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THE HINDU ANALYSIS

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1 Sarnath Inscribed on the UNESCO World Heritage List

GS 1 · ART & CULTURE | HERITAGE | THE HINDU

WHY IN NEWS

At the **48th Session of the World Heritage Committee** in Busan, South Korea, India's official nomination — the **Ancient Buddhist Site of Sarnath** — was inscribed on the UNESCO World Heritage List, becoming India's **45th** World Heritage property (6th globally, 2nd in the Asia-Pacific region).

THE PROPERTY

- A **serial World Heritage property** preserving one of the **four principal destinations of Buddhist pilgrimage**. Inscribed under **criterion (iii)** for its enduring spiritual tradition and **criterion (vi)** for its direct association with pivotal events in the life of Gautama Buddha.
- Located within **Varanasi, Uttar Pradesh**. Two primary components — the **Chaukhandi Stupa** and the **Archaeological Remains of Sarnath** (Dhamekh Stupa, Dharmarajika Stupa, Mulagandhakuti Vihara and the Ashokan Pillar site).
- Known historically in Buddhist literature as **Rishipatana, Ishipatana** and **Mrigadava**.

HISTORICAL & CULTURAL SIGNIFICANCE

- **First Sermon (6th c. BCE):** Buddha delivered the **Dharmachakra Pravartana** (Turning of the Wheel of the Law) here, introducing the **Noble Eightfold Path** and the concept of **Triratna**, and establishing the **Buddhist Sangha**.
- **Dhamekh & Chaukhandi Stupas:** massive structural stupas marking the sacred spots where the Buddha met his first disciples and delivered core teachings.
- **Mauryan Ashokan Pillar & Lion Capital:** carved from polished sandstone; the **Lion Capital** (excavated 1904–06) was later adopted as the **National Emblem of India**.
- **Viharas:** preserved brick foundations of monasteries and temples showing structural evolution across the **Mauryan, Kushan and Gupta** periods.
- **Gupta Art:** yielded masterpieces such as the **Dharmachakrapravartan Buddha** statue, housed at India's earliest site museum, established at Sarnath in **1904**.

★ KEY FACTS FOR PRELIMS

- **Four great pilgrimage sites:** Lumbini (birth), Bodh Gaya (enlightenment), **Sarnath (first sermon)**, Kushinagar (mahaparinirvana).
- UNESCO uses **10 criteria** (i–vi cultural, vii–x natural); Sarnath meets **(iii)** & **(vi)**.
- India: **45 World Heritage Sites** — most in Asia-Pacific after China.
- World Heritage Committee — **21 members** under the **1972 Convention**.

THE HINDU · Ancient Buddhist Site of Sarnath, Varanasi

Sarnath

2 SC Seeks Centre's Reply on the Anti-Defection 'Merger' Plea

GS 2 · POLITY | PARLIAMENT | THE HINDU · P14

WHY IN NEWS

The **Supreme Court** sought the Union government's response on a petition by senior advocate **Kapil Sibal** challenging the interpretation of the **'merger' exception** under the Anti-Defection Law contained in the **Tenth Schedule**.

THE PETITION

- Sibal questions the reading of **Paragraph 4**, whereby a party is deemed to have 'merged' **solely because two-thirds of its legislature party** claim such a merger — even where there is no other indication that the original party actually merged.
- He argued such an interpretation has **'huge repercussions'**: an electoral **majority can be turned into a minority** by resorting to mergers, reversing the verdict of the electorate.
- The Bench (Justices **P.S. Narasimha** & **Alok Aradhe**) issued notice but noted that shortcomings in the law are ultimately **matters for Parliament**.

ANTI-DEFECTION LAW — STATIC BACKBONE

- Introduced by the **52nd Amendment, 1985**, adding the **Tenth Schedule**; applies to both **Parliament and State Assemblies**.
- Strengthened by the **91st Amendment, 2003**, which **omitted the 'split' provision** (where 1/3rd could defect) and retained only the **'merger'** provision.
- **Objectives:** political stability, prevent toppling of governments, curb **horse-trading** and enforce party discipline via the **whip**.
- **Grounds for disqualification:** voluntarily giving up membership (inferred from conduct); voting/abstaining against the whip; an independent member joining a party; a nominated member joining a party after **6 months**.
- **Exceptions:** merger where **two-thirds** of legislators agree; and the Speaker/Chairman/Deputy resigning from the party to remain neutral.

★ VALUE ADDITION

- Deciding authority: the **Presiding Officer** of the House.
- **Kihoto Hollohan v. Zachillhu (1992):** the Speaker's decision is subject to **judicial review**.
- 91st Amendment also capped the **Council of Ministers at 15%** of House strength.
- No time-limit prescribed for the Speaker to decide — a recurring criticism.

THE HINDU · 'SC seeks Centre's reply on plea over anti-defection law'

Page No.14 , GS 2

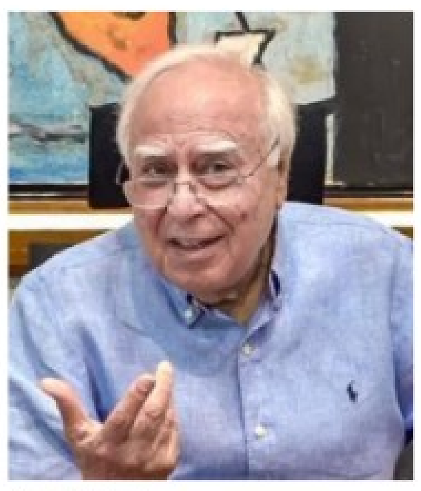
SC seeks Centre's reply on plea over anti-defection law

Aaratrika Bhaumik
NEW DELHI

The Supreme Court on Monday sought the Union government's response on a petition filed by senior advocate Kapil Sibal challenging the interpretation of the "merger" exception under the anti-defection law contained in the Tenth Schedule of the Constitution.

The Rajya Sabha member has questioned the interpretation of the "merger" exception under Paragraph 4 of the Tenth Schedule, whereby a political party is deemed to have "merged" with another political party solely on the basis that two-thirds of the members of its legislature party have claimed such a merger even "if there is no other indication" that the original political party has actually merged.

Mr. Sibal, appearing as petitioner-in-person, submitted before a Bench of



Kapil Sibal

Justices P.S. Narasimha and Alok Aradhe that such an interpretation of Paragraph 4 would have "huge repercussions" for the polity as an electoral majority can be turned into a minority by resorting to mergers.

He argued that the Constitution does not permit a situation where a legislature party can, by itself, bring about a deemed merger of the original political party without any formal merger process or approval of party leadership.

"This has huge repercussions for our polity... The electoral verdict can be changed. A minority can become a majority and a majority can become a minority," Mr. Sibal submitted.

'Issues for Parliament'

While acknowledging the concerns raised about the operation of the Tenth Schedule, the Bench expressed its disinclination to entertain the plea, observing that any shortcomings in the anti-defection law were matters for Parliament to take a call on.

"These are issues typically to be raised before the floor of the House.. If not, then at least before political parties. The Tenth Schedule is intended to regulate the mechanism between the legislators... What transpired in the working of the Tenth Schedule, we have been seeing enormous issues", Justice Narasimha remarked. The Bench ultimately agreed to issue notice on the plea.

3 CAFE-III Norms & India's Road to Cleaner Mobility

GS 3 · ENVIRONMENT | ENERGY / ECONOMY | THE HINDU · P8

WHY IN NEWS

The debate over India's proposed **Corporate Average Fuel Efficiency (CAFE) III** norms comes as the auto industry transitions from **internal combustion engines to electrified powertrains**, and amid India's vulnerability to imported crude oil. The framework adopted today will shape investment, technology and energy security for decades.

WHAT IS CAFE?

- A regulatory standard that limits the total **CO_2 emitted by a manufacturer's entire fleet** of vehicles sold in a financial year.
- **Fleet-wide average:** unlike **Bharat Stage (BS)** norms (per-vehicle limits), CAFE targets the **weighted average** of all cars sold — high-emission vehicles must be balanced by low-emission ones.
- **Primary objective:** reduce the carbon footprint and fuel consumption, supporting **energy security** and climate goals.
- **Super-credit system:** manufacturers earn extra points for selling **EVs and strong hybrids**, lowering the fleet's average CO_2.

CAFE-III & COMPLIANCE

- CAFE-III is the **third phase**, implemented by the **Ministry of Power** under the **Energy Conservation Act, 2001**; applicable to **passenger vehicles**.
- Manufacturers must meet both **Corporate Average Fuel Consumption (CAFC)** standards and **New Energy Vehicle (NEV)** credit requirements.
- The draft (16 July notification) adds flexibility — a **Carbon Neutrality Factor**, super-credits, and **banking & trading of compliance credits**, with penalties for non-compliance.
- Compliance shifts from **three-year to two-year blocks**, letting makers average performance across years — critics warn this may **dilute stringency**.

★ PRELIMS POINTERS

- **CAFE-I:** 2017–22 · **CAFE-II:** 2022 onwards · **CAFE-III:** proposed.
- Nodal law: **Energy Conservation Act, 2001**; agency: **Bureau of Energy Efficiency (BEE)**.
- India's climate pledge: **net-zero by 2070** (COP26, Glasgow).
- NEV credits can be earned via **EVs, plug-in hybrids and flex-fuel** vehicles.

THE HINDU · 'Beyond compliance, India's road to cleaner mobility'

Page No.8 , GS 3

Beyond compliance, India's road to cleaner mobility

Kunal Shankar

The debate over India's proposed Corporate Average Fuel Efficiency (CAFE) III norms comes at a crucial time for the global automobile industry as it transitions from internal combustion engines (ICE) to electrified powertrains. It also highlights India's vulnerability to imported crude oil amid renewed geopolitical tensions. The framework India adopts today will influence investment, technology choices and energy security for decades.

CAFE III, compliance or transformation

The Power Ministry's July 16 draft notification marks the third iteration of CAFE III after months of industry lobbying. While some manufacturers pushed for stricter norms, others sought flexibility. The proposal attempts a compromise, but the question remains whether it prioritises compliance over transformation.

CAFE norms set annual sales-weighted average fuel-efficiency targets for manufacturers' passenger vehicle fleets rather than individual models. Introduced in the United States in 1975 after the 1973 Arab oil embargo, they aimed to reduce oil dependence and protect consumers from high fuel costs. The rules caused automakers to adopt smaller, more efficient vehicles. This also helped accelerate the rise of Japanese manufacturers.

From the 1990s, fuel-efficiency regulations gained a second purpose: reducing greenhouse-gas emissions. In the United States, the EPA's Endangerment Finding brought greenhouse gases under the Clean Air Act, with later emissions standards aligned closely with CAFE rules. While technology-neutral, the rules encouraged innovation in hybrids and electric vehicles (EV). Ironically, the Obama administration's $465 million Department of Energy loan to Tesla in 2010 helped accelerate an EV industry now dominated by China.

China's experience is even more instructive. It introduced mandatory fuel-consumption standards in 2004, initially regulating individual vehicle models by weight rather than fleet averages. As car ownership surged, concerns over oil imports and urban air pollution grew. The standards tightened over time before China changed direction in 2018 with the introduction of its Dual Credit System.

Under this framework, manufacturers must meet both Corporate Average Fuel Consumption (CAFC) standards and New Energy Vehicle (NEV) credit requirements. Fuel-efficiency compliance alone is insufficient. Companies that fail to earn enough NEV credits through EV or plug-in hybrid production must purchase credits from those with surplus EV production, creating a market that rewards innovation and penalises delayed electrification. For example, in India, Maruti Suzuki could remain NEV credit-deficient by 18% despite having highly fuel-efficient ICE models if it had no EVs in its portfolio. It would need to buy credits from companies such as Tata Motors or Mahindra, which generate NEV credits through their EV portfolios. While CAFC credits can be banked, carried forward or transferred within corporate groups, NEV credits cannot be offset in the same way. The results are evident. According to the International Energy Agency's Global EV Outlook 2026, China sold more than 13 million electric cars in 2025, accounting for almost 55% of new passenger vehicle sales. Comparable figures were about 27% in the European Union, nearly 10% in the U.S. and around 4% in India.

India's own debate has centred on differences between Maruti Suzuki, Tata Motors and Mahindra & Mahindra. An earlier proposal effectively carved out lighter small cars from the full stringency of CAFE III. That exemption has since been removed. The current proposal seeks to reduce average emissions from around 113 gCO_2/km to 77 gCO_2/km by FY2031-32. On paper, that appears ambitious. Yet, the headline target tells only part of the story.

The cost of flexibility

The revised framework introduces several flexibility mechanisms that, taken together, substantially reduce its effective stringency.

The first is the Carbon Neutrality Factor, which awards compliance benefits for vehicles compatible with higher ethanol blends and other fuels. Yet, the government has informed Parliament that no decision has been taken to move beyond E20 blending (20% plant-based ethanol with 80% regular petrol). Manufacturers therefore receive compliance advantages for technologies whose long-term policy trajectory remains uncertain. Ethanol is also more expensive than petrol, and has lower energy density, and therefore delivers lower mileage – a fact belatedly acknowledged by the Centre after it drew severe criticism.

The second is the use of super credits. Battery EVs, plug-in hybrids, strong hybrids and flex-fuel vehicles receive additional weight in fleet calculations. While this encourages cleaner technologies, it also means that fewer actual low-emission vehicle sales are required to offset higher-emission models. Strong hybrids, which generally rely primarily on the ICE while using electric propulsion over relatively short distances and at lower speeds, also receive super-credit benefits despite offering only partial electrification.

The third mechanism is banking and trading of compliance credits. Manufacturers outperforming their targets can accumulate credits and sell them to others. In addition, the draft allows companies to buy credits directly from the Bureau of Energy Efficiency (BEE) at administratively fixed prices if deficits remain after trading. The BEE is therefore not a market exchange but effectively a seller of last resort.

In theory, this introduces efficiency into the system. In practice, it allows companies that are lagging to meet compliance requirements without upgrading their own technology. Moreover, the draft notification allows manufacturers to buy compliance credits from the BEE at ₹2,500 per gram of CO_2/km in FY2028, rising to ₹4,500 by FY2032. By comparison, the Energy Conservation Act prescribes additional penalties of ₹25,000 or ₹50,000 per vehicle depending on the extent of non-compliance. Expressed in CAFE terms, the lower penalty threshold is broadly equivalent to a little over ₹5,000 per gram of CO_2/km, implying that the proposed buyout price begins at less than half that level.

Finally, compliance is assessed over three-year blocks before shifting to two-year blocks, allowing manufacturers to average performance across multiple years rather than meeting targets annually. Therefore, delays in one year can be compensated in another.

The case of CNG

Taken together, these mechanisms significantly alter the stringency of these regulations. Which raises a fundamental question: What is the purpose of a regulation?

Regulation should shape markets rather than simply accommodate prevailing market preferences. India's own experience with compressed natural gas (CNG) illustrates the point. Once policy support aligned with regulatory certainty, manufacturers rapidly introduced CNG variants. Regulation can create markets as much as respond to them.

To put this in perspective: manufacturers' voluntary commitments already average nearly 20% EV share by 2030, with several original equipment manufacturers aiming for 30% or higher. In effect, the revised regulation attempts only half of what the industry itself has committed to. The timing also matters. India remains heavily dependent on imported crude, exposing the economy to geopolitical shocks, imported inflation and currency pressures. Strengthening fuel-efficiency standards is therefore not merely an environmental objective. It is an energy-security strategy, an industrial policy and a macroeconomic imperative.

These developments highlight the urgency and significance of revising India's CAFE norms, as they offer an opportunity to address a macroeconomic vulnerability while helping meet India's Glasgow commitment on energy efficiency.

India should seize this opportunity to position itself alongside the world's leading automotive markets in the transition to low-carbon mobility.

Weak fuel efficiency norms risk keeping the country dependent on imported oil

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4 US 'Forced-Labour' Tariffs & the India Trade Question

GS 2 · IR | TRADE / ECONOMY | THE HINDU · P8

WHY IN NEWS

An editorial argues that the **10% tariff** the United States has imposed on India and several countries — on goods supposedly made using **forced labour** — is an attempt to restore permanent tariffs and highlight the benefits of a trade deal, and that India should **not let it push it toward a hasty deal**.

THE SECTION 301 TARIFFS

- The **Section 301 'forced-labour' tariffs** are more permanent and carve out **benefits for countries with US trade deals**.
- US imports from India face a **10% tariff over and above the base tariff**, while the **EU and Taiwan** face a total of 10%; **Japan, South Korea and Switzerland** received similar benefits, all having trade deals at various stages.
- If curbing forced labour were the real focus, tariffs would apply **equally across all offenders** regardless of deal status, with fewer **product-wise exemptions** and country quotas.

INDIA'S POSITION

- The US **Supreme Court's February 2026** decision removed the main threat of high reciprocal tariffs; Trump's temporary blanket 10% expired after 150 days.
- India has **not been accused** of using forced labour yet faces tariffs because others have. It cut the proposed **12.5% to a final 10%** via a notification banning imports of goods made with forced labour.
- Enforcement will be difficult — requiring countries like **China and Malaysia** to allow Indian officials to inspect labour conditions.
- **Uncertainty persists**: a separate Section 301 investigation on **excess capacity** is pending; the US tariff landscape can change even after a deal is signed.

★ STATIC LINKAGE

- **Section 301**, US Trade Act of **1974** — unilateral action against 'unfair' foreign trade practices.
- **Forced labour** is prohibited under core **ILO Conventions** (Nos. 29 & 105).
- Disputes over unilateral tariffs typically test **WTO** non-discrimination (MFN) principles.

THE HINDU · 'Forced labour farce' — editorial

Page No.8 , GS 2

Forced labour farce

India should not let the U.S.'s new tariffs push it towards a trade deal

The 10% tariff that the United States has imposed on India and several countries over their imports of goods supposedly made using forced labour is merely an attempt to restore permanent tariffs and, once again, highlight the benefits of a trade deal with the U.S. The U.S. Supreme Court's February 2026 decision dealt a body blow to the U.S.'s attempts to secure trade deals. The main threat, of high reciprocal tariffs, had been removed. U.S. President Donald Trump's solution, of a temporary 10% tariff on all countries, suffered from two weaknesses: it would expire in 150 days, and was levied on all countries equally, regardless of whether they had a deal with the U.S. or not. Those tariffs have now expired. The Section 301 'forced labour' tariffs announced last week are more permanent, and have carved out benefits for those with trade deals with the U.S. For example, while U.S. imports from India will face a 10% tariff over and above the base tariff the U.S. charges everybody, the European Union and Taiwan will face a total tariff of 10%. Similar benefits have been accorded to Japan, South Korea and Switzerland, all of which also have trade deals with the U.S. at various stages of formalisation. If stopping forced labour was the primary focus, tariffs would have been applied equally across all offen-

would have been applied equally across all offen-ders, regardless of trade deal status. The tariffs would also not have had as many product-wise exemptions and country-wise quotas as the final version has.

There is also the question of whether the U.S. should be penalising other countries for their trade with third parties. India has not been accused of using forced labour, yet faces tariffs because others have been. This, soon after the U.S. government told a court that it did not want to act as the "world police". India has done well to reduce the proposed 12.5% tariffs to a final 10%, the same as or better than most of its competitors. All it took was a notification banning the import of goods made using forced labour. The action itself will be difficult to enforce, since it will require countries such as China and Malaysia to allow Indian government officials to visit and investigate their labour conditions. But simply issuing the notification won India a tariff reduction. However, uncertainty persists since the other Section 301 investigation, on excess capacity, is yet to play out and could result in further tariffs. It is highly unlikely that India will accept a trade deal until those tariffs become clear. That said, the tariffs should not push India towards a deal. Experience has shown that the U.S. tariff landscape can change radically even after a deal is signed.

5 AI's Next Test — Reaching India's Informal Women Workers

GS 3 · ECONOMY | SOCIETY / TECH | THE HINDU · P8

WHY IN NEWS

Co-authored by the **Secretary, MeitY** and the **UN Women** Country Representative, the piece argues that **Viksit Bharat 2047** rests on whether AI's productivity gains are **broadly shared or concentrated** among the already well-served — making AI's gender dimension a question of economic inclusion.

THE SCALE OF THE CHALLENGE

- About **82% of working women** in India are in **informal employment** (2018 ILO) — spanning agriculture, home-based production, domestic services and micro-enterprises.
- India's **AI Governance Guidelines (Nov 2025)** set out **seven guiding principles** including fairness and equity; making these gender-responsive is both a governance priority and a development opportunity.
- **76.9% of rural women** are engaged in agriculture (PLFS 2023-24), making them a primary constituency for agri-AI.
- A 2024 study of **Farmer.Chat** (12 States) found **61% of women users** reported improved quality of life within 45 days, with engagement **2–3× that of male users**.

THREE PRIORITIES

- **Gender impact assessments** for AI systems affecting economic opportunity, welfare access or safety for women and girls.
- **AI literacy as public infrastructure** — training built around women's time constraints, literacy levels and livelihood contexts, linked to **DAY-NRLM, DDU-GKY, Skill India** and **Mission Shakti's Sakhi** network.
- **Digital safety** against tech-facilitated gender-based violence — deepfakes and non-consensual imagery — via the **IT (Amendment) Rules 2021** and MeitY's labelling of AI-generated synthetic content.

★ ECOSYSTEM & TERMS

- Key infrastructure: **IndiaAI Mission**, the **BHASHINI** multilingual platform and the **India AI Impact Summit 2026**.
- **PLFS** — Periodic Labour Force Survey (by NSO/MoSPI).
- Goal: measure success by **outcomes** (did AI help a woman access an entitlement or move to better-paid work?), not aggregate indicators.

THE HINDU · 'AI's next test — reaching India's informal women worker'

Page No.8 , GS 3

AI's next test — reaching India's informal women worker

India's journey towards Viksit Bharat by 2047 rests on whether the productivity gains unlocked by artificial intelligence (AI) are broadly shared or concentrated among those already well-served. AI is reshaping value chains across agriculture, logistics, health care and financial services. The design choices in these systems, who they are built for, whose data they train on, and whose languages they speak, will determine whether this transformation amplifies India's inclusive growth story or adds a dimension to structural inequalities.

About 82% of working women in India are in informal employment according to a 2018 ILO report, spanning agriculture, home-based production, domestic services and micro-enterprises. The gender implications of AI adoption are, above all, a question of economic inclusion. India's AI Governance Guidelines, released in November 2025, set out seven guiding principles, including fairness and equity; translating these into gender-responsive outcomes is both a governance priority and a development opportunity. As UN Women has warned, AI is already reimagining reality for billions, but it is still getting women wrong; without gender-responsive design, testing and oversight, it risks amplifying stereotypes, discrimination and digital violence instead of expanding opportunity.

In agriculture and informal work

AI holds considerable promise for Indian farmers through precision agriculture applications, real-time advisory on crop health, input optimisation and market access. With 76.9% of rural women engaged in agriculture as in Periodic Labour Force Survey (PLFS) 2023-24 reporting, women are a primary constituency. Early evidence is telling: a 2024 study of Farmer.Chat, deployed across 12 States, found that 61% of women users reported improved quality of life within 45 days, with engagement levels two to three times those of male users. While the specific design features driving this outcome require further documentation, the results suggest that when AI agricultural tools reach women, keeping in mind language, land access patterns, mobility constraints, and relevance, meaningful engagement follows. Building on this foundation, three areas merit focused attention as India scales its AI deployment.

S. Krishnan

Secretary, Ministry of Electronics and Information Technology (MeitY), Government of India

Shoko Ishikawa,

Country Representative, UN Women India and part of Team UN in India

Artificial Intelligence (AI) must empower informal women workers for truly inclusive economic growth

Governance priorities

First, gender impact assessments. The India AI Governance Guidelines' principles of fairness and equity require operationalisation through proportionate gender impact assessments for AI systems affecting economic opportunity, welfare access or safety for women and girls. These should examine whether outcomes vary by sex, location, caste, disability and work status, and whether redressal mechanisms are accessible in regional languages. Where AI decisions on credit, employment or welfare cannot be explained, trust suffers disproportionately among marginalised groups. Similarly, Gender Responsive Budgeting offers a practical test for decisions on AI spend. For any significant AI investment, four questions can be applied: which women will benefit; which specific barrier (access, language, safety or capability) is being addressed; how outcomes will be measured; and which budget line will finance corrective action if results fall short.

Second, AI literacy as public infrastructure. Access to tools is a necessary but not sufficient condition for inclusion. Training programmes for women in informal work must be designed around their time constraints, literacy levels and livelihood contexts. Embedding AI literacy within Deen Dayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM), Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) and Skill India, with linkages to Mission Shakti's Sakhi network, would allow trusted community infrastructure to carry new digital capability. The measure of success should be outcome-based: did this help a woman access an entitlement, navigate a platform, or move to better-paid work? Third, digital safety as a condition for economic participation. Technology-facilitated gender-based violence, including deepfakes, online harassment and non-consensual imagery, creates a measurable "chilling effect", discouraging women from participating fully in digital economic spaces. The IT (Amendment) Rules, 2021 require grievance mechanisms for harmful content; the Ministry of Electronics and Information Technology (MeitY)'s proposed mandatory labelling of AI-generated synthetic content adds further protection. Effective implementation, with accessible survivor-facing remedies in regional languages, is a prerequisite for women's sustained digital participation.

The National Commission for Women's review of cyber laws provides evidence-based recommendations warranting timely inter-ministerial action.

AI prosperity for all

India has built substantial AI infrastructure in a short period: the IndiaAI Mission, the BHASHa Interface for India (BHASHINI) multilingual platform, the AI Governance Guidelines and targeted cross-sector partnerships. The India AI Impact Summit 2026 showed that these ambitions are matched by a growing ecosystem of practitioners, innovators and civil society.

The opportunity is to ensure that the productivity gains from this infrastructure reach those at the base of the economic pyramid, *viz.*, women farmers, home-based workers, self-help group members, platform participants. This requires deliberate design: in procurement standards, training programmes, safety frameworks and the measurement of success.

By 2047, the measure of India's AI success should not be aggregate indicators alone, but whether women in informal work have gained meaningful, productive access to the tools and opportunities that AI enables. That is the standard consistent with Viksit Bharat, and it is within India's reach.

6 To Fix Unemployment, Fix the Economy First

GS 3 · ECONOMY | EMPLOYMENT | THE HINDU · P9

WHY IN NEWS

An op-ed by **Arun Maira** argues that fixing India's education system alone will not solve unemployment for its youth — the **basic structure of the economy** must be reformed to raise incomes and employment.

THE CORE ARGUMENT

- China and India are the only two countries with populations over one billion; over 30 years, the **per capita income of Chinese citizens rose ~8× faster** than that of Indians.
- India's leaders face **conflicting trends**: (1) 'ease of doing business' reforms that dilute worker rights and weaken environmental protection; (2) wide adoption of **AI to raise 'productivity'** (more output with less human input); and (3) a stated need to raise **employment elasticity**.
- **Employment elasticity** — the meaningful employment created per unit of GDP growth — has been low in India since the **1990s reforms**.
- With the world's **largest youth population**, India's growth should have high employment elasticity, but rising AI adoption threatens to **worsen** it.

THE ROAD AHEAD

- Indian incomes must rise rapidly across **agriculture, manufacturing and services**.
- The government has added **'ease of living'** to 'ease of doing business' as the purpose of reforms for **Viksit Bharat by 2047**.
- Policies must make employers take more responsibility for **training their own workers** and restrain arbitrary lay-offs; the **four Labour Codes** and 'ease of doing business' must become **subordinate to the ease of living** of all citizens.

★ CONCEPTS TO REVISE

- **Employment elasticity** = % change in employment ÷ % change in GDP.
- **Four Labour Codes:** Wages; Industrial Relations; Social Security; OSH.
- Unemployment data source: **PLFS**; benchmark vision: **Viksit Bharat 2047**.
- 'Jobless growth' — GDP growth not matched by proportionate job creation.

THE HINDU · 'To fix unemployment, fix the economy first'

Page No.9 , GS 3

To fix unemployment, fix the economy first

The Cockroach Janta Party's movement has highlighted the political urgency for reforming the economy to create more employment for India's youth. Fixing the education system alone will not solve the unemployment problem. The basic structure of the economy must be reformed.

China and India, the only two countries in the world with populations exceeding one billion, have the greatest need for meaningful employment. If citizens are not fully employed, and incomes of masses do not rise, their economies cannot grow. China has done much better than India in this regard; the per capita income of Chinese citizens has risen roughly eight times faster than Indians' in the last 30 years.

India's leaders find themselves in the middle of conflicting trends. First, they are pushing ahead with reforms for 'ease of doing business'; diluting the rights of workers to organise; and weakening environmental protection. Second, they are promoting the wide-spread application of Artificial Intelligence (AI) to improve 'productivity' (and other benefits) in agriculture, industry, health and education, with productivity defined, purely in economic terms, as more output with less human input. Third, they also see the need to change the pattern of growth and increase employment elasticity. Employment elasticity is the amount of meaningful employment created with each unit of GDP growth, in which India has been a laggard since the liberal market economic reforms of the 1990s.

Since India has the largest population of youth in the world, its economic growth should have the highest employment elasticity. However, the increased adoption of AI will only make it worse.

Arun Maira

Author of 'Reimagining India's Economy: The Road to a More Equitable Society'

> The 'ease of doing business' must now become subordinate to the ease of living and earning for all citizens

The China model

China has invested billions to become an AI superpower and has raced to integrate the technology across a range of industries. By 2024, more than two million robots were already working in Chinese factories. And in Beijing, Shanghai and Shenzhen, Meituan, the nation's largest food delivery service, has experimented with using small autonomous robots to deliver food. But China's advances in AI have run headlong into a growing problem: anxiety over the workers who could be displaced.

China's political and economic history reveals that, despite being an authoritarian country, the Chinese government is very attentive to what people are thinking and saying on the Internet. History has taught them that another revolution will form if disenchanted and educated youth rise along with the disgruntled workers and peasants. They know they must respond.

Unemployment has been increasing in China. The unemployment rate for migrant workers rose to 5.7% in March this year, which has been the highest in nearly three years for China, while youth unemployment stood at 16.3% in April. Moreover, 70% of unemployed young people are university graduates, with older laid-off workers facing prolonged periods of joblessness.

However, Chinese courts have been swift to act. A court ruled in May that a tech company had illegally laid-off a worker after replacing him with AI software. Another ruled that, "the development of artificial intelligence technology should be applied to liberating labour, promoting employment and improving people's livelihood". And yet another ruled that "companies that benefit from technology must, at the same time, adopt social responsibilities and protect worker rights".

China's Ministry of Human Resources and Social Security announced in January that it would roll out policies to address the impact of AI on jobs, including targeted support for key industries. In June, the State Council issued a plan on implementing an "employment-first" strategy for the 2026-2030 period. Party officials have proposed sweeping government interventions such as requiring employers to offer training to help workers adapt to an AI-centric job market.

The Chinese government's 'people-first' ideology has served China's economy and its people well. China's leaders have remained socialists; they have always put the needs of common citizens, and the stability of China's society, above economists' demands for deregulation of markets and prices, especially with respect to labour, food, education, health, and housing.

The road ahead for India

Indian income levels must rise rapidly – in agriculture, manufacturing, and services. The government has added 'ease of living' to 'ease of doing business' as the purpose of the reforms required for India to become 'Viksit Bharat' by 2047. To make it a reality, it will have to put more teeth into its policies to increase employment and incomes, and stave off the negative impacts that AI will have on employment. Policies must require that employers take more responsibility for training their own workers; they must be restrained from laying them off.

New policies must put workers' rights ahead of capitalists' rights, as China has done. India's labour market reforms, with the four labour codes, are directed to improve 'ease of doing business', which is undoubtedly necessary. However, the 'ease of doing business' must now become subordinate to the ease of living and earning for all citizens.

India's leaders would do well to learn from China's leaders on how to navigate this moment in history. The rights of all workers must be firmly protected. While the views of financial investors must be heard, the views of workers and small-time entrepreneurs must be heard much more.

SECTION

Mains Practice Questions

Answer-writing · Bilingual

Q1 GS 1 · 10 Marks — Heritage

The inscription of Sarnath on the UNESCO World Heritage List is as much a recognition of a living spiritual tradition as of archaeological value. Discuss the cultural and historical significance of Sarnath in this light.

सारनाथ का यूनेस्को विश्व धरोहर सूची में अंकन पुरातात्विक मूल्य के साथ-साथ एक जीवंत आध्यात्मिक परम्परा की भी मान्यता है। इस संदर्भ में सारनाथ के सांस्कृतिक एवं ऐतिहासिक महत्व की विवेचना कीजिए।

Q2 GS 2 · 10 Marks — Polity

The 'merger' exception under the Tenth Schedule risks subverting the electoral mandate. Critically examine the challenges in the working of the Anti-Defection Law and suggest reforms.

दसवीं अनुसूची के अंतर्गत 'विलय' अपवाद निर्वाचन जनादेश को विकृत करने का जोखिम रखता है। दल-बदल विरोधी कानून के क्रियान्वयन की चुनौतियों का समालोचनात्मक परीक्षण कीजिए और सुधार सुझाइए।

Q3 GS 3 · 15 Marks — Environment/Economy

India's CAFE-III norms sit at the intersection of decarbonisation, energy security and industrial competitiveness. Examine how the proposed flexibility mechanisms may affect the stringency and objectives of these norms.

भारत के CAFE-III मानदंड डीकार्बनीकरण, ऊर्जा सुरक्षा एवं औद्योगिक प्रतिस्पर्धा के प्रतिच्छेदन पर स्थित हैं। प्रस्तावित लचीलापन तंत्र इन मानदंडों की कठोरता एवं उद्देश्यों को किस प्रकार प्रभावित कर सकते हैं, इसका परीक्षण कीजिए।

Q4 GS 3 · 15 Marks — Economy/Society

"Unless AI reaches India's informal women workers, its productivity gains will deepen existing inequalities." In light of this, discuss how AI adoption can be made gender-responsive and employment-friendly for Viksit Bharat 2047.

"जब तक AI भारत की अनौपचारिक महिला श्रमिकों तक नहीं पहुँचता, इसके उत्पादकता लाभ विद्यमान असमानताओं को और गहरा करेंगे।" इस कथन के आलोक में चर्चा कीजिए कि विकसित भारत 2047 हेतु AI को किस प्रकार लैंगिक-संवेदनशील एवं रोजगार-अनुकूल बनाया जा सकता है।

SECTION Prelims MCQs

10 Questions · The Hindu, 28 July

1. With reference to the recently inscribed **Ancient Buddhist Site of Sarnath**, consider the following:

- It is inscribed as a serial property under UNESCO cultural criteria (iii) and (vi).
- It marks the site of Buddha's first sermon, the Dharmachakra Pravartana.
- The Lion Capital excavated here was adopted as the National Emblem of India.

Which of the statements given above are correct?

(a) 1 and 2 only **(b)** 2 and 3 only
(c) 1 and 3 only **(d)** 1, 2 and 3

2. Sarnath, associated with the Buddha's first sermon, is historically also known by which of the following names?

- Rishipatana
- Ishipatana
- Mrigadava

Select the correct answer:

(a) 1 and 2 only **(b)** 2 and 3 only
(c) 1 and 3 only **(d)** 1, 2 and 3

3. With reference to the **Anti-Defection Law**, consider the following statements:

- It was added to the Constitution by the 52nd Amendment Act, 1985.
- The 91st Amendment Act, 2003 deleted the provision relating to a 'split'.
- A merger is exempt from disqualification only if two-thirds of the legislature party agree.

Which of the statements given above are correct?

(a) 1 and 2 only **(b)** 2 and 3 only
(c) 1 and 3 only **(d)** 1, 2 and 3

4. Under the Tenth Schedule, a member can be disqualified on which of the following grounds?

- Voluntarily giving up membership of his political party
- Voting contrary to the direction (whip) of his party
- An independent member joining a political party after election

Select the correct answer:

(a) 1 and 2 only **(b)** 2 and 3 only
(c) 1 and 3 only **(d)** 1, 2 and 3

5. With reference to **CAFE norms** in India, consider the following statements:

- They regulate the fleet-wide average CO_2 emissions of a manufacturer rather than per-vehicle limits.
- They are implemented under the Energy Conservation Act, 2001.
- They apply to passenger vehicles.

Which of the statements given above are correct?

(a) 1 and 2 only **(b)** 2 and 3 only
(c) 1 and 3 only **(d)** 1, 2 and 3

6. The 'super-credit' mechanism under CAFE norms is primarily intended to:

(a) penalise manufacturers exceeding per-vehicle BS emission limits
(b) reward the sale of EVs and strong hybrids by lowering fleet-average CO_2
(c) subsidise crude oil imports for refiners
(d) fix retail fuel prices across states

7. The **Section 301** 'forced-labour' tariffs recently in the news are associated with the trade law of which country?

(a) European Union
(b) United States
(c) Japan
(d) China

8. Consider the following statements regarding women in India's workforce:

- About 82% of working women are in informal employment as per a 2018 ILO report.
- Around 76.9% of rural women are engaged in agriculture as per PLFS 2023-24.
- PLFS is released by the Reserve Bank of India.

Which of the statements given above are correct?

(a) 1 and 2 only
(b) 2 and 3 only
(c) 1 and 3 only
(d) 1, 2 and 3

9. The **BHASHINI** platform and the **IndiaAI Mission**, seen in the news, are initiatives associated with which of the following domains?

(a) Multilingual AI and digital public infrastructure
(b) Marine biodiversity conservation
(c) Defence procurement reform
(d) Inter-state river water sharing

10. Employment elasticity, often discussed in relation to jobless growth, is best defined as:

(a) the ratio of formal to informal jobs in the economy
(b) the meaningful employment created per unit of GDP growth
(c) the share of youth in the total labour force
(d) the elasticity of wages with respect to inflation

★ ANSWER KEY

1. D	2. D	3. D	4. D	5. D
6. B	7. B	8. A	9. A	10. B

Attempt the questions first, then verify with the key. · Compiled by Sapna Chauhan