

Topics of Discussion:

1. India out of US-led coalition on critical minerals supply chain
 2. 100 to 125 days: MGNREGA scheme to get name change
 3. From Licence Raj to Jan Vishwas, what we need to set our entrepreneurs free
 4. India is focussing on PM10, but PM2.5 is the real threat
 5. What's the link between inequality and public education?
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India out of US-led coalition on critical minerals supply chain

Syllabus:

Preliminary Examination: Current events of national and international importance

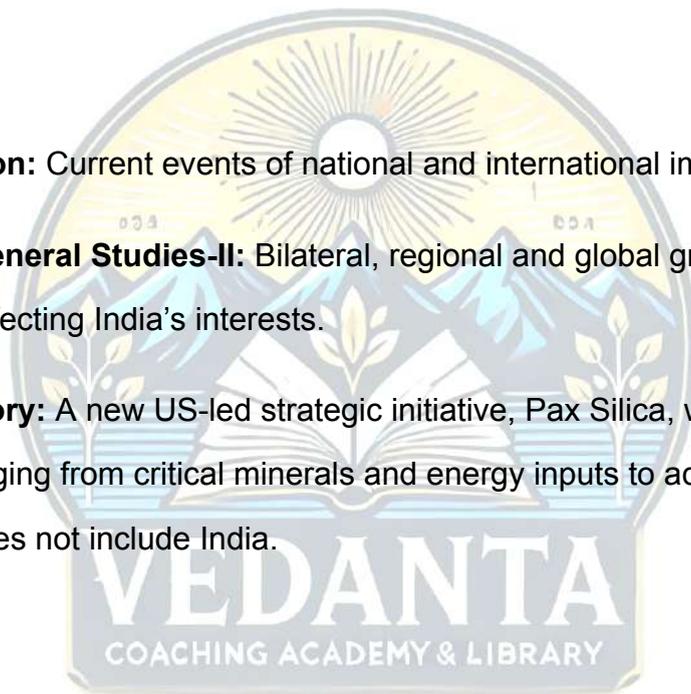
Mains Examination: General Studies-II: Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

What's the ongoing story: A new US-led strategic initiative, Pax Silica, which aims to build a secure supply chain ranging from critical minerals and energy inputs to advanced manufacturing and semiconductors, does not include India.

Key Points to Ponder:

- What is the significance of critical minerals?
- What is the Minerals Security Partnership (MSP)?
- What is the use of silicon?
- How are countries building supply chains of critical minerals?
- What are the initiatives taken by India?
- Know about the QUAD initiatives related to critical minerals

Key Takeaways:



- This comes at a time when an India-US trade deal remains elusive despite several high-level talks and rounds of technical negotiations.
- [Delhi](#) has been vying for opportunities during the ongoing global supply chain realignment as US and European companies are looking to diversify away from China. The West's diversification push has gathered pace, especially after China imposed restrictions on rare earth magnets, disrupting global supply chains.
- A US Department of State statement said the inaugural Pax Silica Summit convenes counterparts from Japan, the Republic of Korea, Singapore, the Netherlands, the United Kingdom, Israel, the United Arab Emirates and Australia.
- Pax Silica is a US-led strategic initiative to build a “secure, prosperous, and innovation-driven silicon supply chain” — from critical minerals and energy inputs to advanced manufacturing, semiconductors, AI infrastructure, and logistics.
- Measures under Pax Silica include pursuing new joint ventures and strategic co-investment opportunities, protecting sensitive technologies and critical infrastructure from undue access or control by countries of concern and building trusted technology ecosystems, including ICT systems, fibre-optic cables, data centres, foundational models and applications.
- Experts said countries that are part of the US-led initiative are among the top in terms of AI and semiconductor supply chain, and India currently has not evolved in these sectors, which could be one of the reasons why India does not find mention in the list of countries.
- However, like in the case of earlier such initiatives, particularly the Minerals Security Partnership (MSP) launched by the US in 2022, India could join the initiative at a later stage.
- Ganesh Sivamani, Associate Fellow, Centre for Social and Economic Progress (CSEP), said, “The US, for instance, leads in design and IP for semiconductor chips. The Netherlands is essential for lithography machines, which are used for printing chips. You can run through each of these countries and identify the comparative advantage it has in the existing semiconductor supply chains.”

Do You Know:

- In June 2023, India was inducted into the MSP, a US-led collaboration of these **14 countries** that aimed to catalyse public and private investment in critical mineral supply chains globally.
- A joint India-US statement issued on June 23, 2023, had then reiterated the intention of the two governments “to work together to ensure that our respective markets are well-supplied with the essential critical minerals” and reaffirming a pledge by the two sides “to hasten bilateral collaboration to secure resilient critical minerals supply chains”, welcomed India into the grouping.
- MSP partners include Australia, Canada, Estonia, Finland, France, Germany, **India**, Italy, Japan, Norway, the Republic of Korea, Sweden, the United Kingdom, the United States, and the European Union (represented by the European Commission).
- The MSP grouping is focused on the supply chains of minerals such as Cobalt, Nickel, Lithium, and also the 17 ‘rare earth’ minerals. The alliance is seen as primarily focused on evolving an alternative to China, which has created processing infrastructure in rare earth minerals and has acquired mines in Africa for elements such as Cobalt.
- In January 2025, India launched a [National Critical Mineral Mission](#) to help achieve self-reliance in the critical mineral sector. In 2023, the Centre also identified 30 critical minerals, including lithium, cobalt, nickel, graphite, tin and copper, which are essential for the country’s economic development and national security.

Previous year UPSC Prelims Question Covering similar theme:

(1) Recently, there has been a concern over the short supply of a group of elements called ‘rare earth metals’. Why? (UPSC CSE 2012)

1. China, which is the largest producer of these elements, has imposed some restrictions on their export.
2. Other than China, Australia, Canada, and Chile, these elements are not found in any country.
3. Rare earth metals are essential for the manufacture of various kinds of electronic items and there is a growing demand for these elements.

Which of the statements given above is/are correct?

(a) 1 only

(b) 2 and 3 only

(c) 1 and 3 only

(d) 1, 2 and 3

Previous year UPSC Mains Question Covering similar theme:

Discuss the multi-dimensional implications of uneven distribution of mineral oil in the world. (UPSC CSE 2021)

100 to 125 days: MGNREGA scheme to get name change

Syllabus:

Preliminary Examination: Current events of national and international importance

Mains Examination: General Studies-II: Government policies and interventions for development in various sectors and issues arising out of their design and implementation

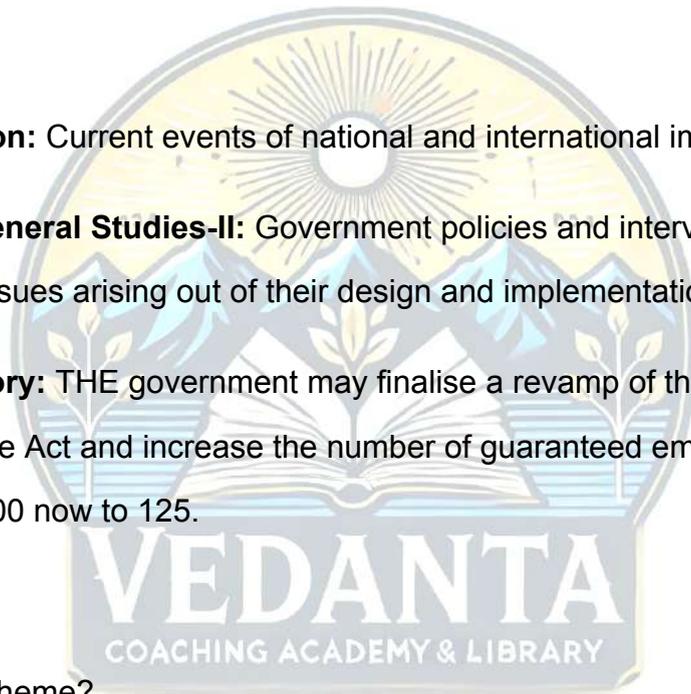
What's the ongoing story: THE government may finalise a revamp of the Mahatma Gandhi National Rural Guarantee Act and increase the number of guaranteed employment days to eligible rural households from 100 now to 125.

Key Points to Ponder:

- What is MNREGA Scheme?
- What is the significance of this scheme?
- What are the challenges associated with the scheme?
- Who is the chairman of the Sixteenth Finance Commission?
- What is the purpose of the Finance Commission?

Key Takeaways:

- The Union Cabinet discussed the proposal to expand the scheme and also to change the name of the law itself to Pujya Bapu Rural Employment Guarantee Act, sources in the government said.



— While the law guaranteed jobs for 100 days, the average days of employment provided per household under the scheme was just about 50 days in 2024-25. In fact, the number of households completing 100 days stood at 40.70 lakh last year. In the current financial year, only 6.74 lakh families have hit the 100-day ceiling.

— The proposal comes on the back of an approval process already initiated by the government for continuation of the scheme in the Sixteenth Finance Commission awards which will be effective April 1, 2026.

— In 2022, a committee constituted by the Ministry of Rural Development, which administers the MNREGS, was tasked to study the performance of states and issues related to the scheme's governance. The committee had submitted its report last year.

— The NREGA was enacted in 2005, and was renamed by the then UPA government as Mahatma Gandhi National Rural Employment Guarantee Act with effect from October 2, 2009. According to sources, the NDA government will have to amend the law to rename it and increase the number of guaranteed days of work to 125 from 100.

— In the past, several states including Andhra Pradesh, Madhya Pradesh, Chhattisgarh and Rajasthan have been demanding from MGNREGA workers to raise the 100-day work ceiling. While states can provide work beyond 100 days, they have to fund it themselves, and very few do so.

— Of the 290 crore person-days generated during the last financial year (2024-25), only 4.35 crore were generated by the states using their own [budget](#). Among the states generating work from their own resources are Maharashtra, Chhattisgarh, Odisha, Himachal Pradesh, Kerala, Rajasthan, Madhya Pradesh and Telangana.

— Over the last four years, the number of families working under the MGNREGS has gradually dropped — 7.25 crore in 2021-22 to 6.18 crore in 2022-23, and 5.99 crore in 2023-24 and further to 5.79 crore in 2024-25. The last three financial years (2022-23 to 2024-25) do not include MGNREGS beneficiaries figures for West Bengal, where the scheme has been suspended since March 2022.

Do You Know:

— Under MGNREGA, every rural household, whose adult members volunteer to do unskilled manual work, is entitled to get at least 100 days of wage employment in a financial year.

— Launched across India's 200 most backward rural districts in 2006-07, the MGNREGS was extended to an additional 130 districts during 2007-08; and to the entire country from financial year 2008-09.

— Section 3 (1) of the MGNREG Act provides for “not less than one hundred days” work per rural household in a financial year. But it has become the de facto upper limit as the NREGA software does not allow data entries for employment above 100 days to a household in a year unless specifically requested by the State/UT.

— The government, however, allows additional 50 days of wage employment (beyond the stipulated 100 days). For instance, every Scheduled Tribe household in a forest area is entitled to get 150 days' work under NREGS, provided that such families have no other private property except for the land rights granted under the Forest Right Act, 2016.

— Besides, the government, under Section 3(4) of the MGNREGA, can also provide an additional 50 days of unskilled manual work in a year, over and above the 100-day in such rural areas where drought or any natural calamity (as per Ministry of Home Affairs) has been notified.

Previous year UPSC Prelims Question Covering similar theme:

(2) Among the following who are eligible to benefit from the “Mahatma Gandhi National Rural Employment Guarantee Act”? (UPSC CSE 2011)

(a) Adult members of only the scheduled caste and scheduled tribe households.

(b) Adult members of below poverty line (BPL) households.

(c) Adult members of households of all backward communities.

(d) Adult members of any household.

Govt sanctions Rs 11,718 cr for two-phase Census 2027

Syllabus:

Preliminary Examination: Current events of national and international importance

Mains Examination: General Studies-II: Government policies and interventions for development in various sectors and issues arising out of their design and implementation

What's the ongoing story: The government has approved Rs 11,718 crore for conducting the Census 2027, the first digital exercise of its kind, Union Information & Broadcasting Minister Ashwini Vaishnaw said Friday. Earlier, the Union Cabinet approved the proposal to conduct the Census at a meeting chaired by Prime Minister Narendra Modi.

Key Points to Ponder:

- What is the census and its significance?
- What are the reasons for delay in the Census?
- What are various initiatives being taken for the Census 2027?
- What is the history of census in India?
- What is the difference between Census, caste census and SECC?
- How is the census conducted in India?
- Analyse the potential of the caste census in mobilizing the caste in politics.
- What are the various arguments in favour and against the caste census?
- What are the constitutional provisions related to the Census?

Key Takeaways:

- The Census 2027, world's largest administrative and statistical exercise, will be conducted in two phases— the houselisting and housing phase between April and September next year; and population enumeration in February 2027 (for the UT of Ladakh and snow bound non-synchronous areas of UT of [Jammu](#) & Kashmir and states of Himachal Pradesh and Uttarakhand in September 2026).
- The Cabinet Committee on Political Affairs on April 30 this year had decided to include caste enumeration in the Census 2027, which will be done in the second phase.

— Vaishnaw said a gazette notification will be issued in due course about what data fields will be included in the new Census and other such specific details. About 30 lakh field functionaries will complete the exercise.

— Briefing about the Cabinet decisions, Vaishnaw said Census 2027 will be the 16th in the series and the eighth since Independence. “It will be the first-ever digital Census. The digital design of the Census has been made keeping in mind data protection,” he said.

— According to officials, the Census will also collect data on housing condition; amenities and assets, demography, religion, SC & ST status, language, literacy, economic activity, migration and fertility.

— A government statement Friday said several new initiatives have been taken for the Census 2027.

— Calling it “the first Census by digital means in the country”, the statement said, “Data will be collected using mobile applications that will be available for both Android as well as iOS versions. A dedicated portal namely Census Management & Monitoring System (CMMS) portal has been developed for managing and monitoring the entire Census process on a real time basis.”

— The statement also mentioned a Houselisting Block (HLB) Creator web map application being created for the Charge Officers. “An option to self-enumerate will be provided to the public,” said the statement.

— Also, the government approved the ‘CoalSETU’ window for auction of coal linkages for diverse industrial uses and exports to ensure fair access and optimal utilisation of resource, allowing allocation of coal linkages on an auction basis for long-term for any industrial use and export by adding a separate window named ‘CoalSETU’ in the Non-Regulated Sector Linkage Auction Policy of 2016.

Do You Know:

— The first non-synchronous, nationwide census was in 1872. This census involved counting individuals across most parts of the country; however, it did not include all territories under British control. It was non-synchronous census.

— The first synchronous census of India was conducted in 1881. It was conducted by W.C. Plowden.

— As per the 2011 Census, the country's population was 1.21 billion as of March 1, 2011. It is projected to climb to 1.41 billion this year. With a projected population of 143.6 crore in 2027, the cost of Census will be approximately Rs 101.8 per person.

Previous year UPSC Prelims Question Covering similar theme:

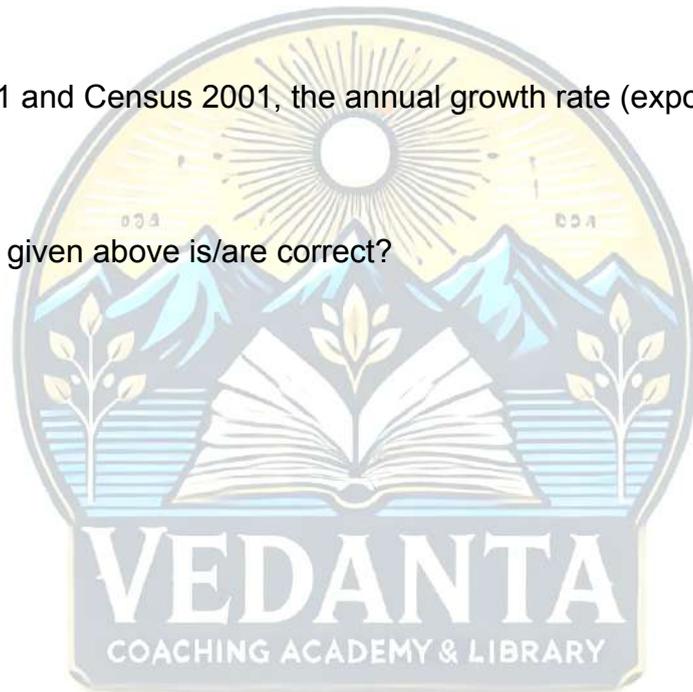
(3) Consider the following statements: (UPSC CSE 2009)

1. Between Census 1951 and Census 2001, the density of the population of India has increased more than three times.

2. Between Census 1951 and Census 2001, the annual growth rate (exponential) of the population of India has doubled.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2



From Licence Raj to Jan Vishwas, what we need to set our entrepreneurs free

Syllabus:

Preliminary Examination: Current events of national and international importance

Mains Examination: General Studies-II: Government policies and interventions for development in various sectors and issues arising out of their design and implementation

What's the ongoing story: Manish Sabharwal writes: The hard art of entrepreneurship — staying alive long enough to get lucky — was made harder in 1956, 1967 and 1976 by the Indian

state. The madhyam marg between trust and regulation was substantially but incompletely restored in 1991.

Key Points to Ponder:

- What is the Jan Vishwas Siddhant?
- What was Licence Raj?
- What are the initiatives taken by the government to ease investment and enhance the Entrepreneurship Ecosystem?
- What is the current status of India's Entrepreneurship Ecosystem?
- What are the challenges faced by the India's Entrepreneurship Ecosystem?
- The Jan Vishwas Siddhant will transform ruling into governing and praja into nagrik. Elaborate.

Key Takeaways:

- But adopting the trust-based deregulation proposed by the new Jan Vishwas Siddhant will undermine the six pathologies of regulatory cholesterol holding back India's entrepreneurs, mass prosperity, and global power.
- The first pathology is prior approval... Yet, employers confront prior approvals in battalions — licences, NOCs, permissions, consent orders, etc: 500 from central ministries and over 3,200 from 1,200 state ministries.
- The second pathology is instrument proliferation. Our Constitution imagines two instruments: Laws made by Parliament and rules made by the executive. Our administrative state ignores this imagination of only one level of subsidiary legislation by creating multiple, often unnotified, instruments — notification, guideline, circular, regulation, directions, general or office order, guidance notes, policy, scheme, press release, FAQ, SOP, memorandum, etc. — with penal sanctions.
- But entrepreneurs read right-to-left: compliances + 16 non-law, non-rule instruments + rules + Acts. The 700-plus central and state Acts relevant to employers have hundreds of rules, but our guesstimate is that 12,000-plus non-law, non-rule instruments matter for employers.



— Third, the compliance blind spot. Most policymakers remember substantive provisions of legislation, but lose track of cumulative compliance obligations. Our administrative state often ignores a best practice in regulation: Targeting outcomes and impacts rather than microspecifying activities, inputs, or processes.

— The fourth pathology is enforcing the unenforceable. The constitutional distinction between Fundamental Rights (guaranteed by law) and Directive Principles (desirable but not guaranteed) is not low ambition but a clear-eyed assessment of avoiding promises the state can't keep.

— Fifth, the process is punishment. The recent labour code and the forthcoming Jan Vishwas Bill recognise that jail is a deterrent only if there are prosecutions and cases filed. Most jail provisions in our laws are rarely successfully prosecuted and often used as threats. This clogs up the courts.

— The sixth pathology is no single source of truth. Justice and transparency require a single database for all Acts and rules, and the gazette notification of all guidelines, orders, circulars, etc, referencing the statutory provisions under which compliance is sought.

— The proposed Jan Vishwas Siddhant is transformational. All licences outside the four areas of national security, public safety, human health and environment will be converted to perpetual self-registration. Everything is permitted till prohibited.

— The Department for Promotion of Industry and Internal Trade's (DPIIT) decriminalisation principles must be applied to all penal provisions, and punishments must be proportionate.

— Every entrepreneur battles market risk, financing scarcity, employee responsibility, skill shortage, family scepticism and self-doubt. Combine these with our regulatory cholesterol, and our 6.3 crore enterprises translate to only 30,000 companies with a paid-up capital of more than Rs 10 crore.

— The Jan Vishwas Siddhant will transform ruling into governing and praja into nagrik. It will accelerate non-farm job creation by recognising that entrepreneurship is iterative hypothesis testing, not planning.

Previous year UPSC Mains Question Covering similar theme:

“Demographic Dividend in India will remain only theoretical unless our manpower becomes more educated, aware, skilled and creative.” What measures have been taken by the government to enhance the capacity of our population to be more productive and employable? (UPSC CSE 2016)

India is focussing on PM10, but PM2.5 is the real threat

Syllabus:

Preliminary Examination: General issues on Environmental ecology, Biodiversity and Climate Change – that do not require subject specialization.

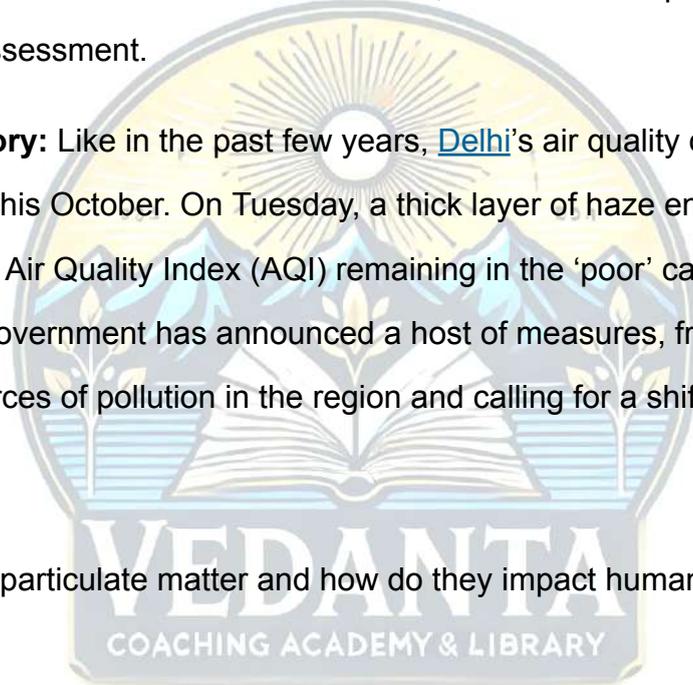
Main Examination: General Studies-III: Conservation, environmental pollution and degradation, environmental impact assessment.

What's the ongoing story: Like in the past few years, [Delhi](#)'s air quality once again deteriorated with the onset of winter this October. On Tuesday, a thick layer of haze enveloped parts of the national capital, with the Air Quality Index (AQI) remaining in the 'poor' category at 294. To tackle the situation, the state government has announced a host of measures, from conducting a new study to identify the sources of pollution in the region and calling for a shift to electric vehicles.

Key Points to Ponder:

- What are the various particulate matter and how do they impact human health?
- What is PM 2.5?
- What pollutants are measured in the AQI?
- What are the major sources of air pollution in Delhi?
- How PM2.5 impacts human health?
- What are the key initiatives taken by the Indian government to control air pollution?
- What steps should be taken to control air pollution?

Key Takeaways:



— A new report, 'Different Paths to Clean Air: Global Insights for India's Reform Agenda', by Sustainable Futures Collaborative (SFC), a New [Delhi](#)-based research organisation, has provided detailed pathways to improve air quality in India, including Delhi, by examining how other countries addressed their diverse pollution challenges.

— The researchers — Ishita Srivastava, Arunesh Karkun, and Bhargav Krishna — looked at environmental regulatory regimes in Brazil, China, Germany, Mexico, Poland, South Korea, and the United States.

— Air quality is generally lower on the priority list for voters, even those living in Delhi, as shown in recent research. That is partly because we have done a poor job of communicating the harms of bad air quality on people's health and financial well-being.

— This shows that air pollution has not been a central pillar for governmental action. In the past few years, the issue has become more salient for the government. But its importance has increased from a very low baseline because it has been externally driven, not internally driven as an issue.

— In contrast to this, countries such as China, Mexico, and Poland, which were able to deal with pollution, saw the implementation of either top-down or bottom-up government-led approaches to make air quality better.

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— On the other hand, [Beijing implemented](#) a top-down approach to tackle pollution, where Premier Li Keqiang declared a war on air pollution and set a vision for China to clean its air in a particular timeframe.

— Delhi's geography exacerbates air pollution, as the city is located in the Indo-Gangetic Plains, where the pollutants get trapped. Are there any foreign cities whose geography played a role in making air quality worse, but they were still able to successfully tackle the issue?

— One example is that of Mexico City, whose geography (it is located on a plateau, surrounded by mountains) and atmospheric conditions played a role in worsening the air quality.

— To tackle the situation, Mexico City established science- and health-based air quality standards. In the 1990s, the city introduced a coordinated action plan, known as the Management Programme to Improve Air Quality (ProAire).

— Beijing also has a similar problem (it is surrounded by mountains to its west, north and northeast), as mountain ranges stop pollutants from dispersing, especially during winters. However, industries were moved out of the city's airshed — the typical circulatory region for a body of air — so that they do not contribute to the added load of pollution in the region.

— PM2.5 is an atmospheric particulate matter of a diameter smaller than 2.5 micrometres, which is around 1/20th of the diameter of a human hair. This makes it easier for PM2.5 to get absorbed in the body, the bloodstream, and vital organs, making it more toxic than PM10 for humans.

— But unlike other countries, India does not prioritise dealing with PM2.5. For example, the National Clean Air Programme (NCAP) focuses only on PM10 reduction in 131 non-attainment cities (they consistently fail to meet the National Ambient Air Quality Standards for pollutants over several years), seeking to improve annual average ambient PM10 levels by 40% (with 2017 as a base year) or meet the NAAQS for PM10 by 2026.

— As a result, PM2.5 reduction does not feature in plans for tackling pollution, and misplaced actions such as using smog guns are implemented.

— Pollution control boards in India were first set up under the Water (Prevention and Control of Pollution) Act, 1974. From then till now, the industrial output has grown 17 times. The country's pollution has increased by 130%. However, the staffing in these boards has barely increased — when compared to the US and China, India's staffing numbers are much smaller.

— There is also an issue of understaffing. As of 2024, out of 12,016 sanctioned posts for the State Pollution Control Boards (SPCBs) and Pollution Control Committees (PCCs) — they work and operate within states and Union Territories, respectively — combined, only 5,941 positions were occupied.

— The Central Pollution Control Board (CPCB) — the apex regulator operating at the national level — has a staff strength of 504 out of a sanctioned maximum of 603. All of this has led to a workload problem for the people who are responsible for overseeing industrial pollution.

Do You Know:

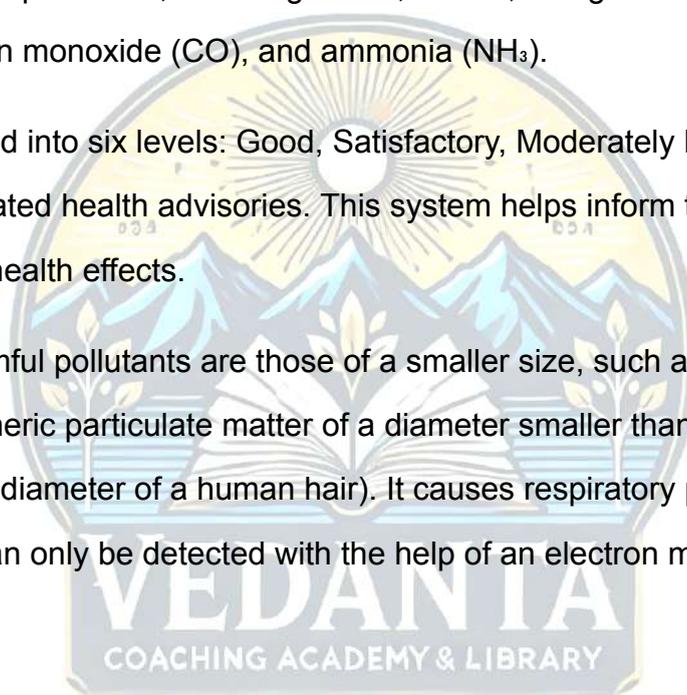
— Specialists say that PM_{2.5} is the more harmful pollutant during this stage of winter. Because of how fine these particles are, it reaches deep into the lungs and enters the bloodstream, triggering inflammation and cardiovascular strain. Long-term exposure links to reduced lung capacity, irregular heart rhythms and higher risk of stroke and heart disease, say experts.

— Public-health experts say the gap between AQI levels and pollutants explains why residents experience discomfort even on days categorised as “better” on the AQI scale.

— The AQI in India is a standardized system that measures and reports air quality based on the concentration of major air pollutants, including PM₁₀, PM_{2.5}, nitrogen dioxide (NO₂), sulfur dioxide (SO₂), ozone (O₃), carbon monoxide (CO), and ammonia (NH₃).

— The AQI is categorized into six levels: Good, Satisfactory, Moderately Polluted, Poor, Very Poor, and Severe, with associated health advisories. This system helps inform the public about local air quality and its potential health effects.

— Among the more harmful pollutants are those of a smaller size, such as particulate matter (PM) 2.5, which is an atmospheric particulate matter of a diameter smaller than 2.5 micrometres (or around 3 per cent of the diameter of a human hair). It causes respiratory problems and reduces visibility. The particles can only be detected with the help of an electron microscope because they are so small.



Pollutants	Source	Impact
Nitrogen dioxide (NO₂)	Burning of fuel, with sources including emissions from vehicles and power plants.	Short-term exposure to high levels of NO ₂ can aggravate respiratory diseases. Long-term exposure may also contribute to the development of asthma and could increase susceptibility to respiratory infections.

Ozone (O₃)	Surface ozone pollutant is formed by the reaction of atmospheric pollutants in the presence of sunlight.	Increase in risk of hospital admissions for Chronic Obstructive Pulmonary Diseases (COPD) and the number of cardiovascular and respiratory deaths
Sulfur dioxide (SO₂)	Burning of fossil fuels by power plants and other industrial facilities. Additional sources are industrial processes and natural sources such as volcanoes.	Harmful to the cardiovascular system and can lead to the development of respiratory illnesses. SO ₂ can also react with other compounds to form particulate matter.
Ammonia (NH₃)	Increase in fertilizer use coupled with large contributions from livestock waste have resulted in the world's highest concentrations of atmospheric ammonia	Excess ammonia is harmful to plants and reduces air and water quality
Lead (Pb)	It is a naturally occurring toxic metal found in the Earth's crust exposed through mining, smelting, manufacturing and even recycling activities	Children who survive severe lead poisoning may be left with permanent intellectual disability and behavioural disorders.
Carbon Monoxide (CO)	It is given off when fuel containing carbon, such as wood, coal and petrol, is burned	If CO levels are high enough, a person may become unconscious and die. Long-term exposure has been linked with an increased risk of heart disease.

Previous year UPSC Prelims Question Covering similar theme:

(4) In the cities of our country, which among the following atmospheric gases are normally considered in calculating the value of Air Quality Index? (UPSC CSE 2016)

1. Carbon dioxide
2. Carbon monoxide
3. Nitrogen dioxide
4. Sulfur dioxide
5. Methane

Select the correct answer using the code given below:

- (a) 1, 2 and 3 only
- (b) 2, 3 and 4 only
- (c) 1, 4 and 5 only
- (d) 1, 2, 3, 4 and 5

Previous year UPSC Mains Question Covering Similar Theme:

Describe the key points of the revised Global Air Quality Guidelines (AQGs) recently released by the World Health Organisation (WHO). How are these different from its last update in 2005? What changes in India's National Clean Air Programme are required to achieve revised standards? (UPSC CSE 2021)

What's the link between inequality and public education?

Syllabus:

Preliminary Examination: Current events of national and international importance

Mains Examination: General Studies-II: Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections

What's the ongoing story: The World Inequality Report for 2026, released this week, underscores the widening inequalities not just within a country but also in the world as a whole.

Key Points to Ponder:

- What are the reasons for increasing inequality in India?
- What is the impact of inequality on the social development of the country?
- What are the major highlights of the World Inequality Report (WIR) 2026?
- What are the policy issues that have failed to bridge inequalities?
- What policy solutions need to be taken to address it?
- What is the significance of public investment in education and health?

Key Takeaways:

— Data show that the top 10% of the global population's income-earners earn more than the remaining 90%, while the poorest half of the global population captures less than 10% of the total global income. Wealth is even more concentrated: the top 10% own three-quarters of global wealth, while the bottom half holds only 2%.

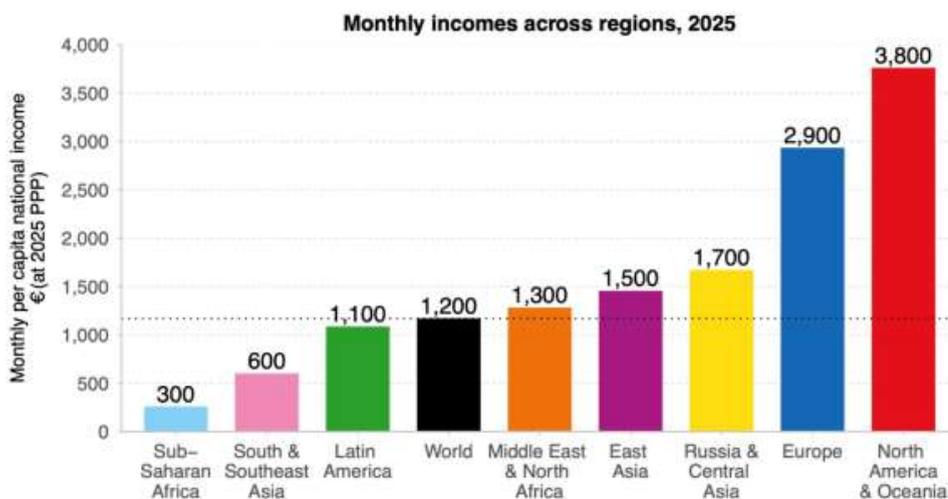
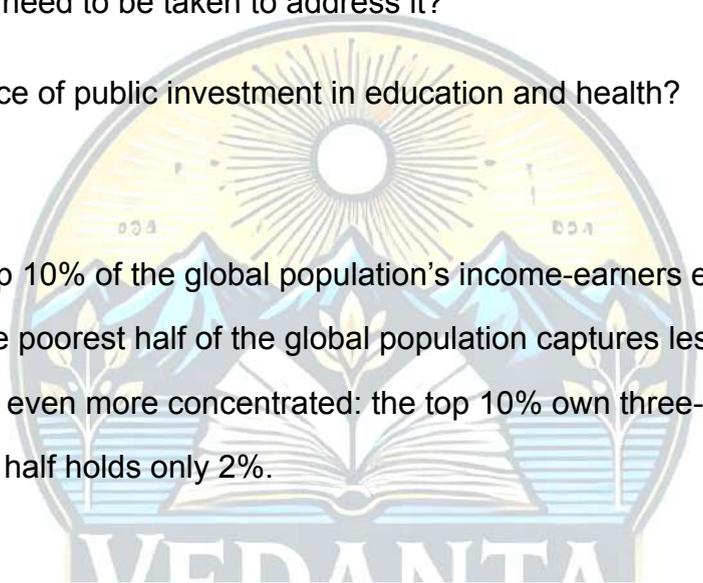


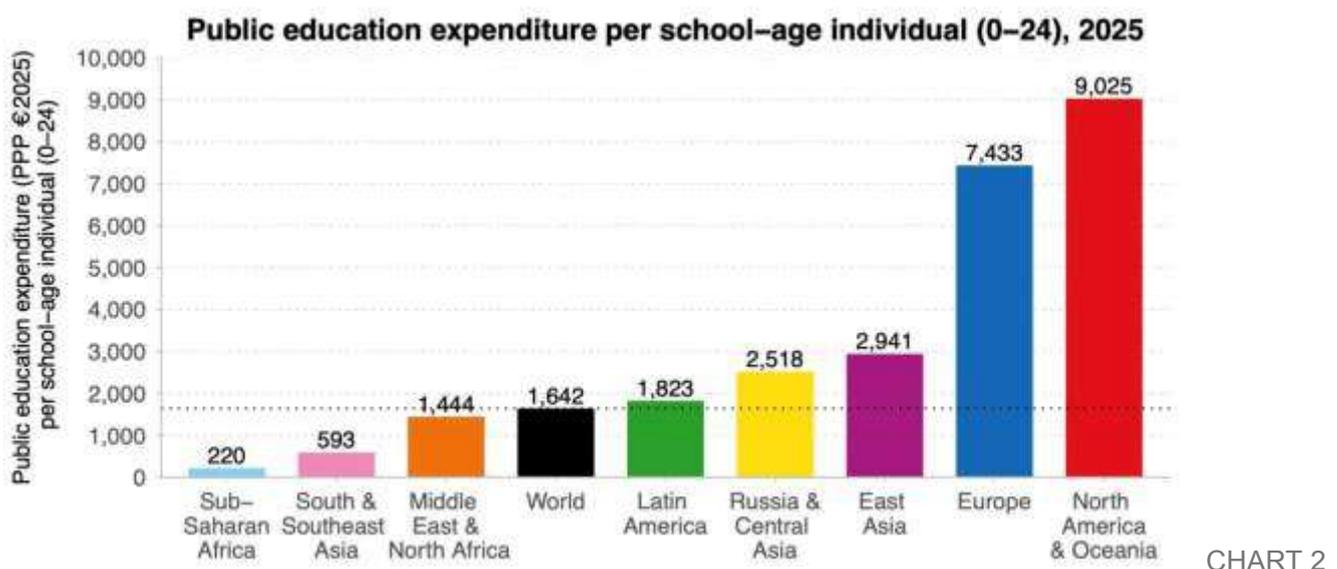
CHART 1

— What **CHART 1** data show is the sharp contrasts, even after correcting for price differences across regions. “An average person in North America & Oceania earns about thirteen times more than someone in Sub-Saharan Africa and three times more than the global average.

— Put differently, average daily income in North America & Oceania is about €125, compared to only €10 in Sub-Saharan Africa. And these are averages: within each region, many people live with far less,” states the report.

— This often means that the more substantive issues do not get the required attention. For instance, the type of policies that can reduce the yawning gap of inequalities. The WIR 2026 lays out many, but here’s the top one: Public investments in education and health.

— To be sure, “public investment” means the expenditure by governments towards education.



— It is instructive to note where each of the above-mentioned regions shows up on public education expenditure (see **CHART 2**). “In 2025, average public education expenditure per school-age individual (0-to-24-year-old) varies enormously across world regions, from €220 in Sub-Saharan Africa to €9,025 in North America & Oceania (PPP € 2025), i.e., a gap of almost 1 to 41.”

Do You Know:

— Wealth inequality is even greater in India, with the richest 10 per cent holding around 65 per cent of total wealth and the top 1 per cent holding about 40 per cent, the report released by the World Inequality Lab on Wednesday said.

— As per the earlier World Inequality Report 2022, the top 10 per cent in India held 57 per cent of the total national income while the bottom 50 per cent’s share was 13 per cent in 2021.

— Globally, wealth has reached historic highs but remains very unevenly distributed, with the top 0.001 per cent, comprising fewer than 60,000 multi-millionaires, owning three times more wealth than the entire bottom half of humanity.

Previous year UPSC Mains Question Covering similar theme:

Inequality in the ownership pattern of resources is one of the major causes of poverty. Discuss in the context of 'paradox of poverty'. (UPSC CSE 2025)

ALSO IN NEWS

IMF puts 11 new conditions on Pakistan to avail loan, says risks have reduced as tensions with India have waned

Concerns about Pakistan's business and reputational risks have reduced as tensions with India have waned after peaking in May, the International Monetary Fund (IMF) noted in its latest review report for the country released Thursday.

The IMF, however, imposed 11 new structural benchmarks for Pakistan to avail its loan, out of which three conditions related to tax reforms, asset declarations of government officials, and private sector participation in the energy sector have to be met by the country by end-December.

The IMF released the country report for Pakistan on Thursday (December 11) after agreeing in October to process the second \$1-billion tranche for the country as part of its \$7-billion Extended Fund Facility (EFF) lending program, and conducting the first review of the arrangement under the Resilience and Sustainability Facility (RSF), allowing Islamabad to draw \$200 million.

Cabinet clears key amendment to open up n-power

The NDA government has cleared the Atomic Energy Bill, 2025, which is one of the key amendments being readied to overhaul a couple of overarching laws governing the country's atomic energy sector. The cabinet clearance Friday now sets the stage for the government to move legislative amendments during the last week of the winter session in Parliament, which are aimed at tweaking the Atomic Energy Act 1962 to **enable private companies** to enter nuclear power plant operations in India.

PRELIMS ANSWER KEY

1. (c) 2. (d) 3. (d) 4. (b)

