



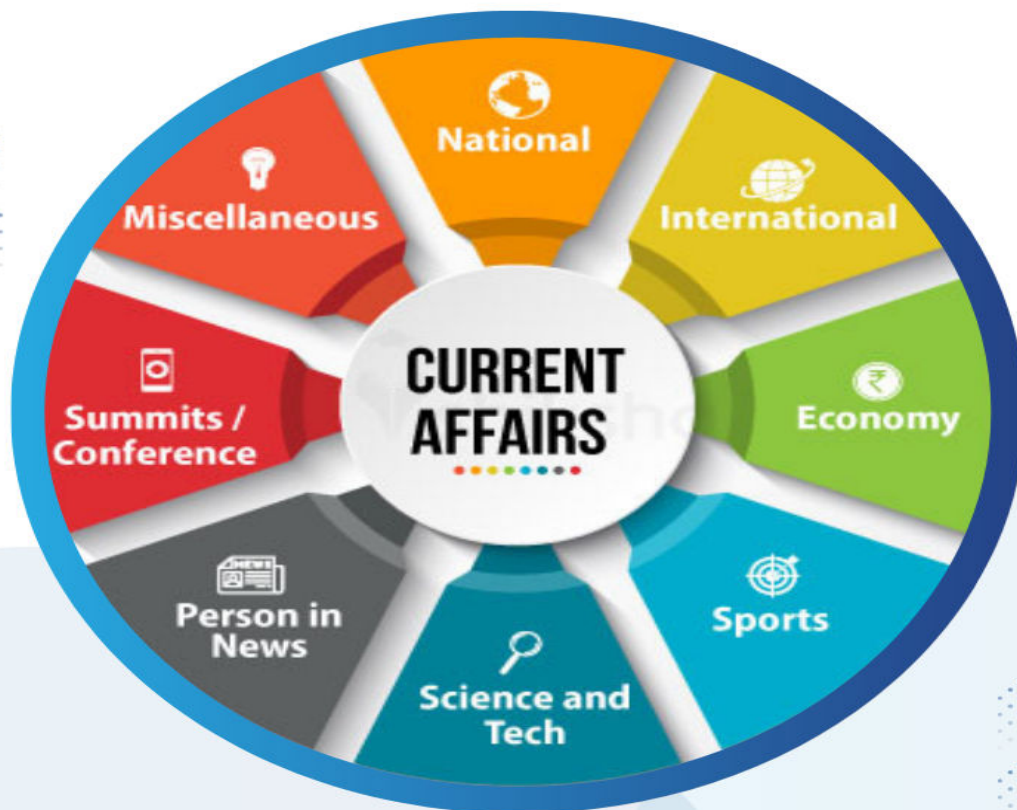
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FOR UPSC CIVIL SERVICE EXAMINATION

DATE: 30/07/2025 (WEDNESDAY)



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I. Financial Inclusion in India – Nearing Universal Access but Inactivity Remains a Concern

• Rise in Financial Inclusion

- As per the *World Bank Global Findex Database 2025*, **89.4% of Indian adults (age 15+) now own a bank account**, a dramatic rise from **52.8% in 2014**, indicating substantial progress in financial inclusion.
- This is among the highest globally, positioning India ahead of several developing economies like Indonesia (78.4%) and South Africa (79.2%).

• High Account Inactivity Rates

- Despite high ownership, **75.3% of account holders in India had inactive accounts** in 2024 (i.e., no deposits, withdrawals, or digital transactions in the past year).
- This is one of the **highest inactivity rates globally**, reflecting issues in meaningful usage and engagement.

• Drivers of Financial Inclusion

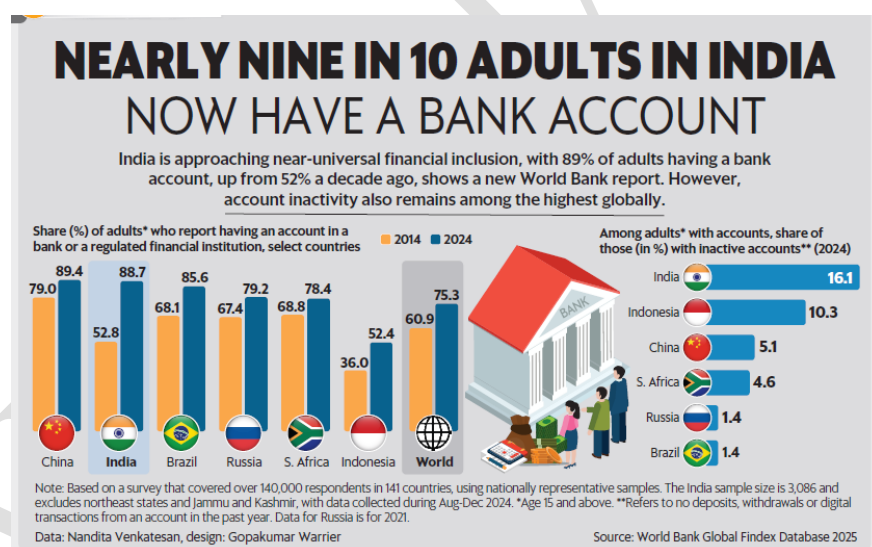
- Government-led initiatives like **Pradhan Mantri Jan Dhan Yojana (PMJDY)**, **Direct Benefit Transfer (DBT)** schemes, and **Digital India** have played a crucial role in expanding account ownership.
- Technological advancements such as **mobile banking**, **Aadhaar-linked services**, and **UPI (Unified Payments Interface)** have also enhanced accessibility.

• Challenges Ahead

- Inactivity signals that **mere account ownership does not guarantee financial empowerment**.
- Key issues include **lack of financial literacy**, **limited banking infrastructure** in rural areas, **low income levels**, and **trust deficit in formal systems**.

• Constitutional & Legal Provisions

- Article 38(2) of the Constitution mandates the State to **minimize inequalities in income and eliminate inequalities in status and opportunities**, supporting financial inclusion as a tool of social justice.
- The Reserve Bank of India (RBI) also promotes inclusion through **Financial Literacy Frameworks**, **Business Correspondent Models**, and **Banking Ombudsman Scheme**.



Conclusion and UPSC Relevance

India's journey toward universal financial inclusion is commendable, with a massive rise in bank account ownership. However, the high inactivity rate highlights the need for **deeper engagement, financial education, and accessible financial products**.

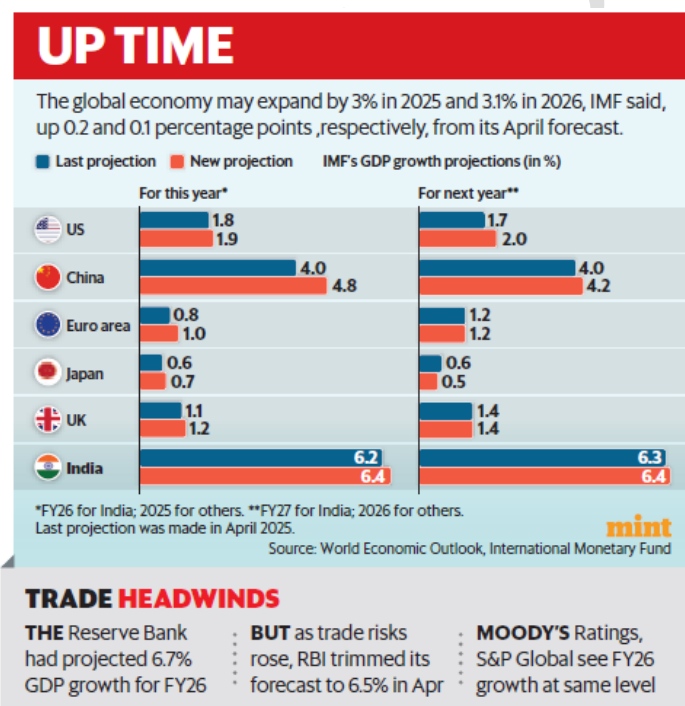
UPSC Relevance:

- **GS Paper 2** – Government Policies and Interventions (PMJDY, DBT, Financial Inclusion)
- **GS Paper 3** – Indian Economy (Banking Sector, Inclusive Growth)
- **Essay/Interview** – Socio-economic development, digital divide, financial empowerment



2. IMF Revises India's Growth Forecast Amid Global Trade Uncertainty

- **India's Growth Outlook Revised Upward**
 - The **International Monetary Fund (IMF)** has revised **India's GDP growth forecast for FY26 to 6.4%**, up from its earlier projection of 6.2%. The **FY27 forecast is also set at 6.4%**, citing strong domestic resilience and a supportive external environment.
 - The **FY25 estimate remains unchanged at 6.5%**, reaffirming India's stable macroeconomic fundamentals despite global uncertainty.
- **Global Economic Forecast and Trade Risks**
 - The IMF has marginally increased its **global growth forecast to 3% for 2025 and 3.1% for 2026**, indicating cautious optimism.
 - However, **rising US tariffs** and trade protectionism pose risks to global recovery. The IMF warns that further tariff hikes post-August 2025 could shrink global output and destabilize recovery.
- **Domestic Resilience as a Key Growth Driver**
 - India's upward growth revision reflects **robust domestic consumption, strong investment trends**, and a **more favorable external trade environment**.
 - The IMF also acknowledges India's **monetary policy stability and structural reforms** as contributing factors.
- **Concerns Over Global Trade Tensions**
 - The report notes the **fragile nature of global recovery**, susceptible to **policy uncertainty**, especially with the US adopting a more protectionist stance.
 - Tariffs and trade wars can hinder global supply chains, raise inflation, and ultimately **affect developing economies like India**.
- **Constitutional & Institutional Context**
 - Article 39(b) of the Indian Constitution directs the State to ensure that **resources are distributed to subserve the common good**, which is aligned with policies promoting inclusive growth.
 - The **Reserve Bank of India (RBI)**, India's central bank, plays a key role in ensuring **macroeconomic stability** and has projected **6.7% growth for FY26**, slightly more optimistic than the IMF.



Conclusion and UPSC Relevance

India continues to demonstrate strong economic fundamentals, with the IMF acknowledging domestic resilience even as the global outlook remains uncertain due to trade tensions. Policy prudence and global coordination will be essential to sustain this momentum.

UPSC Relevance:

- **GS Paper 2** – International Institutions (IMF), Global Economic Governance
- **GS Paper 3** – Indian Economy (Growth Forecasts, External Sector, Monetary Policy)
- **Essay/Interview** – Impact of Trade Wars on Emerging Economies, India's Economic Outlook



3. Green Infrastructure to Drive India's FY27 Capital Expenditure Strategy

- **Shift Towards Climate-Friendly Capex**
 - The Union Government is planning to **broaden its capital expenditure (capex) strategy for FY27**, focusing not just on traditional infrastructure (roads, ports), but also on **green and future-ready sectors** such as **renewable energy, green technologies, AI, and space infrastructure**.
 - This aligns with long-term development goals and India's **sustainability commitments under the Paris Agreement**.
- **Consistent Public Capex as Growth Lever**
 - The government is expected to **maintain public capex at around 3.1% of GDP in FY27**, continuing from FY26, when **₹11.21 trillion** was earmarked.
 - This includes **₹1.5 trillion in 50-year interest-free loans to states**, aimed at strengthening sub-national infrastructure and driving inclusive growth.
- **Private Sector Capex Remains Uneven**
 - The push for public investment becomes vital as **private sector capital expenditure remains inconsistent and risk-averse**, especially in emerging sectors.
 - Public spending is being used as a **counter-cyclical tool** to maintain economic momentum and crowd in private investment.
- **Doubling of Capex Over the Decade**
 - Public capex by CPSEs and infrastructure-focused agencies has **more than doubled from ₹3.11 trillion in FY16 to ₹8.07 trillion in FY25**, reflecting sustained emphasis on infrastructure-led growth.
 - FY26 capital outlay is projected to be the **highest in a decade**, with spending by CPSEs and other agencies expected to exceed ₹8.5 trillion.
- **Focus on Future-Ready Infrastructure**
 - Policy experts advocate **shifting from conventional infrastructure to sectors like AI, hydro power, rare earths, and water resource management (e.g., river linking projects)**.
 - These shifts are crucial to match evolving global technological trends and to position India competitively in the global economy.
- **Constitutional & Legal Context**
 - Article 39(b) of the Directive Principles of State Policy promotes **equitable distribution of material resources**, which public capex supports by expanding infrastructure access.
 - The **Finance Commission and RBI** play pivotal roles in guiding inter-governmental fiscal transfers and maintaining macroeconomic stability amid rising capital outlays.



Conclusion and UPSC Relevance

India's capex strategy for FY27 reflects a **strategic evolution toward climate-resilient and technology-led development**, while maintaining fiscal prudence. Sustained capital investment will be key to **accelerating growth, addressing structural gaps**, and ensuring long-term sustainability.

UPSC Relevance:

- **GS Paper 2** – Government Budgeting, Role of State in Development
- **GS Paper 3** – Infrastructure, Environment and Economy, Investment Models
- **Essay/Interview** – Climate Finance, Role of Capex in Inclusive & Sustainable Growth



4. India-US Bilateral Trade Talks – Sixth Round Scheduled for August 2025

- **Upcoming Trade Negotiation Round**
 - A US delegation will visit India on **25 August 2025** for the **sixth round of discussions** on the proposed **bilateral trade agreement**.
 - The talks aim to address pending issues under the **interim trade pact**, as the previously set **1 August deadline** for certain outcomes approaches.
- **Focus on Bilateral Trade Pact**
 - The ongoing negotiations are part of efforts to forge a **comprehensive bilateral trade agreement** between the world's largest and fastest-growing major economies.
 - Key areas of focus likely include **tariff rationalization, services trade, digital economy, intellectual property rights, and market access**.
- **Strategic Trade Engagement Amid Global Shifts**
 - India and the US have been deepening strategic ties in sectors like **semiconductors, clean energy, defense manufacturing, and critical minerals**, making trade talks more geopolitically significant.
 - This comes amid shifting global supply chains and a **shared interest in reducing dependence on China**.
- **Economic and Strategic Implications**
 - A successful trade agreement could enhance India's **export competitiveness**, attract **FDI**, and strengthen its integration into **global value chains (GVCs)**.
 - For the US, India represents a **large, growing market**, and a stable partner in the Indo-Pacific region.
- **Constitutional & Legal Context**
 - Article 246 and the Seventh Schedule assign the Union Government powers over **foreign trade and commerce**.
 - The **Foreign Trade (Development and Regulation) Act, 1992** governs India's foreign trade policy, and agreements must align with WTO rules and constitutional mandates.



Conclusion and UPSC Relevance

The sixth round of India-US trade talks signals a forward step in strengthening economic and strategic bilateral relations. A well-calibrated trade pact could boost India's economic interests, promote technological cooperation, and align with its broader diplomatic vision.

UPSC Relevance:

- **GS Paper 2** – International Relations (India-US Bilateral Relations, Trade Agreements)
- **GS Paper 3** – Economy (Foreign Trade, WTO, Trade Negotiations)
- **Essay/Interview** – India's Role in a Changing Global Trade Order, Strategic Economic Diplomacy

5. Andaman and Nicobar Propose Four Sites for UNESCO World Heritage Tentative List

- **Proposal for UNESCO Tentative List**
 - The **Andaman and Nicobar Islands administration** has proposed **four natural landmarks** for inclusion in the **UNESCO World Heritage Site Tentative List**.
 - This move highlights the region's unique geological and ecological value and seeks **global recognition and protection** of these natural assets.



- **Geo-Heritage Tourism Development**
 - The administration is working with the **Geological Survey of India (GSI)** to develop these sites as **geo-heritage tourism destinations**, aiming to promote **sustainable tourism and local economic development**.
 - Geo-heritage refers to **geological features of scientific, cultural, or aesthetic significance**, which are worthy of preservation.
- **Significance of Andaman's Natural Heritage**
 - The Andaman Islands possess **unique biodiversity, tectonic features, coral ecosystems, and volcanic formations**, making them ideal candidates for global heritage status.
 - Inclusion in UNESCO's list can help preserve the region's **fragile ecosystems**, including **marine and coastal habitats**.
- **Legal and Institutional Framework**
 - **UNESCO World Heritage Sites** are designated under the **1972 World Heritage Convention**, which India ratified in 1977.
 - In India, protection of such sites is governed under the **Ancient Monuments and Archaeological Sites and Remains Act, 1958**, and supported by state and local conservation laws.
- **Environmental and Strategic Implications**
 - Recognizing these sites can strengthen **India's environmental diplomacy** and underscore its commitment to **global environmental governance**.
 - It also aligns with India's goal of promoting **ecotourism and sustainable development** in remote island territories with **high ecological sensitivity**.



Conclusion and UPSC Relevance

The nomination of sites from the Andaman and Nicobar Islands to the UNESCO Tentative List reflects India's proactive efforts to preserve its natural heritage and develop ecologically sensitive tourism. It also enhances India's soft power in global environmental forums.

UPSC Relevance:

- **GS Paper 1** – Indian Heritage and Culture (UNESCO World Heritage Sites)
- **GS Paper 3** – Environment and Biodiversity, Conservation Policies, Sustainable Tourism
- **Essay/Interview** – Heritage Conservation, Geo-tourism and India's Soft Power

6. Rupee Nears 87 per Dollar Amid Sustained Outflows and Importer Demand

- **Rupee Weakens to Four-Month Low**
 - On Tuesday, the **Indian Rupee depreciated to 86.9150 per US dollar**, nearing the psychological barrier of 87, marking its **weakest level since March**. It closed at 86.8150, down **0.2%** for the day.
 - The rupee has shown limited resilience, closing stronger only **twice in the last 15 sessions**.
- **Key Drivers Behind Depreciation**
 - **Persistent dollar demand from importers**, particularly for crude oil and essential goods, has added pressure on the rupee.
 - **Weakness in Foreign Portfolio Investment (FPI) inflows**, with investors pulling capital from Indian equities and bonds, has further weakened the currency.



- **Implications for Economy**
 - A weakening rupee raises the **import bill**, especially for crude oil, electronics, and fertilizers, potentially **fueling imported inflation**.
 - On the other hand, it may **improve export competitiveness**, benefiting sectors like textiles, IT services, and pharmaceuticals.
- **Policy and Institutional Response**
 - The **Reserve Bank of India (RBI)** closely monitors currency volatility and may intervene in forex markets to **prevent excessive depreciation** or instability.
 - RBI's monetary policy must balance **currency stability, inflation control, and capital flow management**.
- **Constitutional & Legal Framework**
 - Under **Article 265**, no tax can be levied without authority of law, but the impact of currency depreciation can indirectly raise the **cost of living**, affecting fiscal policy.
 - The **Foreign Exchange Management Act (FEMA), 1999** governs India's external sector transactions and capital flows.

Conclusion and UPSC Relevance

The rupee's fall close to 87 per US dollar highlights the macroeconomic pressures from global market trends and domestic forex demand. While this poses inflationary risks, it may also aid exports. Policy coordination between the RBI and the government is crucial to ensure external sector stability.

UPSC Relevance:

- **GS Paper 3** – Indian Economy (Exchange Rate Management, Forex Reserves, Inflation)
- **GS Paper 2** – Role of RBI, External Sector Regulations
- **Essay/Interview** – Currency Volatility, Macroeconomic Stability, Foreign Capital Flows



7. Assam Launches Eviction Drive to Clear Encroachments on Forest Land Along Nagaland Border

- **Eviction Drive on Encroached Forest Land**
 - The Assam government has initiated a large-scale **eviction drive to clear over 11,000 bighas of encroached forest land** in the **Uriamghat area of Golaghat district**, particularly in the **Rengma Reserve Forest**, which lies along the **Assam-Nagaland boundary**.
 - The action aims to reclaim ecologically sensitive areas and address illegal settlement issues.
- **Security Deployment and Execution**
 - A **massive security presence**, including the **Assam Forest Protection Force and police**, was deployed to maintain order. Over **150 excavators** were used.
 - The operation was largely **peaceful**, as most encroachers had vacated after prior notice. Structures like **houses and shops** were demolished during the drive.





- **Demographic and Political Sensitivities**
 - Approximately **15,000 people**, mostly **migrant Muslims**, were reportedly residing illegally in the forest, converting land for **betel nut plantations**.
 - Assam CM Himanta Biswa Sarma justified the move as a response to **mass encroachment**, **demographic alteration**, and associated violence, asserting the state's right over its land.
- **Tensions with Nagaland and Naga Groups**
 - The **Niki Sumi faction of the National Socialist Council of Nagaland (NSCN)** condemned the eviction as a "**land grab**" targeting **Naga territory**, deepening the long-standing **inter-state border dispute** between Assam and Nagaland.
 - The matter touches on **ethnic, territorial, and identity concerns** in the Northeast, often marked by historical grievances and political contestation.
- **Legal and Constitutional Framework**
 - Under the **Indian Forest Act, 1927** and the **Forest (Conservation) Act, 1980**, encroachments on forest land are illegal and subject to removal.
 - Article **48A** of the Constitution obligates the State to **protect and improve the environment**, while Article **51A(g)** places a similar duty on citizens.
 - **Inter-state boundary disputes** fall under **Schedule VII (Union List, Entry 14)** and can be adjudicated by the **Supreme Court** under **Article 131**.

Conclusion and UPSC Relevance

The eviction drive in Assam represents a complex intersection of **environmental protection, demographic dynamics, inter-state tensions, and political assertion of land rights**. While it reflects administrative resolve to protect forest land, it also risks exacerbating ethnic and territorial disputes. A long-term, sensitive resolution mechanism is necessary.

UPSC Relevance:

- **GS Paper 1** – Post-Independence Consolidation (Inter-state disputes), Demographic issues
- **GS Paper 2** – Federalism, Governance in Northeastern States, Role of State Governments
- **GS Paper 3** – Environmental Conservation, Forest Management, Internal Security
- **Essay/Interview** – Land Rights vs Environmental Protection, Migration and Identity Politics in the Northeast

8. Human Trafficking and Child Exploitation in India: A Critical Issue

- **Prevalence and Vulnerability:** Human trafficking is a pervasive organized crime globally, with women and children, particularly young girls, being the most vulnerable. The text highlights a disturbing trend of girls, some as young as 12, being trafficked from states like Chhattisgarh to Bihar under false promises of dance careers, only to be subjected to sexual exploitation and forced labor in "orchestras" or the flesh trade. Poverty and lack of regulatory oversight are major contributing factors.
- **Bihar as a Trafficking Hub:** Bihar has emerged as a significant destination for trafficking due to porous borders with Nepal, seamless railway connectivity to other trafficking-prone states (West Bengal, Jharkhand, Odisha, Chhattisgarh, Assam, Uttar Pradesh), and a societal acceptance of commodifying girls in "dance troupes." False promises of employment, marriage, or stardom are used to lure victims, who are often sold for meager sums.





- **Systemic Failures and Legal Framework:** Despite comprehensive laws like the Immoral Traffic (Prevention) Act, Juvenile Justice Act, POCSO Act, Bonded Labour System (Abolition) Act, Child and Adolescent Labour (Prohibition and Regulation) Act, and provisions under the Bharatiya Nyaya Sanhita, conviction rates remain abysmal. This is attributed to cases being misfiled, under-resourced Anti-Human Trafficking Units (AHTUs), jurisdictional issues, and victims being sent back to abusive environments.
- **Key Definitions and Concepts:**
 - **Human Trafficking:** The recruitment, transportation, transfer, harboring, or receipt of persons by means of threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.
 - **Child Labour:** Work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It is work that is mentally, physically, socially or morally dangerous and harmful to children; or interferes with their schooling by depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.
- **Recommendations for Combating Trafficking (PICKET Strategy):** The article proposes a multi-pronged "PICKET" strategy:
 - **Policy:** Strong and clear policies prohibiting child labor and exploitation.
 - **Institutions:** Empowered institutions for monitoring, prosecution, and rehabilitation.
 - **Convergence:** Collaboration among agencies, digital infrastructure, and survivor-centered responses.
 - **Knowledge:** Community awareness, intelligence gathering, and insights from survivors.
 - **Economically:** Making trafficking financially unviable through prosecution and asset attachment.
 - **Technology:** Using technology for tracking, databases, heat maps, and predicting movement patterns. Additional key points include enhanced school attendance monitoring, panchayat migratory registers, increased transport vigilance (RPF model), accountable AHTUs, immediate prohibition of minors in orchestras with strict regulation and prosecution of owners, time-bound prosecution, and state-supervised, long-term rehabilitation.

Conclusion: The pervasive issue of human trafficking and child exploitation, particularly in states like Bihar, demands urgent and coordinated action. Despite robust legal frameworks, systemic failures in enforcement, resource allocation, and rehabilitation perpetuate the crisis. A comprehensive strategy, encompassing strong policies, empowered institutions, inter-agency convergence, community awareness, economic disincentives for traffickers, and technological advancements, is crucial to dismantling trafficking networks and ensuring justice and protection for vulnerable children. The will to act is the missing element.

UPSC Relevance: This topic is highly relevant for the UPSC Civil Services Exam, particularly for:

- **GS Paper I: Indian Society:** Issues related to poverty, vulnerability, social justice, and women's and children's issues.



- **GS Paper II: Governance, Constitution, Polity, Social Justice, and International Relations:**
 - **Social Justice:** Issues related to vulnerable sections, human rights, child rights, women's rights, and government policies and interventions for their protection.
 - **Governance:** Role of government and NGOs in addressing social issues, challenges in law enforcement, judicial pronouncements, and inter-state cooperation.
 - **Constitutional & Legal Provisions:** Articles related to fundamental rights (e.g., Article 21, 23, 24), relevant acts like POCSO, JJ Act, ITPA, and recent amendments/provisions.
- **GS Paper III: Economy and Internal Security:**
 - **Economy:** Impact of child labor on economic development and human capital.
 - **Internal Security:** Human trafficking as an organized crime, cross-border crime, and challenges in law enforcement.
- **Essay Paper:** Provides ample material for essays on social issues, human rights, and challenges facing India.
- **Interview/Personality Test:** Demonstrates awareness of critical social problems and potential solutions.

9. Informalisation of Formal Manufacturing Sector in India: Challenges and Solutions

- **Growing Contractualisation and its Drivers:** India's formal manufacturing sector has seen a drastic increase in contract labour, from 20% in 1999-2000 to 40.7% in 2022-23. While often justified for operational flexibility and specialized skills, the primary driver appears to be cost avoidance. Contract workers, typically hired through third parties, are excluded from core labour laws like the Industrial Disputes Act, 1947, weakening their bargaining power and making them vulnerable to exploitation.
 - **Definition: Contract Labour:** Workers employed through a contractor for an establishment, as opposed to direct employment. They generally lack the same benefits and legal protections as regular employees.
- **Plight and Exploitation of Contract Workers:** Contract workers face significantly lower wages (14.47% less than regular counterparts in 2018-19) and disproportionately lower overall labour costs for employers (24% lower on average). In some industries, these labour-cost gaps can be as high as 78% to 85%, indicating severe exploitation due to their limited legal protection and weak bargaining power.
- **Negative Impact on Productivity:** Despite claims of flexibility, widespread contractualisation, especially through short-term, third-party contracts, is detrimental to long-term productivity. It leads to principal-agent problems (misalignment of interests), moral hazard issues (worker shirking), high labour turnover, and discourages investment in training and innovation. Contract labour-intensive (CLI) enterprises have, on average, 31% lower labour productivity than regular labour-intensive (RLI) enterprises, with the gap being wider in small and medium enterprises.
- **Limited Positive Impact:** While high-skill and large capital-intensive CLI enterprises show some productivity gains (5% and 17% respectively), these constitute only about 20% of the formal manufacturing sector. The overwhelming majority (80%) of enterprises are adversely affected by



contractualisation, suggesting its use primarily as a cost-cutting and regulation-circumventing measure, which is counterproductive in the long run.

- **Policy Challenges and Suggestions:** The 2020 Labour Code on Industrial Relations aims for greater flexibility but also mandates basic statutory benefits for fixed-term contract workers hired directly. However, concerns exist about accelerating informalisation.
 - **Policy Recommendations:**
 - Incentivize longer fixed-term contracts through concessions in social security contributions or subsidized access to government skilling programs to enhance workforce stability and skill accumulation.
 - Revive and extend the Pradhan Mantri Rojgar Protsahan Yojana (PMRPY), which incentivized formal job creation by bearing employer's contribution to EPS and EPF, to curb misuse of contract labour and promote formalisation.
- **Constitutional & Legal Provisions:**
 - **Industrial Disputes Act, 1947:** Governs layoffs, retrenchments, and dismissals of workers. Contract workers often fall outside its core protections.
 - **Contract Labour (Regulation and Abolition) Act, 1970:** Regulates the employment of contract labour in certain establishments and prohibits it in others.
 - **Code on Industrial Relations, 2020:** Aims to consolidate and amend laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial disputes.
 - **Directive Principles of State Policy (DPSP):** Articles like 39(a) (right to an adequate means of livelihood), 41 (right to work), 42 (just and humane conditions of work), and 43 (living wage) underpin the need for decent work conditions and formalization.

Conclusion: The increasing contractualisation in India's formal manufacturing sector, driven primarily by cost avoidance, is a significant concern. It exacerbates the exploitation of workers through lower wages and lack of legal protection, while simultaneously hindering long-term productivity growth. Effective policy interventions, including incentivizing longer-term contracts and strengthening schemes like PMRPY, alongside robust implementation of labour laws and adherence to constitutional principles of social justice, are critical to reverse this trend and foster a more formal, productive, and equitable manufacturing sector.

UPSC Relevance: This topic is crucial for the UPSC Civil Services Exam across various papers:

- **GS Paper I (Society):** Deals with issues of social inequality, labour exploitation, and the changing nature of work.
- **GS Paper II (Polity & Governance, Social Justice):** Discusses labour laws, social security, the role of the state in protecting workers' rights, and government policies for employment generation and formalization. Relates directly to fundamental rights (e.g., against exploitation) and DPSPs.
- **GS Paper III (Economy):** Covers industrial relations, labour reforms, productivity, employment trends, and economic growth challenges.
- **Essay Paper:** Provides a strong base for essays on economic reforms, social justice, and the future of work in India.



- **Interview/Personality Test:** Demonstrates an understanding of contemporary socio-economic challenges and potential policy solutions.

10. Critiquing India's Gini Index Ranking: The Reality of Deep-Seated Inequalities

- **Discrepancy in Gini Index vs. Lived Reality:** The Gini Index, which ranks India at 25.5, suggests a "moderately low" inequality, placing it among the most equal societies. However, the lived experience in India starkly contradicts this, with pervasive inequalities across various dimensions. The article argues that the methodology of the Gini Index may be flawed in capturing the nuanced realities of Indian society.
 - **Definition: Gini Index/Coefficient:** A measure of statistical dispersion intended to represent the income or wealth distribution of a nation's residents, and is the most commonly used measurement of inequality. A coefficient of 0 expresses perfect equality, while a coefficient of 1 (or 100%) expresses maximal inequality.
- **Forms of Inequality in India:**
 - **Wealth Inequality:** Evident in stark contrasts between the affluent and the poor. The top 1% of the population reportedly held 22.6% of the national income in 2022-23. Data collection on wealth inequality is challenging due to the large informal sector, low incomes, and high non-taxable income thresholds, indicating inherent inequality.
 - **Gender Inequality:** Women are significantly marginalized in the workforce (35.9% worker population ratio) and leadership roles (12.7% in senior/middle management). Women-run startups constitute only 7.5% of active startups. Social norms further aggravate this by influencing resource allocation within families and inheritance.
 - **Digital Inequality (Digital Divide):** Despite progress in internet access, a severe digital divide persists. Lack of access to functional computers (only 52.7% schools) and internet (only 53.9% schools) creates educational inequality. Limited household broadband access (41.8% combined urban/rural) further exacerbates educational disparities, especially during virtual learning, perpetuating cycles of inequality.
- **Interconnectedness of Inequalities:** Inequalities often permeate across different realms. For instance, digital inequality disproportionately affects lower-income demographics and women. Only 25% of rural women have internet access compared to 49% of rural men, hindering their access to financial freedom, job opportunities, and exacerbating both digital and gender disparities.
- **Constitutional and Legal Provisions Addressing Inequality:**
 - **Preamble:** Enshrines "Justice – social, economic and political; Equality – of status and of opportunity."
 - **Fundamental Rights (Part III):**
 - **Article 14:** Equality before law and equal protection of laws.





- **Article 15:** Prohibition of discrimination on grounds of religion, race, caste, sex or place of birth.
- **Article 16:** Equality of opportunity in matters of public employment.
- **Article 39:** Directive Principles of State Policy aiming to secure a social order for the promotion of welfare of the people, and directs the state to strive to minimize inequalities in income and endeavor to eliminate inequalities in status, facilities and opportunities.
- **Directive Principles of State Policy (Part IV):** Guide the state to promote social and economic justice, including securing equal pay for equal work for both men and women (Article 39(d)).
- **Various Laws:** Legislation like the Equal Remuneration Act, various anti-discrimination laws, and policies promoting digital inclusion aim to address specific forms of inequality.

Conclusion: The Gini Index's favorable ranking for India masks the deeply entrenched and multi-faceted inequalities that plague the nation across wealth, gender, and digital access. These disparities are not merely statistical anomalies but lived realities that impede equal opportunities and perpetuate cycles of disadvantage. While constitutional and legal provisions aim to address these issues, their effective implementation and a concerted effort to bridge these divides are crucial for India to truly achieve an equitable society.

UPSC Relevance: This topic is highly pertinent for the UPSC Civil Services Exam, particularly for:

- **GS Paper I (Indian Society):** Directly addresses issues of social inequality, social stratification, gender roles, and the impact of technology on society.
- **GS Paper II (Governance, Constitution, Polity, Social Justice):** Relevant for understanding constitutional provisions on equality and justice, government policies and initiatives for inclusive growth, challenges in achieving social justice, and the role of data in policy-making.
- **GS Paper III (Economy):** Discusses wealth distribution, informal economy, digital economy, and their implications for economic development and inclusive growth.
- **Essay Paper:** Provides robust arguments and examples for essays on inequality, social justice, the digital divide, and India's development trajectory.
- **Interview/Personality Test:** Demonstrates a critical understanding of India's socio-economic landscape and contemporary challenges.

II. ICJ Advisory Opinion on Climate Change Obligations: Key Takeaways

- **Affirmation of Comprehensive Climate Regime & Global South's Stand:** The ICJ's advisory opinion strongly emphasizes the continued significance of the entire climate regime, including the UNFCCC, Kyoto Protocol, and Paris Agreement, rejecting the notion that the Paris Agreement is the sole binding instrument. This is a significant win for the Global South, including India, as it reiterates the foundational role of the UNFCCC's Annex-I and Annex-II, reinforcing the additional obligations of developed countries regarding climate finance, technology transfer, and capacity building for developing nations.
- **Definition: UNFCCC Annex-I Countries:** Industrialized countries and countries with economies in transition that committed to emission reduction targets under the Kyoto



Protocol and have additional obligations under the UNFCCC framework, especially concerning financial and technological support to developing countries.

- **Centrality of Common But Differentiated Responsibilities and Respective Capabilities (CBDR&RC):** The opinion firmly identifies CBDR&RC, rooted in Article 3 of the UNFCCC, as the "core guiding principle" for implementing climate change treaties. Crucially, it extends the universality of CBDR&RC beyond climate treaties, suggesting its applicability to other international environmental law areas like biodiversity, further empowering the Global South's perspective. While acknowledging the Paris Agreement's nuance of "national circumstances" to CBDR&RC, the opinion views this as a dynamic interpretation of "developed" vs. "developing" status.
 - **Definition: Common But Differentiated Responsibilities and Respective Capabilities (CBDR&RC):** A principle in international environmental law that recognizes the common responsibility of all states to address environmental degradation, but also acknowledges their different historical contributions to environmental problems and their differing capacities (economic, technological, etc.) to address them.
- **Interpretation of the 1.5°C Temperature Goal:** The ICJ controversially interprets decisions from COP26 and COP28 as effectively "rewriting" the Paris Agreement's temperature goal from "well below 2 degrees Celsius...pursuing efforts to limit...to 1.5 degrees C" to solely the 1.5 degrees Celsius target. This interpretation is debated, as it implies that subsequent implementing decisions can modify the core agreement itself, and it doesn't adequately address the consequences of breaching the 1.5°C threshold, which is projected to occur soon.
- **Enforcement of Obligations: Obligations of Conduct vs. Result:** The opinion largely adheres to the established international legal understanding that climate mitigation and means of implementation (finance, technology) are "obligations of conduct" – meaning a duty to perform actions towards an outcome rather than guaranteeing the outcome itself. Only procedural aspects, such as timely submission of Nationally Determined Contributions (NDCs), are seen as "obligations of result." While these obligations of conduct can be stringent, their enforcement relies on specific court jurisdiction and case-by-case assessment, breaking no significant new ground in a more stringent enforcement framework.
 - **Definition: Obligation of Conduct (or due diligence):** Requires a state to endeavor to achieve a certain result by using its best efforts and taking all necessary measures, without necessarily guaranteeing the final outcome.
 - **Definition: Obligation of Result:** Requires a state to achieve a specific outcome, regardless of the means chosen to attain it.
- **Gaps and Missed Opportunities:** A significant lacuna is the opinion's inadequate engagement with the "twin challenge" of climate change for the Global South: limited carbon space for development and insufficient finance/technology for low-carbon growth. Critics argue the opinion uncritically adopts IPCC targets without an equity lens and may not substantially shift global climate action or negotiations, potentially perpetuating existing fault lines rather than overcoming them, thus being a "missed opportunity" in global climate discourse. The opinion, however, does open the door for potential future litigation at national or regional levels for reparations, though establishing attribution and causation remains a challenge.





Conclusion: The ICJ's advisory opinion on climate obligations is a complex pronouncement. While it unequivocally re-affirms the foundational principles of international climate law, particularly those beneficial to the Global South (like CBDR&RC and the entirety of the climate regime), its interpretation of the 1.5°C target and its approach to enforcement, largely sticking to "obligations of conduct," draw criticism. The opinion's value lies in its reiteration of state responsibilities and potential for influencing future climate litigation and domestic policies, rather than breaking significant new ground in enforcing stringent obligations or fully addressing the development imperatives of vulnerable nations. It highlights the ongoing struggle to translate international legal principles into concrete, equitable climate action.

UPSC Relevance: This topic is highly relevant for the UPSC Civil Services Exam across various papers:

- **GS Paper II (Polity & Governance, International Relations, Social Justice):**
 - **International Relations:** Role of International Court of Justice, international environmental law, climate diplomacy, multilateralism, North-South divide in climate negotiations.
 - **Social Justice:** Implications for vulnerable nations and communities, climate justice, human rights (right to a clean environment recognized by the ICJ).
- **GS Paper III (Economy, Environment & Ecology, Disaster Management):**
 - **Environment & Ecology:** Climate change science, mitigation and adaptation, IPCC reports, legal aspects of environmental protection.
 - **Economy:** Impact on developing economies, climate finance, technology transfer.
- **Essay Paper:** Provides rich material for essays on climate change, international law, global governance, and sustainable development.
- **Interview/Personality Test:** Demonstrates an understanding of complex global issues, legal frameworks, and India's stance on international climate politics.

12. Update on National Population Register (NPR) and Census 2027

- **No Immediate NPR Update Planned:** The Union government has clarified that no decision has been taken to update the National Population Register (NPR) during the upcoming 2027 Census exercise. This addresses previous reports and public discussions about the NPR's update.
 - **Definition: National Population Register (NPR):** A register of usual residents of the country, prepared at the local (village/sub-town), sub-district, district, state, and national level. A "usual resident" is defined as a person who has resided in a local area for the past six months or intends to reside there for the next six months or more. It is mandatory for every usual resident of India to register in the NPR.
- **Census 2027 Notified and Phased Approach:** The government has officially notified its intent to conduct the Census in 2027. The Census will be carried out in two distinct phases:
 1. **Houselisting and Housing Census:** This phase will collect data on housing conditions, assets, and amenities of each household.





2. **Population Enumeration:** This phase will gather demographic, socio-economic, cultural, and other personal details of every individual in each household. The period for conducting the houselisting and housing Census will be notified later.
- **NPR's Past and Connection to NRC:** The NPR was first created in 2010 with data collected during the first phase of the 2011 Census (House Listing and Housing schedule). Its database, containing details of 119 crore residents, was subsequently updated in 2015-16. According to the Citizenship Rules, 2003 (under the Citizenship Act, 1955), the NPR is considered the first step towards the creation of a National Register of Citizens (NRC).
 - **Definition: National Register of Citizens (NRC):** A register containing names of genuine Indian citizens. Its purpose is to document all legal citizens of India so that illegal immigrants can be identified and deported. Unlike the NPR, which includes both citizens and non-citizens (usual residents), the NRC is exclusively for Indian citizens.
- **Caste Enumeration in Census:** A significant detail shared is that caste enumeration will also be carried out during the upcoming Census. This is a notable point, as comprehensive caste data (beyond Scheduled Castes and Scheduled Tribes) has not been collected in the Indian Census since 1931. This can have significant implications for policymaking related to social justice and reservations.
- **Estimated Financial Outlay Under Finalisation:** The financial outlay required for conducting the extensive Census exercise is currently under finalization by the government.

Conclusion: The Union government has clarified that the update of the National Population Register is not immediately planned, even as the 2027 Census has been officially notified. The Census will be conducted in two phases, and importantly, it will include caste enumeration, which could provide crucial data for various policy interventions. While the NPR's potential link to the NRC remains a subject of debate and political sensitivity, the government's current stance suggests a focus on the decennial Census as a primary data collection exercise for planning and governance.

UPSC Relevance: This topic is highly relevant for the UPSC Civil Services Exam across multiple papers:

- **GS Paper I (Indian Society):** Implications of caste enumeration for social structure, social justice, and demographic trends.
- **GS Paper II (Polity & Governance, Social Justice):**
 - **Constitutional & Legal Provisions:** Articles related to citizenship (Articles 5-11), the Citizenship Act, 1955 and its rules, and the Census Act, 1948.
 - **Governance:** The role of the Census and NPR in data collection, policy formulation, and administrative processes.
 - **Social Justice:** Debates surrounding NRC, NPR, and caste enumeration, their impact on marginalized communities, and issues of inclusion and exclusion.
- **Essay Paper:** Provides a strong base for essays on population policy, citizenship, social justice, and data-driven governance.
- **Interview/Personality Test:** Demonstrates an understanding of contemporary socio-political issues, governmental mechanisms, and sensitive policy matters.