



“We help you reach for the star”

VIDHVATH IAS KAS ACADEMY & STUDY CENTRE

DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

DATE: 28/05/2026 (THURSDAY)



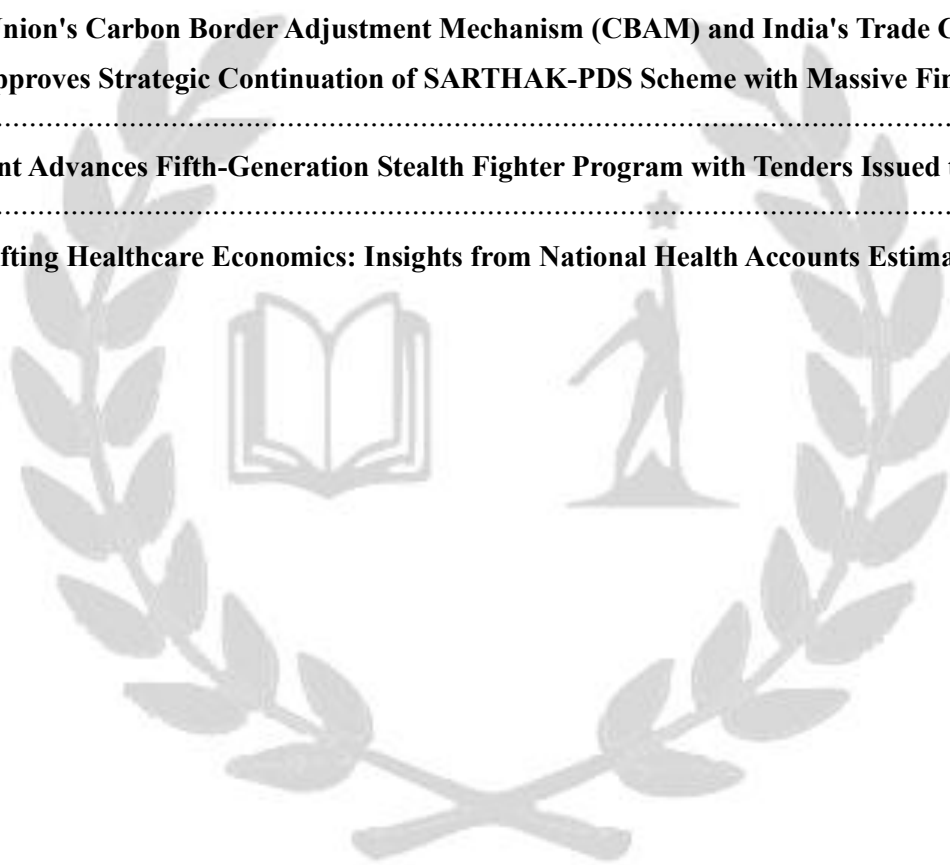
 **9972258970 & 9740702455**

**#317/A SKB Arcade, D. Subbaiah Road,
Ramaswamy Circle, Mysuru-570004**



Table of Contents

1. Legal Validity of Special Intensive Revision (SIR) of Electoral Rolls	2
2. Assam Passes Uniform Civil Code (UCC) Bill	3
3. Rediscovery of Rare Dragonfly Species in Arunachal Pradesh.....	5
4. Shifts in India-US Strategic Dynamics Amid Transactional Foreign Policy	7
5. EU Delegation Inspection and Systemic Pressures on Schengen Visa Operations in India	9
6. Evolution of Rural Employment Architecture: The Transition from MGNREGA to VB-G RAM G	11
7. Global Wealth Reordering: Hong Kong Overtakes Switzerland as Top Cross-Border Hub	13
8. Aggressive Ebola Outbreak in the Democratic Republic of Congo Outpaces Global Health Intervention .	15
9. European Union's Carbon Border Adjustment Mechanism (CBAM) and India's Trade Challenge	17
10. Cabinet Approves Strategic Continuation of SARTHAK-PDS Scheme with Massive Financial Allocation	19
11. Government Advances Fifth-Generation Stealth Fighter Program with Tenders Issued to Private Consortiums	21
12. India's Shifting Healthcare Economics: Insights from National Health Accounts Estimates 2022-23	23



VIDHVATH IAS ACADEMY



1. Legal Validity of Special Intensive Revision (SIR) of Electoral Rolls

Core Summary

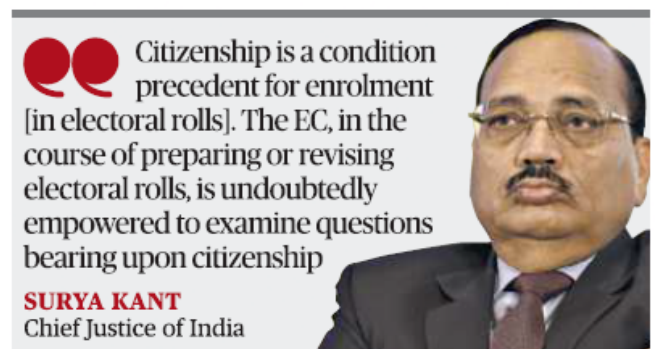
- **Judicial Affirmation:** The Supreme Court of India unanimously upheld the legal and constitutional validity of the Special Intensive Revision (SIR) of electoral rolls initiated by the Election Commission of India (ECI), which began as a pilot project in Bihar and expanded across multiple states.
- **Constitutional Imperative:** A bench led by Chief Justice of India Surya Kant ruled that the SIR does not subvert but rather "breathes life" into the constitutional mandate of ensuring free, fair, and credible elections, emphasizing that democratic integrity depends heavily on accurate and pure electoral rolls.
- **Distinct Statutory Mechanism:** The apex court clarified that Section 21(3) of the Representation of the People Act, 1950, empowers the ECI to conduct "special revisions" at any time under exceptional circumstances, making it materially distinct from the ordinary routine revisions conducted under Section 21(2).
- **Limited Scope on Citizenship:** The Court held that while the ECI is empowered under Section 16 of the Representation of the People Act to examine questions bearing upon citizenship, this assessment is confined strictly to determining a person's eligibility for inclusion or exclusion from the electoral roll.
- **No Final Adjudication:** The judgment established that the ECI's inability to be satisfied with an individual's citizenship for electoral purposes does not amount to a final legal declaration of non-citizenship under the Citizenship Act, 1955.
- **Redressal Mechanism:** The Court directed the ECI to refer all cases where names were purged or deleted from the rolls during the intensive exercise to the competent authority under the Citizenship Act within four weeks for formal legal adjudication.

Key Definitions

- **Special Intensive Revision (SIR):** An extraordinary, rigorous field-verification and documentation exercise undertaken by the ECI to clean, update, and purify electoral rolls by removing duplications, systemic inaccuracies, and dead or migrated voters.
- **Test of Proportionality:** A judicial doctrine used to check if administrative measures balance constitutional rights with a legitimate state objective. The Court found SIR proportionate due to embedded procedural safeguards and multiple avenues for voter participation and rectification.

Constitutional and Legal Provisions

- **Article 324 of the Constitution:** Grants the Election Commission of India plenary powers for the "superintendence, direction, and control" of the preparation of electoral rolls and the conduct of all elections.
- **Section 21(3) of the Representation of the People Act, 1950:** An autonomous, enabling provision that explicitly permits the ECI to direct a special revision of the electoral roll for any constituency or part of a constituency at any time, for reasons recorded in writing.





- **Section 16 of the Representation of the People Act, 1950:** Outlines disqualifications for registration in an electoral roll, stating that a person who is not a citizen of India cannot be registered.
- **The Citizenship Act, 1955:** The statutory framework governing the acquisition and determination of Indian citizenship, which falls within the exclusive domain of central designated competent authorities, not the ECI.

Additional Key Insights

- **ECI's Justification:** The ECI justified the intensive cleanup by highlighting that several decades had passed since the last intensive revision in regions like Bihar, creating massive discrepancies due to large-scale migration, rapid urbanization, and repetitive data entries.
- **Evolving Document Framework:** The ECI originally mandated an 11-document validation framework to verify eligibility. Following judicial interventions to make the exercise inclusive rather than exclusionary, the list expanded to 12 documents, including the Aadhaar card.

Conclusion

The Supreme Court's ruling strikes a delicate balance between national electoral integrity and individual voting rights. By treating the ECI's intensive documentation drive as an inquisitorial verification exercise rather than a final citizenship trial, the judiciary has protected voters from permanent statelessness or disenfranchisement without compromising the mandate to purge fraudulent entries from India's democratic registers.

UPSC Relevance

- **GS Paper II (Governance and Polity):** Statutory, regulatory, and various quasi-judicial bodies (Election Commission of India powers, functions, and responsibilities); Salient features of the Representation of the People Act; Structure, organization, and functioning of the Judiciary.

2. Assam Passes Uniform Civil Code (UCC) Bill

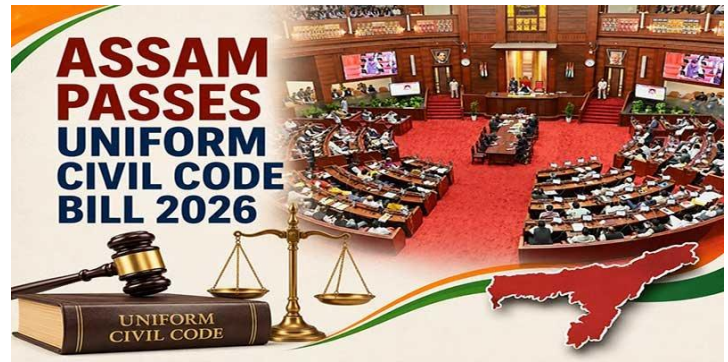
The Assam Legislative Assembly passed the Uniform Civil Code (UCC) Bill amid protests and walkouts by Opposition lawmakers. The legislation aims to create a common legal framework governing personal matters like marriage, divorce, succession, and live-in relationships across communities, while explicitly exempting the state's Scheduled Tribes (ST) population.

Key Summary Points

- **Exemption of Scheduled Tribes:** The legislation explicitly states that its provisions will not apply to members of any Scheduled Tribe (ST) community, a move intended to preserve tribal customary laws but criticized by the Opposition for diluting the definition of a "uniform" civil code.
- **Prohibition of Polygamy and Child Marriage:** A core emphasis of the Bill is gender justice, achieved by legally prohibiting child marriage and polygamy, and establishing uniform grounds for divorce across different religious communities.
- **Gender-Equal Inheritance Rights:** The Bill introduces structural reforms to intestate inheritance, mandating a gender-equal order of preference among Class-1 heirs to guarantee equal property and succession rights for women.
- **Regulation of Live-In Relationships:** Similar to legislations passed in Uttarakhand and Gujarat, the Bill mandates the compulsory registration of live-in relationships with an appointed sub-registrar, extending this jurisdiction even to residents of Assam living outside the state, with legal penalties prescribed for non-compliance.



- **Opposition Concerns and Procedural Objections:** Opposition MLAs vehemently protested the rapid passage of the Bill, demanding it be referred to a select committee due to a lack of wider public, religious organization, and political stakeholder consultations prior to its introduction.



Key Definitions

- **Uniform Civil Code (UCC):** A common set of laws governing personal matters such as marriage, divorce, adoption, inheritance, and succession for all citizens of a country or state, irrespective of their religion, gender, or sexual orientation.
- **Intestate Inheritance:** The legal method and order of distributing a deceased individual's estate and property when they die without leaving a valid will or testament.
- **Sixth Schedule Autonomous Councils:** Constitutional bodies established under the Sixth Schedule of the Indian Constitution that grant administrative, legislative, and judicial autonomy to tribal areas in Assam, Meghalaya, Tripura, and Mizoram.

Constitutional & Legal Provisions

- **Article 44 of the Constitution:** Part of the Directive Principles of State Policy (DPSP), it explicitly directs the State to endeavor to secure a Uniform Civil Code for the citizens throughout the territory of India.
- **The Sixth Schedule:** Provides for the administration of tribal areas in Assam, Meghalaya, Tripura, and Mizoram to safeguard tribal culture and customs; Assam features three such autonomous district councils: Bodoland Territorial Council, North Cachar Hills Autonomous Council, and Karbi Anglong Autonomous Council.
- **Article 25 to 28 of the Constitution:** Guarantees freedom of religion and conscience, which critics often cite to argue that a uniform civil code infringes upon the right of religious communities to follow their own personal laws.
- **Concurrent List (Seventh Schedule):** Entry 5 of the Concurrent List covers marriage, divorce, infants, minor, adoption, succession, and undivided family, which empowers both the Parliament and State Legislatures to enact laws on these matters.

Additional Important Keypoints

- **Demographic Context:** According to the 2011 Census, Scheduled Tribes constitute 12.44% of Assam's population, making their exemption a highly significant socio-political and legal aspect of the regional UCC framework.
- **The Legislative Debate:** While the treasury bench justified the tribal exemption by noting that tribal societies already possess customary equity and self-regulation, the opposition argued that making exemptions based on communities undermines the fundamental principle of uniformity.
- **Law Commission's Historical Stance:** The Opposition cited the 21st Law Commission report of 2018, which stated that a UCC was "neither necessary nor desirable at this stage," advocating instead for reforming discriminatory practices within individual personal laws.



Conclusion

The passage of the Assam UCC Bill marks another significant step toward state-level codification of personal laws in India, following the footsteps of Uttarakhand and Gujarat. While the law aims to pioneer gender justice by abolishing practices like polygamy and child marriage, the balancing act of exempting indigenous tribal populations highlights the complex intersection of constitutional uniformity and ethnic pluralism in northeast India.

UPSC Relevance

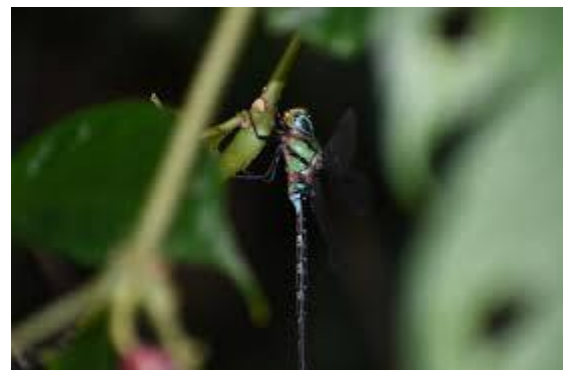
- **Syllabus Linkage:** GS Paper II: Indian Constitution—historical underpinnings, evolution, features, amendments, significant provisions and basic structure; Welfare schemes for vulnerable sections; Directive Principles of State Policy.

3. Rediscovery of Rare Dragonfly Species in Arunachal Pradesh

A team of four citizen scientists successfully documented the rediscovery of *Gynacantha khasiaca*, a rare dragonfly species commonly known as the long-tailed duskhawker, inside the Namdapha National Park and Tiger Reserve in Arunachal Pradesh's Changlang district. This significant ecological find represents the first confirmed record of the species within the state in 110 years, following its last description during the historic Abor Expedition in 1914.

Key Summary Points

- **Centennial Resurfacing in Eastern Himalayas:** The rare long-tailed duskhawker (*Gynacantha khasiaca*) was recorded at Deban along the Miao–Vijaynagar road in Namdapha National Park, located nearly 600 kilometers east of its last historical state record from the Abor Hills in 1914.
- **Collaborative Citizen Science Achievement:** The rediscovery was authored by a diverse four-member team comprising citizen scientists from Kerala, Karnataka, Uttarakhand, and an Arunachal Pradesh police officer, with findings formally published in the peer-reviewed *Journal of Threatened Taxa*.
- **Exceptional Biological Features:** The insect exhibits unique physiological characteristics typical of the order Odonata, including a near-360° visual field facilitated by two massive compound eyes with thousands of tiny lenses, along with specialized flight mechanics enabling it to hover completely still in the air.
- **Indicator Species of Ecosystem Health:** As apex avian predators and prey within aquatic food webs, members of the order Odonata are vital biological indicators of freshwater ecosystem health and pristine habitat conditions.
- **Broader Geographic Distribution:** While exceptionally rare in Arunachal Pradesh, the long-tailed duskhawker has sparse, confirmed documentation in five other Indian states—Assam, Maharashtra, Meghalaya, Uttarakhand, and West Bengal—as well as neighboring nations like Bangladesh, Myanmar, and Nepal.
- **Call for Enhanced Habitat Protection:** The scientific team highlighted that the rediscoveries of such elusive, fragile macro-invertebrates underline an urgent need for persistent biodiversity monitoring and stringent in situ habitat preservation across India's northeastern frontier.





Key Definitions

- **Odonata:** An order of carnivorous insects encompassing all dragonflies and damselflies that rely on freshwater ecosystems for their aquatic larval stage and terrestrial ecosystems as adults.
- **Crepuscular Behaviour:** Wildlife behavioral patterns characterized by primary activity during twilight hours (dawn and dusk); the genus *Gynacantha* is notably recognized for this specific hawking behavior.
- **Citizen Science:** Scientific research conducted, managed, or documented by amateur or non-professional scientists, which crucial for covering under-surveyed or rugged geographic terrains.

Statutory & Legal Provisions

- **Wildlife (Protection) Act, 1972:** Provides the principal legal framework for protecting wild animals, birds, and plants in India; specific insect species (including certain Odonates) are designated under schedules to regulate collection and prevent illicit trade.
- **Biological Diversity Act, 2002:** Enacted to meet obligations under the Convention on Biological Diversity (CBD), decentralizing conservation via State Biodiversity Boards (SBBs) and local Biodiversity Management Committees (BMCs) to document regional inventories like state Odonata records.
- **Environment (Protection) Act, 1986:** Authorizes the Central Government to protect and improve environmental quality, control pollution, and set ecologically sensitive boundaries around core protected areas like National Parks.

Additional Important Keypoints

- **Rich Regional Odonata Diversity:** Globally, the order Odonata comprises 6,442 species across 693 genera; India acts as an ecological repository for 504 species and 27 subspecies, with Arunachal Pradesh alone hosting 110 distinct species.
- **IUCN Red List Status:** Globally, *Gynacantha khasiaca* is categorized as "Data Deficient" (DD) by the International Union for Conservation of Nature due to sparse field data regarding its comprehensive population distribution, micro-habitat needs, and specific threats.
- **About Namdapha National Park:** Situated in the Changlang district of Arunachal Pradesh, Namdapha is one of India's largest protected areas and a critical biodiversity hotspot famous for its expansive low-elevation tropical rainforests and rugged Eastern Himalayan terrain.

Conclusion

The rediscovery of the long-tailed duskhawker after more than a century illustrates the profound ecological value of the easternmost undisturbed rainforest fragments of India. It emphasizes how collaborative citizen science can effectively supplement institutional research in complex, remote landscapes. Given its critical function as an environmental health indicator, protecting the specialized micro-habitats of such lesser-known invertebrate species remains imperative to preserving the broader structural and functional integrity of Himalayan freshwater food webs.

UPSC Relevance

- **Syllabus Linkage:** GS Paper III: Environment and Biodiversity (Conservation, environmental pollution and degradation, environmental impact assessment); Protected Areas and Species in News.



4. Shifts in India-US Strategic Dynamics Amid Transactional Foreign Policy

The long-standing geopolitical partnership between India and the United States has faced structural vulnerabilities due to Washington's highly transactional, protectionist, and unpredictable foreign policy approach. While institutional dialogues continue to manage short-term friction, deep-seated systemic challenges persist across trade policies, immigration restrictions, technology transfers, and divergent geopolitical alignments in Eurasia.

Key Summary Points

- **Erosion of Foundational Assertions:** The historical consensus that India and the US possess seamless strategic compatibility—underpinned by shared concerns over a rising, assertive China and a mutual decoupling of India-Pakistan relations—has been shaken by an aggressive, highly transactional bilateral approach.
- **Economic Friction and Protectionism:** Trade relations experienced severe disruptions following the imposition of sweeping universal tariffs on major Indian exports, such as steel, aluminium, and textiles, accompanied by a public branding of New Delhi as a "tariff king" rather than an indispensable Indo-Pacific economic partner.
- **Divergence over Eurasian Geopolitics:** Strategic friction intensified as Washington aggressively brandished the threat of Countering America's Adversaries Through Sanctions Act (CAATSA) sanctions against India over its oil imports and historical defense ties with Moscow, compressing the diplomatic space New Delhi previously utilized to navigate its Eurasian dependencies.
- **Disruption of the Tech-Human Sphere:** Bilateral technology initiatives have faced operational hurdles due to structural policy shifts in Washington, characterized by a drastic tightening of H-1B visa caps and heightened scrutiny of tech-worker renewals, which has strained the tech-talent corridor linking Silicon Valley with Indian IT hubs.
- **Re-hyphenation and Security Disquiet:** Strategic mistrust deepened as Washington engaged in transactional maneuvers outside the Indo-Pacific theater, notably engaging with Islamabad on regional mediation and intelligence-sharing to facilitate localized geopolitical exits, raising security concerns within New Delhi's establishment.
- **Need for Formal Strategic Codification:** To stabilize relations against shifting political cycles, experts emphasize that Washington must formally codify India's "strategic partner" status, ensuring that New Delhi's independent foreign policy choices—such as its ties with Russia—are respected without attracting punitive economic or legal measures.



Key Definitions

- **Transactional Foreign Policy:** A pragmatic, short-term approach to international relations that prioritizes immediate, measurable bilateral gains, trade balances, and ad-hoc deals over long-standing, value-based strategic alliances or multilateral commitments.
- **Friend-shoring:** A trade and supply chain strategy where a country sources critical raw materials, manufacturing components, and technological infrastructure primarily from nations considered geopolitical allies to minimize vulnerabilities.



- **De-hyphenation:** A diplomatic strategy where a global power engages with two historically linked rival nations (such as India and Pakistan) independently on their own individual merits, rather than viewing its relationship with one through the prism of its relationship with the other.

Constitutional & Legal Provisions

- **Article 51 of the Indian Constitution:** Contained within the Directive Principles of State Policy (DPSP), it directs the State to promote international peace and security, maintain just and honorable relations between nations, foster respect for international law, and encourage settlement of international disputes by arbitration.
- **Countering America's Adversaries Through Sanctions Act (CAATSA):** A United States federal law passed in 2017 that imposes economic and diplomatic sanctions on countries engaging in significant transactions with the defense or intelligence sectors of Russia, Iran, and North Korea.
- **Entry 10 and Entry 11 of the Union List (Seventh Schedule):** Vests absolute and exclusive legislative jurisdiction over "Foreign Affairs" and "Treaties, agreements and conventions with foreign countries and implementing of treaties, agreements and conventions with foreign countries" in the Parliament of India.

Additional Important Keypoints

- **The Role of Institutional Anchors:** Despite high-level political rhetoric and erratic policy shifts, institutional mechanisms like the Quad (Quadrilateral Security Dialogue), fast-tracked defense co-production agreements, and partnerships on strategic minerals continue to function as stabilizers for bilateral ties.
- **The G2 Apprehension:** Emerging talk within certain Washington policy circles regarding a potential bilateral accommodation or "G2" understanding with Beijing has raised structural questions regarding America's long-term, absolute commitment to balancing security architectures in the Indo-Pacific.
- **Strategic Autonomy as a Core Tenet:** The geopolitical friction underscores that New Delhi must view its partnership with Washington not as an automatic, self-sustaining alliance, but as a complex alignment requiring constant protection from domestic political fluctuations within the US.

Conclusion

The evolving trajectory of India-US relations demonstrates that while shared structural concerns over Indo-Pacific maritime security and anti-hegemonic balancing provide a powerful centripetal force, the partnership remains vulnerable to transactional politics. For this strategic alignment to endure beyond administrative changes, both capitals must shift from high-level diplomatic rhetoric to formal, institutionalized guarantees. Washington must acknowledge India's strategic autonomy and distinct geopolitical interests in Eurasia, while New Delhi must continue to diversify its global partnerships to insulate its core national security interests from external policy volatility.

UPSC Relevance

- **Syllabus Linkage:** GS Paper II: International Relations (Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests; Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora).



5. EU Delegation Inspection and Systemic Pressures on Schengen Visa Operations in India

An internal report compiled from Freedom of Information (FOI) records regarding a 20-member European Union (EU) delegation's inspection visit to India in October 2023 has highlighted persistent administrative gaps, procedural errors, and systemic inefficiencies in Schengen visa processing managed by outsourced service provider VFS Global. The findings from questionnaires completed by 11 member states detail operations plagued by human resource shortages, technological infirmities, and unauthorized monetisation of appointment slots.

Key Summary Points

- **Widespread Operational Gaps:** EU member states flagged consistent procedural errors across major Indian visa application hubs, including data entry mistakes, missing biometric captures, unarranged documentation, and incorrect visa fee transfers.
- **Corrupt Enforcement of Premium Slots:** The probe highlighted frequent complaints from applicants in locations like Lithuania and Poland regarding the unauthorized sale of appointment slots by personnel and allegations of forcing applicants to pay for unnecessary premium services.
- **Geographic Concentration of Inefficiencies:** While errors were recorded across multiple regional hubs including Mumbai, Goa, Pune, Hyderabad, Jaipur, Ahmedabad, and Bengaluru, New Delhi was identified by a majority of member states as the visa application center with the highest frequency of errors.
- **Structural Weakness in Middle Management:** Internal monitoring by EU missions revealed that a lack of adequate oversight was directly tied to VFS middle management being chronically under-equipped, under-trained, or entirely absent from operational floors.
- **Post-Pandemic Volumetric Pressures:** The report connects these localized service relapses to a massive surge in post-Covid-19 travel requests, a rise in first-time visa applications backed by fraudulent documents, and an absolute lack of alternative private market competitors in India.
- **Proposed Institutional Remedies:** To correct the systemic decline, the delegation recommended formulating uniform procedures across all member states, conducting joint unannounced spot checks, running public policy outreach, and enforcing signed consent forms for value-added services.



Key Definitions

- **Schengen Visa:** A short-stay visa allowing an eligible individual to travel freely across the 29 European countries comprising the Schengen Area for tourism or business purposes for up to 90 days within any 180-day period.
- **Outsourced Visa Processing:** An administrative mechanism where sovereign governments contract private third-party agencies to handle frontline tasks such as application collection, document logistics, and biometric enrollment, while retaining absolute decision-making authority over visa approvals.
- **Freedom of Information (FOI) Records:** Legal mechanisms that grant public access to government-held documents and internal agency reports, matching the operational scope of India's Right to Information (RTI) framework.



Constitutional & Legal Provisions

- **Article 11 of the Constitution:** Grants exclusive power to the Parliament of India to regulate the right of citizenship, including laws governing the entry, exit, passport controls, and immigration parameters of individuals across national frontiers.
- **The Passports Act, 1967:** The primary legal framework regulating the issuance of passports and travel documents for Indian citizens, defining the statutory rights of citizens to travel abroad as an extension of personal liberty.
- **Article 21 of the Constitution:** The Right to Life and Personal Liberty; interpreted by the Supreme Court of India in the landmark *Maneka Gandhi v. Union of India (1978)* case to include the fundamental right to travel abroad, establishing that any arbitrary administrative impedance to international travel constitutes a violation of personal liberty.
- **Union List (Seventh Schedule) - Entry 17 and Entry 19:** Vests exclusive legislative sovereignty in the Union Parliament over matters relating to "Admission into, and emigration and expulsion from, India; passports and visas" and "Foreign loans; entering into treaties and agreements with foreign countries."

Additional Important Keypoints

- **Monopolistic Market Environment:** Several EU member states admitted that despite experiencing repetitive service relapses and temporary improvements followed by relapses, they are forced to continue contracting VFS Global due to a distinct lack of viable competitor firms within the Indian market.
- **Extreme Strategic Alternatives:** Documents show that due to persistent, unrectified gaps in VFS operational compliance, certain member states like Slovakia explicitly informed the EU delegation of plans to completely switch their visa operations to alternative service providers.
- **The Digital Wall and Lack of Accountability:** Public discontent has manifested via online petitions accusing outsourced providers of establishing artificial digital barriers around visa allocations, leading to systemic opacity and a total absence of consumer grievance redressal frameworks.

Conclusion

The leaked EU inspection report regarding Schengen visa processing in India underscores the vulnerabilities embedded within the complete outsourcing of sovereign consular functions to monolithic private entities. While third-party partnerships are vital to handle post-pandemic volume surges, a lack of strict regulatory oversight, target-driven corporate incentives, and monopolistic market dominance have compromised procedural integrity and consumer protection. Addressing these systemic failures requires an immediate transition toward uniform international processing standards, stringent state-led audits, and robust digital transparency to ensure that the basic rights of international travelers are not subjugated to corporate metrics.

UPSC Relevance

- **Syllabus Linkage:** GS Paper II: International Relations & Governance (Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora; Important aspects of governance, transparency, and accountability).

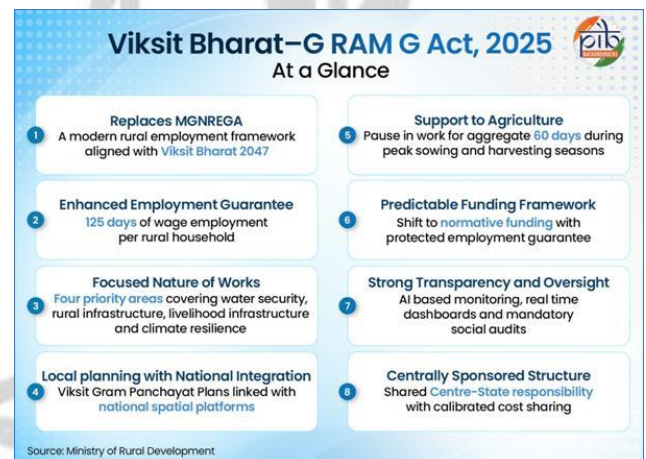


6. Evolution of Rural Employment Architecture: The Transition from MGNREGA to VB-G RAM G

The Ministry of Rural Development has released eight draft rules outlining the operational framework for the Viksit Bharat-Guarantee for Rozgar and Ajeevika Mission (Gramin) Act, 2025 (VB-G RAM G), which is set to come into force on July 1, replacing the two-decade-old Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). The new regulatory rules introduce sweeping adjustments to guaranteed working days, the fiscal burden-sharing ratio between the Centre and states, and resource distribution mechanisms across Indian states.

Key Summary Points

- **Expansion of Guaranteed Employment Days:** The VB-G RAM G Act fundamentally scales up social security provisions by increasing the mandatory minimum guaranteed wage employment days from 100 days to 125 days per household in a financial year.
- **Structural Sowing and Harvest Pauses:** To mitigate systemic rural agrarian labour shortages, the newly introduced rules establish a mandatory 60-day structural pause during critical sowing and harvesting seasons, ensuring the stable availability of farm labour for private agricultural operations.
- **Overhaul of the Fiscal Devolution Framework:** While the Centre directly absorbed 100% of the core wage liabilities under MGNREGA, the new model shifts a significant portion of the financial burden onto state governments, turning resource allocation into a top-down procedure where states bear all expenditures exceeding central normative caps.
- **Sixteenth Finance Commission Alignment:** Central resource allocations to states will now be derived using horizontal devolution recommendations from the Sixteenth Finance Commission, resulting in lower relative funding for states like Tamil Nadu, Andhra Pradesh, Rajasthan, and Maharashtra, while increasing the shares of Uttar Pradesh, Gujarat, Madhya Pradesh, Assam, Haryana, Punjab, and Bihar.
- **Transition and Continuity Safeguards:** The draft framework includes transitional provisions enabling workers with valid MGNREGA job cards to seamlessly register under the new legal architecture following mandatory renewal and verification through electronic Know Your Customer (e-KYC) protocols.
- **Performance-Linked Incentive Pools:** The draft rules authorize the Union government to withhold a designated percentage of the normative allocation to create an incentive pool, which will be distributed conditionally to states exhibiting high compliance with timely wage disbursements, complete social audits, and annual work completion targets.



Key Definitions

- **Normative Allocation:** An objective, formula-driven financial ceiling determined by the Central Government for each state for a financial year, based on defined macroeconomic parameters rather than unconstrained state-level demand.



- **Direct Benefit Transfer (DBT):** A governance mechanism that electronically transfers subsidies, wages, or social welfare benefits directly into the verified bank or post office accounts of beneficiaries to eliminate intermediary leakages.
- **Horizontal Devolution:** The structural formula or criteria used to distribute the collective pool of central financial resources among different constituent states of the Union, ensuring fiscal balance based on demographic and economic metrics.

Constitutional & Legal Provisions

- **Article 21 of the Constitution:** The Right to Life and Personal Liberty; interpreted repeatedly by the judiciary to include the right to livelihood, which acts as the foundational constitutional ethos for statutory rural employment guarantees.
- **Article 39 of the Constitution (Directive Principles):** Instructs the State to secure that citizens have the right to an adequate means of livelihood and that the material resources of the community are distributed equitably to serve the common good.
- **Article 280 of the Constitution:** Mandates the establishment of the Finance Commission of India to recommend the distribution of net tax proceeds between the Union and States (vertical devolution) and the allocation among states (horizontal devolution).
- **Viksit Bharat-Guarantee for Rozgar and Aajeevika Mission (Gramin) Act, 2025:** The successor statutory legislation that repeals and replaces the Mahatma Gandhi National Rural Employment Guarantee Act, 2005, redefining the legal scope of the state's rural employment liabilities.

Additional Important Keypoints

- **Draft Notification Status:** The Ministry of Rural Development has placed the eight core operational guidelines—including Grievance Redressal Rules, Administrative Expenses Rules, and Transitional Provisions—in the public domain for a one-month consultation period to gather stakeholder feedback before final legal notification.
- **Fiscal Allocations for 2026-27:** The Union government has formally budgeted an absolute allocation of Rs 95,692.31 crore for the execution of the VB-G RAM G scheme for the current 2026-27 fiscal year.
- **Unresolved Wage Determination:** While the draft rules strictly mandate that all wage and unemployment allowance transactions must occur through DBT channels, the Union government is yet to finalize and declare the baseline statutory wage rate under the new legislative framework.

Conclusion

The transition from MGNREGA to the VB-G RAM G Act represents a major paradigm shift in India's rights-based rural welfare framework. By expanding guaranteed work to 125 days, the policy attempts to address deepening underemployment in the primary sector. However, the introducing of seasonal agricultural pauses, top-down funding constraints based on the Sixteenth Finance Commission guidelines, and increased fiscal liabilities for state governments changes the dynamic from a demand-driven safety net to a controlled, performance-linked federal program. The success of this transition will depend on how effectively state governments manage the heightened fiscal responsibilities without compromising social welfare safety nets for vulnerable rural households.



UPSC Relevance

- **Syllabus Linkage:** GS Paper II: Governance & Social Justice (Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; Issues relating to poverty and hunger; Issues and challenges pertaining to the federal structure). GS Paper III: Economic Development (Employment, inclusive growth, and issues arising from it).

7. Global Wealth Reordering: Hong Kong Overtakes Switzerland as Top Cross-Border Hub

According to the Boston Consulting Group's (BCG) 2026 Global Wealth Report, Hong Kong has officially overtaken Switzerland to become the world's largest booking centre for cross-border wealth. This shift marks a major milestone in global financial geography, driven by the rapid expansion of Asian economies, close regulatory integration with mainland China, and a significant revival in equity capital markets.

Key Summary Points

- **Historical Shift in Offshore Wealth Leadership:** For the first time, Hong Kong has eclipsed Switzerland as the premier global booking centre for cross-border wealth, managing an offshore asset base of \$2.95 trillion compared to Switzerland's \$2.94 trillion.
- **Drivers of Asian Capital Acceleration:** The rise of Hong Kong is underpinned by a massive influx of mainland Chinese capital, a robust recovery in Initial Public Offering (IPO) fundraising activity, and structural initiatives like the Wealth Connect system linking Hong Kong, mainland China, and Macao.
- **Emergence of Decoupled Global Hub Networks:** The global wealth ecosystem is consolidating into two distinct axes: an Eastern network anchored by Hong Kong and Singapore serving Asian capital, and a Western network anchored by Switzerland, the US, and the UK serving Europe and the Americas.
- **Geopolitical Risk Hedging and Diversification:** The global expansion of cross-border wealth to \$15.7 trillion reflects a growing trend of "jurisdictional diversification" by Ultra-High-Net-Worth Individuals (UHNWIs) seeking to insulate private fortunes against sanctions, political instability, and currency volatility.
- **Divergent Growth Projections Through 2030:** Asian wealth hubs are projected to grow aggressively at roughly 9% annually through 2030, outstripping Switzerland's estimated 6% growth rate, which is expected to widen the asset gap between the two regions to nearly \$600 billion by the end of the decade.
- **Intensified Concentration of Global Capital:** The top ten booking centres have expanded their market dominance, capturing nearly 90% of all new cross-border inflows and holding more than 80% of the total existing global offshore asset stock.



Key Definitions

- **Cross-Border Wealth (Offshore Wealth):** Private financial assets and real property held by individuals in a foreign jurisdiction or booking centre outside of their home country, typically managed by international private banks and wealth management institutions.



- **Booking Centre:** A designated legal and regulatory jurisdiction where financial institutions formally record, manage, and safeguard the offshore assets of international clients.
- **Jurisdictional Diversification:** A risk management strategy employed by wealthy individuals that involves distributing assets across multiple legal jurisdictions to protect capital from localized political shocks, regulatory changes, or sovereign sanctions.

Constitutional & Legal Provisions

- **Article 246 of the Indian Constitution (Seventh Schedule):** Entry 36 of the Union List vests exclusive legislative sovereignty in the Parliament of India over matters relating to "Currency, coinage and legal tender; foreign exchange."
- **Foreign Exchange Management Act (FEMA), 1999:** The primary legal framework in India regulating cross-border capital flows, outbound investments, and the acquisition of offshore assets by resident Indian citizens.
- **Liberalised Remittance Scheme (LRS):** An operational regulatory mechanism established by the Reserve Bank of India (RBI) under FEMA that permits resident individuals to freely remit up to \$250,000 per financial year for permissible current or capital account transactions, including overseas investments.

Additional Important Keypoints

- **Emerging Markets Wealth Engine:** The BCG report emphasizes that emerging markets—led by India, Brazil, and Mexico—are projected to generate nearly \$7 trillion in new financial wealth by 2030, creating a massive, underserved affluent segment.
- **Switzerland's Safe-Haven Resilience:** Despite losing the top spot, Switzerland retains a distinct structural advantage due to its broad client diversification across Europe and the Middle East, acting as a vital flight-to-safety haven during intensifying global conflicts.
- **The Role of Artificial Intelligence:** The global wealth management sector is undergoing a profound structural transformation driven by the deployment of advanced AI systems to automate complex compliance protocols, generate custom financial structures, and support portfolio decision-making.

Conclusion

The fundamental realignment highlighted in the 2026 Global Wealth Report emphasizes the irreversible eastward shift of global financial gravity. Hong Kong's ascension over Switzerland proves that proximity to high-growth engines like mainland China can eclipse traditional, centuries-old safe havens. However, because Asian hubs remain deeply tethered to regional regulatory environments and trade balances, their long-term stability will rely on navigating rising geopolitical friction. For the global financial architecture, this dual-hub consolidation marks an era where capital distribution is dictated more by strategic risk diversification and technological adoption than by traditional tax planning.

UPSC Relevance

- **Syllabus Linkage:** GS Paper III: Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment; Effects of liberalization on the economy. GS Paper II: Effect of policies and politics of developed and developing countries on India's interests.



8. Aggressive Ebola Outbreak in the Democratic Republic of Congo Outpaces Global Health Intervention

The Democratic Republic of Congo (DRC) is facing a fast-spreading and highly lethal Ebola epidemic that has significantly outpaced international containment efforts. According to internal documents from the World Health Organization (WHO) and the Africa Centres for Disease Control and Prevention (Africa CDC), a critical lag in funding, geopolitical disruptions, community mistrust, and localized violence in conflict zones have severely crippled epidemiological tracking, triggering cross-border transmission into neighboring Uganda.

Key Summary Points

- **Unprecedented Scale and Fatalities:** The latest outbreak has escalated rapidly to approximately 900 cases and 220 suspected deaths, indicating a severe public health crisis that went completely undetected for its first six weeks of transmission.
- **Resurgence of the Rare Bundibugyo Strain:** The current epidemic is driven specifically by the Bundibugyo ebolavirus strain, an exceptionally challenging variant for which there are currently no approved vaccines or targeted therapeutic interventions available globally.
- **Complete Failure of Contact Tracing:** Due to deep operational impairments, public health teams have managed to track down and follow up with a meager 7% of the 1,261 individuals formally identified as high-risk contacts of suspected patients.
- **Geopolitical and Institutional Funding Deficits:** Global containment capabilities have been severely weakened by international policy shifts, most notably the formal withdrawal of the United States from the WHO alongside sweeping multilateral funding cuts.
- **Violent Resistance and Civil Mistrust:** In eastern Congo, emergency response operations are actively hindered by armed conflict and targeted community violence, including angry mobs attacking healthcare facilities and burning isolation tents to reclaim the bodies of deceased relatives.
- **Confirmed Cross-Border Spillover:** The virus has officially breached international boundaries to record seven confirmed cases in Uganda, elevating the epidemic from a localized health emergency to a dangerous regional health threat requiring coordinated trans-boundary biosecurity measures.



Key Definitions

- **Bundibugyo Ebolavirus:** One of the distinct species within the genus *Ebolavirus* capable of causing severe Ebola Virus Disease (EVD) in humans, historically associated with lower case-fatality rates than the Zaire strain but severely constrained by a complete lack of medical countermeasures.
- **Contact Tracing:** The foundational epidemiological process of identifying, assessing, and monitoring individuals who have come into close proximity with an infected person to interrupt chains of transmission.
- **Cross-Border Transmission:** The movement of an infectious pathogen across sovereign geographical boundaries, typically accelerated by informal migratory pathways, trade corridors, or displaced populations fleeing active conflict zones.



Constitutional & Legal Provisions

- **Article 21 of the Indian Constitution:** The Right to Life and Personal Liberty; interpreted extensively by the judiciary to guarantee the right to health and access to timely medical treatment, which places a positive obligation on the state to maintain robust pandemic preparedness and international quarantine mechanisms.
- **The Epidemic Diseases Act, 1897:** The parent legislative framework in India empowering the Central and State Governments to take special measures and prescribe temporary regulations necessary to prevent the outbreak or spread of dangerous epidemic diseases.
- **The Disaster Management Act, 2005:** Provides the legal and institutional framework for effective disaster management, increasingly utilized to coordinate multi-sectoral administrative responses during major biological disasters and public health emergencies.
- **International Health Regulations (IHR 2005):** A legally binding instrument of international law that requires WHO member states to develop and maintain core institutional capacities to detect, assess, notify, and report urgent public health events of international concern.

Additional Important Keypoints

- **The Peril of Infectious Corpses:** Public health experts emphasize that standard traditional burial practices involving close physical contact with deceased victims act as major super-spreading events, as the Ebola virus remains highly stable and infectious in dead bodies.
- **The Vulnerability of Frontline Staff:** Chronic shortages of basic personal protective equipment (PPE) and clinical resources have led to a high mortality rate among local healthcare workers, further decimating an already fragile regional medical infrastructure.
- **The Security-Health Nexus:** The situation in eastern DRC highlights how political instability and active militancy directly cripple scientific containment, as the total collapse of local law and order makes accurate case surveillance nearly impossible.

Conclusion

The escalating Ebola epidemic in the Democratic Republic of Congo serves as a stark reminder of the fragile nature of global health security in an era of geopolitical fragmentation. The combination of a vaccine-resistant viral strain and active conflict zones presents a complex humanitarian crisis that cannot be resolved through medical intervention alone. As the institutional capacity of the WHO faces constraints from international withdrawals and funding deficits, the international community must recognize that allowing biological threats to remain unchecked in conflict-ridden areas guarantees their eventual cross-border expansion. True containment demands a unified global approach that seamlessly integrates security safeguards, localized community trust, and sustainable multilateral financing.

UPSC Relevance

- **Syllabus Linkage:** GS Paper II: Governance and Social Justice (Issues relating to development and management of Social Sector/Services relating to Health; Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests). GS Paper III: Science and Technology (Recent developments and their applications and effects in everyday life).

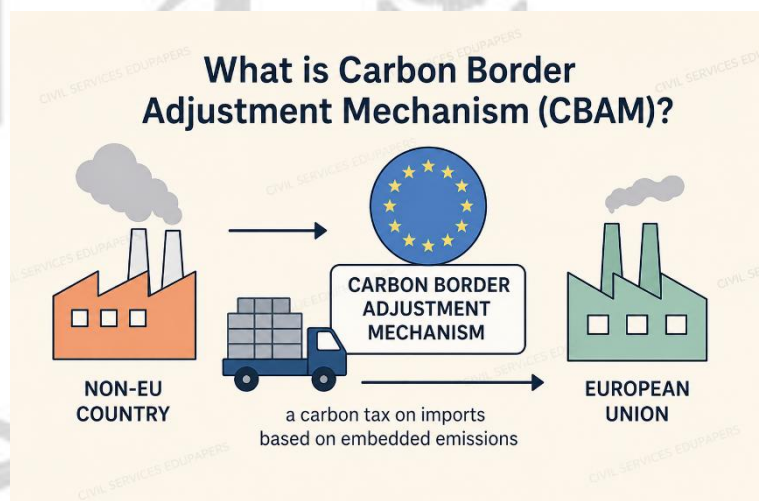


9. European Union's Carbon Border Adjustment Mechanism (CBAM) and India's Trade Challenge

The European Union's (EU) Carbon Border Adjustment Mechanism (CBAM) entered its definitive implementation phase on January 1, 2026, marking a structural paradigm shift where global market access is dictated by carbon efficiency rather than traditional tariffs. As a price-based climate policy tool designed to mitigate carbon leakage, CBAM imposes a carbon-linked financial levy on emission-intensive imports, creating immediate competitive pressures for developing economies like India across core industrial and agricultural supply chains.

Key Summary Points

- **Transition to the Definitive Trade Phase:** Proposed initially in July 2021, the EU's CBAM transitioned into its strict, definitive implementation phase on January 1, 2026, targeting carbon-intensive sectors including steel, aluminium, cement, fertilizers, electricity, and hydrogen.
- **Immediate Export Vulnerabilities for India:** India's primary metal sectors—specifically steel and aluminium—face immediate threats due to their deep dependence on European export markets and relatively high carbon-intensive domestic production methodologies.
- **Contractual and Profit Margin Pressures:** Although EU importers legally pay the carbon levy, the economic burden is shifting to Indian exporters through tighter supply contracts, stricter buyer selection, compressed profit margins, or mandatory capital investments in green technologies.
- **Indirect Global Price Transmission:** Beyond direct metal exports, CBAM creates indirect inflationary pressures on India's agricultural sector; key global fertilizer exporters to the EU (such as Russia, Egypt, Morocco, and China) are passing on their carbon compliance costs, thereby driving up India's domestic fertilizer import bill and food production costs.
- **Evolution of Comparative Advantage:** Market competitiveness has fundamentally transformed from a function of mere production efficiency and pricing into a measure of the absolute carbon efficiency embedded within the manufacturing process.
- **Strategic Policy Interventions Required:** To insulate its economy, India must adopt a dual strategy combining aggressive domestic green transitions (such as cleaner energy adoption and optimized fertilizer use via the Soil Health Cards Scheme) with international trade negotiations for technology transfers and equitable, phased transition timelines.



Key Definitions

- **Carbon Border Adjustment Mechanism (CBAM):** A landmark European Union trade-climate policy instrument that places a carbon price on imports of targeted goods from non-EU countries to ensure that global imports match the carbon pricing standards imposed on domestic EU manufacturers.



- **Carbon Leakage:** A phenomenon where companies based in countries with stringent climate policies or high carbon taxes move their carbon-intensive manufacturing operations to nations with laxer environmental regulations, effectively relocating emissions rather than reducing them globally.
- **Embedded Emissions:** The cumulative amount of direct and indirect greenhouse gas emissions released into the atmosphere during the entire extraction, processing, manufacturing, and transportation lifecycle of a specific product.

Constitutional & Legal Provisions

- **Article 253 of the Indian Constitution:** Authorizes the Parliament of India to enact legislation for the entire territory or any part of India to implement any international treaty, agreement, or convention, providing the statutory foundation for domestic climate alignments.
- **The Energy Conservation (Amendment) Act, 2022:** Amends the parent 2001 legislation to empower the Central Government to specify a carbon credit trading scheme, providing the essential legal infrastructure for India's domestic carbon pricing and market mechanism.
- **Union List (Seventh Schedule) - Entry 14 and Entry 41:** Grants exclusive legislative jurisdiction to the Union Parliament over "Entering into treaties and agreements with foreign countries and implementing of treaties, agreements and conventions with foreign countries" and "Trade and commerce with foreign countries."
- **Article 48A of the Constitution (Directive Principles):** Directs the State to endeavor to protect and improve the environment and to safeguard the forests and wildlife of the country, acting as the primary constitutional guide for green structural reforms.

Additional Important Keypoints

- **Distinction from Non-Tariff Measures (NTMs):** Unlike traditional qualitative NTMs (such as product standards or sanitary measures) which allow broad administrative interpretation, CBAM is an explicitly quantifiable, price-based measure that directly links financial market entry to verified emissions data.
- **The High Cost of Short-Term Compliance:** Investing in absolute carbon-neutral production infrastructure and clean energy sources is significantly more capital-intensive in the short run than matching conventional qualitative market standards, presenting a steep financing gap for developing nations.
- **Risk of Developed Plurilateralism:** The operationalization of CBAM signals a broader, permanent realignment of global trade routes, as other developed economies contemplate replicating similar carbon-tariff frameworks, threatening to restrict market access for non-aligned developing countries.

Conclusion

The definitive activation of the EU's Carbon Border Adjustment Mechanism reflects a profound shift where climate regulations are permanently integrated into global trade frameworks. For a developing economy like India, CBAM represents a complex challenge that cannot be bypassed solely through bilateral Free Trade Agreement (FTA) negotiations. While it threatens short-term industrial export margins and creates indirect fiscal pressures on agricultural inputs, it also serves as a strong economic signal to accelerate industrial decarbonization. India's path forward lies in transforming this trade barrier into a catalyst for domestic reform—scaling up clean energy infrastructure, enforcing domestic carbon trading markets, and negotiating firmly on multilateral platforms for technology transfers to ensure that environmental sustainability does not come at the cost of economic development.



UPSC Relevance

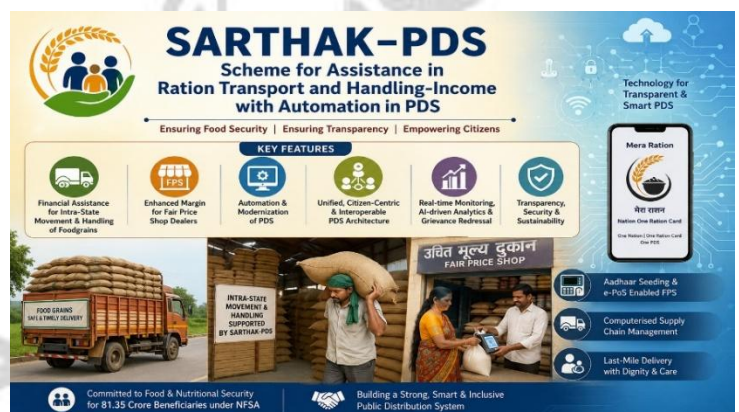
- **Syllabus Linkage:** GS Paper III: Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment; Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth; Environment (Conservation, environmental pollution and degradation). GS Paper II: Effect of policies and politics of developed and developing countries on India's interests.

10. Cabinet Approves Strategic Continuation of SARTHAK-PDS Scheme with Massive Financial Allocation

The Union Cabinet and the Cabinet Committee on Economic Affairs (CCEA), chaired by Prime Minister Narendra Modi, have approved the transition, integration, and continuation of crucial public distribution reforms into an umbrella initiative named "Scheme for Assistance in Ration Transport and Handling-Income with Automation in PDS" (SARTHAK-PDS). Operating through the 16th Finance Commission award cycle up to March 31, 2031, the central government has authorized a definitive financial outlay of Rs 25,530 crore as its central share to eliminate logistical blockages and modernize foodgrain delivery infrastructures.

Key Summary Points

- **Institutional Structural Amalgamation:** The newly launched SARTHAK-PDS serves as a consolidated umbrella scheme that fully integrates two major pre-existing central programs: the "Assistance to State Agencies for intra-State movement of foodgrains and FPS dealers' margin under NFSA" and the "Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART PDS)".
- **Substantial Central Financial Commitment:** The CCEA has locked in a dedicated central expenditure of Rs 25,530 crore over a five-year implementation window (spanning April 2026 to March 2031), ensuring fiscal continuity for food subsidy handling across the nation.
- **Revision of Normative Financial Assurances:** The policy update introduces an upward revision of central assistance norms explicitly designed to cover state-level expenditures incurred during intra-state foodgrain movement, logistical handling, and the enhancement of remuneration margins for Fair Price Shop (FPS) dealers.
- **Advanced Next-Generation Technological Ingestion:** The operational blueprint of the framework mandates the direct integration of cutting-edge technologies, utilizing Artificial Intelligence (AI), Machine Learning (ML), Natural Language Processing (NLP), and Blockchain architectures to transition the PDS into a secure, real-time verifiable supply chain.
- **Logistical De-bottlenecking and Carbon Mitigation:** By adopting systemic route-optimization metrics, the initiative systematically target state-level transport hurdles from Food Corporation of India (FCI) depots to village shops, projecting a 15-50% reduction in state logistics costs, annual savings of Rs 280 crore, and a 36% contraction in transport-related carbon footprints.
- **Mitigation of Leakages via Algorithmic Filtering:** Security protocols within the platform introduce targeted digital tracking subsystems—including "NIRMAL" (an AI-driven beneficiary tracking





registry to purge duplicate or ghost cards), "SAKSHAM" (an AI supply chain tracking system), and specialized QR-coded grain bags to deter material diversion.

Key Definitions

- **Intra-State Movement and Handling:** The intermediate localized logistical transportation chain involved in transferring allocated food material from regional central storage godowns and Food Corporation of India (FCI) base depots down to distinct district hubs, taluka centers, and ultimately to local Fair Price Shops.
- **Fair Price Shop (FPS) Dealer's Margin:** The statutory financial commission paid per kilogram of foodgrain by the state and central government to licensed ration shop owners to sustainably support their operational overheads, storage maintenance, and livelihood costs.
- **Umbrella Scheme:** An overarching administrative and budgetary architecture established by the union government that groups multiple closely related standalone welfare or development programs under a unified operational guideline to enhance fiscal synergy and administrative clarity.

Constitutional & Legal Provisions

- **The National Food Security Act (NFSA), 2013:** The principal statutory pillar behind SARTHAK-PDS, legally guaranteeing subsidized foodgrains to nearly 81.35 crore citizens and transforming food security from a welfare measure into a justifiable legal right.
- **Article 21 of the Constitution of India:** The fundamental Right to Life and Personal Liberty, judicially interpreted by the Supreme Court to organically include the right to live with human dignity, which encapsulates basic access to essential nutrition and freedom from starvation.
- **Article 47 of the Constitution (Directive Principles):** Directs the State as a primary duty to raise the level of nutrition and the standard of living of its people, alongside the general improvement of public health systems across all administrative strata.
- **Seventh Schedule (Concurrent List) - Entry 29:** Grants joint legislative and executive competence to both the Union and State governments over "Markets and fairs," alongside Entry 33, which regulates the production, supply, and distribution of essential foodstuffs.

Additional Important Keypoints

- **Preservation of Cooperative Federalism:** By revising funding norms while retaining the fundamental baseline center-state funding ratios, the Union Cabinet absorbs the specific fiscal stresses that regional states previously faced when funding intra-state transport operations independently.
- **Targeted Citizen-Centric Interoperability:** The framework preserves and builds upon past structural milestones like the 'One Nation One Ration Card' (ONORC) model, utilizing automated electronic Point of Sale (e-PoS) systems to ensure migrants can claim food portions seamlessly.
- **Institutional Transparency Frameworks:** The inclusion of mandatory State Command Control Centres and standardized ISO-certified process frameworks elevates the public distribution mechanism to global asset-management and anti-corruption standards.

Conclusion

The formal notification of the SARTHAK-PDS scheme represents a vital step toward establishing a leakproof and transparent social safety net in India. By matching a major financial commitment of Rs 25,530 crore with modern tools like artificial intelligence and blockchain, the government is moving away from



basic manual oversight toward a data-driven supply chain. This model directly addresses structural issues within the PDS, such as the financial strain on state logistics networks and the administrative burden on Fair Price Shop dealers. By lowering distribution costs and reducing carbon emissions, this initiative ensures that India's long-term goal of total food security is achieved through both economically sound and environmentally sustainable methods.

UPSC Relevance

- **Syllabus Linkage:** GS Paper III: Technology missions; Economics of animal-rearing; Food processing and related industries in India. Issues related to direct and indirect farm subsidies and minimum support prices; Public Distribution System (PDS) - objectives, functioning, limitations, revamping; issues of buffer stocks and food security. GS Paper II: Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes.

11. Government Advances Fifth-Generation Stealth Fighter Program with Tenders Issued to Private Consortiums

The Ministry of Defence has formally issued the Request for Proposal (RFP) for the development of India's indigenous fifth-generation Advanced Medium Combat Aircraft (AMCA) program. This milestone transitions India's premier combat aviation project from conceptual design into structural prototyping. By routing the initial acquisition strictly through shortlisted private-sector entities, the initiative introduces a parallel aerospace manufacturing ecosystem, deliberately diversifying beyond traditional state-run infrastructure to drive strict developmental timelines and bolster national self-reliance.

Key Summary Points

- **Issuance of Strategic Procurement Tenders:** The Ministry of Defence officially floated the Request for Proposal (RFP) for the indigenous fifth-generation AMCA project to three shortlisted private-sector bidding groups.
- **Exclusion of State-Owned Aerospace Monopoly:** In a significant policy shift, the state-run aerospace major Hindustan Aeronautics Limited (HAL) has been completely kept out of this initial prototype development stage, indicating an active administrative drive to integrate private industry capabilities into frontline military aviation.
- **Composition of Shortlisted Private Bidders:** The three corporate entities selected to compete through technical and commercial evaluations include the Larsen and Toubro-Bharat Electronics Limited (L&T-BEL) combine, Tata Advanced Systems, and the Bharat Forge-BEML consortium.
- **Cooperative Development Framework and Prototypes:** The chosen private entity will work in direct institutional partnership with the Aeronautical Development Agency (ADA)—functioning under the Ministry of Defence—to manufacture five initial flying prototypes to satisfy the Indian Air Force's (IAF) long-term operational specifications.
- **Advanced Fifth-Generation Stealth Capabilities:** The AMCA platform is engineered as an ambitious, high-tech aerospace asset incorporating definitive low-observable stealth signatures, advanced avionics, supercruise performance, and reduced radar signatures.
- **Dedicated Infrastructural and Financial Capital:** The development model aligns with a massive investment push, following the recent foundation-stone laying ceremony by Defence Minister





Rajnath Singh and Andhra Pradesh Chief Minister N. Chandrababu Naidu for a Rs15,803-crore AMCA infrastructure project in Andhra Pradesh's Sri Sathya Sai district.

Key Definitions

- **Request for Proposal (RFP):** A formal, legally structured procurement document issued by an administrative department or ministry inviting eligible commercial entities to submit comprehensive, competitive technical and financial bids for a project.
- **Fifth-Generation Fighter Aircraft:** A premier classification of combat aircraft incorporating structural stealth geometry from inception, internal weapons bays, high-performance airframes capable of supercruise, advanced active sensor fusion, and networked situational awareness.
- **Supercruise Capability:** The capacity of a military aircraft to sustain supersonic flight speeds while carrying a standard operational payload without initiating fuel-intensive afterburners, significantly extending combat radius and lowering thermal tracking profiles.

Constitutional & Legal Provisions

- **Union List (Seventh Schedule) - Entry 1 and Entry 2:** Grants exclusive legislative and executive jurisdiction to the Parliament of India over "Defence of India and every part thereof" and "Naval, military and air forces; any other armed forces of the Union," anchoring all high-ticket aerospace defense procurements under federal control.
- **The Defence Acquisition Procedure (DAP 2020):** The primary administrative and legal framework governing capital acquisitions for the Indian Armed Forces, promoting indigenous production under the 'Make in India' and 'Atmanirbhar Bharat' paradigms via competitive industrial models.
- **AMCA Programme Execution Model:** The specialized statutory and institutional model approved by the Defence Minister, empowering the Aeronautical Development Agency (ADA) to execute highly complex defense programs via long-term, public-private operational industry partnerships.

Additional Important Keypoints

- **Four-to-Five Month Selection Timeline:** Following the receipt of the formal bids from the corporate consortia, the Ministry of Defence targets a compact four-to-five month evaluation window to conclude technical and commercial vetting.
- **Mitigating Decline in IAF Squadron Strength:** The AMCA program functions as the central long-term component of India's fleet strategy to bridge the technological gap against regional adversaries deploying advanced stealth assets.
- **Strategic Ecosystem Deepening:** By establishing the Core Integration and Flight Testing architecture in Puttaparthi, the state establishes high-value manufacturing skills and physical engineering testbeds directly inside the domestic market.

Conclusion

The issuance of the RFP for the AMCA fifth-generation fighter jet project represents a crucial turning point for the Indian defense manufacturing sector. By choosing to engage private consortia like Tata, L&T, and Bharat Forge while bypassing traditional public sector production pathways, the government is introducing an agile, market-driven execution model into strategic defense projects. This shift addresses chronic delays typically tied to manufacturing backlogs and introduces a parallel aerospace ecosystem within the country. Developing a reliable 25-tonne stealth combat platform will not only enhance the defensive capabilities of



the Indian Air Force but also establish India among an elite group of nations capable of independently managing advanced military aerospace programs from design to final serial production.

UPSC Relevance

- **Syllabus Linkage:** GS Paper III: Science and Technology—Developments and their applications and effects in everyday life; Indigenization of technology and developing new technology. Security challenges and their management in border areas; Linkages of organized crime with terrorism. GS Paper II: Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

12. India's Shifting Healthcare Economics: Insights from National Health Accounts Estimates 2022-23

The Union Ministry of Health and Family Welfare released the 10th National Health Accounts (NHA) estimates for India (2022-23). The report reveals a structural shift in the country's healthcare financing, highlighted by a significant reduction in household out-of-pocket expenditure (OOPE) alongside a steady increase in public healthcare funding and social security spending.

Key Summary Points

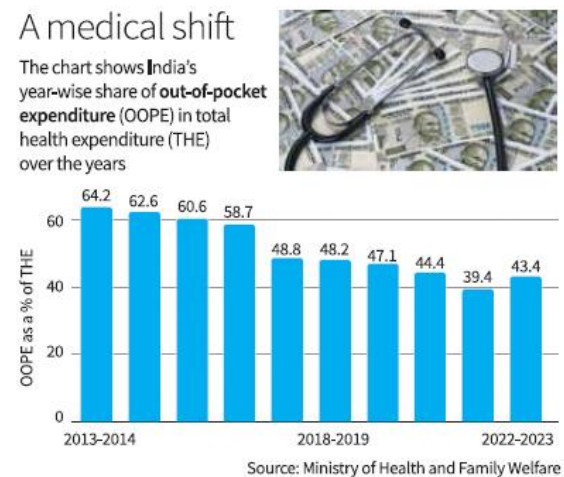
- **Significant Decline in Out-of-Pocket Expenditure:** India's out-of-pocket expenditure (OOPE) as a share of the total health expenditure experienced a 21% reduction, dropping substantially from 64.2% in 2013-14 to 43.4% in 2022-23.
- **Expansion of Public Health Infrastructural Footprint:** The Health Ministry attributes this reduced household financial vulnerability to the operationalisation of over 1.8 lakh Ayushman Arogya Mandir wellness centres providing 12 expanded packages of free primary and preventive care closer to communities.
- **Upward Trajectory in Government Health Spending:** Public funding dedicated to healthcare as a percentage of India's Gross Domestic Product (GDP) rose from 1.15% in 2013-14 to 1.43% in 2022-23, with a historical one-time spike to 1.84% during the pandemic emergency phase in 2021-22.
- **Escalation in Per Capita and Budgetary Commitments:** In absolute per capita terms, government health expenditure increased nearly 2.7 times from Rs1,042 to Rs2,786 between 2013-14 and 2022-23, while health's share in general government expenditure rose from 3.78% to 4.89%.
- **Growth of Social Security and Private Insurance Networks:** Inter-temporal data shows a positive trend in social security spending on health, which climbed from 6% to 9.9% over the decade, paired with an expansion in private health insurance share from 3.4% to 9.2%.
- **Pharmaceuticals as Residual Drivers of Household Cost:** Despite widespread free distribution channels, detailed expenditure analysis reveals that the standalone purchase of pharmaceuticals, vitamins, health supplements, and proteins remains the primary residual driver of contemporary OOPE.

Key Definitions

- **Out-of-Pocket Expenditure (OOPE):** Direct outlays made by households at the point of receiving healthcare services, encompassing practitioner fees, diagnostics, and pharmaceutical purchases, which are not reimbursed by insurance or covered by state programs.



- **National Health Accounts (NHA):** A standardized statistical framework used to systematically measure, track, and categorize total financial flows within a nation's healthcare sector, mapping out who finances, distributes, and consumes healthcare services.
- **Social Security Expenditure on Health:** Publicly funded or state-assisted financial risk-protection mechanisms, including employee social insurance schemes, medical reimbursements for public servants, and targeted subsidized insurance for vulnerable populations.



Constitutional & Legal Provisions

- **Article 21 of the Indian Constitution:** The Right to Life and Personal Liberty; judicially interpreted by the Supreme Court to encompass the right to health, casting a constitutional obligation on government bodies to provide accessible medical infrastructure.
- **Article 47 of the Constitution (Directive Principles):** Expressly directs the State to treat the raising of the level of nutrition, the standard of living of its people, and the improvement of public health as among its primary administrative duties.
- **Seventh Schedule (State List & Concurrent List):** Entry 6 of the State List vests primary legislative authority over "Public health and sanitation; hospitals and dispensaries" in State Legislatures, while Entry 20 of the Concurrent List covers "Economic and social planning," necessitating center-state fiscal coordination.

Additional Important Keypoints

- **Methodological Framework Utilized:** The NHA 2022-23 estimates were prepared by the National Health Accounts Technical Secretariat (NHATS) using the globally recognized System of Health Accounts (2011) accounting framework to ensure cross-national data uniformity.
- **Progress Towards National Health Policy (NHP) Targets:** While the increase to 1.43% of GDP marks steady progress, it highlights the remaining distance India must cover to meet the National Health Policy 2017 target of elevating public health spending to 2.5% of GDP.
- **Improved Health-Seeking Behaviour:** The significant rise in the share of private health insurance indicates expanding health awareness, consumer literacy, and a behavioral shift toward proactive financial risk mitigation across middle-income demographics.

Conclusion

The National Health Accounts estimates for 2022-23 highlight a positive structural transition in India's health financing architecture. By successfully driving down out-of-pocket expenditure from a high of over 64% to 43.4%, decentralized public interventions like the Ayushman Arogya Mandir network have demonstrated their capacity to reduce catastrophic medical costs for vulnerable households. However, with out-of-pocket expenses remaining high and pharmaceutical purchases continuing to act as a primary driver of household costs, the data underscores the need for persistent public investment. Meeting long-term equity goals will require sustaining this upward trend in spending to bridge the gap toward the 2.5% GDP target, ensuring universal access to affordable healthcare.



UPSC Relevance

- **Syllabus Linkage:** GS Paper II: Governance and Social Justice (Issues relating to the development and management of Social Sector/Services relating to Health, Education, Human Resources; Welfare schemes for vulnerable sections). GS Paper III: Indian Economy (Mobilization of resources, growth, and development).



VIDHVATH IAS ACADEMY