular economy:** Surplus food can be **redistributed**, while unavoidable organic residues can be converted into compost, biogas or energy, creating additional economic value.
6. **Urban opportunity:** Wholesale markets and cities can become centres of **organic-waste recovery**, supported by markets for compost, biogas and other recovered materials.

Way Forward

1. **Prevention-first approach:** Food waste should first be prevented; unavoidable organic waste should then be **segregated and converted into compost, biogas or other useful products** instead of being sent to landfills.
2. **Close data gaps:** India should expand measurement of food waste across households, retail, hotels and restaurants to build a fuller national evidence base.
3. **Target investment:** Finance should prioritise infrastructure and technologies where **food-loss reduction can have the greatest impact**.

4. **Improve accessibility:** Solutions should remain affordable and accessible to **farmers, producer organisations and small businesses**.
5. **Integrate policies:** Food loss and waste reduction should become part of **agricultural, food-processing, urban and climate policy**.
6. **Build a national approach:** India should move beyond individual interventions and connect **data, technology, finance and implementation from farm to market to city**.

Conclusion

India has developed a strong evidence base and workable models for reducing food loss and waste. The next priority is to close data gaps, expand affordable solutions, strengthen organic-waste management and integrate loss reduction into agricultural, food-processing, urban and climate policies. A coordinated approach can improve food security, resource efficiency, climate action, incomes and productivity across the agrifood system.

Question for practice:

Examine the challenges of food loss and waste in India and the opportunities it offers for strengthening food security, resource efficiency and climate action.

Source: [The Hindu](#)

Revisiting the Farmer Question

UPSC Syllabus: Gs Paper 3- Indian economy

Introduction

India's agriculture sector contributes only about **15–18% of GDP** but employs around **46% of the workforce**, making it central to rural livelihoods despite the economy's shift towards industry and services. Agriculture has also recorded **3.6% average annual GDP growth from 2004–05 to 2023–24** and agricultural exports of around **\$51 billion over the last three years**. Yet small holdings, water stress, climate risks, rising input costs and weak market linkages continue to limit farm incomes.

Major Challenges Facing Indian Agriculture

1. **Small and fragmented landholdings:** About **86% of farmers own less than two hectares**, limiting economies of scale, diversification and technology adoption, and making it difficult to sustain satisfactory farm incomes.
2. **Water stress and groundwater depletion:** Around half of farmed land depends entirely on unpredictable rainfall, while intensive irrigation is depleting groundwater and increasing competition for scarce water resources.
3. **Climate change and rising input costs:** Erratic rainfall, floods, droughts and heat waves cause crop losses, while rising costs of seeds, fertilizers, pesticides and fuel reduce farm margins.

4. **Weak agricultural value chains:** Poor storage, processing and fragmented supply chains, along with intermediaries, reduce bargaining power and farmers' share of final value.
5. **Global trade and price pressures:** Small farmers cannot remain insulated from global markets, while low global food-price priorities and external trade pressures can make farm-gate prices less remunerative.
6. **Resource and policy constraints:** Skewed fertilizer subsidies encourage excessive fertilizer use, while public debt can limit governments' financial flexibility for long-term support.
7. **WTO and trade governance pressures:** WTO-related weaknesses and problems with dispute settlement can create difficulties for India in protecting its agricultural interests.
8. **Governance and accountability concerns:** Ineffective leadership and weak responsibility within agriculture departments can reduce the effectiveness of policies at national and state levels.

Major Policy Initiatives for Farmer Welfare

1. **National Commission on Farmers (2004–06):** Constituted under **Prof. M. S. Swaminathan**, the NCF submitted five reports addressing farmer distress, productivity, profitability, sustainability, credit, insurance, markets and access to productive resources.
2. **National Policy for Farmers, 2007:** Formulated largely on the basis of **NCF recommendations**, the policy provided a broader framework for addressing farmers' economic and livelihood concerns.
3. **Inter-Ministerial Committee, 2016:** The Government constituted an **Inter-Ministerial Committee** to implement NCF and NPF recommendations and develop a strategy for **doubling farmers' income**.

Core Recommendations of the National Commission on Farmers

1. **Shift from productivity to farmer welfare:** The NCF treated agricultural distress as an income and livelihood issue and judged policy by farmers' well-being, not only production or yield.
2. **Assured access to productive resources:** Farmers need timely access to land, water, technology, credit, insurance, knowledge and markets; the NCF also proposed placing agriculture in the Concurrent List.
3. **Research, extension and sustainable farming:** Closer research–farmer links should support better farming practices, while efficient water use, conservation farming, soil health and biodiversity should protect long-term productivity.
4. **Stronger agricultural infrastructure and markets:** The NCF proposed irrigation, drainage, water conservation, transport, soil testing, storage, grading, packaging and processing to improve farm competitiveness and market access.
5. **Better bargaining power and price protection:** Direct marketing, wider markets, farmer aggregation, remunerative prices and import protection during global price falls can reduce market vulnerability.

6. **Land and resource-use planning:** Land reforms and a National Land Use Advisory Service can link land-use decisions with ecological, weather and market conditions and protect prime agricultural land.
7. **Farmer-centric contract farming:** The NCF supported contract farming but sought comprehensive agreements covering quality, payment, pricing, withdrawal, calamities and arbitration to prevent farmer exploitation.
8. **Diversified rural livelihoods and social security:** Rural security should include agriculture and allied activities, rural enterprises and non-farm employment, alongside credit, insurance, healthcare and other social support.

Relevance of the NCF Vision in a Changing Agricultural Economy

1. **Incomplete implementation:** Several NCF recommendations have been implemented through separate schemes, but its broader vision of **economically viable farming, risk reduction and stronger farmer bargaining power** remains incomplete.
2. **Integrated policy approach:** The NCF's broader vision requires linking **production, markets, livelihoods, risk management and sustainability** instead of addressing these concerns through separate measures.
3. **Global market integration:** India cannot remain insulated from global markets, but small farmers also cannot be exposed to them without adequate protection from market-related vulnerabilities.
4. **Trade and farmer protection:** Greater global market integration should create opportunities for farmers while protecting small producers through **carefully designed trade safeguards and stronger domestic market capacity**.

Way Forward

1. **Combine income security with productivity:** Agricultural policy should combine remunerative prices, productivity, risk management and farmer aggregation rather than treating production growth as the sole objective.
2. **Strengthen value addition and market access:** Better storage, processing, transportation, direct marketing and value addition can help farmers capture a larger share of agricultural value.
3. **Invest in sustainable infrastructure and research:** Public investment should strengthen irrigation, water conservation, soil health, transport, agricultural research and extension while keeping productivity gains ecologically sustainable.
4. **Improve access to credit and insurance:** Formal credit and insurance should reach small and needy farmers adequately and on time, reducing vulnerability to production and income shocks.
5. **Complete the NCF vision through policy reform:** The task is to update the NCF's approach through long-term reforms connecting resources, production, markets, livelihoods, sustainability and trade safeguards.

Conclusion

India's farmer question requires moving beyond production growth towards **economically viable, sustainable and secure livelihoods**. The NCF provides a broad framework linking productive resources, farmer incomes, risk management, stronger value chains and diversified rural employment. Its vision needs to be updated through **integrated policy, sustainable infrastructure, better market access, farmer aggregation, value addition, credit, insurance and carefully designed trade safeguards**.

Question for practice:

Evaluate the relevance of the National Commission on Farmers' recommendations in addressing the contemporary challenges of Indian agriculture.

Source: [The Hindu](#)

Digital agriculture and the problem of exclusion

Source: The post "Digital agriculture and the problem of exclusion" has been created based on "Digital agriculture and the problem of exclusion" published in "Business Line" on 30th September 2026.

UPSC Syllabus: GS-3- Indian Economy

Context: In recent times, the Digital technologies, including AI, have significant potential to improve **farm productivity and farmers' incomes sustainably**. However, their true benefits can be realised only when they reach the majority of farmers and are effectively integrated into agricultural practices.

About Digital Agriculture Mission (DAM)

1. The Digital Agriculture Mission (DAM) was **launched in September 2024**.
2. It **aims to create a Digital Public Infrastructure (DPI)** for agriculture and establish a robust, farmer-centric digital ecosystem in the country.
3. Through **AgriStack, Farmers Registry, Digital Crop Survey, Krishi-DSS and scientific soil mapping**, the Mission aims to **improve access to agricultural services, strengthen evidence-based planning and promote sustainable and efficient agriculture**.
4. The **Mission seeks to make reliable and timely crop-related information available** to farmers and promote innovative digital solutions in agriculture.

Major concerns with Digital Agriculture

1. Land-based definition of farmers

- a. The DAM's approach to identifying farmers is **closely linked to land ownership**, which can exclude people who cultivate land without owning it.
- b. **Women cultivators and tenant farmers** may therefore remain outside the formal digital agricultural system.
- c. This is significant because women constitute nearly **42% of the agricultural workforce**, while **75% of rural women are employed in agriculture**, but women constitute only around **17% of rural landowners**.

2. Exclusion of tenant farmers

- a. Tenant farmers play an important role in agricultural production but generally cultivate **leased-in land without formal ownership rights**.
- b. They are **often landless or near-landless** and have historically remained outside official farmer registers.
- c. Their exclusion from digital farmer databases can restrict their access to **agricultural credit, subsidised inputs, direct benefit transfers and procurement services**.

3. Lack of uniform farmer identification

- a. The responsibility for identifying farmers is largely left to **State Governments**, without mandatory guidelines.
- b. This **may result in variations in identification practices** and further exclusion of cultivators who do not possess formal land titles.

4. Earlier policy recommendations remain unimplemented

- a. The **National Agricultural Policy (2000)**, **National Policy for Farmers (2007)** and the **Committee on Doubling Farmers' Income (2018)** had highlighted the need to broaden the definition of farmers.
- b. These recommendations also emphasised the need to recognise **women's land rights and delink farmer status from land ownership**.
- c. Building digital infrastructure without resolving these underlying issues may **institutionalise existing forms of exclusion**.

5. Agricultural labourers remain outside the main focus

- a. Landless agricultural workers, who often work under precarious conditions, receive limited attention within the DAM framework.
- b. Many belong to historically marginalised communities, particularly **Scheduled Castes and Scheduled Tribes**.
- c. Village studies indicate that such workers are often **pluriactive**, and some also work as poor tenant farmers.

6. Risk of technological unemployment

- a. Agricultural digitalisation can increase demand for **skilled workers** while reducing demand for routine manual labour.
- b. Automation **may have a greater labour-displacing impact in countries** where agricultural labour productivity is relatively low.
- c. The **overall impact of digitalisation on rural labour markets** remains uncertain and therefore requires systematic assessment.

7. Lack of institutional support for displaced workers

- a. The DAM does not provide a clear institutional mechanism to **anticipate technological disruption** in rural employment.
- b. There is a need for **reskilling, new skills and alternative employment opportunities** for workers who may be displaced by technological change.

8. Limited access to smartphones and internet

- a. **Access to digital infrastructure** is an essential precondition **for benefiting from digital agriculture**.
- b. According to the **Comprehensive Modular Survey (2025)** of the National Sample Survey Office, only around **half of rural adults** report both owning a smartphone and having internet access within their household.
- c. The **proportion is significantly lower among rural women**, with only **slightly more than one-third** living in households with internet access and owning a smartphone.

9. Digital literacy remains inadequate

- a. Merely possessing a computer or smartphone does not necessarily mean that people can make meaningful use of digital services.
- b. When digital literacy is measured in terms of the ability to use the internet for **informational purposes**, more than **one-fourth of rural households** are digitally illiterate.
- c. Nearly **half of rural adults** report that they cannot use the internet for informational purposes.

10. Gender and social inequalities in digital access

- a. Digital illiteracy is disproportionately higher among **women and marginalised groups**.
- b. Therefore, without targeted interventions, digitalisation may reproduce or deepen the existing **social, economic and gender inequalities** in Indian agriculture.

11. Concerns regarding data governance

- a. Greater dependence on digital platforms and agricultural databases also raises concerns regarding **data privacy and transparency**.
- b. Farmers **need adequate safeguards regarding the collection, use and management** of their personal and agricultural data.

Way forward

1. **Broaden the definition of farmer:** Farmer status should not be dependent solely on land ownership. **Women cultivators, tenant farmers and other actual cultivators** should be incorporated into digital farmer databases.
2. **Ensure inclusive farmer identification:** The Centre should provide **clear and mandatory guidelines to States** for identifying all categories of cultivators.
3. **Bridge the gender digital divide:** Improve women's access to **smartphones, internet connectivity and digital training**. Digital services should be designed in accessible and user-friendly formats.
4. **Strengthen digital literacy:** Promote village-level digital literacy programmes through **SHGs, cooperatives, Panchayats and agricultural extension networks**. Training should focus on meaningful agricultural uses rather than merely basic computer skills.
5. **Protect agricultural workers:** Establish mechanisms to assess the impact of automation on rural employment. Provide **reskilling, upskilling and alternative employment opportunities** to workers affected by technological change.
6. **Ensure data protection and transparency:** Farmers should understand how their agricultural and personal data are collected, processed and used. Strong safeguards for **privacy, consent and transparency** are necessary.

7. **Adopt a holistic approach:** Digital agriculture policy should consider not only farm productivity but also **employment, gender, social inclusion, digital access and rural livelihoods**.

Conclusion: Digitalisation can transform Indian agriculture only when its benefits reach the **entire farming and rural workforce**. Therefore, DAM needs to move from a predominantly **land-based farmer-centric approach to an inclusive cultivator- and livelihood-centric approach**, ensuring that technology becomes a tool of empowerment rather than another source of exclusion.

Question: What are the major challenges associated with the Digital Agriculture Mission (DAM), and how can digital agriculture be made more inclusive in India?

Source: [Business Line](#)

Why bond yields are staying high

Source: The post “**Why bond yields are staying high**” has been created based on “**Why bond yields are staying high**” published in “**Business Line**” on 30th September 2026.

UPSC Syllabus: GS-3- Indian Economy

Context: High bond yields have become a global phenomenon. Even though inflation has declined, long-term government bond yields remain high in countries like the US, Europe and Japan. Investors are now looking beyond inflation and focusing on high government debt, borrowing needs and risks of holding long-term bonds. In India, high bond yields are also a concern as they can increase borrowing costs, discourage private investment and affect economic growth.

About Sovereign Bond Yield

1. Sovereign bond yield is **the interest rate paid to the buyer of the bond by the government, or sovereign entity**, issuing that debt instrument.
2. They are **issued by governments to raise capital and are considered risk-free assets**.
3. In India, high yields are being driven by a combination of **inflation expectations, fiscal concerns, monetary policy expectations, liquidity conditions, market risk and global factors**.

Reason behind bond yields remaining high in India and concerns related to it

1. **Inflation expectations:** Rising global crude oil prices are creating concerns about future inflation, which encourages investors to demand higher yields on long-term government bonds.
2. **Higher subsidy burden:** The rising burden of government subsidies creates concerns about fiscal finances and future government borrowing, which can put upward pressure on bond yields.
3. **Expectation of tight monetary policy:** Markets expect monetary policy to remain relatively tight because of inflation concerns, and the hawkish tone of the August 2026 monetary-policy minutes further contributed to higher yields.
4. **High government borrowing and interest burden:** The government has significant borrowing requirements, while interest payments already consume around **37 per cent of its total revenues**. Persistently high yields can therefore increase the government's debt-servicing burden.
5. **High US Treasury yields:** Movements in US Treasury yields influence Indian bond yields because investors compare returns available in India with those available in global markets.

6. **Geopolitical tensions:** Continuing geopolitical conflicts increase uncertainty and risk premiums, which can lead investors to demand higher returns on long-term bonds.
7. **Inadequate capital inflows:** Weak net capital inflows reduce demand for Indian financial assets and can contribute to higher domestic bond yields.
8. **Earlier tight liquidity conditions:** During the second half of FY26, banks faced rapidly increasing credit demand while deposit growth remained sluggish. They therefore liquidated part of their excess Standing Liquidity Ratio and Liquidity Coverage Ratio (LCR) holdings to meet credit requirements.
9. **RBI's foreign-exchange intervention:** RBI's intermittent intervention in the foreign-exchange market absorbed rupee liquidity and contributed to tighter financial conditions.

Why have yields remained high despite improved liquidity?

1. **Improved liquidity has not created sufficient demand for G-Secs:** System-level liquidity crossed ₹10 trillion by September 7, 2026, and excess liquidity remained around ₹5 trillion even after tax payments and RBI's ₹1 trillion OMO sales. However, **banks have not converted all this liquidity into purchases of long-term government securities.**
2. **Banks are concerned about market risk:** Banks are **cautious about buying government securities** because a rise in bond yields causes bond prices to fall, resulting in mark-to-market losses on their existing holdings.
3. **Banks have already suffered MTM losses:** Banks **have experienced losses on their government-securities portfolios in recent quarters**, which has reduced their appetite for taking additional interest-rate risk.
4. **Surplus G-Sec holdings have declined:** Banks **hold government securities mainly because of regulatory requirements** such as SLR and LCR, but their surplus holdings, particularly in the trading book, have already declined.
5. **Stricter market-risk regulations:** RBI has **tightened the market-risk framework for banks' investments under the Basel III framework**, making banks more cautious about holding securities that are sensitive to changes in interest rates.

Impact of high bond yields

1. **High yields increase the government's borrowing cost:** When government bond yields remain high, the government has to pay a higher rate of interest on new borrowing, increasing pressure on public finances.
2. **High yields can discourage private investment:** Government bond yields provide a benchmark for borrowing costs in the economy, so persistently high yields can make loans more expensive for businesses and weaken the emerging private investment cycle.
3. **High yields can reduce household borrowing:** Higher borrowing costs can make non-housing retail loans more expensive, which may encourage households to reduce their borrowing and consumption.
4. **High yields can affect banks:** Banks may face mark-to-market losses on their bond holdings, while weaker demand for retail loans can also affect an important source of their income.
5. **High yields can affect economic growth:** Higher government, corporate and household borrowing costs can reduce investment and consumption and may therefore add to concerns about economic slowdown.

Positive factors

1. India's debt dynamics are relatively better than those of many other countries.

2. The government remains committed to fiscal consolidation.
3. Underlying inflation, excluding food, fuel and precious metals, has remained below 3%.
4. Government supply-management measures have helped keep retail inflation under control.
5. Improved liquidity following FCNR(B) mobilisation provides greater flexibility for monetary and liquidity management.

Policy measures

1. **Calibrated liquidity management:** RBI should manage excess liquidity carefully rather than relying excessively on OMO sales. **14-day or longer-term VRRR** operations could be used as the main liquidity-management instrument.
2. **Forex sell-buy swaps:** A forex sell-buy swap could be used to absorb excess liquidity. It could also allow RBI to opportunistically reduce forward forex liabilities.
3. **Avoid excessive OMO sales:** With yields already moving upward, further OMO sales could put additional upward pressure on yields.
4. **Appropriate monetary-policy calibration:** RBI need not necessarily match every rate move of the US Federal Reserve. India's policy rate has remained relatively high compared with peers.
5. **Tolerate temporary supply-side inflation:** Since **current CPI inflation is largely supply-driven**, monetary policy may tolerate it as long as inflation does not breach the upper limit of the tolerance band.
6. **Clear monetary-policy communication:** RBI should **communicate that protecting the economy from global headwinds** is important. It can also emphasise the possibility of transmission from monetary policy to long-term yields and lending rates.
7. **Fiscal consolidation:** Continued fiscal consolidation is important for **containing concerns regarding government debt and borrowing requirements**. Strategic disinvestment of PSU shares can support this process.
8. **Monitoring global risks:** A **moderation in crude oil prices following an early resolution of the Middle East conflict** could ease inflationary pressures. If crude remains around **\$100 per barrel**, India would need to manage the resulting pressure through its accumulated economic resilience.

Conclusion: High Indian bond yields are therefore **not merely an inflation problem**. They reflect the interaction of **fiscal borrowing, inflation expectations, monetary-policy expectations, bank-level market risk, liquidity management, global yields and geopolitical uncertainties**. A combination of **credible fiscal consolidation, calibrated liquidity management, appropriate monetary-policy communication and careful management of global shocks** can help reduce pressure on the long end of the bond market while protecting growth and financial stability.

Question: Why have sovereign bond yields remained elevated in India despite easing inflation and improved liquidity conditions? Discuss the implications of high bond yields for the Indian economy and suggest suitable policy measures.

Source: [Business Line](#)

What are the provisions of AFSPA?

UPSC Syllabus: Gs Paper 3- Security

Introduction

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The Union Ministry of Home Affairs has extended Armed Forces (Special Powers) Act (AFSPA), 1958 for another six months from October 1, 2026, in parts of Manipur, Nagaland and Arunachal Pradesh. In Manipur, the entire State remains a “disturbed area”, except the jurisdictions of 13 police stations in five Valley districts. The extension comes amid the continuing security concerns following the ethnic conflict that began on May 3, 2023, which reversed the earlier reduction of AFSPA-covered areas in the State.

AFSPA and the Concept of a “Disturbed Area”

- 1. Origin of AFSPA:** A special powers law was first promulgated in 1942 during the Quit India movement. After Independence, AFSPA was enacted in 1958 to address increasing violence in Northeast India.
- 2. Purpose of the Act:** AFSPA gives armed forces special legal powers to maintain public order in areas where State authorities face serious insurgency and internal security problems.
- 3. Meaning of Disturbed Area:** Under Section 3, an area can be declared disturbed because of differences or disputes between different religious, racial, language, regional, caste or community groups.
- 4. Authority to Declare:** The Central and State Governments can declare an area disturbed. For Union Territories, the administrator can also make such a declaration.
- 5. Duration of Declaration:** A disturbed-area declaration continues until it is revoked. The Supreme Court has stressed that such declarations should be time-limited and reviewed periodically.
- 6. Geographical Application:** AFSPA, 1958 currently applies in parts of the Northeast. Jammu and Kashmir has a separate Armed Forces (Special Powers) Act, 1990.

Major Provisions and Powers under AFSPA

- 1. Use of Force:** Armed forces may use force, including lethal force after due warning, against persons acting in contravention of prohibitory orders, subject to the Act.
- 2. Arrest Without Warrant:** Personnel can arrest a person without a warrant when the conditions prescribed under AFSPA are met.
- 3. Search Without Warrant:** Armed forces can enter and search premises without a warrant, enabling action during security operations.
- 4. Restriction on Gatherings:** Armed forces can prohibit gatherings of five or more persons in a disturbed area.
- 5. Control of Firearms:** The armed forces can ban the possession of firearms in areas where AFSPA is in force.
- 6. Protection from Prosecution:** Prosecution or other legal proceedings for acts done or purportedly done under AFSPA require prior sanction from the Central Government.

Evolution and Present Status of AFSPA in the Northeast

1. Manipur

- **Manipur Before 2023:** AFSPA had operated in Manipur since 1981. Its application was withdrawn from the Imphal municipal area in 2004.
- **Withdrawal During 2022–23:** Between April 1, 2022 and April 1, 2023, AFSPA was withdrawn from all police-station areas in the Manipur Valley because the security situation had improved.
- **Reversal After Conflict:** The ethnic conflict beginning on May 3, 2023 reversed the earlier reduction of AFSPA-covered areas in Manipur.
- **Reimposition in 2024:** On November 14, 2024, Ministry of Home Affairs (MHA) reimposed AFSPA in six police-station jurisdictions across five districts. These included areas where AFSPA had earlier been withdrawn.
- **Centre–State Disagreement:** On November 15, 2024, the Manipur Cabinet recommended that the Centre review and withdraw the notification in public interest.
- **Current Position in Manipur:** From October 1, 2026, the entire State is a disturbed area except 13 police-station jurisdictions in five Valley districts.

2. **Current Position in Nagaland:** AFSPA continues in nine districts of Nagaland. It also continues in areas under 21 police stations across five other districts.

3. **Current Position in Arunachal Pradesh:** AFSPA continues in Tirap, Changlang and Longding districts. It also covers areas under Namsai, Mahadevpur and Chowkham police stations in Namsai district bordering Assam.

4. **Other Northeastern States:** In Assam, disturbed-area notifications are issued by the State Government. AFSPA was withdrawn from Tripura in 2015 and from Meghalaya on April 1, 2018, after 27 years.

Why Does AFSPA Continue in Some Areas?

1. **Insurgency and Security Threats:** AFSPA provides armed forces legal powers to respond to insurgency and serious internal security problems.
2. **Operational Requirement:** Ordinary use of force may require a magistrate's presence. Such presence cannot always be ensured during fast-moving terrorist and insurgent operations.
3. **Border Security:** Northeast India has major strategic importance because it shares borders with five countries, including Myanmar and China.
4. **Nagaland's Political Issue:** AFSPA continues in Nagaland partly because of armed insurgent groups and the unresolved Naga political issue.
5. **Peace Process Uncertainty:** Security officials indicated that uncertainty over the conclusion of the Naga peace process was one reason AFSPA continued in some areas.

6. Arunachal Pradesh: Its application remains concentrated in districts affected by insurgent movement and areas adjoining Assam.

Why is AFSPA Controversial?

- 1. Extraordinary Powers:** AFSPA gives armed forces powers of lethal force, warrantless arrest and warrantless search that ordinary police do not possess.
- 2. Accountability Concerns:** The requirement of prior Central sanction for prosecution has raised concerns about accountability for alleged violations under AFSPA.
- 3. Hegde Commission Findings:** The Hegde Commission found all seven deaths in the six cases it examined to be extrajudicial executions. It also reported widespread abuse of AFSPA by security forces in Manipur.
- 4. Concerns in J&K:** Over 20 years, the Centre denied prosecution sanctions in all cases recommended by the J&K Government against army personnel under AFSPA.
- 5. Army's Position:** The Army has argued that AFSPA helps control insurgency operations and protect the borders. It also helps avoid prolonged court proceedings that could affect military responsibilities.

Judicial and Committee Oversight

- 1. Supreme Court Framework:** In *Naga People's Movement of Human Rights v. Union of India* (1998), the Supreme Court upheld AFSPA's constitutionality while laying down safeguards.
- 2. Periodic Review:** The Court said disturbed-area declarations should be time-limited and reviewed periodically, especially after six months.
- 3. Minimum Force:** Officials exercising AFSPA powers must use only the minimum force necessary for effective action.
- 4. Jeevan Reddy Committee:** The committee recommended repealing AFSPA and incorporating suitable provisions into UAPA. It also recommended grievance cells in districts where armed forces are deployed.
- 5. Administrative Reforms Commission:** The Second Administrative Reforms Commission also recommended repeal of AFSPA in its report on public order.
- 6. Verma and Hegde Committees:** Their reports stressed the need to address abuses under AFSPA. They also supported measures to address the effective impunity associated with security-force actions.

Way Forward

- 1. Strengthen Accountability:** The government should ensure accountability for human-rights violations while addressing the operational needs of armed forces.

2. **Increase Transparency:** Details of court-martials concerning human-rights violations under AFSPA should be placed in the public domain.
3. **Periodic Review:** Disturbed-area notifications should be reviewed regularly. This can help reduce AFSPA-covered areas when security conditions improve.
4. **Resolve Insurgency Through Dialogue:** The government should pursue dialogue with insurgent groups to address long-running conflicts in the Northeast.
5. **Address Governance Issues:** Socio-political and governance-related issues contributing to insurgency should be addressed alongside security measures.

Conclusion

Balancing Security and Accountability: AFSPA provides special powers to armed forces in areas facing serious security challenges. These powers therefore need accountability, transparency and periodic review. Dialogue with insurgent groups and attention to governance and socio-political issues can address the conditions behind prolonged security challenges. This can help balance security requirements with the protection of citizens' rights.

Question for practice:

Discuss the provisions of the Armed Forces (Special Powers) Act (AFSPA), its application in the Northeast, and the concerns surrounding its use.

Source: [The Hindu](#)

Meaning of Reduction in Import Duty on Edible Oils in India

UPSC Syllabus: Gs Paper 3- Food security and Indian economy

Introduction

India meets a significant share of its edible-oil demand through imports, making domestic prices vulnerable to global price movements, currency changes and supply disruptions. With international vegetable-oil prices rising and festive-season demand expected to increase, the government reduced the Basic Customs Duty (BCD) on major imported edible oils from September 24. The measure seeks to lower landed costs and provide consumer relief, while raising a policy challenge of balancing affordability, farmer interests, domestic refining and long-term edible-oil security.

Current Status and Price Pressures in India's Edible Oil Sector

1. **High import dependence:** India meets about **two-thirds of its edible-oil requirements through imports**, making domestic prices vulnerable to global prices, currency movements and supply disruptions.
2. **Palm oil dominance:** Palm oil accounted for **7.52 million tonnes, or 46.77% of edible-oil imports**, making India highly exposed to global palm-oil prices.

3. **Global price pressure:** The FAO Vegetable Oil Price Index reached **196.9 points in August**, its highest level since June 2022, driven mainly by palm and soybean oil prices.
4. **Supply vulnerability:** Global weather risks, including possible **El Niño effects in Southeast Asia**, can affect palm-oil production and increase international prices.
5. **Rising import bill:** India's edible-oil import bill is estimated to rise **9% to ₹1.75 lakh crore** in the marketing year ending October, partly due to higher import volumes and a weaker rupee.

Government's Import-Duty Reduction: Rationale and Key Changes

1. **Crude oil duty cut:** BCD on **crude sunflower oil** fell from **10% to Nil**, while crude soybean and palm oil duties fell from **10% to 5%**.
2. **Refined oil duty cut:** BCD on refined sunflower oil was reduced from **32.5% to 22.5%**, while refined soybean and palm oils fell to **27.5%**; peanut and olive oils also saw reductions.
3. **Crude-refined differential:** The government retained a **19.25 percentage-point duty differential** between crude and refined edible oils to support domestic refining.
4. **Price moderation:** Lower import duties are expected to reduce the **landed cost of imported oils**, which can lower domestic prices through the supply chain.
5. **Inflation control:** The measure aims to provide **consumer relief and contain food-price and overall inflationary pressures** arising from higher global edible-oil prices.
6. **Festive-season demand:** The reduction also seeks to improve availability when household demand and requirements from **sweets, snacks, food services and hotels** are expected to increase.
7. **Consumer price transmission:** The Food Ministry directed industry to reduce **Price to Distributors (PTD) and Maximum Retail Prices (MRPs)** in line with lower landed costs.

Impact on Consumers, Farmers and Domestic Industry

1. **Consumer relief:** Lower import duties can reduce landed costs and, if fully transmitted, provide **lower cooking-oil prices** during a period of high demand.
2. **Domestic refining:** Maintaining the crude-refined duty differential encourages imports of crude oil rather than refined oil, supporting **domestic refining and value addition**.
3. **Farmer concerns:** Cheaper imported oils can increase competition for domestic oilseed farmers and may weaken incentives for expanding **soybean, sunflower, groundnut and palm cultivation**.
4. **Self-sufficiency concern:** Farmers have questioned whether cheaper imports are consistent with the government's objective of achieving **self-reliance in edible-oil production**.
5. **Palm-oil substitution:** The edible-oil industry expects greater availability of sunflower and soybean oils to shift some demand from palm oil, whose prices may remain relatively high amid Indonesia's **B50 biofuel mandate** and limited acreage expansion.

Broader Policy Concerns: Affordability, Self-Reliance and Sustainability

1. **Short-term relief vs. self-reliance:** Import-duty cuts can provide immediate price relief, while reducing import dependence requires sustained growth in domestic production and productivity.
2. **Need for diversification:** Heavy dependence on palm oil and a limited group of suppliers makes diversification of both the **edible-oil basket and import sources** important.
3. **Sustainability and affordability:** Certification, traceability and supply-chain changes can raise the cost of sustainable palm-oil sourcing, creating a need for a gradual transition.
4. **Sustainability and competitiveness:** Sustainable sourcing can be linked with India's **processed-food export competitiveness**, rather than being treated only as an additional compliance cost.

Government Initiatives for Greater Edible-Oil Self-Reliance

1. **National Mission on Edible Oils–Oilseeds:** Target to increase primary oilseed production from **39 million tonnes in 2022–23 to 69.7 million tonnes by 2030–31**.
2. **National Mission on Edible Oils–Oil Palm:** Launched in 2021 to expand oil-palm cultivation.
3. **Domestic production target:** Aim to raise edible-oil production to **25.45 million tonnes by 2030–31**, potentially meeting around 72% of projected requirements.
4. **Oil-palm expansion:** Coverage reached **6.2 lakh hectares by November 2025**, while crude palm-oil production reached **3.8 lakh tonnes in 2024–25**.
5. **Market monitoring:** Government intends to monitor international and domestic prices and balance consumer, farmer and industry interests

Way Forward

1. **Diversify import sources:** Reduce vulnerability to disruptions in a limited number of supplier countries.
2. **Broaden the oil basket:** Promote suitable alternative edible oils alongside palm, soybean and sunflower oils.
3. **Improve supply-chain efficiency:** Faster port and customs clearance can reduce logistics costs and partly offset sustainability-related expenses.
4. **Develop sustainable sourcing:** Gradually introduce certification, traceability and responsible sourcing for imported palm oil.
5. **Use India's market power:** As a major importer, India can encourage global suppliers and domestic firms to adopt sustainability standards.
6. **Link sustainability with exports:** Sustainable sourcing should strengthen India's competitiveness in processed-food exports rather than remain only a compliance cost.
7. **Ensure policy balance:** Future duty changes should consider **consumer prices, farmer interests and domestic industry together**.
8. **Ensure benefit transmission:** Strengthen monitoring so reductions in import costs are actually reflected in consumer prices.

Conclusion

The duty reduction can provide short-term relief to consumers, but it cannot by itself reduce India's dependence on global edible-oil markets. Long-term security requires stronger domestic production, diversified supplies, efficient refining and logistics, and gradual adoption of sustainable sourcing. Policy must

therefore balance affordable edible oil for consumers with viable returns for farmers, domestic industry and environmental responsibility.

Question for practice:

Evaluate the significance of reducing import duties on edible oils in India in balancing consumer interests, farmer concerns and long-term edible-oil security.

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