DAILY NEWS PAPER ANALYSIS

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SECTOR 25 CHANDIGARH

Telegram has evolved into new dark web, govt. tells HC

Centre says the platform is used by cybercriminals, exam paper leak operators; Delhi High Court questions the platform-wide ban as it hears Telegram's challenge; it reserves judgment for Friday

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NEW DELHI

Telegram on trial

The messaging platform contests restrictions imposed under Section 69A of the IT Act

Govt.'s stand
- Used by cybercriminals, fraud networks, extremist groups, and exam leak operators
- Fails to act against illegal and suspicious channels despite repeated requests
- Features can be misused to falsely portray exam papers as leaked and trigger law-and-order concerns

Telegram's stand
- Centre fails to justify emergency powers or a platform-wide ban
- Specific content can be blocked instead of restricting the entire platform

The Union government on Thursday submitted before the Delhi High Court that the messaging platform Telegram had evolved into the "new dark web", arguing that its architecture and privacy features had made it a preferred tool for cybercriminals, fraud networks, extremist and terror groups, and operators involved in examination paper leaks.

The government's submissions relied heavily on an Indian Cyber Crime Coordination Centre (I4C) assessment that the platform was a growing hub for illicit online activity. The government has restricted access to the platform ahead of the June 21 NEET re-examination.

Solicitor-General Tushar Mehta, appearing for the Centre during the hearing on Telegram's petition challenging the temporary ban imposed till June 22 under Section 69A of the Information Technology Act, 2000, told the court that the enterprise behind the messaging app had been repeatedly asked to proactively monitor and curb illegal and suspicious channels on the platform. However, the company failed to take any meaningful action, he said.

"Telegram has become the new dark web, linking threat actors. Criminals have rapidly adopted Telegram to post links on channels that connect to dark web forums through deep web links, making it hard for authorities to track and attribute criminals," he said.

Senior advocate Dhruv Mehta, appearing for Telegram, said the government had failed to justify the use of emergency powers and had not demonstrated why specific content could not be blocked, instead of disabling access to the entire platform. "The order says it is in the interest of the sovereignty and integrity of India. An examination like NEET will affect the sovereignty and integrity of India?" he asked.

A Bench of Justice Tejas Kataria scrutinised the government's justification for a platform-wide restriction, even as it acknowledged concerns about exam malpractice and cybercrime. "How can we stop the rights of 150 million people just because one set of citizens are appearing in examinations?" he said while hearing submissions from both sides.

The judgment has been reserved for Friday.

The Centre's affidavit also details how Telegram is allegedly used by cyber threat actors to coordinate attacks, distribute malware, and facilitate financial crime. It is alleged that Telegram channels host marketplaces for rented and mule bank accounts used in money laundering and cyber fraud. Such channels enable criminals to exchange information on bank accounts, UPI handles, and cryptocurrency conversion mechanisms while, due to the interface, it remains difficult for the police to track them because new channels emerge continuously.

To support its claims, the Centre pointed to a sharp rise in cybercrime complaints linked to Telegram. Data placed before the court show that complaints on the National Cyber Crime Reporting Portal involving Telegram rose from 75,688 in 2023 to 2.75 lakh in 2025, with fraud amounts crossing ₹3,000 crore in 2025.

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KEY HIGHLIGHTS:

Context of the News

- The Union Government temporarily blocked Telegram under Section 69A of the Information Technology Act, 2000 till June 22, 2026.
- The move was linked to concerns over:
  - NEET-UG paper leak,
  - Cyber fraud,
  - Money laundering,
  - Malware distribution,
  - Criminal coordination through Telegram channels.
- The Centre informed the Delhi High Court that Telegram had become a major platform facilitating cybercrime and illegal activities.
- Telegram challenged the order, arguing that specific channels could be blocked instead of imposing a platform-wide ban.
- The case highlights the debate between national security and fundamental rights in digital governance.

Key Points

Section 69A, IT Act, 2000

Empowers the Central Government to block public access to online information in the interests of:

- Sovereignty and Integrity of India
- Defence of India
- Security of the State
- Friendly Relations with Foreign States
- Public Order
- Preventing Incitement to Cognizable Offences

Blocking Rules, 2009

- Prescribe procedure and safeguards for blocking orders.
- Allow emergency blocking in urgent situations.
- Require recording of reasons and review mechanism.

Section 79 (Safe Harbour)

Intermediaries are exempt from liability for third-party content if they:

- Exercise due diligence.
- Comply with IT Rules, 2021.
- Act upon lawful government directions.

I4C

- Indian Cyber Crime Coordination Centre under MHA.
- Nodal agency for cybercrime coordination and investigation support.

Data

- Telegram-linked cybercrime complaints:
  - 75,688 (2023)
  - 2.75 lakh (2025)
- Reported fraud amount:
  - ₹3,000+ crore (2025)

Static Linkages

- Article 19(1)(a) – Freedom of Speech and Expression.
- Article 19(1)(g) – Freedom of Trade, Business and Profession.
- Article 19(2) – Reasonable Restrictions.
- Doctrine of Proportionality.
- Judicial Review.
- Rule of Law.
- Natural Justice.
- Delegated Legislation.
- Safe Harbour Principle.
- Cyber Security Architecture of India.

Important Supreme Court Judgment

Anuradha Bhasin v. Union of India (2020)

Held that:

- Internet-based speech is protected under Article 19(1)(a).
- Internet-based trade/business is protected under Article 19(1)(g).
- Restrictions must satisfy the proportionality test.
- Orders are subject to judicial review.
- Indefinite restrictions are impermissible.

Critical Analysis

Arguments in Favour

- Helps prevent paper leaks.
- Curbs cyber fraud and financial crime.
- Disrupts criminal and extremist networks.
- Protects public order and national security.

Concerns

- Affects approximately 150 million legitimate users.
- Impacts educators, businesses and creators.
- Raises proportionality concerns.
- Less restrictive alternatives may exist.
- Limited transparency in blocking orders.

Core Constitutional Issue

National Security & Public Order

vs

Articles 19(1)(a) and 19(1)(g)

Ukrainian drones set key Moscow refinery ablaze; flight services hit

Associated Press
MOSCOW

Ukraine struck a major Moscow oil refinery on Thursday for a second time in a week, sending huge plumes of black smoke over the capital and disrupting flights at its airports in one of its biggest drone attacks since Russia's invasion over four years ago, officials said.

Ukraine has repeatedly targeted Russian oil facilities, aiming to cut Moscow's revenue for the war and make Russians feel the consequences of the invasion. Some areas have reported fuel shortages.

Pledged from West

The attack by dozens of drones came hours after Ukrainian President Volodymyr Zelenskyy said he had held "an important coordination call" with the presidents of the U.S. and France and had won key pledges of further support from this week's G7 summit.

"If Ukraine is going to burn, your Moscow will burn too," Mr. Zelenskyy said, adding that the attack was part of Kyiv's effort to bring Russian President Vladimir Putin to the negotiating table. "It is time to end the aggression, time to end this war."

Mr. Zelenskyy was expected to hold talks in Brussels later Thursday with NATO and EU leaders, including about the possibility of a continental system to defend against ballistic missiles.

Thick, black smoke and occasional flames spewed from the Moscow Oil Refinery amid its red-and-white smokestacks on the southeastern edge of the city, about 15 km from the Kremlin. Sooty, black rain fell on cars, according to local video.

'Fire contained'

The refinery is one of Russia's biggest, according to its official website, and produces more than a third of the Moscow region's fuel. It was last attacked by Ukrainian drones on Tuesday, catching fire, but officials said the blaze was put out.

Thursday's fire at the refinery was "largely contained," Moscow Mayor Sergei Sobyanin said, adding that remaining hotspots were being extinguished.

The attack also temporarily halted flights from four Moscow airports, transport and aviation authorities said.

In the greater Moscow region, a drone hit a residential building in the town of Zhukovsky, according to Gov. Andrei Vorobyov. Buildings elsewhere were damaged by drone debris, injuring 17 people, including two children, he added.

The Russian Defence Ministry said that its air defences overnight shot down 555 Ukrainian drones over multiple regions, with almost 200 intercepted as they were approaching Moscow. That was roughly double the number of drones that Russia launched at Ukraine overnight, according to the Ukrainian air force.

Putin on Thursday was in Kazan, some 700 km east of Moscow, hosting leaders of the Association of Southeast Asian Nations as Russia seeks to bolster business and other ties with the nations of the regional bloc.

'Won't sit quietly'

"If Putin does not want to end this war and wants to continue it, we will not sit quietly – we will respond," Zelenskyy said in a voice message to a group chat with journalists. The Ukrainian president has accepted an unconditional ceasefire demanded by Trump, but Putin has refused, and U.S.-led peace efforts have petered out.

As well as pledges of more diplomatic and military help at the G7 summit, Ukraine recently has gained momentum on the battlefield against Russia's bigger army thanks to its high-tech drones, Western officials and analysts say.

Longer-range drone strikes are choking Russian supply lines in occupied regions of Ukraine, in addition to disrupting Russian oil production.

French President Immanuel Macron said the G7 summit was "very important for Ukraine" because its supporters – crucially including the United States – vowed to help it, although the French president provided no details.

Critical hit: Smoke rises from an oil refinery following a Ukrainian drone attack in in Moscow on Thursday. REUTERS

KEY HIGHLIGHTS:

Context

- Ukraine carried out one of its largest drone attacks on Russia since the beginning of the Russia–Ukraine War (2022).
- The attack targeted the Moscow Oil Refinery, one of Russia's major fuel-producing facilities.
- The refinery reportedly supplies more than one-third of the fuel requirements of the Moscow region.
- The strike disrupted airport operations and damaged energy infrastructure.
- The attack came after the G7 Summit, where Ukraine received assurances of continued Western diplomatic and military support.
- The incident highlights the growing role of drone warfare, critical infrastructure targeting, and energy security in modern conflicts.

Key Points

- Ukraine is increasingly using long-range drones to target strategic assets deep inside Russian territory.
- Oil refineries are critical to:
  - Military logistics.
  - Transportation networks.
  - National energy security.
- The conflict demonstrates the emergence of asymmetric warfare, where a relatively weaker actor uses technology to offset conventional disadvantages.
- Drone attacks on energy infrastructure can have:
  - Economic consequences.
  - Supply-chain disruptions.
  - Strategic military impacts.
- The Russia–Ukraine conflict continues to influence:
  - Global energy markets.
  - Food security.
  - Geopolitical alignments.
- Western countries continue military and financial support to Ukraine, while Russia seeks deeper engagement with non-Western partners.

Static Linkages

- NATO (1949): Collective defence alliance based on Article 5 of the North Atlantic Treaty.
  - International Humanitarian Law (IHL):Distinction between civilian and military targets.
  - Principle of proportionality in armed conflict.
- Critical Infrastructure:
  - Energy facilities, transport systems, communication networks and financial systems essential for national security.
- Hybrid Warfare:
  - Combination of conventional, cyber, economic, information and technological warfare.
- Unmanned Aerial Vehicles (UAVs):
  - Used for surveillance, reconnaissance and precision strikes.

Critical Analysis

Significance

- Demonstrates the increasing strategic role of drones in warfare.
- Raises the cost of war for Russia by targeting energy infrastructure.
- Highlights the vulnerability of critical infrastructure to emerging technologies.

Concerns

- Increased risk of escalation.
- Threat to civilian safety and infrastructure.
- Potential disruption of global energy supplies.
- Weakening prospects for negotiated peace.

International Dimension

- Continued Western support strengthens Ukraine's military capabilities.
- Russia is attempting to diversify strategic partnerships beyond the West.
- The conflict remains a major factor shaping contemporary global geopolitics.

Way Forward

- Promote diplomatic negotiations and ceasefire efforts.
- Strengthen international norms governing drone warfare.
- Enhance protection of critical infrastructure.
- Ensure adherence to International Humanitarian Law.
- Develop global frameworks for regulating emerging military technologies.

NFHS-6 reveals progress amid nutrition challenges

The recently released National Family Health Survey (NFHS)-6 report presents a mixed progress card for India, offering reasons to cheer while also sending clear signals to pause and reflect. On the bright side, stunting levels (for children under five), which indicate long periods of sub-optimal food intake with other deprivations, have declined from 35.5% to 29.3%. Though a modest decline, any gain is welcome given the complexity of the task that involves strengthening women's access to knowledge and resources, improved water and sanitation, and ensuring access to healthy affordable diets. Wasting levels that indicate whether children have adequate weight for their height, show no change, except for severe forms of wasting. The pattern across indicators makes one thing clear: gains in child nutrition are due to better health-care access, immunisation coverage, maternal education and improvements in housing, water and sanitation, while feeding practices and access to quality diets remain weak and continue to limit progress.

Institutional births have reached 90%, with public health facilities accounting for 58% of births; 91% of deliveries were attended by skilled medical personnel and 95% of mothers were visited at least once by health personnel during the antenatal period.

Equally gratifying is vaccination coverage for children – 87% of children between 12 and 23 months of age are now fully vaccinated. Since private facilities account for only about 3% of vaccinations, the high coverage reflects the strong outreach efforts of frontline workers – Accredited Social Health Activists (ASHA), Anganwadi workers (AWW), and Auxiliary Nurse Midwives (ANM). These national averages hide regional disparities, but access to health services has improved across States.

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Better health care alone cannot overcome India's nutrition challenges

Poor feeding practices

Despite the high rate of institutional births, only about 50% of newborns are breastfed within the first hour of life, indicating that the health system must intensify efforts to support early initiation of breastfeeding. About 60% of children between the ages of six to eight months, receive solid/semi-solid food, while only 15% between six to 23 months receive an adequate diet. Improving the timely initiation of complementary feeding and ensuring that all children receive an adequate diet are key to reducing undernutrition. In India, complementary feeding is closely linked to the annaprasana ritual, typically performed between six and 12 months – any delay will result in growth faltering.

A growing and under-explored determinant of child nutrition in India is maternal time poverty. Women perform multiple roles within and outside the home. NFHS-6 reports that about 30% of women engaged in paid work during the past 12 months, but this significantly underestimates their overall work burden. A large proportion of women in informal economies engage in unpaid family labour, in farming/fisheries, livestock care, and domestic chores. There are no clear estimates of the percentage of young mothers with children between six-23 months who are in the work force and there is very little documentation on how women manage child feeding with their other work roles. In many rural areas, in the absence of crèches, women leave their infants and young children with older family members or the child's older sibling (usually a girl), impacting both breastfeeding and complementary feeding, when they are out in the fields.

The processed food trap

Recent consumer expenditure survey results show that households are spending less on cereals and more on dairy, processed foods and beverages, with the latter two forming a large part of the expenditure. This creates an impression of diversity which is not the same as nutritional adequacy. A nutritionally adequate diet would have to follow the ICMR-National Institute of Nutrition (NIN) food-based dietary guidelines. Unfortunately, for a sizeable section of the population, a nutritious diet consisting of pulses, millets, fruits and vegetables, animal foods and nuts is unaffordable. Processed foods, in contrast, are easily available, ready to eat and packaged in affordable packs.

The first 1,000 days – from pregnancy to a child's second birthday – form the most critical window for healthy physical and cognitive development (most brain growth occurs in the first five years). We need disaggregated data for the 0-2 age group, currently unavailable, as stunting typically peaks during the second year of life and growth faltering often begins much earlier. The Prime Minister's Overarching Scheme for Holistic Nourishment (POSHAN) Abhiyaan programme currently focuses on identification and rehabilitation of severely malnourished children. Prevention of growth faltering must receive greater priority. Early identification of stagnation in weight or length, with timely counselling and support to mothers, is central to prevention.

Empowering frontline nutrition workers

Monthly anthropometric data for young children is collected by AWWs. Strengthening their skills in data collection would improve data quality. The huge volume of collected data should be analysed locally and feedback provided to the ASHAs and AWWs for timely action.

For this task, recruitment of a nutritionist and a data analyst at the district level is needed. Where possible, digital tools can be used to supplement in person counselling, by providing both workers and mothers practical information on how, when and what to feed young children at different ages, based on locally available healthy foods.

Behaviour change communication efforts should be culturally grounded, integrating practices such as annaprasana to reinforce timely and appropriate complementary feeding. Joint capacity building of AWWs, ASHAs, and ANMs in assessing feeding practices and advising families with effective communication materials on improving diets using locally available, affordable foods would enhance the quality of counselling and reduce the risk of undernutrition.

Multisectoral convergence is critical to addressing child malnutrition, yet it remains weak. Child nutrition should be a standing agenda item in Gram Sabha and Panchayat discussions. Local planning must prioritise improvements in Anganwadi infrastructure, safe drinking water, and sanitation facilities, as these foundational services directly influence child growth and health.

Engaging men in childcare, promoting shared domestic responsibilities, and strengthening support to mothers can significantly enhance feeding and caregiving behaviours. Many non-governmental organisations in India have developed crèche models that combine childcare, nutrition and early learning, and can be run by trained local women. From a gender perspective, crèches are not only child development interventions; they are social infrastructure that enables women's economic participation and reduces unpaid care burdens. With coordinated action across sectors and communities, meaningful and sustained progress in child nutrition is entirely achievable.

KEY HIGHLIGHTS:

Context of the News

- NFHS-6 highlights mixed progress in India's nutrition and health indicators.
- Stunting (Under-5 children) declined from 35.5% to 29.3%, indicating improvement in chronic undernutrition.
- Wasting remains largely unchanged, reflecting persistent acute undernutrition.
- Improvements are driven by better healthcare access, immunisation, maternal education, housing, water, and sanitation.
- Poor feeding practices and inadequate dietary diversity continue to constrain nutrition outcomes.
- The findings reinforce the need to strengthen POSHAN Abhiyaan and preventive nutrition strategies.

Key Points

Child Nutrition

- Stunting: 35.5% → 29.3%
  - Indicator of chronic undernutrition (Height-for-Age).
- Wasting: No significant improvement
  - Indicator of acute undernutrition (Weight-for-Height).
- Only 15% of children (6–23 months) receive an adequate diet.
- Around 60% of children (6–8 months) receive complementary feeding.
- Only 50% of newborns are breastfed within one hour of birth.

Maternal & Child Health

- Institutional deliveries: 90%
- Births in public facilities: 58%
- Skilled birth attendance: 91%
- Mothers receiving ANC: 95%

Immunisation

- 87% of children (12–23 months) are fully vaccinated.
- Major role of:
  - ASHA
  - Anganwadi Workers (AWWs)
  - Auxiliary Nurse Midwives (ANMs)

Emerging Concerns

- Maternal time poverty.
- Poor complementary feeding.
- Rising processed food consumption.
- Low dietary diversity.
- Weak local-level nutrition monitoring.

Static Linkages

- Article 21 – Right to Life includes health and nutrition.
- Article 39(f) – Healthy development of children.
- Article 47 – State shall improve nutrition and public health.
- First 1,000 Days (Conception to 2 years) are critical for physical and cognitive development.
- Childhood nutrition is a key determinant of human capital formation.
- Safe water, sanitation, healthcare, and women's education are major determinants of nutritional outcomes.
- SDG 2: Zero Hunger.
- SDG 3: Good Health and Well-being.

Critical Analysis

Positives

- Significant decline in stunting.
- High institutional delivery coverage.
- Strong immunisation performance.
- Improved maternal healthcare access.
- Better sanitation and drinking water coverage.
- Effective grassroots health workforce.

Challenges

- Wasting remains high.
- Only 15% children receive adequate diet.
- Low early breastfeeding rates.
- Poor complementary feeding practices.
- Growing dependence on processed foods.
- Maternal workload affecting childcare.
- Regional disparities persist.
- Weak inter-departmental convergence.

Stakeholder Perspective

- Children: Vulnerable during first 1,000 days; risk of lifelong cognitive and physical deficits.
- Mothers: Face unpaid care burden and time poverty.

- Frontline Workers: Need better training, digital support, and nutrition counselling tools.
- Government: Shift focus from treatment to prevention of growth faltering.
- Panchayats: Greater role in local nutrition planning and monitoring.

Way Forward

- Prioritise the first 1,000 days approach.
- Promote breastfeeding within one hour of birth.
- Ensure timely complementary feeding.
- Strengthen preventive focus of POSHAN Abhiyaan.
- Establish community crèches for working mothers.
- Improve affordability of nutritious foods.
- Recruit nutritionists and data analysts at district level.
- Strengthen Anganwadi infrastructure and growth monitoring.
- Use local nutrition data for targeted interventions.
- Improve convergence among Health, WCD, Water & Sanitation departments.
- Promote behaviour change communication using local cultural practices.
- Encourage men's participation in childcare.

The real barriers to trade are no longer tariffs

Recently, the CEO of a large multinational called to ask whether the upcoming visit of the United States Trade Representative to India could result in tariff rates returning to around 18% or settling at a different level.

Such conversations reflect the extent to which trade negotiations are often viewed through the prism of headline tariff numbers. Yet, in practice, tariff rates are only one part of the picture. The more significant determinants of market access and competitiveness frequently lie elsewhere. This presents an opportunity for India to move beyond a narrow focus on tariff bargaining and instead address the broader set of factors that shape trade outcomes.

When India and the U.S. issued a joint statement in February 2026 agreeing on a framework for an interim trade agreement, the headlines highlighted the obvious: the tariff numbers. The U.S. reciprocal rate cut to 18%. India's pledge to move toward zero duties on American goods. The "$500 billion" purchase commitment. But the White House fact sheet buried the more consequential admission – that both sides needed to negotiate the removal of non-tariff barriers. The U.S. deploys its own formidable non-tariff barriers arsenal while India has its quality regulations. The tariff headline was the press release. The NTBs on both sides are the actual problem.

For decades, trade diplomacy revolved around tariffs. Governments negotiated reductions in import duties, and success in trade talks was measured in percentage points shaved off customs rates. In today's hyper-regulated global economy, tariffs barely matter. The real obstacles are faced in the laboratory and the law offices through NTBs.

NTBs are the regulations, certifications, licensing rules, and product requirements that goods must meet before entering a market. They include technical regulations, environmental rules, health and safety requirements, packaging standards and testing procedures. Unlike tariffs, which are transparent and easy to measure, these regulatory hurdles operate within the system and exert a far-reaching influence on trade.

Anuj Gupta

Managing Director of BowerGroupAsia

Tariffs dominate the headlines, but regulations increasingly determine trade outcomes

NTBs, the quiet trade weapon

Since the establishment of the World Trade Organization (WTO) in 1995, average tariff rates among its members have fallen by nearly half, yet governments have not abandoned protectionism. As tariffs declined, NTBs surged. Today, they affect around 90% of global trade – a sixfold increase over the past three decades.

The regulatory landscape has expanded just as rapidly. More than half of the 20,000 global product and safety regulations introduced over the past 70 years have emerged since 2000, creating a dense web of overlapping rules that complicates cross-border commerce and raises compliance costs, particularly for smaller exporters. The WTO itself reflects this shift. In 2025 alone, governments submitted over 7,700 notifications of NTBs and health-related trade measures, 10 times more than in 1995.

Among major economies, the European Union (EU) is the most extensive user of these regulatory tools. According to the World Trade Organization and World Bank data, non-tariff measures cover roughly about 94% of imports entering the EU, compared with about 77% in the U.S. and nearly 45% in India. Each major economy deploys these barriers differently. The EU has built the world's most expansive regulatory architecture for trade, with NTBs concentrated in environmental rules, chemical safety regulations, product standards, packaging requirements and climate-related policies such as the Carbon Border Adjustment Mechanism and the EU Deforestation Regulation. These rules are justified as protections, often acting as powerful filters on trade.

The American NTBs are driven by strategic competition, security concerns and technological dominance. Export controls, entity lists and restrictions on semiconductors, AI chips and advanced computing hardware increasingly limit rivals' access to critical technology supply chains. India has traditionally relied more on tariffs, but this is changing. As part of its industrial strategy, New Delhi is expanding quality regulations on imports of electronics, machinery and chemicals to boost domestic manufacturing and reduce dependence on external supply chains.

The Indian experience

India's own FTA record makes the point sharply. The Association of Southeast Asian Nations (ASEAN)-India agreement has been in force since 2010, yet preferential tariff utilisation among Indian businesses remains below 50%, largely because non-tariff barriers (NTBs) make claiming these benefits commercially impractical. Indonesian registration requirements restrict Indian pharmaceutical exports, while Thai customs procedures force gems and jewellery exporters to reroute shipments through Hong Kong. Tariffs have fallen, but trade barriers remain.

Japan and South Korea tell a similar story. Despite an FTA with Japan since 2011, Indian pharmaceutical exports remain negligible because market approvals can take five to seven years and Japan has resisted recognising international testing standards. With South Korea, bilateral trade reached $27 billion in 2024-25, but India accounted for only $6.5 billion. Overall, India's FTA utilisation rate is about 25%, compared with 70%-80% for developed economies. The agreements existed on paper; the barriers remained in practice.

The next frontier of trade

This does not mean abandoning legitimate environmental or consumer protections, but regulatory systems must be transparent and proportionate. Otherwise, they risk fragmenting global markets at precisely the moment when supply chains are being re-organised.

India's newer agreements signal a genuine shift. The United Arab Emirates Comprehensive Economic Partnership Agreement explicitly mandates automatic recognition of medicines approved by major global regulators, and requires mutual acceptance of laboratory testing that eliminates duplicate compliance costs. The India-European Free Trade Association Trade and Economic Partnership Agreement, in force since October 2025, goes further with mutual recognition of standards, streamlined conformity assessment, and a dedicated sub-committee mandated to address NTBs on an ongoing basis. For the first time, NTB reduction is a legally binding obligation.

The politics of trade still talks about tariffs. The economics of trade has already moved on. In the 21st century, the real barriers are regulatory. If the West wants a serious economic pivot to the east, addressing those barriers will matter far more than cutting tariffs ever did.

The views expressed are personal

KEY HIGHLIGHTS:

Context

- India and the U.S. are negotiating an interim trade agreement following the February 2026 trade framework.
- Discussions have highlighted tariff reductions, but the major challenge remains Non-Tariff Barriers (NTBs).
- Globally, NTBs have emerged as the principal determinants of market access, competitiveness, and trade flows.
- India's experience with FTAs shows that tariff reductions alone do not guarantee export growth if NTBs persist.

Key Points

Non-Tariff Barriers (NTBs)

- Measures other than customs duties that restrict or regulate trade.
- Include:
  - Technical regulations and standards
  - Sanitary and Phytosanitary (SPS) measures
  - Quality certification requirements
  - Licensing procedures
  - Packaging and labelling norms
  - Environmental and climate regulations

WTO Framework

- Agreement on Technical Barriers to Trade (TBT)
- Agreement on Sanitary and Phytosanitary Measures (SPS)

Important Data

- NTBs affect nearly 90% of global trade.
- WTO received over 7,700 NTB-related notifications in 2025.
- NTB coverage:
  - European Union: ~94% of imports
  - United States: ~77%
  - India: ~45%

Major Examples

- EUCarbon Border Adjustment Mechanism (CBAM)
- EU Deforestation Regulation (EUDR)
- USAExport controls on semiconductors
- Restrictions on AI chips and advanced technologies
- IndiaIncreasing use of Quality Control Orders (QCOs)
- BIS standards for electronics, machinery, chemicals, etc.

India's FTA Experience

- ASEAN-India FTA (2010):
  - Preferential tariff utilization below 50%.
- India's overall FTA utilization:
  - Around 25%.
  - Developed economies: 70–80%.
- Regulatory barriers remain a major obstacle despite tariff concessions.

Recent Developments

- India-UAE CEPAMutual recognition of medicines and testing standards.
- India-EFTA TEPA (2025)Mutual recognition of standards.
- Dedicated mechanism to address NTBs.

Static Linkages

- WTO (1995)
- Most Favoured Nation (MFN) Principle
- National Treatment Principle
- TBT Agreement
- SPS Agreement
- Trade Creation and Trade Diversion
- Comparative Advantage Theory
- Bureau of Indian Standards (BIS)
- Quality Control Orders (QCOs)
- Global Value Chains (GVCs)

Critical Analysis

Significance

- Actual market access depends more on NTBs than tariffs.
- Reduces hidden barriers to exports.
- Improves competitiveness of Indian products.
- Facilitates integration into Global Value Chains.

Challenges

- NTBs often act as disguised protectionism.
- High compliance costs for MSMEs.
- Multiple standards across countries.
- Climate-linked trade measures may affect developing countries disproportionately.
- Weak domestic testing and certification infrastructure.

Way Forward

- Prioritize NTB reduction in all future FTAs.
- Expand Mutual Recognition Agreements (MRAs).
- Strengthen BIS accreditation and testing infrastructure.
- Align Indian standards with international standards.
- Increase FTA awareness among exporters.
- Promote regulatory cooperation with major trading partners.
- Use WTO mechanisms to address discriminatory NTBs.

Lopsided solution

In India, regulatory oversight for pharmaceuticals needs to improve

As part of an overarching attempt to restore confidence in India's pharmaceutical supply chain after a series of deaths damaged the country's reputation as a drug exporter, the government has required a doctor's prescription for individuals to purchase syrup-based medicines. However, while it seems like a credible measure, it is also defensive rather than reformist. The Union Health Ministry has removed the term "syrup" from Schedule K of the Drugs Rules 1945, a change it had signalled when it issued the draft notification in December 2025, thus requiring cough syrups to be sold only with a prescription, through licensed pharmacies. These products were singled out after ethylene glycol (EG) and diethylene glycol (DEG) contamination in India-made cough syrups killed over 300 children across several countries since 2022. The WHO's warnings in 2022 and 2023 also undermined assumptions that India's export quality controls were effective and functioning independently. But beyond contamination, doctors have long raised concerns about how cough syrups are formulated and used. Many over-the-counter (OTC) cough syrups are 'cocktails' of bronchodilators, antihistamines, and decongestants, which can cause tremors and heart palpitations, extreme sedation or paradoxical agitation in infants, and blood pressure effects. The American Academy of Pediatrics has said that cough suppressants are quite ineffective for children under six years and may even be dangerous, as they can mask underlying conditions such as pneumonia or asthma. Yet, India's entrenched OTC culture makes pharmacists de facto primary care providers in many rural and semi-urban areas.

Most importantly, however, the contamination was the result of failures in manufacturing quality control, testing of raw materials, and regulatory oversight rather than consumer access. Even now, requiring a prescription may reduce inappropriate use and push patients away from self-medication, but it could never prevent contaminated products from reaching the market in the first place. The fundamental issue is that the government continues to tolerate the pharmaceutical lobby's argument that high-end testing requirements – for stronger quality control and ultimately better drugs – will bankrupt smaller manufacturers. Second, while the *Indian Pharmacopoeia* and the *Pharmacopoeia Internationalis* updated their analytical methods to detect EG/DEG following the deaths, failures in batch testing and enforcement persist. As a result, while India has around three dozen State drug controllers, they are chronically understaffed – so without a large increase in the inspectorate, the notification is likely to be ignored sans consequence in rural areas. In a globalised economy, subpar enforcement for medicines in even one country is dangerous; that is infinitely more so in a country aspiring to remain the world's pharmacy.

KEY HIGHLIGHTS:

Context

- The Union Health Ministry has removed "syrup" from Schedule K of the Drugs Rules, 1945, making prescription mandatory for purchase of cough syrups and other syrup-based medicines.
- The decision follows deaths of 300+ children globally since 2022 due to contamination of India-manufactured cough syrups with Ethylene Glycol (EG) and Diethylene Glycol (DEG).
- WHO issued medical product alerts (2022–23), raising concerns over India's pharmaceutical quality-control mechanisms.
- The measure aims to improve drug safety and restore confidence in India's status as the "Pharmacy of the World."

Key Points

- Schedule K (Drugs Rules, 1945): Lists drugs exempted from certain sale and distribution provisions.
- Removal of syrup medicines from Schedule K:
  - Prescription mandatory.
  - Sale restricted through licensed pharmacies.
  - Ethylene Glycol (EG) and Diethylene Glycol (DEG):Toxic industrial chemicals.
  - Can cause acute kidney failure, organ damage, and death.
- WHO alerts exposed weaknesses in:
  - Raw-material testing.
  - Manufacturing quality control.
  - Regulatory oversight.
- Indian Pharmacopoeia updated testing protocols to detect EG/DEG contamination.
- India has around three dozen State Drug Controllers, but regulatory enforcement remains weak due to staff shortages.

Static Linkages

- Drugs and Cosmetics Act, 1940 – Regulation of manufacture, sale and distribution of drugs.
- Drugs Rules, 1945 – Operational framework under the Act.
- Central Drugs Standard Control Organisation (CDSCO) – National drug regulator.
- Drugs and pharmaceuticals fall under the Concurrent List (List III, Seventh Schedule).
- Article 21 – Right to Life includes access to safe medicines and public health protection.
- Good Manufacturing Practices (GMP) ensure quality, safety and efficacy of medicines.
- Pharmacovigilance Programme of India (PvPI) monitors adverse drug reactions.

Critical Analysis

Significance

- Promotes rational use of medicines.
- Reduces self-medication and OTC misuse.
- Improves accountability in drug dispensing.
- Enhances global credibility of Indian pharmaceutical exports.

Limitations

- Addresses consumer access rather than manufacturing defects.
- Cannot prevent contaminated medicines from entering markets.
- Weak enforcement capacity at State level.
- Rural areas may continue informal OTC sales.
- Inspector shortages undermine compliance monitoring.

Core Issue

The primary problem is not access to cough syrups but failures in:

- Raw-material testing.
- Batch testing.
- Manufacturing standards.
- Regulatory enforcement.

Way Forward

- Strengthen implementation of revised GMP standards.
- Increase number of drug inspectors and testing laboratories.
- Mandatory testing of all high-risk raw materials.
- Strengthen CDSCO–State regulator coordination.
- Introduce end-to-end digital drug traceability.
- Strict penalties for quality-control violations.
- Enhance pharmacovigilance and post-market surveillance.
- Align quality standards with global regulatory benchmarks.

Essential upgrades

The updates to India's statistical system are welcome, albeit long overdue

The government has, in recent months, implemented several long-overdue but welcome upgrades to India's statistical databases. Wide-ranging, they cover the way the country measures Gross Domestic Product (GDP), industrial production, and price changes at the retail, wholesale, and producer levels. These updates have not only made India's key economic statistics more representative of reality, but have also brought them in line with international best practices. The most basic change across all indices has been the updating of base years. Until recently, the base years for GDP, the Consumer Price Index (CPI), Wholesale Price Index (WPI), and Index of Industrial Production (IIP) were either 2011 or 2012. As such, these measures were significantly outdated and less reflective of reality with each passing year. In February, the Ministry of Statistics and Programme Implementation (MoSPI) released the new series of national accounts data, including GDP, with a base year of 2022-23. The new series incorporates methodological improvements and new data sources, making it more granular and robust. Some of these, such as the double-deflator approach, have long been demanded by statisticians and international bodies, including the IMF.

Similarly, MoSPI had in February also released the new series of the CPI with an updated base year of 2024, a more inclusive basket of items measured, and more accurate weightages. This has enabled a more realistic reading of retail inflation, a key metric in interest-rate decisions. In early June, MoSPI then released the new series of the IIP as well. The base year was updated to 2022-23 and the index's data collection was strengthened. This, too, eventually feeds into more accurate GDP data. The other factor to be highlighted is that the data upgrades have not been limited to just MoSPI. The Ministry of Commerce and Industry also updated its WPI, releasing the new series on Monday. A more accurate WPI and CPI yield a more accurate GDP deflator, which strengthens the way that statisticians derive real GDP growth after having adjusted for inflation. The Commerce Ministry also released a new Producer Price Index (PPI), which is to replace the WPI in five years. A PPI is the standard among developed economies and provides more information about both goods and service price levels at the producer stage. With all these, the IMF is sure to improve the recurring 'C' grade it has given India's national accounts data. These, it is hoped, will also be capped off by a time-bound release of the new Census with no further delays.

KEY HIGHLIGHTS:

Context

- Government undertook major statistical reforms to improve the accuracy and credibility of India's economic data.
- MoSPI released:
  - New GDP series (Base Year: 2022-23)
  - New CPI series (Base Year: 2024)
  - New IIP series (Base Year: 2022-23)
- Ministry of Commerce & Industry released:
  - New WPI series
  - New Producer Price Index (PPI), proposed to replace WPI in the coming years.
- Reforms align India's statistical system with international standards such as UN System of National Accounts (SNA 2008) and IMF recommendations.

Key Points

GDP Series (Base Year: 2022-23)

- Replaces old base year 2011-12.
- Incorporates new data sources and improved methodology.
- Introduces Double Deflation Method for better estimation of real Gross Value Added (GVA).
- Improves measurement of economic growth.

CPI Series (Base Year: 2024)

- Updated consumption basket.
- Revised expenditure weights reflecting present consumption patterns.
- Provides more realistic measurement of retail inflation.
- Used by RBI for inflation targeting.

IIP Series (Base Year: 2022-23)

- Better representation of current industrial structure.
- Improved coverage of manufacturing and emerging industries.
- Important indicator for industrial growth.

WPI Series

- Updated commodity basket and weights.
- Better measurement of wholesale inflation.

Producer Price Index (PPI)

- Measures price changes at the producer level.
- Covers both goods and services.
- Internationally preferred over WPI.
- Planned replacement of WPI in future.

Significance

- More accurate GDP Deflator.
- Better estimation of Real GDP Growth.
- Improved monetary and fiscal policy decisions.
- Enhances global credibility of Indian statistics.

Static Linkages

- GDP = Value of all final goods and services produced within domestic territory during a given period.
- Nominal GDP → Current Prices.
- Real GDP → Constant Prices.
- GDP Deflator = (Nominal GDP ÷ Real GDP) × 100
- Base Year: Year against which economic indicators are compared.
- NSO (National Statistical Office) functions under MoSPI.
- CPI measures consumer-level inflation.
- WPI measures wholesale-level price changes.
- PPI measures producer-level price changes.
- RBI inflation target:
  - 4% ± 2%
  - Under Monetary Policy Framework Agreement.

Critical Analysis

Positives

- Reflects current economic structure.
- Better measurement of inflation and growth.
- Improves policy formulation.
- Enhances investor confidence.
- Aligns India with global statistical standards.

Challenges

- Historical data comparability issues.
- Informal sector measurement remains difficult.
- Data quality depends on surveys and Census.
- Delays in Census affect economic estimates.

Way Forward

- Conduct Census without further delay.
- Regular revision of base years.
- Improve coverage of informal and digital economy.
- Strengthen state-level statistical systems.
- Expand use of administrative and GST-based data.
- Transition gradually from WPI to PPI.

Washington-Tehran MoU is a relief, but flashpoints remain

R SWAMINATHAN

THE 14-point Memorandum of Understanding (MoU), digitally signed last Sunday on US President Donald Trump's 80th birthday, was again signed by him early Thursday morning our time at a Versailles dinner hosted by French President Emmanuel Macron. Though Iran was not represented in Versailles, it also released the text around the same time. This official release came after global media outlets leaked the full text yesterday morning.

According to the MoU, a final agreement is to be negotiated within 60 days, extendable by mutual consent. The MoU includes a commitment by Iran that it will never produce nuclear weapons. It also says the US will lift its naval blockade of Iran fully within 30 days (which it has already done), that the movement of ships through the Strait of Hormuz will be restored to full capacity within 30 days, and that the US will issue waivers for exports of Iranian crude oil and other products and services.

In addition, Iran and the US, together with their allies (read Israel, though it is not a party to the deal), will permanently and immediately end the war on all fronts, including Lebanon, and cease all hostile action or threats of force against each other. The MoU also specifies that both sides will address the fate of enriched material, including Iran's nuclear needs. The final agreement will be approved through a binding resolution of the UN Security Council.

Notably, the MoU does not include specific provisions to discuss the curtailment of Iran's ballistic missile capabilities or its support for regional proxies. However, these issues could still be raised during the negotiations due to pressure from Republicans, Israel, and the Gulf countries.

The MoU primarily restores the status quo ante. Before the commencement of Operation Epic Fury on February 28, the Strait of Hormuz was open for free passage with no US blockade. The US and Iran had just completed the third round of their discussions on nuclear and other issues on February 26, with a tentative fourth round being considered for March 2. The outcome of the war is that nuclear negotiations have essentially returned to the starting point, with one key difference: The US is now waiving sanctions on the export of Iranian oil and allied products, while offering assurances of relief on frozen Iranian assets.

Further, during the discussions preceding the war, the US insisted on zero uranium enrichment, while Iran maintained that it had an inherent right to enrich. However, Iran showed a willingness to compromise by offering to transfer its 60 per cent enriched uranium to a third country and suspend enrichment for several years. In the forthcoming 60-day negotiations, Iran is likely to agree to its pre-war concessions, with a significant condition of its own: It will now reject transferring the enriched material abroad, opting instead to down-blend it below 5 per cent while eventually agreeing to a 10-to-15-year enrichment suspension.

The key new element is Iran's explicit declaration that it will never produce nuclear weapons. While this commitment is already implicit in the Nuclear Non-Proliferation Treaty (NPT), to which Iran has been a party since 1970, and has been repeatedly reaffirmed by Tehran — including through an oral fatwa attributed to Ayatollah Ali Khamenei in 2003 — the difference now is that Iran is effectively waiving the NPT's standard withdrawal clause. Tehran has never given notice to withdraw from the treaty despite major conflicts in June 2025 and this year.

A major concession that Iran has secured upfront is a ceasefire in Lebanon, where it suffered immense strategic damage following Israel's killing of Hezbollah chief Hassan Nasrallah in 2024 and the near-decimation of the group's military capabilities.

While the MoU could be seen as "Advantage Iran", its conclusion has already brought significant domestic and economic benefits for Trump. Oil prices, which skyrocketed to \$126 per barrel during the conflict, have plunged below \$80, triggering a major stock-market rally. Further, the US secured a binding commitment from Iran never to produce nuclear weapons. This comes after a military campaign in which the US inflicted massive damage on Iran's military infrastructure, eliminated key leadership figures, and enforced a sustained blockade that caused severe hardship in Iran.

> Notably, the MoU does not include specific provisions to discuss the curtailment of Iran's ballistic missile capabilities or its support for regional proxies

Trump's announcement last Sunday that the MoU had been concluded sparked widely varying reactions across the US. While the MAGA base backed the deal as a triumphant validation of Trump's "maximum pressure" strategy, traditional Republicans remained conflicted — mirroring warnings from the CIA director that Tehran might use the 60-day pause as a strategic stalling tactic.

Concurrently, Democrats blasted the framework as flimsy and dangerously vague. Meanwhile, the broader American public responded with a mix of relief over the end of the conflict and scepticism regarding Iran's willingness to comply with its nuclear concessions.

However, the official release of the MoU's terms has already sharpened domestic reactions within the US, where critics have termed it a "jaw-dropping humiliation" and a "surrender". This severe criticism, combined with fierce opposition from an Israel that feels it stands to lose the most, has significant potential to derail the upcoming 60-day negotiations.

A major flashpoint will be Lebanon, as Iran is expected to insist on a complete Israeli withdrawal during the talks. While Trump took a position in the recent past that Israel would have the right to retaliate in the event of attacks by Hezbollah, he is now proposing to look to Syria to handle the militant group — a strategy that seeks to exploit the deep animosity between the current Syrian leadership and Hezbollah. Another issue of friction will be Iran's assertion that the Strait of Hormuz will operate under joint Iranian-Omani sovereignty — a geopolitical stance completely unacceptable to Washington.

Thus, while much of the world is cheering the MoU in hopes of a lasting peace, significant hurdles remain in achieving it.

The writer is former governor of India to the International Atomic Energy Agency (IAEA), Vienna, former ambassador to Egypt and former permanent representative to the Arab League

KEY HIGHLIGHTS:

Context

- The United States and Iran signed a 14-point Memorandum of Understanding (MoU) to revive nuclear negotiations and de-escalate regional tensions.
- A final agreement is to be negotiated within 60 days (extendable by mutual consent).
- The MoU aims to restore maritime security in the Strait of Hormuz, ease sanctions, and address Iran's nuclear programme.
- The final agreement is proposed to be endorsed through a UN Security Council (UNSC) Resolution.

Key Points

Nuclear Dimension

- Iran committed that it will never develop nuclear weapons.
- Future negotiations will determine the fate of Iran's enriched uranium stockpile.
- Possibility of:
  - Down-blending enriched uranium to below 5%.
  - Temporary suspension of uranium enrichment.

Economic Provisions

- US to facilitate Iranian oil exports.
- Potential sanctions relief and access to frozen Iranian assets.

Maritime Security

- Restoration of normal shipping through the Strait of Hormuz.
- Free movement of commercial vessels.

Regional Security

- Commitment to cease hostile actions.
- Reduction of tensions in West Asia, including Lebanon.

Important Omission

- No explicit provision regarding:
  - Iran's ballistic missile programme.
  - Support to regional proxy groups.

Static Linkages

- NPT (1968)Entered into force in 1970.
- Three pillars:
  - Non-Proliferation
  - Peaceful use of nuclear energy
  - Disarmament
- IAEA
  - Headquarters: Vienna, Austria.
  - Monitors civilian nuclear programmes through safeguards.
- Strait of Hormuz
  - Connects Persian Gulf with Gulf of Oman.
  - One of the world's most important oil transit chokepoints.
- UN Security Council
  - Can pass legally binding resolutions under Chapter VII of the UN Charter.

Critical Analysis

Significance

- Reduces risk of wider conflict in West Asia.
- Stabilizes global oil markets.
- Supports uninterrupted maritime trade.
- Revives diplomatic engagement on nuclear issues.

Challenges

- No clarity on ballistic missile restrictions.
- Verification and compliance concerns.
- Opposition from regional stakeholders.
- Trust deficit between Iran and the US.

Implications for India

- Greater energy security due to stable oil supplies.
- Reduced volatility in crude oil prices.
- Safer sea routes for India's trade through the Persian Gulf region.
- Stability in a region hosting a large Indian diaspora.

Way Forward

- Strengthen IAEA-led verification mechanisms.
- Link sanctions relief with measurable compliance.
- Address missile and regional security concerns in future talks.
- Promote multilateral diplomacy under the UN framework.
- Ensure freedom of navigation in strategic waterways.

A decade of empowerment, from reform to rozgar

MANSUKH MANDAVIYA

OVER THE past 12 years, under the leadership of Prime Minister Narendra Modi, India has undergone a remarkable transformation driven by empowerment, good governance, and inclusive development. From being counted among the Fragile Five economies in 2013, it has emerged as the fastest-growing major economy, built one of the largest start-up ecosystems, become a leader in digital public infrastructure, and strengthened its standing on the global stage.

At the heart of this transformation is India's yuva shakti. Recognising the potential of the demographic dividend, the government has launched transformative initiatives like Make in India, Digital India, Startup India, Skill India, PM Mudra Yojana, and the National Career Service portal. Combined with investments in infrastructure, innovation, and technology, these have expanded opportunities for employment, entrepreneurship, and skill development.

India's growth story is also a story of rising employment. Research shows that between 2017-18 and 2023-24, India's employment elasticity stood at 1.11, meaning that every 1 per cent increase in Gross Value Added was accompanied by a 1.11 percent rise in employment. This marks a sharp improvement over the employment elasticity of 0.008 between 2011-12 and 2017-18.

According to RBI KLEMS data, more than 17 crore jobs were created between 2014 and 2024, compared to 2.9 crore during 2004-14. The employment rate increased from 46.8 percent in 2017-18 to 57.4 percent in 2025, while unemployment declined to around 3.1 percent, below the global average of 4.8 percent. EPFO payroll data further indicate that more than 8 crore formal-sector jobs were added between 2017 and 2025.

The story of New India is equally about ensuring people are protected through a robust social-security system. Social-security coverage increased from 25 crore people (19 per cent of the population) in 2015 to more than 94 crore (64.3 per cent) in 2025. In recognition of this achievement, India received the International Social Security Association's Award for Outstanding Achievement in Social Security in 2025.

The Modi government, in the first budget of its third term, introduced the most ambitious employment initiative in independent India's history: The Pradhan Mantri Viksit Bharat Rozgar Yojana (PMVBRY). With an outlay of nearly Rs 1 lakh crore, PMVBRY aims to support the creation of more than 3.5 crore employment opportunities over two years. Under Part A of the scheme, first-time employees receive financial assistance of up to Rs 15,000 in two instalments. Under Part B, employers receive incentives of up to Rs 3,000 per employee per month for every additional worker employed. It provides incentives for up to four years to eligible manufacturing employers and for up to two years in other sectors. By putting money directly into workers' pockets, PMVBRY rewards work, makes jobs more attractive, and helps families remain financially secure. Financial incentives for employers can generate positive cyclical impacts on industrial growth.

> By putting money directly into workers' pockets, PMVBRY makes jobs more attractive. Financial incentives for employers can generate positive cyclical impacts on industrial growth

PMVBRY's success is now being marked through a nationwide event. Today, Prime Minister Modi will disburse incentives worth Rs 2,400 crore to 15 lakh beneficiaries through direct benefit transfer. Simultaneously, events across 200 major industrial clusters will see appointment letters distributed to beneficiaries, and employers felicitated for creating opportunities.

As India moves towards the centenary of Independence, it is sending a clear message to the world: its greatest strength is its young population. Twelve years of reforms have been driven by a strong partnership between employees and employers. The Modi government has recognised both as equal partners in nation-building, ensuring workers are protected, enterprises are empowered, and the benefits of growth are widely shared.

As India advances towards Viksit Bharat, employees and employers will continue to serve as the twin engines of growth, prosperity, and opportunity. "*Rozgar ho ya karobaar, saath hai Bharat sarkar.*"

The writer is Union Minister of Labour & Employment and Youth Affairs & Sports

KEY HIGHLIGHTS:

Context

- Union Government launched Pradhan Mantri Viksit Bharat Rozgar Yojana (PMVBRY) to promote employment generation and formalization of the workforce.
- The scheme aims to support first-time employees and incentivize employers creating additional jobs.
- It is positioned as a major initiative towards realizing India's demographic dividend and the vision of Viksit Bharat 2047.

Key Points

Employment Indicators

- Employment Elasticity (2017-18 to 2023-24): 1.11
- Employment Elasticity (2011-12 to 2017-18): 0.008
- Jobs created (RBI KLEMS, 2014-2024): 17+ crore
    - Employment Rate:46.8% (2017-18)
    - 57.4% (2025)
- Unemployment Rate (2025): ~3.1%
- Formal Jobs Added (EPFO, 2017-2025): 8+ crore

Social Security Coverage

- 25 crore people (19% population) in 2015
- 94+ crore people (64.3% population) in 2025
- India received ISSA Award for Outstanding Achievement in Social Security (2025)

PMVBRY

Outlay: Nearly ₹1 lakh crore

Target: 3.5+ crore employment opportunities in two years

Part A: First-Time Employees

- Financial assistance up to ₹15,000
- Paid in two instalments

Part B: Employers

- Incentive up to ₹3,000 per employee per month
- For every additional employee hired
- Manufacturing sector: Incentive up to 4 years
- Other sectors: Incentive up to 2 years

Related Initiatives

- Make in India
- Startup India
- Skill India Mission
- Digital India
- PM Mudra Yojana
- National Career Service Portal

Static Linkages

- Employment Elasticity = % Change in Employment / % Change in Output
- Demographic Dividend: Higher proportion of working-age population (15–64 years)
- RBI KLEMS:
    - K – Capital
    - L – Labour
    - E – Energy
    - M – Materials
    - S – Services
- Article 39(a): Adequate means of livelihood
- Article 41: Right to work, education and public assistance
- Article 43: Living wage and decent standard of life for workers
- Direct Benefit Transfer (DBT) for efficient welfare delivery

Critical Analysis

Significance

- Promotes formal employment.
- Supports first-time workforce entrants.
- Encourages manufacturing-led job creation.
- Expands social security coverage.
- Reduces hiring costs for employers.
- Strengthens DBT-based welfare delivery.

Challenges

- Quality of jobs remains a concern.
- Informal employment remains significant.
- Female Labour Force Participation Rate remains low.
- Skill mismatch persists across sectors.
- Regional disparities in employment generation.

Way Forward

- Promote labour-intensive manufacturing sectors.
- Strengthen apprenticeship and skilling programs.
- Increase female workforce participation.
- Support MSME-led employment generation.
- Improve labour market data systems.
- Enhance integration of skilling, employment and social security platforms.
- Focus on high-productivity and future-ready jobs.

Look beyond winners & losers in US, Iran

THE ISLAMABAD Memorandum of Understanding, signed remotely on Wednesday by US President Donald Trump and his Iranian counterpart, Masoud Pezeshkian, has triggered astonishment across the world. Critics in Washington argue that the agreement offers substantial upfront concessions to Tehran while leaving Iran's most consequential commitments to future implementation. The contrast between Trump's earlier rhetoric of "unconditional surrender" and the eventual outcome has fuelled criticism within his own political coalition. The backlash is not confined to the US. In Israel, Prime Minister Benjamin Netanyahu, who had nudged Washington into the war, confronts a major political setback. Less discussed are the implications for America's Arab partners in the Gulf, caught in the crossfire. If the MoU evolves into a broader rapprochement between Washington and Tehran, its long-term consequences for the Gulf could be positive and profound. The agreement reflects a recognition in Washington that a prolonged confrontation with Iran carries high costs. Energy uncertainty, pressures on the global economy, and concerns about domestic political consequences appear to have reinforced the case for diplomacy in Washington. Whatever the criticisms of the deal, Trump has demonstrated the will to step back from escalation. Whether he has the political wits to manage the domestic and international consequences of this shift remains to be seen.

In India, the debate should move beyond questions of winners and losers. That Iran successfully leveraged its strategic position around the Strait of Hormuz does not mean the broader balance of power has shifted decisively against the US. More significant is the possibility that Washington and Tehran may be exploring a new grand bargain after nearly five decades of hostility. Trump has spoken in unusually conciliatory terms about Iran's future place in the global economy if it abandons the pursuit of nuclear weapons. Important voices in Tehran are also signalling the need for a new direction. Iranian Parliament Speaker Mohammad Ghalibaf has argued that Iran must focus more on national economic development and less on perpetual regional confrontation. If such sentiments gain traction, they could create the foundations for a broader accommodation between Iran, the US, and Tehran's Arab neighbours.

Peace between Washington and Tehran, and a reduction of tensions between Iran and the Arab states, would help stabilise India's western neighbourhood, strengthen energy security, improve regional connectivity, and expand opportunities for trade and investment across the Gulf. Prime Minister Narendra Modi was right to welcome Trump's efforts to end the crisis. A more stable Gulf could become the foundation for greater cooperation between South Asia and the wider Middle East — a strategic outcome that would serve India's long-term interests.

KEY HIGHLIGHTS:

Context of the News

- The Islamabad Memorandum of Understanding (MoU) signed between the US and Iran signals a potential diplomatic breakthrough after nearly five decades of hostility.
- The agreement follows heightened tensions involving Iran, the US, and Israel.
- It indicates a possible shift from confrontation towards engagement and economic normalization.
- The development has significant implications for West Asian stability, global energy markets, and India's strategic interests.

Key Points

- The MoU reflects US recognition that prolonged conflict with Iran entails:
  - Energy market disruptions.
  - Global economic uncertainty.
  - Strategic and political costs.
- Iran has signalled greater emphasis on:
  - Economic development.
  - Global economic integration.
  - Reduced regional confrontation.
- Possibility of a broader US–Iran rapprochement after decades of sanctions and hostility.
- Improved US-Iran relations may:
  - Reduce tensions in the Persian Gulf.
  - Improve Iran-Arab Gulf relations.
  - Enhance regional economic cooperation.

Significance for India

- Improved energy security.
- Reduced risk of disruptions in oil supplies from West Asia.
- Greater stability around the Strait of Hormuz.
- Enhanced opportunities for:
  - Trade.
  - Connectivity projects.
  - Investments in the Gulf region.
- Better security environment for the Indian diaspora in West Asia.

Static Linkages

- Strait of Hormuz connects the Persian Gulf with the Gulf of Oman.
- It is one of the world's most important oil transit chokepoints.
- West Asia accounts for a major share of India's crude oil and LNG imports.
- Energy security is a critical component of national security.
- Economic interdependence often acts as a stabilizing factor in international relations.
- Balance of Power and Diplomacy are key concepts in international relations.

Critical Analysis

Positives

- May reduce risk of military conflict in West Asia.
- Greater stability in global oil markets.
- Improved maritime security in the Persian Gulf.
- Expansion of regional trade and connectivity.
- Positive implications for India's energy imports.

Concerns

- Key commitments remain subject to future implementation.
- Domestic political opposition in both the US and Iran.
- Israel's security concerns may remain unresolved.
- Possibility of reversal due to changing geopolitical dynamics.
- Regional proxy conflicts may continue despite the agreement.

From India's Perspective

Opportunities

- Stable energy supplies.
- Lower volatility in crude oil prices.
- Enhanced connectivity with West Asia.
- Improved trade and investment prospects.

Challenges

- Need to maintain strategic balance among:
  - US
  - Iran
  - Israel
  - Gulf Arab States
- Continued vulnerability to geopolitical shocks in West Asia.

Way Forward

- Promote sustained diplomatic engagement in West Asia.
- Strengthen regional security dialogue mechanisms.
- Encourage economic cooperation and connectivity initiatives.
- Ensure freedom of navigation through key maritime routes.
- Diversify energy sources while deepening Gulf partnerships.