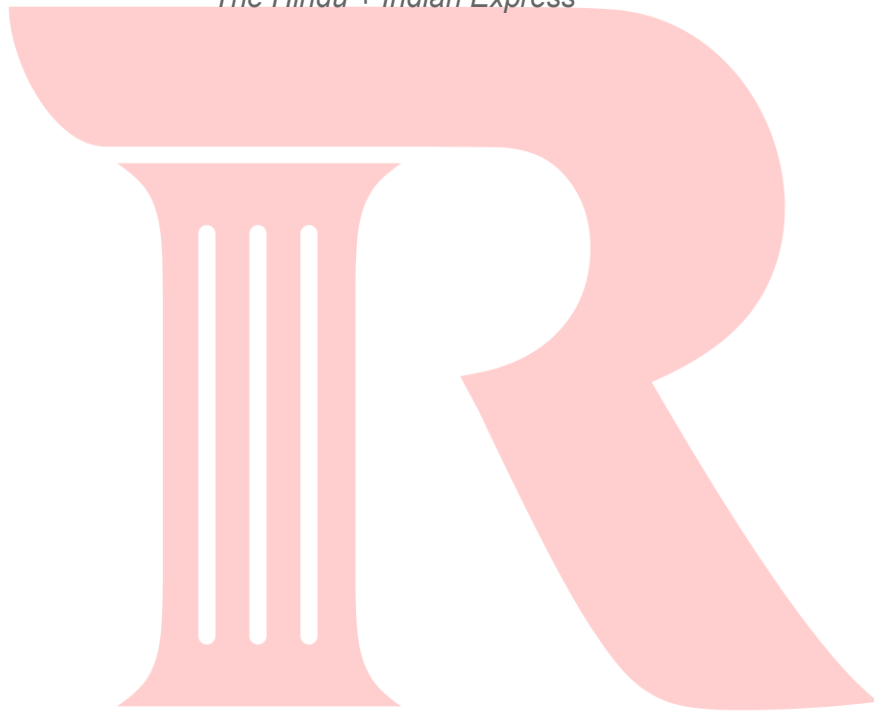


# CA COMPASS — UPSC Daily

## STEP 1: CURRENT AFFAIRS NOTES

21 May 2026 (Thursday)

*The Hindu + Indian Express*



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## GS2: Polity / Governance / Census 2027 / Caste Enumeration

### 1. SC Upholds Caste Census, Rejects Plea + Preparing India for a Credible Digital Census

*Source: The Hindu + The Hindu (K. Narayanan Unni) | Subject: Polity / Census / Caste / Delimitation / Digital Governance / GS2*

**Context:** The SC on Wednesday dismissed a plea by petitioner Sudhakar Gummula opposing caste enumeration in Census 2027. CJI Surya Kant, heading a three-judge Bench, declared: “Any government of the day must know how many people are backward and how many need welfare. This is a matter of policy.” The CJI held it was “not within the top court’s domain to decide whether a caste enumeration should necessarily be part of Census 2027 or not. This issue exclusively comes within the policy domain.” The Cabinet Committee on Political Affairs had decided in April 2025 to include caste enumeration in the second phase of Census 2027. Until the 2011 Census, only Scheduled Castes and Scheduled Tribes were systematically enumerated. The last comprehensive nationwide caste Census was conducted in colonial India in 1931. The Census has two phases: (1) House Listing Operation (HLO) — covering housing conditions, assets, and amenities; and (2) Population Enumeration — covering demographic, socio-economic, and cultural details. Former Vice-President Jagdeep Dhankhar had described caste data as “an MRI of the body.” Separately, K. Narayanan Unni (retired ISS officer) raises critical operational concerns about Census 2027: the house listing phase is progressing but the caste question inclusion delayed pre-testing of the questionnaire. India follows the extended de facto method. NRI counting is a challenge: MEA estimates 1.58 crore NRIs abroad; the Kerala Migration Survey 2023 estimated 22 lakh people from Kerala living/working abroad. Not including NRIs could cost States 1–5 Lok Sabha seats in the next delimitation. The entire data collection is planned using mobile electronic devices (smartphones), raising concerns about enumerator digital literacy, data confidentiality, and respondent fatigue. The 2011 Census disability question ran to six printed pages. Self-enumeration option exists but raises accuracy concerns. Fraudulent enumeration risk exists. Field testing of questions is essential before rollout.

#### EXAMINER'S LENS

\* Prelims: Census 2027: two phases — HLO (housing, assets) and Population Enumeration (demographic, socio-economic). Caste enumeration in Phase 2. Cabinet Committee on Political Affairs:

April 2025 decision. Last caste Census: 1931. Until 2011: only SC/ST enumerated. CJI Surya Kant: “matter of policy,” not for courts. Extended de facto method. NRIs: 1.58 crore (MEA). Kerala: 22 lakh abroad (Migration Survey 2023). Digital collection via smartphones. Self-enumeration option.

\* Mains: GS2 (Polity/Governance). Caste enumeration and policy domain. Census methodology. NRI enumeration and delimitation impact. Digital census challenges. Judicial restraint on policy matters.

\* GS4/Interview: Caste data can empower or divide. The petitioner feared misuse by “politicians and corporate entities.” The CJI said the government must know who needs welfare. When does gathering data about identity become a tool of justice, and when does it become a weapon of politics?

### Key Points:

- The SC’s dismissal establishes an important separation-of-powers principle: caste enumeration is a policy decision, not a justiciable question. The CJI’s framing (“Any government must know how many people are backward”) treats caste data as a governance input essential for welfare targeting, reservation policy, and evidence-based resource allocation. The petitioner’s concern about political misuse (“endless possibilities of politicians and corporate entities misusing the caste data”) was implicitly acknowledged but deemed insufficient to override the policy imperative.
- The 1931 gap is extraordinary: India has conducted welfare policy, reservation, and resource allocation for nearly a century without comprehensive caste data. The Mandal Commission (1980) used 1931 Census data to estimate OBC population. Every reservation debate since has been conducted in a data vacuum. Census 2027 will produce India’s first caste-disaggregated population data since Independence — with profound implications for delimitation, reservation quantum, and welfare targeting.
- The NRI enumeration challenge directly affects delimitation: if 22 lakh Keralites abroad are not counted, Kerala could lose one Lok Sabha seat. States with high emigration (Kerala, Gujarat, Punjab, Telangana, Tamil Nadu) face disproportionate seat loss. The question of de jure (place of residence) vs de facto (place of presence) counting has constitutional implications for representation.
- The digital Census raises new challenges: 3 million+ enumerators using smartphones; self-enumeration option; complex caste questions requiring clear definitions; respondent fatigue (2011 disability question = 6 pages); data confidentiality risks when family members assist enumeration. The Karnataka Socio-Economic and Caste Survey experience showed

enumerators struggling with digital equipment. Field testing and pre-testing of questionnaires are non-negotiable for data credibility.

## STATIC CONNECT

### ► Census & Caste Enumeration

- \* Indian Census: Decennial. Art 246 (Union List, Entry 69). Census Act 1948. Registrar General and Census Commissioner of India.
- \* Caste enumeration history: 1881–1931 (systematic caste data). Post-1941: only SC/ST enumerated. Socio-Economic and Caste Census (SECC) 2011: conducted separately, data partially released, methodology criticised.
- \* Mandal Commission (1980): used 1931 Census data. Estimated OBC at 52% of population. Led to 27% OBC reservation (Indra Sawhney 1992).
- \* Delimitation and Census: Art 82 (readjustment after each Census). 84th Amendment (2002): froze delimitation until first Census after 2026 (now Census 2027). 131st Amendment Bill (2026): extends freeze + seat expansion.
- \* De facto vs de jure: India uses extended de facto. De jure counts at place of normal residence. Affects NRI counting and State-wise population.

## 3-2-1 RAPID REVISION

### 3 Prelims:

- \* Census 2027: Phase 1 (HLO — housing, assets). Phase 2 (Population Enumeration — demographic, caste). Cabinet Committee on Political Affairs: April 2025 — caste in Phase 2. Last caste Census: 1931. Until 2011: only SC/ST.
- \* CJI Surya Kant: “Any government must know how many are backward.” “Matter of policy” — not for courts. Dismissed Sudhakar Gummula’s plea. VP Dhankhar: caste data = “MRI of the body.”
- \* NRIs: 1.58 crore (MEA). Kerala: 22 lakh abroad. Extended de facto method. Digital collection via smartphones. Self-enumeration option. Not counting NRIs could cost States 1–5 LS seats in delimitation.

### 2 Mains:


- \* Census 2027’s caste enumeration will end a 96-year data gap that has forced India to design reservation, welfare, and representation policy without knowing the actual population composition. The SC’s dismissal correctly treats this as a policy domain question, but the operational challenges are immense: defining caste categories consistently across States, training 3 million+ enumerators on sensitive questions, ensuring digital data integrity, and managing political expectations around

the results. The Mandal Commission used 1931 data; Census 2027 will produce the evidence base that either validates or undermines the current reservation framework.

\* The NRI enumeration challenge connects directly to delimitation: States with high emigration (Kerala, Gujarat, Punjab, Telangana) face seat loss if their diaspora is not counted. The extended de facto method includes people present during enumeration but may miss NRIs entirely. Some countries enumerate NRIs through family members; India should pre-test this approach. The constitutional stakes are high: Art 82 ties Lok Sabha readjustment to Census data. If Census 2027 undercounts southern and western States due to emigration, delimitation will compound the existing north-south demographic disparity with a new diaspora-driven distortion.

**1 Essay:**

*For 95 years, India has governed in a caste data vacuum — making reservation policy, allocating welfare, and designing affirmative action without knowing the actual numbers. Census 2027 will fill this gap. The question is whether India is ready for the answers: ready to redesign policy based on evidence, ready to accept data that may challenge political narratives, and ready to count everyone — including the 1.58 crore who have left. Use: Census, caste, delimitation, evidence-based governance.*

 **Mains Q:** Discuss the significance of the SC's ruling upholding caste enumeration in Census 2027. What are the operational and constitutional challenges of conducting a credible digital Census with caste enumeration? (15M)

## GS2: IR / India-Italy / Defence / Africa / Indo-Pacific

### 2. India-Italy Seal Defence Pact, Elevate Ties to Special Strategic Partnership

*Source: The Hindu + Indian Express | Subject: International Relations / India-Italy / Defence / Africa / Indo-Pacific / GS2*

**Context:** PM Modi, at the end of his multi-nation Europe trip, upgraded India-Italy ties to a “Special Strategic Partnership” in Rome. Modi described the relationship as a “win-win partnership” and reiterated India’s call for “dialogue and diplomacy” to resolve Ukraine and West Asia conflicts. Key agreements: Defence Industrial Road Map; MoU on critical minerals; cooperation between Italian Corps of Guardia di Finanza and India’s Directorate of Enforcement; agriculture and agricultural research agreement. In a significant push ahead of the India-Africa Forum Summit-4, both sides agreed to work trilaterally in Africa on Digital Public Infrastructure (DPI), agriculture, education, healthcare, AI, connectivity, and renewable energy — aligning India’s development partnership model with Italy’s Mattei Plan for Africa. Modi noted 800+ Italian companies operating in India and acknowledged PM Meloni’s support for the India-EU Free Trade Agreement. Modi called on Italy’s President Sergio Mattarella. The Joint Statement committed to a “free, open, peaceful and prosperous Indo-Pacific, in line with international law, including UNCLOS” and called for “freedom of navigation and the resumption of global flows through Strait of Hormuz.” Modi also received the FAO Agricola Medal for 2026 at FAO headquarters in Rome from Director-General Dr. Qu Dongyu. India recalled being a founding member of FAO and its collaboration on the International Year of Millets.

#### EXAMINER’S LENS

\* Prelims: India-Italy: upgraded to Special Strategic Partnership. Defence Industrial Road Map. MoU on critical minerals. Guardia di Finanza ↔ Directorate of Enforcement. Agriculture agreement. Trilateral Africa cooperation (DPI, agriculture, AI, healthcare, renewable energy). Italy’s Mattei Plan. 800+ Italian companies in India. Meloni: India-EU FTA support. UNCLOS + Hormuz freedom of navigation. FAO Agricola Medal 2026 to Modi. FAO DG: Qu Dongyu. India: founding member of FAO. International Year of Millets.

\* Mains: GS2 (IR). India-Italy relations upgrade. Defence cooperation. India-Africa trilateral development. Indo-Pacific and UNCLOS. EU engagement via Italy. Food security and FAO.

\* GS4/Interview: India and Italy agree to work together in Africa. But trilateral development partnerships raise a question: when two countries collaborate in a third, who sets the agenda — the partners or the beneficiary? How can trilateral cooperation avoid becoming a new form of influence competition?

### Key Points:

- The India-Italy upgrade to Special Strategic Partnership is India's first such partnership with a Mediterranean/Southern European power. Italy is the EU's third-largest economy and a key NATO member. The Defence Industrial Road Map signals potential for defence industrial cooperation — Italy's Leonardo (helicopters, naval systems) and Fincantieri (warships) are globally competitive. The critical minerals MoU is strategically important given India's dependence on China for rare earths and battery minerals.
- The Africa trilateral is the most forward-looking element: India's development partnership model (DPI, Stack, UPI, Aadhaar-equivalent, telemedicine) combined with Italy's Mattei Plan creates a comprehensive offering for African partners. This positions India as a development partner (not just an aid recipient or South-South solidarity actor) in competition with China's BRI. The timing — ahead of India-Africa Forum Summit-4 — is deliberate.
- The Indo-Pacific and Hormuz language is significant: Italy, a Mediterranean power with no direct Indo-Pacific presence, explicitly endorsing UNCLOS-based order and Hormuz freedom of navigation signals European alignment with India's maritime security concerns. This connects to the Strait of Hormuz chokepoint analysis (April 17) and West Asia energy crisis.
- The FAO Agricola Medal connects to India's food security diplomacy: International Year of Millets (2023, India-initiated), founding membership of FAO, and positioning as a global food security leader despite domestic agricultural challenges.

### STATIC CONNECT

#### ► India-Italy Relations & Indo-Pacific

\* India-Italy: Bilateral trade ~\$15 billion (2024-25). 800+ Italian companies in India. Previous irritant: marines case (Enrica Lexie, 2012). Resolved via ITLOS arbitration 2020.

\* Italy's Mattei Plan: Named after ENI founder Enrico Mattei. Italy's strategic framework for African engagement. Energy, agriculture, education, health.

\* Indo-Pacific: India's Indo-Pacific Oceans Initiative (IPOI, 2019). Quad. AUKUS (India not a member). UNCLOS 1982: maritime zones, freedom of navigation, EEZ.

\* FAO: Founded 1945, Rome. India: founding member. Agricola Medal: FAO's recognition for contributions to food security.

\* Critical minerals: India's Critical Minerals Mission (2023). 30 minerals identified. Dependence on China for processing. Australia, US, EU, Japan partnerships.

### 3-2-1 RAPID REVISION

#### 3 Prelims:

\* India-Italy: Special Strategic Partnership. Defence Industrial Road Map. Critical minerals MoU. Guardia di Finanza ↔ Directorate of Enforcement. Agriculture agreement. Trilateral Africa cooperation: DPI, agriculture, AI, healthcare, renewable energy.

\* Italy's Mattei Plan for Africa. 800+ Italian companies in India. Meloni supports India-EU FTA. Indo-Pacific: UNCLOS + Hormuz freedom of navigation in Joint Statement. Modi met President Mattarella.

\* FAO Agricola Medal 2026 to Modi. FAO DG: Dr. Qu Dongyu. India: founding FAO member. International Year of Millets (2023). India-Africa Forum Summit-4 upcoming.

#### 2 Mains:

\* The India-Italy Special Strategic Partnership fills a European gap in India's partnership architecture: France (defence/nuclear), Germany (industry/green), UK (finance/tech), now Italy (defence industry/Africa/Mediterranean). The trilateral Africa cooperation is the strategic centrepiece — combining India's digital public infrastructure expertise with Italy's Mattei Plan creates a development partnership model that offers African nations an alternative to China's BRI. India's comparative advantage (UPI, Aadhaar, CoWIN, DigiLocker) addresses African priorities (financial inclusion, identity, healthcare access) at scale.

\* The defence and critical minerals dimensions address India's strategic vulnerabilities: Italy's defence industry (Leonardo, Fincantieri) offers alternatives to traditional suppliers; the critical minerals MoU reduces China dependence for battery metals essential to India's EV transition. The Joint Statement's explicit reference to UNCLOS and Hormuz freedom of navigation brings a Mediterranean NATO member into alignment with India's maritime security framework — strengthening the normative coalition for rules-based order in the Indo-Pacific.

#### 1 Essay:

*When India upgrades ties with Italy and immediately pivots to trilateral cooperation in Africa, it signals a foreign policy that thinks in triangles rather than bilateral lines. The most effective development partnerships are not about two countries helping a third — they are about three parties*

*building systems that outlast the partnership itself. Use: India-Italy, Africa, development diplomacy, Indo-Pacific, trilateral cooperation.*

**Mains Q:** Discuss the strategic significance of the India-Italy Special Strategic Partnership. How does trilateral cooperation in Africa strengthen India's development diplomacy? (15M)



## GS3: Environment / Disaster / Hydropower / Upper Ganga

### 3. No New Hydel Projects Can Come Up in Upper Ganga, Govt Tells SC

Source: The Hindu | Subject: Environment / Disaster Management / Hydropower / GS3

**Context:** In a significant submission to the SC, the Union government (Ministries of Environment, Jal Shakti, and Power — in a common affidavit filed May 19) stated that apart from seven hydroelectric projects already commissioned or substantially built, the government was “not in favour of permitting any other new hydroelectric project in the Alaknanda and Bhagirathi river basins in the upper reaches of the River Ganga in the State of Uttarakhand.” The Power Ministry’s concurrence is notable: as recently as November 2024, it had argued for as many as eight projects. The seven cleared projects have a total capacity of just over 2,150 MW: the 1,000 MW Tehri pumped-storage project on the Bhagirathi; the 520 MW Tapovan Vishnugad on the Dhauliganga (damaged by the February 2021 Rishiganga flood); the 444 MW Vishnugad Pipalkoti on the Alaknanda; the 99 MW Singoli Bhatwari and 76 MW Phata Byung on the Mandakini; and two small projects, Madhmaheshwar and Kailganga-II. Four have already been commissioned while the remaining three are 74% to 80% complete. The government’s rationale: these projects have absorbed substantial public and private investment, none falls within the Bhagirathi Eco-Sensitive Zone, and none was flagged by expert bodies. In August 2024, the SC constituted a committee chaired by Cabinet Secretary T.V. Somanathan (with three Secretaries — Environment, Jal Shakti, Power — and Uttarakhand’s Chief Secretary), which narrowed 21 projects under consideration to five: Bowala Nandprayag, Devsari, Bhyundar Ganga, Jhalakoti, and Urgam-II. The Centre has now declined even these five, citing the cumulative impact of “bumper-to-bumper” dams, seismic fragility, and a string of disasters: the 2013 Kedarnath floods (5,000+ deaths), the Dharali flash flood of August 2025. Expert Body-I (environmentalist Ravi Chopra, 2014) concluded that 23 of 24 projects examined would have severe impact on the ecology of the Alaknanda and Bhagirathi basins. Expert Body-II (Vinod Tare, IIT Kanpur) found six developers’ projects “may not be taken up.” Expert Body-II under B.P. Das (March 2020) took a more permissive view, recommending 26 for implementation — but the Centre accepted only seven.

#### EXAMINER’S LENS

\* Prelims: Common affidavit: Environment, Jal Shakti, Power Ministries. No new hydel projects in Alaknanda & Bhagirathi basins (upper Ganga, Uttarakhand). 7 projects allowed: 2,150 MW total (1,000

MW Tehri pumped-storage, 520 MW Tapovan Vishnugad, 444 MW Vishnugad Pipalkoti, 99 MW Singoli Bhatwari, 76 MW Phata Byung, Madhmaheshwar, Kailganga-II). SC committee: Cabinet Secy T.V. Somanathan. 21 projects → 5 → 0 new. Expert Body-I (Ravi Chopra 2014): 23/24 severe impact. Expert Body-II (B.P. Das 2020): recommended 26, Centre accepted 7. Kedarnath 2013: 5,000+ deaths. Rishiganga 2021. Dharali flash flood Aug 2025. Bhagirathi Eco-Sensitive Zone.

\* Mains: GS3 (Environment/Disaster). Hydropower vs ecological sensitivity. Upper Ganga basin. Seismic vulnerability. Cumulative dam impact. Sunk cost vs environmental gain. Development vs disaster resilience.

\* GS4/Interview: The government spent years and crores on hydroelectric projects in a seismically fragile zone. Now it says no more. The seven allowed projects represent sunk costs that cannot be recovered. But continuing would risk more Kedarnaths. When is it braver to stop building than to continue?

### Key Points:

- The three-Ministry common affidavit represents a paradigm shift in India's approach to Himalayan hydropower. The Power Ministry's concurrence is remarkable: it had argued for eight projects as recently as November 2024. The shift was driven by the cumulative evidence of disaster vulnerability: Kedarnath 2013 (5,000+ deaths — aggravated by dam construction debris and altered river flows), Rishiganga 2021 (rock-ice avalanche destroying the Tapovan Vishnugad project), and Dharali flash flood August 2025. Three disasters in twelve years in the same basin made continued expansion untenable.
- The “bumper-to-bumper” dam critique is scientifically grounded: when dams are constructed in cascade formation on the same river, the cumulative impact on sediment flow, aquatic ecology, and downstream hydrology exceeds the sum of individual impacts. The Alaknanda-Bhagirathi basin, with steep gradients, active seismicity, and glacial retreat, is particularly vulnerable. The Ravi Chopra Expert Body-I found 23 of 24 projects would have “severe ecological impact” — this is near-unanimous scientific evidence that the government has now accepted.
- The sunk cost decision is economically significant: the seven allowed projects (2,150 MW) represent projects where halting would “strand sunk costs without commensurate environmental gain.” But the five additionally considered projects were declined despite being recommended by the more permissive Expert Body-II. This suggests the government is now applying a precautionary principle that overrides project-level cost-benefit analysis.

- The policy connects to the broader energy debate: India needs clean baseload power (connecting to the EV grid article from May 20 and the SHANTI Act nuclear debate). But Himalayan hydropower, once seen as the cleanest option, is now recognised as carrying catastrophic risk in seismically active, glacially fragile zones. The alternative — nuclear (SHANTI Act), solar, wind, pumped storage in geologically stable areas — must compensate for the foregone Himalayan capacity.

## **STATIC CONNECT**

### ▶ **Himalayan Hydropower & Disaster Vulnerability**

- \* Himalayan hydropower: India's estimated potential 145,000 MW (Central Electricity Authority). ~47,000 MW developed. Uttarakhand, Himachal Pradesh, J&K, Arunachal Pradesh: major hydro States.
- \* Kedarnath disaster (June 2013): Cloudburst + glacial lake outburst. 5,000+ deaths. Dam construction debris worsened flooding. SC directed environmental review.
- \* Rishiganga flood (Feb 2021): Rock-ice avalanche. Destroyed Rishiganga (13.2 MW) and damaged Tapovan Vishnugad (520 MW). 200+ deaths.
- \* Bhagirathi Eco-Sensitive Zone: Notification 2012. Restricts development in catchment area. 100 km stretch from Gaumukh to Uttarkashi.
- \* Seismic Zone V: Highest seismic risk. Entire Himalayan arc. Active thrust faults (Main Central Thrust, Main Boundary Thrust). Glacial retreat: 75% of Himalayan glaciers retreating.

## **3-2-1 RAPID REVISION**

### **3 Prelims:**

- \* Common affidavit (Environment + Jal Shakti + Power): no new hydel projects in Alaknanda & Bhagirathi basins. 7 projects allowed (2,150 MW): Tehri pumped-storage (1,000 MW), Tapovan Vishnugad (520 MW), Vishnugad Pipalkoti (444 MW), Singoli Bhatwari (99 MW), Phata Byung (76 MW), Madhmaheshwar, Kailganga-II.
- \* SC committee: Cabinet Secy T.V. Somanathan + 3 Secretaries + Uttarakhand CS. 21 projects → 5 shortlisted → all 5 declined. "Bumper-to-bumper" dams. Seismic fragility. Bhagirathi Eco-Sensitive Zone.
- \* Expert Body-I (Ravi Chopra 2014): 23/24 projects = severe ecological impact. Expert Body-II (B.P. Das 2020): recommended 26 → Centre accepted only 7. Kedarnath 2013 (5,000+ deaths), Rishiganga 2021, Dharali flash flood Aug 2025.


### **2 Mains:**

\* The three-Ministry affidavit marks a paradigm shift: India's hydropower policy in the Himalayan region now prioritises disaster resilience over energy generation. The Power Ministry's reversal (from 8 projects in Nov 2024 to zero new projects in May 2026) reflects the weight of accumulated scientific evidence and repeated disasters. The "bumper-to-bumper" dam critique — that cumulative cascade impacts exceed individual assessments — has been validated by three disasters in twelve years. This precautionary approach should be codified as a framework for all seismically active river basins, not just the upper Ganga.

\* The foregone hydropower capacity creates an energy gap that must be filled by alternatives: nuclear (SHANTI Act, but with adequate liability), solar-wind (but intermittent), and pumped-storage hydro in geologically stable locations. The 1,000 MW Tehri pumped-storage project (allowed to continue) demonstrates the model: pumped storage provides grid-balancing services without the ecological destruction of run-of-river dams in fragile basins. India's energy strategy must distinguish between hydro as baseload (unsustainable in seismic zones) and hydro as storage (essential for grid stability).

**1 Essay:**

*Kedarnath taught India that rivers have memory. Every dam in the Himalayan cascade holds back not just water but the accumulated force of geological time. When the mountains remind us of this — as they did in 2013, 2021, and 2025 — the only rational response is to stop building and start listening. Use: Himalayan ecology, disaster management, hydropower, precautionary principle.*

 **Mains Q:** Discuss the significance of the Centre's decision to halt new hydroelectric projects in the upper Ganga basin. How should India balance its renewable energy needs with disaster vulnerability in seismically active Himalayan regions? (15M)

## GS3: Economy / Core Sector / Industrial Output

### 4. Steel, Cement Lift Core Sector Growth to 1.7% in April

Source: The Hindu | Subject: Economy / Industrial Output / Core Sector / GS3

**Context:** Growth in the Index of Eight Core Industries quickened to 1.7% in April 2026, up from a revised 1.2% in March, driven by steel and cement. Data released by the Ministry of Commerce and Industry showed a significant revision of March's growth rate to 1.2% from the preliminary contraction of -0.4%. Steel grew 6.2% in April (March revised: 7.7%). Cement saw a three-month high of 9.4% (March revised from 4% to 4.7%). Electricity grew at a three-month high of 4.1% (up from revised 0.8% in March; preliminary March figure had been -0.5%). However, crude oil contracted 3.9% — the eighth consecutive month of contraction. Natural gas contracted 4.3% after briefly turning positive in March due to the West Asia energy crisis; prior to March, natural gas had contracted for 20 consecutive months. Fertilizer contracted 8.6% (better than March's -25%), driven by falling domestic natural gas production and rising gas import prices. Refinery products contracted 0.5% (vs +0.1% in March). Coal contracted 8.7%, the second consecutive month of contraction.

#### EXAMINER'S LENS

\* Prelims: Index of Eight Core Industries: coal, crude oil, natural gas, refinery products, fertilizers, steel, cement, electricity. April 2026: 1.7% growth (March: 1.2% revised). Steel: 6.2%. Cement: 9.4% (3-month high). Electricity: 4.1% (3-month high). Crude oil: -3.9% (8th consecutive contraction). Natural gas: -4.3% (turned positive briefly in March due to West Asia crisis; prior: 20 months contraction). Fertilizer: -8.6%. Coal: -8.7%. Released by Ministry of Commerce & Industry.

\* Mains: GS3 (Economy/Industry). Core sector as economic health indicator. Divergent sectoral performance. Energy sector contraction. Construction recovery signal (steel + cement). Impact of West Asia crisis on gas/crude.

\* GS4/Interview: Eight core industries tell a story of two economies: one building (steel, cement, electricity up) and one declining (crude, gas, coal, fertilizer contracting). When the foundation industries of the old economy contract while construction booms, is the economy transitioning or fragmenting?

#### Key Points:

- The steel-cement-electricity troika growing strongly (6.2%, 9.4%, 4.1%) signals construction and infrastructure activity picking up — consistent with budget infrastructure spending and housing

demand. These three sectors are leading indicators of fixed capital formation and economic momentum. The March revision (from -0.4% to +1.2%) is notable: preliminary data had suggested contraction, but revised data shows a markedly different picture.

- The energy sector contraction is structural, not cyclical: crude oil has contracted for eight consecutive months (domestic production declining as mature fields deplete); natural gas contracted for 20 consecutive months before briefly turning positive in March (West Asia energy crisis temporarily boosted domestic production economics) and has now returned to contraction. These are not temporary dips but long-term trends reflecting India's declining domestic fossil fuel production capacity.
- The fertilizer contraction (-8.6%, improved from -25% in March) connects to the broader energy-agriculture nexus: natural gas is the primary feedstock for urea production. Rising gas import prices (exacerbated by West Asia conflict) directly increase fertilizer production costs. This has fiscal implications (subsidy burden) and food security implications (if production falls, imports must rise).
- Coal contracting for the second consecutive month (-8.7%) may reflect the beginning of structural decline as renewable energy displaces coal in power generation. But it could also reflect production disruptions. The distinction matters: if coal contraction is demand-driven (renewables displacing), it signals energy transition progress. If supply-driven (mining issues), it signals energy security risk.

## **STATIC CONNECT**

### ► **Core Sector & Economic Indicators**

\* Index of Eight Core Industries: 40.27% weight in IIP. Monthly release by Office of Economic Adviser, Ministry of Commerce & Industry.

\* Eight sectors: Coal (10.33%), Crude Oil (8.98%), Natural Gas (6.88%), Refinery Products (28.04%), Fertilizers (2.63%), Steel (17.92%), Cement (5.37%), Electricity (19.85%).

\* IIP: Index of Industrial Production. Base year 2011-12. Three sectors: mining (14.4%), manufacturing (77.6%), electricity (8%). Monthly release by NSO.

\* Crude oil production: ONGC, Oil India (public). Cairn Oil & Gas (private). Production declining from mature fields (Mumbai High, Assam).

\* Natural gas: KG Basin (Reliance-BP), ONGC deepwater. 20-month contraction reflects depleting reserves and inadequate exploration investment.

### 3-2-1 RAPID REVISION

#### 3 Prelims:


- \* Eight Core Industries (April 2026): 1.7% growth. Steel: 6.2%. Cement: 9.4% (3-month high). Electricity: 4.1% (3-month high). Weight in IIP: 40.27%.
- \* Contractions: Crude oil -3.9% (8th consecutive). Natural gas -4.3% (positive briefly in March; prior: 20 months contraction). Fertilizer -8.6% (March: -25%). Coal -8.7% (2nd consecutive). Refinery -0.5%.
- \* March revision: overall growth revised from -0.4% to +1.2%. Cement March revised from 4% to 4.7%. Electricity March revised from -0.5% to +0.8%. Ministry of Commerce & Industry release.

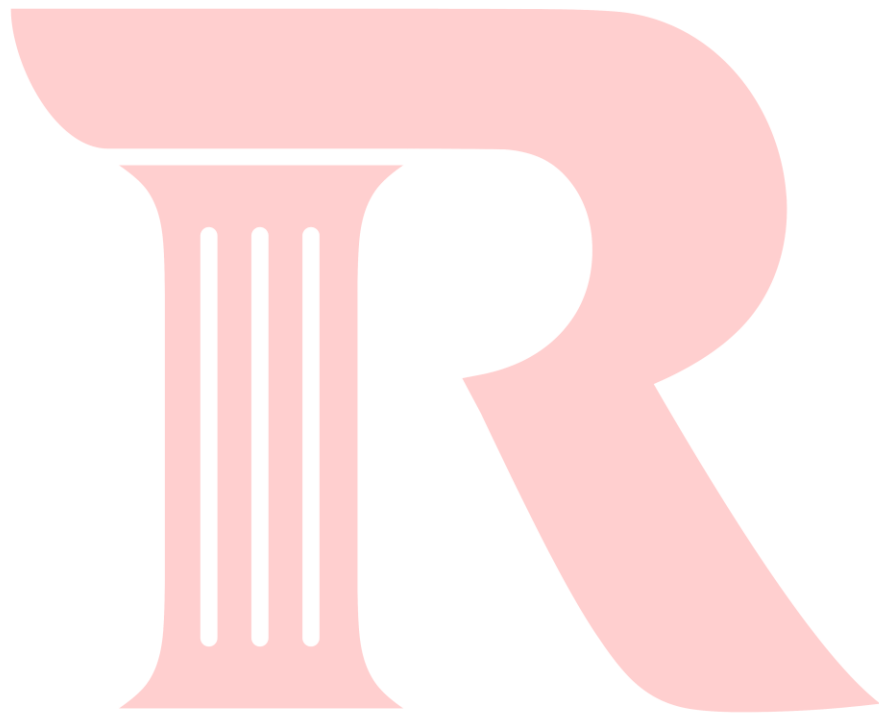
#### 2 Mains:

- \* The core sector data reveals a bifurcated economy: construction-linked sectors (steel, cement, electricity) growing robustly while energy extraction sectors (crude, gas, coal) contract persistently. This bifurcation has structural implications: India's domestic fossil fuel production is in secular decline (mature fields, inadequate exploration), making the economy increasingly dependent on energy imports at a time when the West Asia conflict and Hormuz chokepoint risk make import dependence strategically dangerous. The steel-cement surge signals infrastructure momentum, but the energy contraction signals vulnerability.
- \* The fertilizer-energy nexus deserves policy attention: natural gas is the primary urea feedstock, and 20+ months of gas contraction combined with rising import prices creates a production cost spiral that increases the fertilizer subsidy burden and threatens food security. India's options: diversify gas sourcing (LNG imports, but costly); shift to non-gas fertilizer production (nano urea, organic); or accept higher subsidy costs. Each has fiscal, environmental, and food security trade-offs.

#### 1 Essay:

*When steel and cement rise while coal and crude fall, the economy is telling two stories simultaneously: one of construction and aspiration, another of depletion and dependence. The core sector index is not just an economic indicator — it is a diagnostic of India's transition from an extraction-based economy to a construction-based one. The question is whether the new economy can be powered without the old one. Use: Core sector, energy transition, import dependence, industrial policy.*

 **Mains Q:** Analyse the divergent trends in India's core sector output for April 2026. What do the contrasting performances of construction-linked and energy extraction sectors indicate about India's economic transition? (15M)



## GS2: Judiciary / Ethics / Judicial Conduct

### 5. Oral Remarks and Institutional Limits: The Vijayabhaskar Standard

*Source: The Hindu (V. Venkatesan) | Subject: Judiciary / Judicial Ethics / Institutional Propriety / GS2*

**Context:** CJI Surya Kant’s remarks from the bench on May 15 — that “there are youngsters like cockroaches” referring to senior advocates with questionable designations — and the clarification the following day (confining criticism to fake-degree-holding designees) revived a question Indian law has tried to settle twice. The Vijayabhaskar standard (Chief Election Commissioner v M.R. Vijayabhaskar, decided by Justices D.Y. Chandrachud and M.R. Shah on May 6, 2021) is the doctrinal centrepiece. The Madras High Court, during COVID-19 (April 2021), had remarked that the Election Commission was “singularly responsible” for allowing rallies during the second wave and that Commission officers “should be put up for murder charges probably.” The EC sought a direction restraining media from reporting oral observations. Justice Chandrachud refused that restraint but: (a) defended bench questioning as testing arguments “with a sense of creativity founded on a spontaneity of thought”; (b) cautioned against “scathing language directed at persons or institutions”; (c) called the Madras HC metaphor “inappropriate” and remarks “harsh”; and (d) held that formal opinion is reflected through judgments and orders, not oral observations. Benjamin Cardozo’s 1921 Storrs Lectures at Yale: the judge must draw from “consecrated principles,” not “spasmodic sentiment.” This standard was codified in Item 8 of the 1997 Restatement of Values of Judicial Life (Full Court, May 7, 1997): judges should not enter public debate or express views on pending matters. Three instances illustrate the “bench question that tests”: *Brown v Board of Education* (Justice Frankfurter asked Thurgood Marshall to define “equal”); Israeli SC Sept 2023 (President Hayut’s questioning on “reasonableness” foreshadowed the January 2024 strike-down); and *Supriyo v Union of India* (CJI Chandrachud: “no absolute concept of a man or woman” — widely read as signalling the same-sex marriage judgment). Three instances illustrate the “intemperate remark”: *Fisher v University of Texas* (2015, Justice Scalia on African-American students and “slower-track school”); Chief Justice S.A. Bobde (“Will you marry her?” to rape accused, 2021); Justice Ruth Bader Ginsburg calling Trump “a faker” (retracted, cited Item 8 equivalent). The article identifies a pattern: intemperate remark → clarification confining scope → “the wound on the record and the standard unanswered.”

 **EXAMINER’S LENS**

\* Prelims: Vijayabhaskar standard (2021): Justices Chandrachud & Shah. Bench question that tests vs language that wounds. 1997 Restatement of Values of Judicial Life (Full Court, May 7, 1997). Item 8: no public debate on pending matters. Cardozo's 1921 Storrs Lectures. CJI Surya Kant "cockroaches" remark (May 15, 2026). Brown v Board of Education: Frankfurter → Marshall. Fisher v University of Texas 2015: Scalia. Supriyo v UoI: Chandrachud. Israeli SC: Hayut (Sept 2023, reasonableness). Bobde: "Will you marry her?". Ginsburg: "faker" retracted.

\* Mains: GS2 (Judiciary/Ethics). Judicial speech and institutional limits. Oral remarks vs formal opinion. Cardozo standard. Vijayabhaskar framework. Bench questioning as judicial craft. Media reporting of oral observations.

\* GS4/Interview: When a judge speaks from the bench, the words carry the weight of the institution. A question that tests an argument can produce landmark doctrine (Brown, Supriyo). A remark that wounds can undermine public trust (Fisher, Bobde). The line between the two is the line between judicial craft and judicial temperament. What institutional mechanisms can ensure judges stay on the right side?

### Key Points:

- The article distinguishes between two types of judicial speech from the bench: the "bench question that tests" (a legitimate tool of judicial reasoning that forces advocates to refine arguments and can produce doctrinal breakthroughs) and the "language that wounds" (intemperate remarks directed at individuals or institutions that damage public trust). The Vijayabhaskar standard attempted to draw this line but the article argues it has not held.
- The bench question as judicial craft is illustrated by three powerful examples: Justice Frankfurter's question to Thurgood Marshall in Brown ("What do you mean by 'equal'?") forced Marshall to articulate the standard that desegregated American schools. CJI Chandrachud's observation in Supriyo ("no absolute concept of a man or woman") signalled the Court's direction on marriage equality. President Hayut's questioning on "reasonableness" in the Israeli SC foreshadowed the January 2024 strike-down. In each case, the bench question did the work of testing that led to doctrine.
- The intemperate remark pattern is equally consistent: remark → controversy → clarification → the clarification confines the damage but leaves the institutional wound unanswered. Justice Scalia did not retreat; he died. Justice Ginsburg retracted and cited the equivalent of Item 8. CJI Surya Kant clarified. But clarifications that "deny the speech leaves the wound on the record and the standard unanswered."

- The modern challenge is that oral observations now travel instantly to the public sphere via social media and live-streaming. In Cardozo's era, bench remarks reached the public through court reporters and newspaper summaries — with editorial mediation. Today, a judge's oral observation is a tweet before the hearing ends. The institutional framework (Vijayabhaskar, Item 8, Cardozo standard) was designed for a slower information environment. The gap between the speed of dissemination and the deliberateness of clarification is where institutional credibility erodes.

## STATIC CONNECT

### ► Judicial Ethics & Institutional Propriety

- \* Restatement of Values of Judicial Life (1997): Adopted by Full Court on May 7, 1997. 16 items. Item 8: Judge not to enter public debate or express views on pending matters.
- \* Vijayabhaskar (2021): CEC v M.R. Vijayabhaskar. Bench questioning = testing arguments. Cautioned against scathing language at persons/institutions. Formal opinion through judgments only.
- \* Cardozo, Storrs Lectures (1921): "The Nature of the Judicial Process." Judge draws from consecrated principles, not spasmodic sentiment. Discretion informed by tradition, methodized by analogy.
- \* Judicial accountability: Judges Inquiry Act 1968 (impeachment). In-house procedure (1999). No formal mechanism for intemperate oral remarks short of impeachment.
- \* Contempt of court: Contempt of Courts Act 1971. SC: suo motu contempt power. Tension between free speech and scandalising the court.

## 3-2-1 RAPID REVISION

### 3 Prelims:

- \* Vijayabhaskar (2021): CEC v M.R. Vijayabhaskar, Justices Chandrachud & Shah. Bench question that tests vs language that wounds. Madras HC: EC "singularly responsible" — remarks "harsh," metaphor "inappropriate."
- \* 1997 Restatement of Values of Judicial Life: Full Court, May 7, 1997. Item 8: no public debate/views on pending matters. Cardozo Storrs Lectures 1921: "consecrated principles, not spasmodic sentiment."
- \* CJI Surya Kant: "cockroaches" remark (May 15, 2026), clarified next day. Pattern: intemperate remark → clarification → wound on record. Examples: Scalia (Fisher 2015), Bobde ("Will you marry her?" 2021), Ginsburg ("faker" retracted).


### 2 Mains:

\* The Vijayabhaskar standard correctly distinguishes between bench questioning as judicial craft and intemperate language as institutional damage. But the standard has not held because it lacks enforcement mechanisms: there is no institutional process between “the remark was inappropriate” and impeachment. The In-House Procedure (1999) addresses misconduct but not oral remarks. The gap between the Cardozo ideal (“consecrated principles, not spasmodic sentiment”) and judicial practice widens when oral observations travel instantly to the public sphere, where they cannot be retracted or confined by later clarification.

\* The institutional challenge is that bench questioning is essential to judicial reasoning — Brown, Supriyo, and the Israeli reasonableness case demonstrate that the best judicial craft emerges from rigorous bench questioning. Restricting judicial speech would impoverish judicial reasoning. The answer is not less speech but better speech: institutional culture that internalises the Cardozo-Vijayabhaskar standard through judicial training, peer accountability, and a norm that treats intemperate language as a failure of craft rather than an exercise of authority.

**1 Essay:**

*When a judge speaks from the bench, the institution speaks. The question that tests an argument can change history (Brown). The remark that wounds can undermine the institution that made the question possible. The judge’s discipline is knowing the difference before the words leave the bench — because in the age of instant dissemination, there is no “before” and “after.” There is only the record. Use: Judicial ethics, institutional propriety, bench questioning, Vijayabhaskar standard.*

 **Mains Q:** Discuss the Vijayabhaskar standard on judicial speech. How should the judiciary balance the necessity of bench questioning as a tool of reasoning with the institutional damage caused by intemperate remarks? (15M)

## GS2: Governance / Justice System / Budgets / Access to Justice

### 6. Analysing India's Budgets for Justice

*Source: The Hindu (Valay Singh, India Justice Report) | Subject: Governance / Judiciary / Policing / Legal Aid / Prisons / GS2*

**Context:** The Union Budget 2026-27 contains no targeted funding to improve justice outcomes. The India Justice Report studied justice budgets across 11 high-GDP States (Gujarat, Maharashtra, Madhya Pradesh, Rajasthan, Karnataka, Uttar Pradesh, and others): cumulative spend of ₹2 lakh crore towards justice in 2024-25, averaging 4.6% of State budgets. Europe (Council of Europe CEPEJ study, 2022): 0.31% of GDP on justice (excluding police). India: ₹450 per capita on judiciary, ₹9 on free legal aid, ₹150 on prisons, ~₹1,500 on police. Policing accounts for over 80% of justice allocations (₹1,616 per capita). Police budget: less than 1.5% on training, ~1% on forensics. Most funds go to salaries and administrative firefighting. Judiciary: less than 1% of State budgets despite unprecedented caseloads. 3,500 district courts handle 7 times the cases of High Courts but receive only 3 times the funding. Judge strength: 15 per 10 lakh population (March 2025 projections), against the 1987 Law Commission recommendation of 50 per 10 lakh. Each district judge position requires 5-9 support staff (secretarial, clerical). Training: ~1% of judiciary budgets. Prisons: 0.14% of State budgets. Occupancy: 137% in 11 States (national average: 131%). Of every ₹100 spent on prisons, only ₹0.23 goes to training. 30%+ prison staff vacancies. Legal aid: the least funded component. NCRB Crime in India 2024: 26 lakh people arrested, majority from socially and economically marginalised communities. State Human Rights Commissions (SHRCs): 80 paisa per capita; 40%+ vacancies. The architecture is “structured primarily around enforcement and surveillance, not access, adjudication, or rehabilitation.”

#### EXAMINER'S LENS

\* Prelims: India Justice Report: 11 high-GDP States. ₹2 lakh crore on justice (2024-25) = 4.6% of State budgets. Per capita: ₹450 judiciary, ₹9 legal aid, ₹150 prisons, ₹1,500 police. Policing: 80%+ of justice spending. Police training: less than 1.5%. Forensics: ~1%. Judges: 15 per 10 lakh (Law Commission 1987: 50). 3,500 district courts = 7x HC cases, 3x funding. Prison occupancy: 137% (11 States). Prison training: ₹0.23 per ₹100. 30%+ prison vacancies. Legal aid: least funded. SHRCs: 80 paisa per capita, 40%+ vacancies. NCRB 2024: 26 lakh arrested.

\* Mains: GS2 (Governance/Judiciary). Justice system funding priorities. Enforcement vs access. Judge-population ratio. Prison overcrowding. Legal aid underfunding. Police reform. SHRCs.

\* GS4/Interview: India spends ₹1,500 per person on police and ₹9 per person on legal aid. This ratio — 167:1 — reveals a system designed to arrest people, not to defend them. When the state invests 167 times more in catching people than in ensuring they receive fair representation, what does that say about the meaning of “justice”?

### Key Points:

- The 80%+ policing share of justice budgets reveals a systemic orientation towards enforcement over adjudication and rehabilitation. This is not merely a budget allocation issue but a governance philosophy: the Indian state’s primary relationship with its citizens through the justice system is one of surveillance and arrest, not of protection and remedy. The ₹1,500 vs ₹9 per capita comparison (police vs legal aid = 167:1 ratio) is a quantified measure of this imbalance.
  - The judge-population ratio crisis (15 vs 50 per 10 lakh recommended) directly connects to the UAPA bail debate (May 20): when courts are understaffed, trials are delayed. When trials are delayed, undertrials remain in prison under statutory bail bars (UAPA Sec 43D(5)). The justice infrastructure deficit creates the conditions for indefinite pre-trial detention. This is not a coincidence — it is a system working as designed.
  - The district court underfunding is the access-to-justice bottleneck: 3,500 district courts handle 7 times the cases of High Courts but receive only 3 times the funding. District courts are where ordinary citizens interact with the justice system — property disputes, criminal cases, family matters. Underfunding at this level means justice delayed is justice denied for the most vulnerable.
1. The NCRB data (26 lakh arrested, majority from marginalised communities) combined with prison overcrowding (137%) and minimal legal aid (₹9 per capita) reveals a pipeline: the system is efficient at generating cases, arrests, and detentions but inefficient at providing representation, fair trial, and rehabilitation. SHRCs — designed as the accountability mechanism — receive 80 paisa per capita with 40%+ vacancies.

 **STATIC CONNECT**

► **Justice System & Institutional Capacity**

- \* India Justice Report: Biennial report by Tata Trusts and partners. Ranks States on police, judiciary, prisons, legal aid.
- \* Judge-population ratio: 15 per 10 lakh (2025). Law Commission (1987, 120th Report): recommended 50 per 10 lakh. Pendency: 5+ crore cases across courts.
- \* Legal aid: Legal Services Authorities Act 1987. NALSA (National Legal Services Authority). Free legal aid under Art 39A (DPSP). Sec 12: categories eligible for free legal aid.
- \* Prison reforms: Model Prison Manual 2016. Justice Amitava Roy Committee (2018-2020). 77% undertrials (NCRB 2024).
- \* Police reforms: Prakash Singh v Union of India (2006): 7 directives (State Security Commission, fixed tenure, Police Complaints Authority, separation of investigation and law-and-order). Compliance: partial.

### 3-2-1 RAPID REVISION

#### 3 Prelims:

- \* India Justice Report: 11 high-GDP States. ₹2 lakh crore on justice (4.6% of State budgets). Policing: 80%+. Per capita: ₹1,500 police, ₹450 judiciary, ₹150 prisons, ₹9 legal aid. Police training less than 1.5%, forensics ~1%.
- \* Judges: 15 per 10 lakh (Law Commission: 50). District courts: 7x HC cases, 3x funding. Judiciary: less than 1% State budgets. Training: ~1% of judiciary budgets. Each judge needs 5-9 support staff.
- \* Prisons: 0.14% of budgets. Occupancy: 137% (11 States). Training: ₹0.23 per ₹100. 30%+ vacancies. NCRB 2024: 26 lakh arrested (majority marginalised). SHRCs: 80 paisa/capita, 40%+ vacancies.


#### 2 Mains:

- \* The justice budget analysis reveals that India's system is architecturally oriented towards enforcement rather than justice delivery. The 167:1 police-to-legal-aid spending ratio means the State invests overwhelmingly in arresting people and minimally in ensuring they receive fair representation. Combined with 15 judges per 10 lakh (against 50 recommended), prison overcrowding at 137%, and SHRC vacancies at 40%+, the system generates a pipeline: arrest → delayed trial → prolonged incarceration → no remedy. The UAPA bail debate (May 20) is a symptom of this infrastructure failure, not a standalone legal issue.
- \* Reforming justice budgets requires rebalancing, not just increasing spending. The 80%+ policing share must be reduced relative to judiciary, legal aid, and prisons. Specific interventions: (1) Legal aid spending from ₹9 to at least ₹100 per capita (still below policing but sufficient for meaningful representation). (2) District court funding proportionate to caseload (currently 7x cases but only 3x funding). (3) Prison training budget from ₹0.23 to at least ₹5 per ₹100. (4) SHRC funding and

staffing mandated at levels that enable actual functioning. Without this rebalancing, every reform — bail reform, UAPA review, police reform — operates within a system designed to undermine it.

**1 Essay:**

*A nation's justice system reveals its priorities more honestly than any policy document. When India spends ₹1,500 per person on police and ₹9 on legal aid, it is saying: we invest in catching people, not in defending them. When prisons hold 137% capacity and courts have one-third the judges they need, the system works as designed — to process, not to protect. Reforming justice requires reforming the budget. Use: Justice system, access to justice, police reform, legal aid, judicial capacity.*

 **Mains Q:** Analyse the structural imbalance in India's justice system budgets as revealed by the India Justice Report. How does the enforcement-heavy spending pattern affect access to justice for marginalised communities? (15M)

## GS2/GS3: Governance / Rural Employment / Welfare

### 7. Rules for New Rural Employment Scheme — Viksit Bharat Gramin — To Be Issued Soon

*Source: The Hindu | Subject: Governance / Rural Employment / Welfare / GS2-GS3*

**Context:** Rules governing the Viksit Bharat – Guarantee for Rozgar and Aajeevika Mission (Gramin), scheduled to come into force from July 1, 2026, will be released in the next few days, officials of the Union Ministry of Rural Development informed a Parliamentary Standing Committee on Wednesday. The committee, headed by Congress leader Saptagiri Ulaka, met to review preparatory work. Key issues: Section 4(5) of the legislation says “The Central government shall determine the State-wise normative allocation for each financial year, based on objective parameters as may be prescribed by the Central government.” The Centre has to address the formulation of a system for normative allocation of funds among States. The Ministry informed the panel that 25 States have already allocated funds for the programme, with administrative and policy steps being put in place. All major States have made budgetary provisions for implementation from July 1. Beneficiaries will be issued new smart job cards (replacing those issued under the Mahatma Gandhi National Rural Employment Guarantee Act 2005) with a face-recognition feature to improve transparency and accountability. Existing job cards will remain valid until new Gramin Rozgar Guarantee Cards are issued.

#### EXAMINER'S LENS

\* Prelims: Viksit Bharat – Guarantee for Rozgar and Aajeevika Mission (Gramin). Effective: July 1, 2026.

Replaces/subsumes MGNREGA 2005. Section 4(5): Central govt determines State-wise normative allocation based on “objective parameters.” Rules to be released within days. Parliamentary Standing Committee: headed by Saptagiri Ulaka. 25 States have allocated funds. New smart job cards: face-recognition feature. Old MGNREGA job cards valid until replacement.

\* Mains: GS2/GS3 (Governance/Rural Employment). MGNREGA to Gramin transition. Normative allocation formula. Centre-State fiscal dynamics. Biometric/face-recognition job cards. Rural employment guarantee architecture.

\* GS4/Interview: MGNREGA guaranteed 100 days of work as a right. The new scheme introduces “normative allocation based on objective parameters” determined by the Centre. When a right-based

entitlement is converted into a parameter-based allocation, does the guarantee remain a guarantee — or does it become a budget line?

### Key Points:

1. The transition from MGNREGA to Viksit Bharat Gramin is the most significant rural welfare restructuring since 2005. The July 1, 2026 implementation date and the release of rules within days suggest the government is on track for a tight rollout. The fact that 25 States have already allocated funds indicates political buy-in across party lines — rural employment guarantee is electorally non-negotiable.
1. Section 4(5)'s “normative allocation based on objective parameters” is the critical design question. Under MGNREGA, demand-driven funding meant States could draw funds based on actual work demand (within limits). The shift to normative allocation means the Centre determines how much each State receives based on predetermined criteria. This could improve fiscal discipline and target allocation to genuinely needy areas, or it could centralise discretion and disadvantage States that don't align with the Centre's parameters. The formula's design — whether it uses poverty ratios, employment data, SC/ST population, or other indicators — will determine whether the scheme is genuinely demand-responsive.
1. The smart job cards with face-recognition technology represent the latest application of biometric governance to welfare delivery. On one hand, face recognition can eliminate ghost beneficiaries, duplicate claims, and middleman corruption — problems that plagued MGNREGA. On the other hand, biometric systems exclude legitimate beneficiaries (failure-to-authenticate rates, especially for manual labourers with worn fingerprints or rural areas with poor connectivity). The transition from MGNREGA job cards to Gramin Rozgar Guarantee Cards must ensure zero-gap coverage.
1. The Parliamentary Standing Committee review (headed by an opposition leader) is an important accountability mechanism. The committee's scrutiny of Section 4(5) allocation parameters ensures that the formula is not designed to favour or penalise particular States.

### STATIC CONNECT

#### ► Rural Employment Guarantee

\* MGNREGA 2005 (Mahatma Gandhi National Rural Employment Guarantee Act): 100 days guaranteed wage employment per rural household. Demand-driven. Right-based. Social audit. Gram Sabha role.

- \* Viksit Bharat Gramin (2026): Replaces/subsumes MGNREGA. Section 4(5): normative allocation by Centre. Smart job cards with face recognition. Effective July 1, 2026.
- \* Rural employment data: MGNREGA provided ~300 crore person-days annually (peak). Average wage: ~₹250-300/day. Coverage: ~7-8 crore households.
- \* Biometric governance: Aadhaar-linked DBT. Face recognition in PDS (Telangana, Jharkhand pilots). Authentication failure rates: 5-10% in field conditions.
- \* Centre-State dynamics: Art 246 (concurrent list). 15th Finance Commission recommendations on grants. Formula-based vs demand-based allocation.

### 3-2-1 RAPID REVISION

#### 3 Prelims:

- \* Viksit Bharat Gramin: Guarantee for Rozgar and Aajeevika Mission. Replaces MGNREGA 2005. Effective July 1, 2026. Rules to be released imminently. 25 States have allocated funds.
- \* Section 4(5): Centre determines State-wise normative allocation based on “objective parameters.” Shift from demand-driven to parameter-based. Parliamentary Standing Committee: Saptagiri Ulaka (Congress).
- \* New smart job cards with face-recognition feature. Replace MGNREGA job cards. Old cards valid until replacement. All major States: budgetary provisions ready.

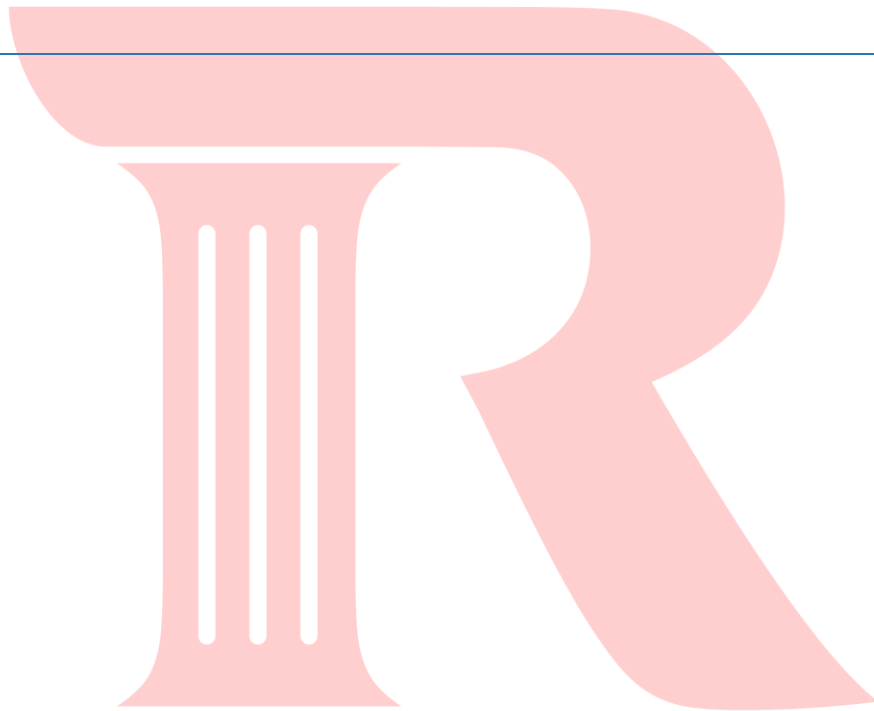
#### 2 Mains:

- \* The MGNREGA-to-Gramin transition tests whether India can restructure its most important rural safety net without disrupting coverage. The shift from demand-driven funding to normative allocation (Section 4(5)) is the key design change: MGNREGA’s demand-driven model allowed States to draw funds based on actual employment demand, creating fiscal unpredictability but ensuring responsiveness. The normative model gives the Centre control over allocation, improving fiscal planning but risking under-allocation to States with genuine demand surges (drought years, migration return events, economic downturns). The parameters chosen — whether poverty ratios, SC/ST population, agricultural distress indicators, or past utilisation — will determine whether the scheme is equitable or politically biased.
- \* The face-recognition job cards represent the latest step in India’s biometric governance trajectory (Aadhaar → DBT → face recognition). The technology can eliminate ghost beneficiaries and improve accountability, but field evidence from PDS face-recognition pilots shows authentication failure rates of 5-10%, disproportionately affecting elderly, disabled, and manual labourers. The transition must include fallback authentication mechanisms and a zero-exclusion guarantee to prevent the technology from becoming a barrier to the entitlement it is meant to deliver.

**1 Essay:**

*MGNREGA was a right: you demanded work, the State provided it. Viksit Bharat Gramin introduces parameters: the Centre decides how much each State gets. When a right becomes a formula, the question is whether the formula serves the right or replaces it. India's 300 million rural workers are about to find out. Use: Rural employment, welfare architecture, biometric governance, Centre-State relations.*

**📄 Mains Q:** *Discuss the transition from MGNREGA to the Viksit Bharat Gramin scheme. How does the shift from demand-driven funding to normative allocation affect the nature of rural employment guarantee? (15M)*





— End of Step 1 —

*IAS with Dr Ravi | CA COMPASS | 21 May 2026*

