

The Hindu Important News Articles For UPSC CSE
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Page 06 Syllabus: GS II : Indian Polity / Preliminary Examination	Panel recommends targeted splitting of seats for next delimitation exercise
Page 06 Syllabus :GS III : Indian Economy / Preliminary Examination	74 new land ports proposed along International Border
Page 08 Syllabus: GS III : Indian Economy / Preliminary Examination	Foreseeable accidents :Industrial mishaps are due to accumulated organisational weaknesses
Page 09 Syllabus :GS III : Disaster Management/ Preliminary Examination	Major lacunae in reporting industrial accidents
Page 10 Syllabus: GS III : Indian Economy / Preliminary Examination	The reality behind falling net FDI
Page 09: Editorial Analysis Syllabus : GS II :Governance and Social Justice	Negotiating federalism in higher education

Recently, the Economic Advisory Council to the Prime Minister (EAC-PM) released a seminal working paper and policy brief addressing the upcoming delimitation exercise in India. Co-authored by Shamika Ravi and Mudit Kapoor, the paper introduces a **"Targeted Multi-factor Criteria"** for the reorganization of Lok Sabha constituencies, moving away from a purely population-centric metric. This model advocates for a uniform 50% baseline expansion in seat allocation for larger states, ensuring that the existing political equilibrium and seat proportions between the northern and southern states remain undisturbed. This proposal marks a major milestone in resolving regional asymmetries linked to the next delimitation exercise, which is slated to occur post the 2027 Census.

Panel recommends targeted splitting of seats for next delimitation exercise

The model proposed by EAC-PM allows a 50% rise for all large States; dataset was based on elections to LS from 2009 to 2024; it results in increasing the size of Lok Sabha to 824 seats and is broadly in line with what the Centre had suggested when it brought the delimitation-related Bills in April

Varghese K. George
Abhinav Lakshman
NEW DELHI

The Economic Advisory Council to the Prime Minister (EAC-PM) has recommended multi-factor criteria for a "targeted" splitting of seats during India's next delimitation of Lok Sabha constituencies. The recommendations have been made in a new working paper that goes beyond population distribution and maintains the current proportion of Lok Sabha seats for all large States.

A model worked out by the EAC-PM on such criteria entails Kerala's Lok Sabha seats, for instance, rising from 20 to 30, Tamil Nadu's increasing from 39 to 59, and Uttar Pradesh's from 80 to 120 – broadly in line with what the Union government had suggested in April, when it brought the delimitation-related Bills but failed to pass them in Parliament.

The use of these criteria in the EAC-PM's model further suggested a doubling of the number of LS seats in smaller States and Union Territories such as Mizoram, Puducherry, Sikkim, Ladakh, Andaman and Nicobar Islands, Naga-

land, Chandigarh, and Lakshadweep. Out of the existing 543 seats, the EAC-PM's model suggests splitting a total of 170 seats, of which 59 constituencies have been recommended for a two-way split and 111 for a three-way split.

House of over 800 seats
 The model results in increasing the size of the Lok Sabha to 824 seats. As per the Council, this will see the southern States' (Telangana, Andhra Pradesh, Kerala, Karnataka, Tamil Nadu) aggregate share of seats in Lok Sabha come to 23.6% compared with the 23.7% currently.

Meanwhile, the share of the six most populous northern States (Rajasthan, Uttar Pradesh, Madhya Pradesh, Gujarat, Bihar, and Maharashtra) will come to 45.2% as per the model, compared with the current 45.6%.

The existing proportion of seats-per-State was frozen based on the population figures of the 1971 Census. The freeze was brought in through a Constitutional Amendment in 1976.

While the EAC-PM notes that the next delimitation exercise is consequential because it would be the



Unique formula: The new working paper found a persistent gap in women's turnout in urban areas, even after constituency splits. PTI

first time since then to allow altering per-State seat count, it does not comment on the underlying principle for essentially retaining the existing proportion of States' seats beyond saying that their model has been designed to "respect" the 50% per-State expansion.

The working paper, authored by EAC-PM member Shamika Ravi and Mudit Kapoor of the Indian Statistical Institute, says that its main objective was to address the following questions: "Which constituencies should be split, into how many parts, and on what criterion?"

In doing so, the EAC-PM said that it assembled a dataset on elections to LS seats from 2009 to 2024 to estimate a "statistical relationship" between voter

turnout, constituency size, and five compositional features of the constituency (these include urban share, SC share, ST share, linguistic polarisation, and linguistic diversity).

The paper added that this estimated statistical relationship was then used to come up with a "turnout-maximising delimitation plan that splits the largest and most turnout-responsive constituencies into two or three parts".

Splitting constituencies
 In the policy brief attached to the working paper, the EAC-PM goes on to recommend a "targeted criterion" for splitting constituencies instead of a "uniform one", adding that the "Delimitation Commission, when it is constituted after the 2027

Census", should "treat the joint demographic and linguistic profile of a candidate constituency, and not its size alone, as the criterion for splitting".

The Council went on to recommend that the Election Commission of India and the Ministry of Statistics should time the next delimitation exercise with a "fresh booth rationalising cycle" and the government should ensure that the "2027 Census tabulations and gender-disaggregated electoral statistics" are released on schedule.

It added that the working paper's model calculations showed that even after the splitting of constituencies, there remained a residual gap in the women's turnout percentages in urban areas, and thus recommended the EC to plan delimitation with measures like women-only polling booths and women-targeted voter roll update drives.

In their working paper-policy brief, Ms. Ravi and Mr. Kapoor further break down their study into six key findings. These deal with the relationship of different factors with constituency-wise voter turnouts. In one of its findings, the paper

claimed that the model suggested by them is likely to lead to an overall increase of up to 2.3% in the voter turnout across the country in the next general election. The authors have, however, buttressed this with a caveat, saying that the gain in voter turnout would depend on which statistical specification is chosen, adding that the model was meant to answer what would happen when an electorate is reduced in size while retaining its composition.

The brief also says that between 2009 and 2024, the gap between voter turnouts in the smallest constituency and the largest constituency had halved. "Small constituencies descriptively out-vote large ones in 2024 because they sit on turnout-friendly compositional features (high ST share, low urban share, moderate linguistic polarisation), and not because they are small per se," it concluded.

The EAC-PM added that the demographic and linguistic measures used for the study were based on the 2011 Census and so would need to be updated with 2027 Census figures for a more reliable recalculation.

Key Points & Policy Analysis

1. Salient Features of the EAC-PM Model

- **The Expanded Lok Sabha (824 Seats):** Under this newly engineered formula, the aggregate strength of the Lok Sabha is projected to expand from the existing 543 seats to **824 seats**.
- **Uniform 50% Expansion (Respecting State Proportions):** The model applies a flat 50% upward scaling to the seat tallies of all major states. Examples:

- **Uttar Pradesh:** Scaled up from 80 seats to 120 seats.
- **Tamil Nadu:** Scaled up from 39 seats to 59 seats.
- **Kerala:** Scaled up from 20 seats to 30 seats.
- **Doubling Strength for Smaller States and UTs:** The model recommends doubling the parliamentary representation for smaller states and Union Territories, including Mizoram, Puducherry, Sikkim, Ladakh, Andaman & Nicobar Islands, Nagaland, Chandigarh, and Lakshadweep.
- **Targeted Constituency Splitting:** Out of the 543 current constituencies, the model proposes splitting **170 high-priority seats**—executing a two-way split for 59 seats and a three-way split for 111 seats.

2. Preserving the Federal and Regional Equilibrium

This framework addresses the most contentious fault line in Indian federalism—the **"North vs. South" geopolitical friction**. Currently, seat allocation remains frozen based on the 1971 Census (enacted via the 42nd Constitutional Amendment in 1976). A purely population-driven delimitation would penalize southern states that successfully implemented demographic stabilization policies. The EAC-PM model corrects this:

- The aggregate seat share of the southern states (Telangana, Andhra Pradesh, Kerala, Karnataka, and Tamil Nadu) will experience a negligible shift, moving from the current **23.7% to 23.6%**.
- Concurrently, the combined share of the 6 largest northern and western states (Rajasthan, Uttar Pradesh, Madhya Pradesh, Gujarat, Bihar, and Maharashtra) will contract slightly from **45.6% to 45.2%**.
- **Inference:** The baseline political power distribution across states remains insulated from demographic shocks.

3. The Scientific Formula Behind 'Targeted Delimitation'

By analyzing Lok Sabha election datasets spanning from 2009 to 2024, the EAC-PM established a definitive statistical relationship showing that smaller geographic size does not inherently cause higher voter turnout. Instead, higher turnout is driven by underlying structural factors. Consequently, the paper shifts the paradigm from a simple down-sizing model to a **"Turnout-Maximising Plan"** that factors in five socio-linguistic determinants:

1. Urbanization Share
2. Scheduled Caste (SC) Population Share
3. Scheduled Tribe (ST) Population Share
4. Linguistic Polarization
5. Linguistic Diversity

The study demonstrates that areas with a high ST population, lower urbanization, and moderate linguistic polarization naturally present higher voter turnout. Deploying this targeted model is projected to trigger an incremental jump of up to **2.3% in overall national voter turnout** in the subsequent general elections.

4. Gender-Disaggregated Turnout and Inclusivity

- **The Urban Gender Gap:** The working paper highlights a persistent, structural "**residual gap**" in female voter turnout within urban constituencies, even after geographic splitting is executed.
- **Policy Interventions:** The council recommends that the Election Commission of India (ECI) run parallel targeted campaigns alongside the delimitation process. These include setting up "**women-only polling booths**" and launching aggressive voter roll update drives tailored specifically for women.

5. Strategic Policy Recommendations

- **Socio-Demographic Profiling Over Uniformity:** Future Delimitation Commissions should abandon a standard size-based splitting methodology and instead evaluate the demographic and linguistic profiles of constituencies before restructuring.
- **Polling Booth Rationalization:** The ECI, in coordination with the Ministry of Statistics, must synchronize the next delimitation cycle with a comprehensive polling booth rationalization matrix.
- **Time-Bound Census Release:** As this current model uses the 2011 Census as its base dataset, the government must ensure the swift, time-bound release of the **2027 Census data** and gender-disaggregated electoral statistics to properly calibrate the final plan.
- **Frontier Accountability:** High-population zones require a robust, decentralized administrative and accountability framework to sustain effective governance post-split.

Conclusion

The EAC-PM's 'Targeted Delimitation Model' offers a pragmatic, visionary blueprint for India's cooperative federalism. It successfully charts a path toward expanding democratic representation without penalizing the southern states for aligning with national population control goals. An expanded Lok Sabha of 824 seats will not only provide a more statistically accurate representation of India's growing population, but integrating socio-linguistic variables will also deepen grassroots democratic engagement. To implement this sensitive and historic constitutional reform smoothly, building a robust institutional consensus among the Union Government, the Election Commission, and all political stakeholders is imperative.

UPSC Prelims Exam Study Questions

Question: The major objective of the EAC-PM Delimitation Model is:

- (a) To increase representation of northern states exclusively
- (b) To reduce the number of Lok Sabha constituencies
- (c) To preserve regional political balance while expanding representation
- (d) To allocate seats strictly according to population growth

Ans: (c)

UPSC Mains Practice Questions

Question: The proposed Delimitation Model of EAC-PM seeks to balance democratic representation with India's federal structure. Examine its significance and challenges.(15Marks, 250Words)



Page 06 : GS III : Indian Economy/ Preliminary Examination

According to recent information shared by Jayant Singh, Chairman of the Land Ports Authority of India (LPAI), the Government of India has proposed the construction of 74 new land ports (Integrated Check Posts - ICPs) across its international borders. This initiative aims to strengthen trade and ensure the seamless movement of people and cargo. The blueprint was highlighted during the inauguration of the 'Land Port Management System' by the Union Home Minister. This strategic move will not only boost India's bilateral trade with its neighbors but also fortify border security and transition the nation toward **Smart Border Management**.

Conceptual Difference: 'Border Trade Point' vs. 'Land Port'

From the UPSC examination perspective, it is critical to understand the technical distinction between these two concepts:

- **Border Trade Point:** This refers to a basic geographic conduit designated strictly for traditional or localized border trade (such as Lipulekh, Shipki La, and Nathu La between India and China). Following the COVID-19 pandemic and the Galwan Valley standoff in 2020, trade via these points with China remains suspended.
- **Land Port (Integrated Check Post - ICP):** A land port is a state-of-the-art, integrated complex. It is not merely a trade route, but a unified facility that provides under-one-roof modern infrastructure for Immigration, Customs, security screening, and the efficient transit of large cargo vehicles.

74 new land ports proposed along International Border

Vijaita Singh
 NEW DELHI

India proposes to build 74 additional land ports along the International Border in the coming years, which include three land ports along the China border and six along the Pakistan border, according to Land Ports Authority of India (LPAI) Chairperson Jayant Singh.

The new land ports are expected to strengthen trade and seamless movement of people with the neighbouring countries.

The land ports along the China border are proposed at Namgia in Himachal Pradesh, Gunji in Uttarakhand, and Nathu La in Sikkim. India does not have any other land port operational along the China border.

According to the Exter-



Amit Shah during the inauguration of the Land Port Management System. ANI

nal Affairs Ministry, three points are designated for conducting border trade between India and China – Lipulekh Pass in Uttarakhand (since 1992), Shipki La Pass in Himachal Pradesh (since 1995), and Nathu La Pass in Sikkim (since July 2006) but post-COVID pandemic in 2020, all trade is suspended. Trade points and land borders are different as the latter integrates immigration,

customs and movement of large goods vehicles too.

The land ports planned along the Pakistan border are at Teetwal, Adusa, and Chakan Da Bagh in Jammu and Kashmir, Attari railway station and Hussainiwala in Punjab, and Munabao railway station in Rajasthan. At present, there is just one operational land port at Attari in Punjab and trade from the two Facilitation Centres located at Salamabad, Uri, Baramulla district and Chakkan-da-Bagh, Poonch district along Line of Control in Jammu and Kashmir remained suspended since the Pulwama attack.

Under Phase II, 13 land ports are proposed along the Nepal border, 12 along the Bangladesh border, four along Bhutan and two along the Myanmar border, the presentation said.

Geographical Distribution of the Proposed Land Ports

The proposed 74 new land ports have been strategically distributed across various geopolitically sensitive and commercially vital borders:

A. China Border (03 Land Ports)

Currently, India does not operate any full-fledged functional land port (ICP) along the Line of Actual Control (LAC) with China. The three newly proposed locations are:

- **Nangia** – Himachal Pradesh
- **Gunji** – Uttarakhand
- **Nathu La** – Sikkim

B. Pakistan Border (06 Land Ports)

At present, Attari (Punjab) is the only operational land port on the Pakistan border. Trade Facilitation Centres at Poonch (Chakan-Da-Bagh) and Baramulla (Salamabad, Uri) in Jammu & Kashmir have remained suspended since the Pulwama terror attack. The 6 new proposed locations are:

- **Jammu & Kashmir:** Teetwal, Adusa, and Chakan Da Bagh.
- **Punjab:** Attari Railway Station and Hussainiwala.
- **Rajasthan:** Munabao Railway Station.

C. Distribution under Phase-II with Other Neighboring Nations

- **Nepal Border (13 New Land Ports):** The highest allocation, given the open-border dynamic and deep-rooted commercial ties between India and Nepal.
- **Bangladesh Border (12 New Land Ports):** Designed to strengthen sub-regional supply chains and give traction to the 'Act East' Policy.
- **Bhutan Border:** 04 New Land Ports.
- **Myanmar Border:** 02 New Land Ports.

Strategic and Economic Significance of the Initiative

- **Catalyzing the 'Neighbourhood First' Policy:** These ports will serve as institutional anchors to enhance regional connectivity, cross-border infrastructure, and economic integration among SAARC and BIMSTEC nations.
- **Secure and Smart Border Management:** Equipping these Integrated Check Posts (ICPs) with advanced scanning tech, biometric identification, and digital tracking systems will effectively curb illegal infiltration, smuggling, narcotics trafficking, and the transit of illicit arms.
- **Socio-Economic Development of Border and North-Eastern Regions:** Building new ports on the Myanmar, Bangladesh, and Bhutan frontiers will generate localized employment and stimulate commercial ecosystems in India's remote border areas and North-Eastern states.

Daily News Analysis

- **Reduction in Logistics Costs:** Digital solutions like the newly launched *Land Port Management System* will expedite customs clearance, significantly bringing down the transaction time and overall costs associated with cross-border trade.

Key Challenges Ahead

- **Geopolitical Friction:** The prolonged military standoff with China along the LAC and state-sponsored cross-border terrorism from Pakistan pose severe hurdles to extracting the full economic value of infrastructure on these borders.
- **Formidable Terrain and Topography:** Constructing and maintaining land ports in high-altitude Himalayan regions like Himachal Pradesh, Uttarakhand, and Sikkim is a major engineering challenge due to landslides, seismic vulnerabilities, and extreme weather.
- **Internal Security Risks:** The ongoing civil war and instability within Myanmar, alongside persistent infiltration attempts along the Western border, present a continuous physical security threat to these border assets.

Conclusion

The proposal to construct 74 new land ports is a bold, progressive stride toward modernizing India's border infrastructure. It highlights a sophisticated paradigm shift where India is aggressively pursuing economic diplomacy and regional connectivity without making any compromises on its core national security grid.

The ultimate success of this initiative will hinge on the institutional synergy among the Ministry of Home Affairs (MHA), Ministry of External Affairs (MEA), and the LPAI in overcoming logistical, terrain, and security constraints to ensure time-bound execution. In the long run, this robust infrastructure will anchor India as the primary geo-economic and transit hub of South Asia.

UPSC Prelims Exam Study Questions

Question: Which one of the following borders is proposed to receive the highest number of new Land Ports under the Phase-II expansion plan?

- (a) Bangladesh
- (b) Myanmar
- (c) Nepal
- (d) Bhutan

Answer: c)

UPSC Mains Practice Questions

Question: Examine the role of Land Ports in strengthening India's Neighbourhood First Policy and regional connectivity in South Asia. (15Marks, 250 Words)

Recently, the tragic deaths of four workers during septic tank cleaning in Surat, and nine workers due to an explosion at the Visakhapatnam (Vizag) Steel Plant, have once again exposed India's fractured industrial safety grid. While these events appear distinct in their immediate physical causes (toxic gas inhalation versus molten steel explosion), they share an identical baseline: **foreseeable accidents** driven by **accumulated organizational weaknesses**. This analysis examines how industrial mishaps in India are routinely dismissed as unpredictable acts of god or unfortunate coincidences, whereas they are the direct consequence of structural regulatory failures and compromised safety management systems.

Accident Analysis and the Geometry of Safety Failures

A. The Surat Septic Tank Tragedy (Confined Space Lethality)

- **The Foreseeable Pattern:** Fatalities inside confined or unventilated spaces follow a notoriously predictable trajectory. Typically, a single worker enters, succumbs instantly to toxic gases (such as hydrogen sulfide or methane), and subsequent workers enter without protection in a desperate, uncoordinated rescue attempt, leading to multiple casualties.
- **The Denial of Standard Operating Procedures (SOPs):** The industrial and engineering sectors have established long-standing safety protocols for confined spaces, which mandate mechanical ventilation, continuous gas detection, self-contained breathing apparatus (SCBA), safety harnesses/retrieval lines, and a dedicated standby rescue team. Executing entry without these bare minimum safeguards reflects institutional negligence rather than a random accident, further highlighting the unresolved challenges of **manual scavenging**.

B. The Vizag Steel Plant Explosion (Heavy Industrial Hazards)

- **Process Vulnerabilities:** Metallurgical and steel manufacturing processes are inherently hazardous, involving extreme operational temperatures, highly pressurized volatile gases, and heavy moving machinery. In such systems, a minor technical lapse or delayed maintenance exponentially cascades into catastrophic explosions.
- **Organizational Decelerators:** Trade unions have pointed to deep-seated systemic challenges inside the plant, including severe manpower shortages, excessive workloads on existing staff, aging equipment, deferred maintenance cycles, and a sharp reduction in modernization capital expenditures (CapEx) induced by lingering disinvestment uncertainties.

Structural Challenges Confronting Occupational Safety in India

Foreseeable accidents

Industrial mishaps are due to accumulated organisational weaknesses

Despite there having been a streak of industrial accidents in India of late, the notion that they are isolated and incidental persists. Within days of each other, four workers were killed in a 'mishap' in a septic tank in Surat while nine workers were killed by an explosion at a steel plant in Visakhapatnam. They appear to be different circumstances: one involved workers entering a confined space and succumbing to toxic gases; the other involved 150 tonnes of molten steel and a violent blast. Yet, industry has known of these risks and had developed preventive measures decades ago. In the Surat incident, four workers entered the tank and were overcome by toxic fumes. The circumstances resemble a well-known pattern in fatalities in confined spaces, where the first victims are often followed by would-be rescuers who enter without protection. There have been deaths in similar circumstances in Surat's industrial sector in recent years. The working area must be mechanically ventilated and have rescue personnel on standby while the workers must have breathing apparatuses, harnesses and retrieval lines, and clear lines of communication. Unprotected entry must be strictly prohibited. Septic tank deaths and deaths due to manual scavenging are in fact rarely accidents in the sense of unforeseeable events, but failures of basic safety management, and the recurrence of such incidents speaks to the persistence of that failure. Likewise, while steelmaking is intrinsically more dangerous because it combines extreme temperatures, pressurised gases, heavy equipment, and enormous stores of heat energy, industry still knows the hazards it poses, and further that even relatively small process failures can result in multiple casualties.

Both incidents, and the patterns they extend, are reminders of persistent safety failures in many parts of Indian industry. In Visakhapatnam, trade unions and former employees have alleged that the plant had reduced staffing, heavier workloads, ageing equipment, deferred maintenance, and an increasing dependence on contractual labour. Some also linked these trends to the difficulties the plant faced following the Centre's divestment plans and the resulting constraints on investments. However true any of these factors are, they confirm that a major industrial accident is almost always due to the accumulation of organisational weaknesses. In fact, contract labour is central to understanding both incidents. Occupational safety research has consistently found that contracted workers face higher risks because they may receive less training and operate within systems with fragmented accountability. The incidents have also occurred during the gradual and uneven implementation of India's new occupational safety framework – and highlight the invisible fact that the country's industries remain anchored by old problems of manpower shortage, caste- and class-based exposure to hazardous labour, and a 'cost over safety' mindset in financially stressed units.

- **Over-Reliance on Contractual Labour:** At the center of most industrial accidents is the exploitation of contractual or temporary workers. Occupational safety research conclusively demonstrates that contract laborers receive negligible safety training compared to permanent staff and are routinely pushed into high-risk operations due to **fragmented accountability** between the principal employer and the third-party contractor.
- **The 'Cost Over Safety' Corporate Mindset:** Financially distressed or loss-making industrial units often implement austerity measures by compromising on safety parameters. The safety budget, the procurement of high-grade Personal Protective Equipment (PPE), and routine preventive maintenance are frequently the first to experience fiscal cuts.
- **Deficit in Regulatory Inspection:** There is a critical shortage of qualified factory inspectors and safety auditors within state labor directorates. This lack of robust regulatory oversight allows non-compliant factories to operate with impunity, while simultaneously placing immense operational stress and heavier workloads on the existing workforce.
- **Caste and Class-Based Risk Exposure:** The socio-economic reality of India dictating that septic tank cleaning, sewer maintenance, and high-hazard, low-wage industrial tasks are disproportionately performed by marginalized communities (specifically scheduled castes and economically weaker sections) adds a disturbing layer of social vulnerability to industrial hazards.

Policy Gap: The Status of the OSH Code

- **Sluggish and Uneven Enforcement:** While the Parliament passed the modern **Occupational Safety, Health and Working Conditions Code (OSH Code)** to consolidate and update safety standards, its implementation remains legally paralyzed. The compilation and notification of state-level rules have been extremely sluggish and uneven across different states.
- **Ground-Level Dissonance:** Despite the OSH Code introducing progressive frameworks on paper, legacy and unsafe industrial practices continue to dominate actual factory floors and municipal waste management due to weak enforcement mechanisms.

Way Forward / Strategic Interventions

- **Institutionalizing a Zero-Tolerance Policy:** Sending a worker into a septic tank, sewer line, or hazardous industrial zone without certified safety gear (such as multi-gas detectors, PPE kits, and life-lines) must be legally re-classified as a non-bailable, severe criminal offense with strict punitive liability imposed directly on the employers or municipal officers.
- **Unifying Accountability for Contractual Labour:** The legal doctrine of "Principal Employer Liability" must be strictly enforced. Main corporate entities must be held legally and financially accountable for the health, safety training, and comprehensive insurance coverage of contractual laborers, matching the standards provided to regular employees.
- **Mandatory Third-Party Safety Audits:** All heavy and hazardous manufacturing units—especially those undergoing financial restructuring, stress, or disinvestment—must be legally mandated to undergo annual, independent third-party safety and structural integrity audits.

- **Accelerated Operationalization of the OSH Code:** The Central and State governments must immediately resolve administrative bottlenecks to enforce the OSH Code rules uniformly. Concurrently, vacancies within the state factory inspectorates must be filled on a high-priority basis.
- **Mandatory Automation and Mechanization:** Human entry into septic tanks and municipal sewers must be completely phased out by legally mandating the adoption of indigenous robotic technologies, such as the '**Bandicoot**' robot, to ensure that the human-fecal matter interface is entirely eliminated.

Conclusion

India must permanently abandon the practice of labeling recurring industrial fatalities as mere "unfortunate accidents." These deaths are structural failures born out of systemic organizational apathy and a corporate culture that prioritizes profit margins over human life. As India aggressively positions itself as a global manufacturing hub, policymakers must remember that sustainable economic growth cannot be built on the lives of its workforce. Elevating the value of human life, instituting rigorous regulatory oversight, and enforcing rapid technological modernization must be placed at the absolute apex of India's industrial strategy.

UPSC Prelims Exam Study Questions

Question: 'Bandicoot' is associated with:

- (a) Disaster warning system
- (b) Industrial gas detector
- (c) Robotic sewer and septic tank cleaning technology
- (d) Fire safety equipment

Answer: c)

UPSC Mains Practice Questions

Question: Industrial disasters in India are often the result of systemic safety failures rather than unforeseen accidents. Examine in the light of recent industrial accidents. **(15 Marks, 250 Words)**

The death toll from the catastrophic explosion at the Visakhapatnam Steel Plant (RINL-VSP) has tragically risen to nine. Following this disaster, the administration responded with its traditional, reactive framework: the announcement of ex-gratia compensation and the constitution of a high-level inquiry committee.

However, this analysis sheds light on a much deeper, invisible crisis gripping India's industrial landscape—the severe data inconsistencies in compiling and reporting industrial accidents, coupled with structural deficiencies within regulatory oversight institutions. Until India establishes an airtight, transparent data collection framework and a robust inspection mechanism, building a genuinely safe workplace ecosystem will remain unachievable.

Major lacunae in reporting industrial accidents

The inconsistencies in the data compiled by the Labour Bureau and the DGFASLI point to severe lapses in reporting of industrial accidents

DATA POINT

Sambavi Parthasarathy
Pon Vasanth B.A.

The death toll from the explosion at the Rashtriya Ispat Nigam Limited-Visakhapatnam Steel Plant (RINL-VSP) on June 8, rose to nine on Wednesday. Following the incident, a familiar chain of bureaucratic responses has been triggered such as ex-gratia for the bereaved families and the constitution of an expert committee for a high-level probe. These were the same measures taken after the last major accident at the plant in 2014, and indeed after most workplace accidents across the country. But India appears to be lagging in strengthening institutional mechanisms needed to prevent such accidents (Chart 2).

The problem begins with the very collection of safety data, as the gaps in the annual Standard Reference Notes (SRNs) of the Directorate General Factory Advice Service and Labour Institutes (DGFASLI) reveal. DGFASLI helps implement the Occupational Safety, Health and Working Conditions (OSH) Code, 2020. The OSH, for which the rules were notified only last month, renamed the DGFASLI as the Directorate General of Occupational Safety and Health.

Each SRN records industrial accidents in two sections: one from data compiled by the Labour Bureau and the other from DGFASLI's own correspondence with Chief Inspectors of Factories. The two never match, pointing to lapses in reporting (Chart 3).

The reports also show DGFASLI struggling with heavy vacancies (Chart 4). The country does not have enough factory inspectors, even in industrialised States such as Tamil Nadu (Chart 5). This gets consequently reflected in the small fraction of factories inspected each year (Chart 6). Moreover, many States simply do not report the required details (Chart 7).

Institutional apathy

Data for the charts were sourced from Standard Reference Notes (SRNs) and Accidental Deaths & Suicides in India (ADSI) reports. With inputs from Nitika Francis and Sandhya K, who is interning with *The Hindu*

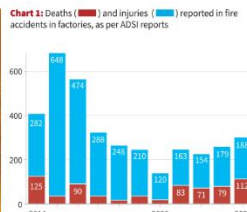


Chart 1: Deaths (red) and injuries (blue) reported in fire accidents in factories, as per ADSI reports

Year	Deaths	Injuries
2014	129	263
2015	99	474
2016	208	288
2017	248	210
2018	59	163
2019	65	134
2020	71	179
2021	112	189

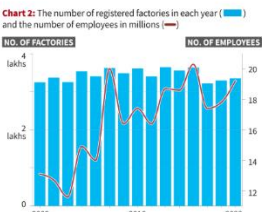


Chart 2: The number of registered factories in each year (bars) and the number of employees in millions (line)

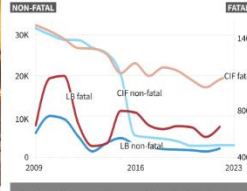


Chart 3: Fatal and non-fatal injuries as per the Labour Bureau (LB) and CIFs, which vary widely over the years, with a few showing unexplained swings in the SRNs

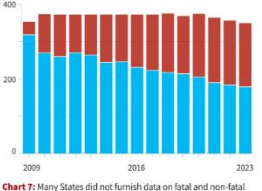


Chart 4: The year-wise vacancies (red) and filled positions (blue) in DGFASLI. Nearly 50% of the 349 sanctioned posts remained vacant as of 2023

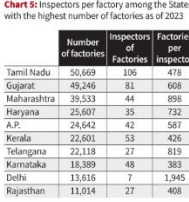


Chart 5: Inspectors per factory among the States with the highest number of factories as of 2023

State	Number of factories	Inspectors of Factories	Factories per inspector
Tamil Nadu	50,669	106	478
Gujarat	49,246	81	608
Maharashtra	39,533	44	898
Haryana	29,607	35	732
T.N.	24,642	42	587
Kerala	22,601	53	426
Telangana	22,118	27	819
Karnataka	18,389	48	383
Delhi	13,616	7	1,945
Rajasthan	11,014	27	408




Chart 6: The share of factories inspected by DGFASLI each year (in %). The inspectors have dropped significantly in the recent years, perhaps due to the staff crunch

Besides wide variations within the SRNs between the LB and CIFs' data, the fire accidents captured by them were only a third of the numbers reported in ADSI reports

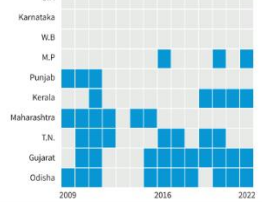


Chart 7: Many States did not furnish data on fatal and non-fatal accidents, either to the Labour Bureau, or DGFASLI, as per the SRNs. U.P., Karnataka and W.B. did not provide data even once

Key Points & Policy Analysis

1. Major Lacunae in Data Reporting

The analysis uncovers a complete lack of institutional coordination between the two primary bodies responsible for registering industrial accident statistics in India:

- **The Institutional Contradiction:** The annual Standard Reference Notes (SRNs) compiled by **DGFASLI** (Directorate General of Occupational Safety and Health) pull accident data from two entirely disjointed pipelines:
 1. Statistics compiled by the **Labour Bureau**.
 2. Direct administrative correspondence between DGFASLI and the **Chief Inspectors of Factories** of various states.
- **The Data Mismatch:** The data sets generated by these two parallel channels consistently fail to align. This stark mismatch reflects severe tracking lapses and deliberate negligence at the grassroots level. To evade legal prosecution and operational shutdowns, a significant number of factories under-report or entirely suppress accident data.
- **Non-Reporting by States:** Several state governments routinely fail to transmit comprehensive or time-bound accident data to the central repository, effectively blinding federal policymakers from understanding the true scale of industrial hazards.

2. Institutional & Structural Challenges

India's chronic failure to arrest recurring industrial mishaps stems from the following administrative and structural bottlenecks:

- **Acute Shortage of Factory Inspectors:** Both DGFASLI and state-level factory inspection directorates are plagued by massive, unresolved vacancies against sanctioned posts. Even hyper-industrialized states like Tamil Nadu are operating with a severely depleted cadre of safety inspectors.
- **Abysmal Inspection Rates:** Due to the severe deficit of field personnel, only a minor fraction of registered factories undergo safety inspections in any given financial year. Consequently, a vast majority of manufacturing units operate indefinitely without a single external safety audit.
- **Ex-Post Compensation vs. Ex-Ante Prevention:** The Indian administrative architecture remains structurally skewed toward post-disaster damage control—such as dispersing ad-hoc compensations and assembling temporary probe panels—rather than investing in proactive, preventive deterrent mechanisms.

3. The OSH Code (2020) and the Ground Reality

- **Inordinate Legislative Delays:** Although the Parliament passed the progressive **Occupational Safety, Health and Working Conditions Code (OSH Code)** in 2020, the formal implementation of its underlying rules has faced years of administrative delays.
- **Cosmetic Nomenclature vs. Structural Overhaul:** Under the new legislative provisions, DGFASLI has been rebranded as the Directorate General of Occupational Safety and Health. However, this remains a purely cosmetic change. Altering institutional nomenclature without injecting additional budgetary allocations, deploying modern technology, and expanding the workforce cannot guarantee the physical safety of workers on the factory floor.

Way Forward / Strategic Interventions

Daily News Analysis

- **Digital Unification and Centralization of Data:** The data collection frameworks of the Labour Bureau and DGFASLI must be digitally cross-linked. The Ministry of Labour should mandate the creation of a centralized '**National Industrial Accident Real-Time Portal**' to make the immediate reporting of all industrial injuries and fatalities transparent and legally binding.
- **Mission-Mode Recruitment of Inspectors:** State governments, particularly those anchoring major industrial clusters (such as Tamil Nadu, Gujarat, Maharashtra, and Andhra Pradesh), must fill vacancies within their factory inspection departments via an accelerated, time-bound mission mode.
- **Transitioning from 'Inspector Raj' to Smart Governance:** To eliminate corruption and optimize resource deployment, factory inspections should be routed through automated, computer-generated random rotation matrices. Furthermore, advanced technological tools such as drones and Internet of Things (IoT) sensors should be deployed for real-time safety compliance monitoring.
- **Stringent Punitive Frameworks:** Factory owners, promoters, and corporate management found guilty of hiding safety data, manipulating logs, or misreporting accidents must face severe financial penalties alongside mandatory criminal prosecution under the law.

Conclusion

Industrial disasters like the Visakhapatnam steel plant explosion are not merely isolated instances of technical or mechanical malfunction; they are clear indicators of long-term failure in regulatory and institutional oversight. As India aggressively scales up its manufacturing footprint, policymakers must realize that the 'Ease of Doing Business' cannot be pursued at the cost of the 'Ease of Living' and the **Right to Life (Article 21)** of its workforce. To transition into a sustainable and safe manufacturing superpower, India needs immediate, deep structural surgery of its industrial safety and regulatory architecture.

UPSC Prelims Exam Study Questions

Question: The concept of "Smart Governance" in industrial safety primarily refers to:

- (a) Replacing all inspectors with private agencies
- (b) Using technology-driven monitoring and risk-based inspections
- (c) Complete deregulation of industries
- (d) Privatization of safety audits

Answer: b)

UPSC Mains Practice Questions

Question: Industrial accidents in India are not merely technological failures but also failures of data governance and regulatory oversight. Examine. (15 Marks, 250 Words)

Recently, a sharp contraction in India's Net Foreign Direct Investment (Net FDI) has ignited a rigorous policy debate within the country's macroeconomic circles. While critics interpret this downturn as a symptom of underlying structural weaknesses in the Indian economy, the Chief Economic Adviser (CEA) counters that gross inflows and investments within the manufacturing sector remain fundamentally resilient.

However, according to economists K.S. Chalapati Rao, Biswajit Dhar, and K.V.K. Ranganathan, this debate overlooks the changing composition of foreign capital and the mechanics of the Balance of Payments (BoP) framework hidden behind the headline numbers. This analysis deconstructs the authentic crisis gripping India's FDI landscape: the escalating volume of disinvestments, corporate restructuring, and capital outflows.

The reality behind falling net FDI

India's net FDI has declined sharply despite strong gross inflows, underlining the impact of disinvestment/capital repatriation/investor classes, modes of entry, and exit strategies can have important implications for technology transfer, industrial development, and external sustainability

ECONOMIC NOTES

K.S. Chalapati Rao
Biswajit Dhar
K.V.K. Ranganathan

India's net foreign direct investment (FDI) has declined drastically in recent years. Critics see the weak net flows as a sign of weakness, while the Chief Economic Adviser points to the large inflows and rising manufacturing FDI as evidence of strength. He links weak net flows to profit repatriation and outward investment by Indian companies. However, this debate overlooks a major issue: by focusing on overall numbers, both sides ignore the changing composition of international capital and the Balance of Payments (BoP) mechanisms that govern inflows and outflows. For BoP purposes, net FDI is calculated as the difference between inflows and outflows after adjusting for the repatriation of capital. From the peak of \$44.0 billion in 2020-21, net FDI fell to less than \$1 billion in 2024-25. It recovered to \$7.0 billion in 2025-26. The corresponding gross inflow was \$94.6 billion. It is necessary to note that India's liberal FDI policy, introduced in 1991, initially emphasised technology acquisition, export promotion, and foreign exchange conservation. Over time, policy increasingly prioritised attracting larger inflows, while concerns regarding future external payment obligations and investment quality receded.

Three types of FDI
FDI is often viewed as a uniform, long-term commitment that brings technology and management skills to the host country. FDI can fall into three different investor classes, each with distinct capabilities, strategies, and exit timelines. The first category is real FDI (RFDI), consisting of traditional multinational enterprises with the technology, brands, and capabilities to establish production and services. These generally represent long-term commitments. The second category comprises financial investors, including private equity funds, venture capital firms, sovereign wealth funds, and asset managers. Their main goal is capital growth and planned exits. The third category includes diaspora investments and special purpose vehicles (SPVs). These involve capital raised abroad and funneled through offshore financial centres, sometimes including the round tripping of Indian funds. Data on remittance-level FDI from the past four years, from 2022-23 to 2025-26 up to December, show that RFDI made up 43.9% of effective inflows. Financial investors followed closely with a 41.5% share, while the remaining 17% came from the diaspora and SPVs linked to India. The business model of financial investors suggests future exits that result in large-scale capital repatriations. A notable example occurred in 2023 when Singapore's Temasek exited Schneider Electric India Ltd., earning \$6.1 billion on an investment of \$637 million made in 2020. Total recorded disinvestment in FY 2025 was \$52 billion, with 45 major foreign private equity and venture capital exits accounting for \$20 billion in outflows. Based on an analysis of effective



THE GIST

- ▼ Real FDI accounted for 43.9% of effective inflows between 2022-23 and 2025-26, while financial investors contributed 41.5%, reflecting the growing role of private equity, venture capital, and sovereign wealth funds.
- ▼ Real FDI into manufacturing has declined across three consecutive four-year periods, with manufacturing receiving only 18.6% of total effective inflows in the latest period.
- ▼ Gross FDI figures include transactions such as intra-group ownership reorganisations, mergers, brand swaps, and conversion of external commercial borrowings, even when no fresh capital enters the country.

inflows, FDI in India's manufacturing sector has declined across three consecutive four-year periods. Most notably, FDI into manufacturing accounted for only 18.6% of total effective inflows during the most recent four-year period.

Net fresh capital
A major blind spot in gross FDI figures is the mixing of new capital injections with corporate accounting changes, such as intra-group ownership reorganisations, mergers, share swaps, and the conversion of earlier non-equity instruments such as external commercial borrowings (ECBs) and convertible debentures. While capital structures change, no new capital flows into the country. Approximately \$40 billion of the \$560 billion in equity inflows to India from 2014-15 to 2025-26 (up to December) fall into this category. Large transactions, such as Inochem and Mesco Technologies, can skew annual inflow and sectoral trends.

Disinvestment drives decline
Before looking at who net FDI is low or even negative in certain months, it is worth mentioning that the official narrative that profit repatriation depresses net FDI is misleading. Under 'bot' conventions, profits sent as dividends are recorded as investment income in the current account. They increase the current account deficit (CAD) but do not change the reported net FDI flow. Instead, the primary reason for weak net FDI is disinvestment and capital repatriation, which appear in the financial account. Likewise, the increase in outward Foreign Direct Investment (OFDI) warrants closer examination rather than being attributed solely to corporate maturity. From 2023-24 to 2025-26, 45% of India's total outward investment of \$65 billion went into the "financial, insurance, and business services" (FIB) sector. Singapore and the UAE accounted for 27% and 19% of the total, respectively. These funds mostly go to holding companies and SPVs rather than directly to operational entities. For instance, TML Commercial Vehicles, a subsidiary of Tata Motors, invested \$475 million in a Singaporean FIB entity to acquire the IVECO Group in Italy. Capital movements through the GIFT City further complicate this issue. OFDI to the city increased from \$266 million in 2023-24 to \$1.18 billion in 2025-26. Total OFDI and inward FDI through it until 2025-26 reached \$2.31 billion and \$1.40 billion, respectively, highlighting the growing two-way flows. These cross flows of investments by Indian entities, also from other locations, indicates that OFDI can represent both genuine corporate expansion and the return of capital that fell. Therefore, increasing OFDI may not necessarily indicate maturity, as Indian companies might seek resources and technology, while a few might recycle capital through different jurisdictions.

Understanding the outflow channels
From 2022-23 to 2025-26, total FDI inflows and related current and capital account outflows reached significant levels. While gross inward equity FDI totalled \$37.80 billion (\$20.60 billion excluding reinvested earnings), the outflows present a more complex scenario. Disinvestment and capital repatriation (capital account) totalled \$79.9 billion, primarily driven by financial investors through secondary and strategic sales, IPO exits, and share buybacks. This also includes "offers for sale" by foreign promoters such as Hyundai and LG. The other type involves sell-offs by RFDI investors, such as Wistron which sold off to the Tata's.

Disinvested remittances (current account) amounted to \$18.9 billion in profits paid out by MNC subsidiaries and affiliates, excluding reinvested earnings. Attributable IPB payments (current account) totalled \$46.0 billion. These payments, made by MNC subsidiaries and affiliates for intellectual property (assuming they account for 75% of total IPB payments), can substitute dividends. Additionally, \$25.0 billion was transferred by all entities for technical/service/consultancy payments. However, it is difficult to divide this amount between FDI and domestic companies. Even when excluding OFDI and technical service payments, outflows due to disinvestment, dividends, and IPB payments (royalties) totalled \$344.4 billion. Therefore, for every dollar of fresh inflow (excluding reinvested earnings), approximately \$1.50 flowed out. This situation has worsened over the past 12 years. The corresponding outflow per dollar entered was 56 cents from 2014-15 to 2023-22, rising to 70 cents from 2018-19 to 2023-22, before reaching the current high.

Need for informed debate
The above narrative shows how an incomplete view of FDI prevails in the public domain. Different types of investors, entry methods, and exit strategies impact technology transfer, industrial growth, and external sustainability. The reporting of global FDI flows adds an additional layer of problems. Understanding these nuances is crucial for evaluating FDI beyond headline numbers. K.S. Chalapati Rao is Senior Research Fellow at the Academy of Business Studies, Biswajit Dhar is former Professor, Jawahar Institute of Technology, and K.V.K. Ranganathan is an independent researcher.

Deconstructing Net FDI: The Reality of the Numbers

According to standard Balance of Payments (BoP) accounting principles, Net FDI is calculated using the following formula:

- **The Precipitous Decline:** India's Net FDI scaled a historic peak of **\$44.0 billion** in FY 2020-21, but collapsed to **less than \$1 billion** in FY 2024-25. Although a partial recovery to **\$7.6 billion** was witnessed in FY 2025-26, it stands in stark contrast to a massive **Gross Inflow of \$94.6 billion** during the exact same fiscal period.
- **The Structural Implication:** Broadly interpreted, while immense volumes of foreign capital continue to enter India under headline gross numbers, an almost equivalent or higher quantum of capital is simultaneously exiting the country's economic system.

3. The Three Functional Classes of FDI and Their Economic Footprint

While conventional economics treats FDI as a long-term, sticky, and stable form of capital, a granular assessment reveals three distinct typologies with varying impacts on the host economy:

- **A. Real FDI (RFDI):** This comprises traditional Multinational Enterprises (MNEs) that bring greenfield investments, proprietary technologies, global brand equities, and managerial capabilities. They anchor long-term production capacities (such as brick-and-mortar factories) and foster durable domestic employment.
- **B. Financial Investors:** This segment includes Private Equity (PE) funds, Venture Capital (VC) firms, Sovereign Wealth Funds, and asset managers. Their primary objective is not technology transfer, but rather short-to-medium-term capital appreciation, culminating in pre-planned, profitable exits.
- **C. Diaspora Investments & Special Purpose Vehicles (SPVs):** This refers to capital routed through tax-efficient Offshore Financial Centers (OFCs), which frequently involves the 'round-tripping' of domestic Indian wealth back into the country.

Critical Concern: Cumulative data from FY 2022-23 to FY 2025-26 indicates that the share of stable **Real FDI (RFDI)** in effective inflows has shrunk to **41.9%**, while the share of volatile Financial Investors has surged to **40.5%**. Alarming, the share of RFDI directed specifically toward the manufacturing sector has hit a low of just **10.6%**.

The 'Gross Inflow' Illusion and Corporate Restructuring

A major statistical blind spot in India's Gross FDI reporting is the clubbing together of entirely fresh capital injections (greenfield investments) with mere internal corporate accounting transformations.

- Massive financial arrangements involving **intra-group ownership reorganizations, cross-border mergers, share swaps**, and the conversion of legacy External Commercial Borrowings (ECBs) into equity are systematically accounted for as fresh FDI inflows.
- Case in Point: Out of the total \$560 billion equity inflows registered between 2014-15 and 2025-26, approximately **\$40 billion** belonged strictly to this non-productive restructuring category (e.g., massive deals involving Bosch and Meesho Technologies), which generated zero new physical assets or incremental employment.

The Capital Outflow Crisis: For Every \$1 Inflow, \$1.50 Departs

Official narratives frequently attribute the decline in Net FDI to profit repatriation. However, this is a conceptual mischaracterization. In BoP accounting, **Dividends are recorded in the Current Account**, meaning they widen the Current Account Deficit (CAD) but do not mathematically depress the Net FDI listed in the **Financial Account**. The true cause behind the collapsing Net FDI is capital account disinvestment.

Between FY 2022-23 and FY 2025-26, the primary channels of capital flight were:

Daily News Analysis

1. **Capital Account Outflows (Disinvestment):** Financial investors pulled a staggering **\$178.9 billion** out of the country via secondary market sales, Initial Public Offering (IPO) exits (such as high-value Offers for Sale by Hyundai and LG), and corporate share buybacks. (Example: Singapore's Temasek exited its 2020 investment of \$637 million in 2025 for a whopping \$6.4 billion).
 2. **Current Account Outflows (Dividends):** Subsidiaries of foreign MNEs remitted **\$118.9 billion** abroad in the form of dividends.
 3. **Intellectual Property (IPR) & Royalty Payments:** Serving as an alternative to dividends, **\$46.6 billion** was remitted out of India under the guise of royalties and technical fees.
- **The Asymmetric Equation:** When consolidating these three pipelines, the aggregate outflow reaches **\$344.4 billion**. This means that **for every \$1 of fresh capital inflow entering India, approximately \$1.50 is exiting the country**. This structural imbalance has worsened over the past twelve years; during the 2014-18 period, the corresponding outflow was just 56 cents per dollar.

Outward FDI (OFDI) and the GIFT City Dynamic

- **The Nature of Outward Flows:** Between FY 2023-24 and FY 2025-26, Indian enterprises deployed **\$65 billion** in Outward Foreign Direct Investment (OFDI). Crucially, **45%** of this capital bypassed industrial production and was instead channeled into Financial, Insurance, and Business services (FIB). The bulk of these investments were directed into intermediate holding companies and SPVs in Singapore (27%) and the UAE (11%), indicating corporate tax optimization and capital recycling rather than genuine global industrial expansion.
- **The GIFT City Intermediary Effect:** The operationalization of the International Financial Services Centre (IFSC) at GIFT City has accelerated two-way capital flows. Outward FDI routed through this channel expanded from **\$246 million** in FY 2023-24 to **\$1.18 billion** in FY 2025-26, adding layers of structural complexity to India's capital tracking systems.

Way Forward / Strategic Policy Reforms

To correct these structural vulnerabilities, India must deploy targeted policy shifts:

- **Prioritizing Quality Over Quantity:** India must pivot away from the race to attract high gross headline inflows. Policymakers should focus strictly on the quality of capital, prioritizing investments that bring long-term employment, local supply chain linkages, and genuine technology transfers.
- **Incentivizing Real FDI (RFDI):** To attract traditional, long-term manufacturing and infrastructure MNEs, the government must guarantee long-term tax stability, regulatory predictability, and a reduction in administrative frictions.
- **Regulating Financial Capital Flight:** The Reserve Bank of India (RBI) and SEBI must devise transparent macroprudential regulations to monitor rapid capital exits executed via short-term PE/VC funds and aggressive share buyback mechanisms.
- **Enhancing Data Transparency:** The RBI should restructure its statistical publications to clearly bifurcate corporate debt-to-equity swaps and accounting restructurings from genuine fresh capital injections. This will eliminate misleading headline narratives.

Conclusion

The contraction in India's Net FDI serves as a clear warning that the country's model of foreign capital dependency is facing a profound structural challenge. The accelerated exits of financial investors, combined with heavy current account leakages via royalties and dividends, have created an unsustainable dynamic where India is losing more capital than it retains.

If India is to preserve its external economic stability, protect its balance of payments, and achieve sustained industrial growth, it must move past the illusion of headline numbers. The nation must recalibrate its economic diplomacy and investment policies to attract dedicated, long-term, and transformative Real FDI.

UPSC Mains Practice Questions

Question:The recent decline in India's Net FDI reflects deeper structural changes in the nature of foreign capital inflows. Examine.(15 Marks, 250 Words)



Negotiating federalism in higher education

Higher education in India has emerged as an important site through which the changing dynamics of Indian federalism are being expressed. Issues relating to regulatory authority, curriculum, language policy, public funding, and digital governance have transformed the sector into a critical site where competing visions of the Union and State governments intersect. These developments not only shape the direction of higher education but also illuminate broader questions concerning the distribution of power within the Indian Union. As a result, governance of higher education can no longer be viewed merely as a sectoral policy concern; rather, it has become an integral component of India's evolving federal architecture.

Some recent examples include the contestations surrounding the implementation of the National Education Policy (NEP), 2020 across different States. Recent regulatory reforms facilitating the establishment of foreign university campuses in India have also generated varied responses from State governments, reflecting differing perspectives. This fragmented political landscape has important implications for higher education governance in the country. However, they have received only relatively limited attention.

Growing influence of Centre
Several developments have illustrated these tensions. In Tamil Nadu, the State government repeatedly opposed various aspects of the NEP 2020, particularly the three-language formula as well as the University Grants Commission's (UGC) circular on the third language this year. Centre-State tensions in higher education were also evident in the disputes over the appointment of Vice-Chancellors and the powers of Governors in States such as Tamil Nadu, Kerala, Karnataka, and West Bengal.



Eldho Mathews

is with the Kerala State Higher Education Council. Views expressed are personal

Although education remains constitutionally within the Concurrent List, the prevailing governance dynamic increasingly favours the Union

Although education remains constitutionally within the Concurrent List, which gives both the Union and the States legislative authority, the prevailing governance dynamic increasingly favours the Union. Through the Ministry of Education, the UGC, and various regulatory and accreditation bodies, the Union government possesses substantial leverage over universities and colleges across the country.

The introduction of the NEP, 2020 is an important restructuring attempt to redesign the architecture of higher education in India. The policy has proposed sweeping reforms, including four-year undergraduate programmes, an Academic Bank of Credits, institutional restructuring, multidisciplinary universities, and internationalisation initiatives. These reforms also represent an expansion of the influence of the Centre into domains that have historically been the preserve of State governments.

Moreover, access to central funding now is increasingly dependent on compliance with nationally designed reform agendas. Programmes such as the Institutions of Eminence initiative and competitive research mechanisms under the Anusandhan National Research Foundation have contributed to the influence of the Union government over States' authority.

The role of national regulatory agencies has also become another important site of conflict. The structures proposed by the Viksit Bharat Shiksha Adhishthan Bill, 2025, which are intended to replace existing higher education regulatory bodies including the UGC, have generated apprehensions regarding the gradual erosion of the authority of State governments. Another important dimension to centralisation is digital governance. Mechanisms such as the Academic Bank of Credits have expanded the capacity of the Union government to standardise

and monitor higher education governance across States.

In States with strong regional political identities, these reforms are viewed not just as administrative issues but as constitutional questions concerning the balance of power within the Indian Union.

Strategic adaptation

Interestingly, the implementation of the NEP, 2020 has also revealed that Centre-State relations in higher education are not purely adversarial. Rather than adopting positions of complete acceptance or outright rejection, many States, including Opposition-ruled States, have selectively adapted aspects of reforms in accordance with local political contexts. This reflects the emergence of a more negotiated form of federalism characterised by strategic adaptation.

For instance, with respect to internationalisation, several States are seeking to position themselves as regional education hubs by facilitating partnerships with overseas institutions. These developments underscore the growing recognition of higher education as a strategic instrument for global visibility and knowledge-driven development. The debate surrounding the establishment of international branch campuses further illustrates this change. While the regulatory framework and policy direction are largely determined by the Union government, the actual implementation of such initiatives depends substantially on State governments through local administrative clearances, infrastructure support, and investment facilitation.

As India's regional political landscape continues to evolve, the trajectory of higher education governance will depend not only on constitutional provisions or national-level policy frameworks, but also on the capacity of the Centre and the States to negotiate competing political and developmental priorities within the federal structure.

GS Paper II: Governance and Social Justice

UPSC Mains Exam Practice Questions: Higher Education has emerged as a new arena of Centre-State contestation in India. Examine in the context of NEP 2020 and recent institutional reforms. (15 Marks, 250 Words)

Context:

A recent article written by Eldho Mathews of the Kerala State Higher Education Council highlights higher education in India as a major strategic arena for Centre-State relations and federalism. Although education is part of the 'Concurrent List' under the Constitution, recent policy reforms—such as the National Education Policy (NEP) 2020, digital governance, conditions on central funding, and the Viksit Bharat Shiksha Adhishtan Bill, 2025—have significantly increased the Central Government's influence in this sector. This analysis sheds light on the growing centralization in the education sector, the concerns of the states, and the emerging 'Negotiated Federalism' through "Strategic Adaptation."

Concurrent List and the Growing Influence of the Centre (Centralisation of Higher Education)

According to the author, while the states possess constitutionally mandated powers in the administration of higher education, the current governance dynamics are visibly tilted in favor of the Centre:

- **Constitutional Status:** Through the 42nd Constitutional Amendment (1976), education was moved from the State List to the Concurrent List (Entry 25), meaning both the Centre and the States can legislate on it. However, in case of a conflict, central law prevails.
- **Pressure from Regulatory Bodies:** The Central Government exerts direct influence over state universities through the Union Ministry of Education, the University Grants Commission (UGC), and various accreditation bodies.
- **Structural Restructuring via NEP 2020:** Far-reaching reforms such as the Four-Year Undergraduate Programme (FYUP), the Academic Bank of Credits (ABC), and the creation of multidisciplinary universities extend central influence into domains that were historically under the jurisdiction of state governments.

Major Sites of Conflict between the Centre and States

There is a sharp dispute between the Centre and the States (especially those with strong regional identities and opposition-ruled governments) over the following issues in higher education:

- **Chancellor (Governor) vs. State Government:** A prolonged legal and political tussle is ongoing between Raj Bhavans (Governors' official residences) and state governments in states like Tamil Nadu, Kerala, Karnataka, and West Bengal regarding the appointment of Vice-Chancellors (VCs) and the powers of the Governor as the Chancellor of universities.
- **Language Policy and Curriculum:** States like Tamil Nadu have consistently opposed the 'Three-language formula' of NEP 2020 and have recently objected to the UGC circular on the third language issued this year.
- **Condition-Based Central Funding:** Central grants to states are no longer autonomous. To receive funds under the 'Institutions of Eminence' (IoE) and the 'Anusandhan National Research Foundation' (Anusandhan NRF), states are mandatorily required to align with the Centre's reform agenda.
- **Viksit Bharat Shiksha Adhishtan Bill, 2025:** This newly proposed bill aims to replace all existing higher education regulatory bodies, including the UGC. State governments fear that this new structure will lead to the complete erosion of their remaining authority and autonomy.

- **Surveillance through Digital Governance:** Digital tools like the 'Academic Bank of Credits' (ABC) have empowered the Central Government to directly monitor and standardize the administration of higher education in the states.

'Strategic Adaptation' and Negotiated Federalism

A crucial observation made by the author is that Centre-State relations in higher education are not entirely punitive or adversarial. Instead, a form of 'Negotiated Federalism' is emerging here:

- **Selective Adaptation:** Despite opposing the NEP on the political front, several opposition-ruled states have quietly adopted certain pragmatic aspects of the policy, keeping their local economic and political interests in mind.
- **Race to Become Global Education Hubs:** The interests of both the Centre and the States converge on the issue of internationalization. Many states want to establish themselves as 'regional education hubs' by partnering with foreign universities.
- **Indispensability of States in Implementation:** Even though the policy and regulations for International Branch Campuses are formulated by the Central Government, their ground-level implementation depends entirely on state governments for local administrative clearances, land allocation, infrastructure, and investment facilitation. No central policy can succeed without this coordination.

Way Forward

To make India's higher education system globally competitive while preserving federalism, the following steps are essential:

- **Promoting Cooperative Federalism:** States must be given adequate representation in the formulation of education policy and the structure of regulatory bodies (such as the proposed Viksit Bharat Shiksha Adhishtan), rather than imposing a top-down approach.
- **Respecting the Linguistic and Cultural Autonomy of States:** Given India's diversity, central policies must possess enough flexibility to allow states to design curricula based on their local needs and linguistic preferences.
- **Transparency in the Appointment of Vice-Chancellors:** To prevent conflicts between the Governor and the state government, the recommendations of the Punchhi Commission should be implemented, which state that Governors should be divested of the Chancellor's role to keep education insulated from political controversies.
- **Financial Decentralization:** The distribution of central research funds (like the NRF) should be based purely on academic merit and regional equity rather than political compliance.

Conclusion

Higher education is no longer just a subject of academics; it has become a new yardstick to measure the balance of power in Indian federalism. The progress of 21st-century India will not depend on how stringent the laws made by the Centre are, but on the extent to which the Central and State governments can transcend political differences to establish a "rational and enlightened diplomatic dialogue" (Negotiated Priority) for the future of the nation's youth. Diplomatic flexibility and administrative coordination alone can transform India into a true knowledge economy.

