

**The Hindu Important News Articles For UPSC CSE**

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Recently, the Supreme Court, in a historic judgment, has recognized homemakers as "Nation Builders". The Court ordered that in the event of a homemaker's death in a road accident, the minimum value of their unpaid domestic work should be assessed at ₹30,000 per month while calculating compensation. This decision by the bench of Justice Sanjay Karol and Justice N.K. Singh not only establishes a new benchmark for Motor Accident Claims Tribunals (MACT) but also provides economic and social dignity to women's labor in a patriarchal society.

## Homemakers are 'nation builders', their work is worth at least ₹30,000 a month, says SC

**Rizmi Lia M.**  
CHENNAI

Observing that homemakers deserve to be recognised as "nation builders", the Supreme Court on Thursday ruled that the unpaid domestic work performed by them must be monetised at a minimum of ₹30,000 per month while calculating compensation for deaths in road accidents.

The ruling came in an appeal arising from a motor accident claim in Punjab where a woman named Reshma died in a road accident in November 2001. Her husband and three children approached the Motor Accident Claims Tribunal seeking compensation. While the tribunal



The court said motor accident compensation claims should be decided within a year.

awarded compensation in 2003, they approached the High Court to enhance the amount. On appeal, the High Court enhanced the compensation to ₹8.43 lakh with 7.5% interest, providing for a higher rate

of interest in case of delay in payment.

A Division Bench of Justice Sanjay Karol and Justice N.K. Singh said the contribution of a homemaker extended beyond the household and played a vital role in nation-building. "We are of the view that the housewife contributes to the growth of the human being and the nation," said the Bench.

### Shift to 'homemaker'

Justice Karol stated that "loss of domestic care" would be an additional ground to the heads of damages previously recognised by the court.

The top court also noted the need to shift from the stereotypical terminology of daily usage from "house-

wife" to "homemaker".

The court said motor accident compensation claims should ordinarily be decided within a year. "Such cases should be decided within a year usually," the Bench said.

Recognising all aspects of being a homemaker and the unpaid labour that a homemaker undertakes, the court directed the Motor Accidents Claim Tribunal (MACT) to award a separate compensation of ₹30,000 per month under the head of "domestic care" in cases involving death of a homemaker.

It clarified that this amount would be treated as the minimum value of a homemaker's unpaid work and would increase by 10% every three years. If the

homemaker also had a paid job, this amount would be awarded in addition to her income.

However, the court resorted to the application of homemaker to the traditional image of woman. The court said, "As a result on one circumstance or another, sometimes unfortunate sometimes not, a man may too need to don the role of a homemaker. It is not to take away from the efforts of these men who also deserve recognition and acknowledgment, but for the purposes of the present case and more particularly the quantification of domestic efforts, we limit its application to the quintessential and traditional image, that of a woman."

### Key Highlights of the Judgment

#### 1. Minimum Economic Evaluation and Increment

- The Court directed that in cases of a homemaker's death, the Motor Accident Claims Tribunal (MACT) will separately fix a minimum compensation of ₹30,000 per month under 'Domestic Care'.
- Keeping inflation over time in mind, the Court clarified that this base value will be increased by 10% every three years.

#### 2. Additional Benefits for Working Women

- If a woman was doing a paid job along with managing the home, this amount of ₹30,000 will be added over and above her actual income. This is an acknowledgment that working women bear a 'Double Burden'.

### 3. Shift from 'Housewife' to 'Homemaker'

- The Court emphasized using the term 'Homemaker' instead of the stereotype vocabulary 'Housewife' in society and legal language, which gives broader dignity to their work.

### 4. Direction for Speedy Disposal of Cases

- The Court expressed concern over the fact that victims have to wait for a long time in accident cases. It was directed that motor accident compensation claims should generally be disposed of within one year.

### 5. Focus on the Traditional Image

- Although the Court acknowledged that men can also play the role of a homemaker, in the context of this case and calculation, they kept their focus centered on the domestic labor traditionally performed by women.

## Analytical Significance for UPSC

### 1. Visibility to Invisible Labour

- In India's GDP calculation, women's domestic work, childcare, and care for the elderly are not included. This decision has given economic recognition to this 'invisible labor' of women in the country's economy and jurisprudence.

### 2. Strengthening of the 'Care Economy'

- This judgment brings the 'Care Economy' into mainstream discussion in India. The United Nations and the International Labour Organization (ILO) have long been advocating for the inclusion of women's unpaid work in national accounts.

### 3. Gender Equality and Justice

- Under Article 14 (Right to Equality) and Article 21 (Right to a Dignified Life) of the Constitution, this decision ensures social justice for women. It strikes a blow against the patriarchal mindset that considers domestic work as having 'no economic value'.

### 4. Judicial Activism and Reforms

- Setting a time limit of 1 year for compensation cases and making 'Loss of Domestic Care' a new basis for compensation is a major step toward judicial reforms.

## Challenges and Way Forward

- **Challenge of Implementation:** Enforcing this 1-year time limit and calculation strictly across lower tribunals (MACT) in the country will be a major administrative challenge.
- **Uniform Civil Code and Policies:** Following this judicial decision, the legislature (Parliament) should now also formulate policies where the work of homemakers can be similarly evaluated in government schemes and social security (such as pension, insurance).

## Conclusion

The decision of the Supreme Court is not merely a matter of fixing legal compensation, but it is a revolutionary step establishing women's domestic labor as a core pillar of nation-building. Discarding the stereotypical thinking that "household chore is no work", the Court has made it clear that a homemaker's contribution is the backbone of the country's economic and social development. In the future, this decision will serve as a guiding principle in women's economic empowerment and policy-making.

## UPSC Prelims Exam Study Questions

**Question: Which of the following best describes "Unpaid Care Work"?**

- (a) Voluntary military service
- (b) Household work and caregiving activities performed without monetary compensation
- (c) Work performed by government employees
- (d) Charitable donations

Ans: **(b)**

## UPSC Mains Practice Questions

**Question:**Unpaid domestic work remains one of the most under-recognised contributions to the economy. Discuss in the context of the recent Supreme Court judgment on homemakers. **(15Marks, 250Words)**

Reproductive agency—meaning the power to decide when, how, and how many children to have—is an essential part of women's empowerment. India launched the world's first official family planning program in 1952, but even decades later, its entire burden primarily rests on women. Recent NFHS-6 (2023–24) data indicates that the issue of contraception is no longer limited merely to population control, but is deeply linked to women's bodily autonomy and social rights.

## Contraceptive use and the weight women carry: insights from NFHS-6

**India must invest in policies that move contraceptive use from compliance to choice: this will involve ensuring no girl is married before the age of 18, investing in rural secondary education, and increasing access to reversible scientific contraception methods.**

**Trishna Sarkar**  
G. Saratchand

**R**eproductive agency, the power to decide whether, when, and how to bear children is a vital and necessary component of women's empowerment, and yet, is often not taken into account when metrics of income, education, mobility and political representation are analysed.

India's demographic transition, as reflected in the latest round of the National Family Health Survey (NFHS-6, 2023–24), besides revealing incremental changes in health indicators, also signals a structural shift in the domain of reproductive agency. Contraception, once framed primarily as an instrument of population control, is increasingly emerging as a marker of women's reproduction agency.

**History of contraceptive use**  
India's engagement with contraception dates back to 1952, when it became the first country to launch an official family planning programme but with women bearing a disproportionate share of the required responsibility.

The following data, drawn from the NFHS-6 (2023–24) survey of currently married women aged 15–49 years, maps the reproductive and contraceptive landscape across urban and rural India, and against the NFHS-5 baseline.

A striking finding in the NFHS-6 data is the persistence of early marriage. Nationally, 20.1% of women aged 20–24 was married before the age of 18, with the rural figure reaching 23.3% — unchanged from NFHS-5. Among men, 15.9% aged 25–29 were married before 21. These trends are not only legal failures, they are also healthcare setbacks.

A girl married before she has had the opportunity to complete secondary education or enter the paid workforce, confronts a significantly extended reproductive window. When contraceptive access is limited, awareness of healthcare attenuated, or agency within the family is negligible, unhealthy pregnancies, unassisted more births, and heightened maternal and child health risk are the consequences. The data bears this out: 6.7% of women aged 15–19 were already mothers or pregnant at the time of the survey rising to 7.9% in rural areas.

From a public health standpoint, early marriage is not merely a social problem, it is a reproductive health emergency with lifelong consequences. Girls married young are less likely to know their contraceptive options, less likely to be able to negotiate their use, and more likely to undergo less spaced-out pregnancies. The cumulative physiological burden of anaemia, obstetric complications and maternal mortality is concentrated precisely in this demographic. Yet policy conversations about fertility routinely overlook the role of early marital unions, seeking to unsuccessfully treat the symptom (high fertility) while ignoring the structural cause (constrained reproductive agency).

The rural-urban divide in these figures is striking. Urban women tend to marry later, complete more schooling, and are exposed to a broader suite of contraceptive options. Rural women face the inverse: earlier marital unions, relatively less agency, and a healthcare infrastructure that, as we shall see, defaults to unattainable permanent solutions rather than investing in what is relevant: public healthcare.

**On sterilisation**  
Female sterilisation remains the dominant contraceptive method in India, accounting for 36.5% of all contraceptive use nationally and is as high as 38.4% in rural areas. Male sterilisation, by contrast, stands at a negligible 0.5%. This gargantuan skew is the consequence of policy design and gender disenfranchisement.

The NFHS-6 data also shows a modest decline in female sterilisation from 37.9% (NFHS-5) to 36.5%, alongside a sharp rise in traditional method use (from 10.3% to 16.4%) and a slight decline in modern reversible methods (from 56.4% to 52.7%). Read together, these trends suggest that some women are able to step back from sterilisation — but into informal, less medically supported methods rather than towards reversible scientific methods that would authentically enhance reproductive autonomy.

Female sterilisation in India's public health system has a troubled history. The mass sterilisation camps epitomised by the Bhopal tragedy of 2014, in which 13 women died following a single-day mass sterilisation drive are not aberrations but logical consequences of a system that treats women's reproductive capacity as a population management problem to be solved at scale, cheaply and rapidly. Tubectomies and sterilisation surgeries done in rural government hospitals can sometimes be risky — these facilities are overcrowded, staff are not always well trained, and the focus is on performing as many procedures as possible rather than on scientific patient care. Women who go through these surgeries can get infections, complications from maladministered anaesthesia or failed procedures resulting in persistent morbidity. Most women are compelled to access what they can afford, namely underfunded public healthcare. Most women undergoing such procedures are not empowered to make an informed choice due to their being at the short end of the stick of the social reproduction and social production processes.

**Towards reproductive agency**  
An analysis of the NFHS-6 data demonstrates that contraception in India is no longer merely about limiting births, but about enabling reproductive agency by overcoming the underlying unequal social architecture.

Three policy imperatives follow from such an analysis. First, early marriage must be addressed as a reproductive health crisis by retaining girls in school, fully implementing the Prohibition of Child Marriage Act and investing in rural secondary education for girls. Second, policy must pivot from unsustainable permanent methods of contraception toward increasing access for reversible scientific contraception through augmenting community based public healthcare. Third, the diminishing of the gender skew in contraception must become a programmatic priority of policy. Sustainable demographic transition presupposes reproductive agency of women.

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**Reproductive rights:** India's engagement with contraception dates back to 1952, when it became the first country to launch an official family planning programme but with women bearing a disproportionate share of the required responsibility. (Raj, 1990)

**THE GIST**

- ▼ Contraception, once framed primarily as an instrument of population control, is increasingly emerging as a marker of women's reproduction agency.
- ▼ When contraceptive access is limited, awareness of healthcare attenuated, or agency within the family is negligible, unhealthy pregnancies, unassisted more births, and heightened maternal and child health risk are the consequences.
- ▼ An analysis of the NFHS-6 data demonstrates that contraception in India is no longer merely about limiting births, but about enabling reproductive agency by overcoming the underlying unequal social architecture.



### Key Findings of NFHS-6

#### 1. Persistence of Child Marriage

- Nationally, 20.1% of women (aged 20-24 years) get married before the age of 18.
- This figure is even more alarming in rural India, where 23.3% of girls get married before turning 18, showing no improvement compared to NFHS-5.

#### 2. Early Pregnancy

- Due to a lack of education and early marriage, the reproductive window of girls expands.

- According to the survey, 6.7% of girls aged 15-19 (7.9% in rural areas) were either already mothers or pregnant at the time of the survey. This is akin to a serious healthcare emergency for their health.

### 3. Dominance of Female Sterilisation

- Female sterilisation is the most prominent method of contraception in India, accounting for 36.5% of total usage (38.1% in rural areas).
- In contrast, male participation (Male Sterilisation) is negligible at just 0.5%, reflecting extreme gender inequality.

### 4. Shift Towards Traditional Methods

- Compared to NFHS-5, there has been a minor decline in female sterilisation (from 37.9% to 36.5%), but the worrying trend is that instead of modern reversible methods (like Copper-T, pills), women are moving towards traditional and less safe methods (increasing from 10.3% to 16.4%).

## Analytical Significance for UPSC (Administrative and Social Analysis)

### 1. Structural Flaws in Policy Design

- India's public health system has treated women's fertility as a 'population management' problem, which it attempted to solve quickly and cheaply through sterilisation camps (such as the 2014 Bilaspur tragedy).
- Due to a lack of infrastructure and extreme overcrowding in rural government hospitals, these sterilisation procedures create health risks and long-term illnesses (morbidity) for women.

### 2. Rural-Urban Divide

- Urban women have access to better education, delayed marriage, and diverse choices of modern contraceptives.
- On the other hand, due to a lack of awareness and basic health infrastructure, rural women are forced to rely solely on permanent and inconvenient options like sterilisation.

### 3. 'Compliance' vs 'Choice'

- Current policies view women merely as a 'target'. Real empowerment will happen when the use of contraception is based on a woman's own independent free will (Choice), rather than being under any government pressure or familial obligation (Compliance).

## Way Forward / Policy Suggestions

According to the article, India needs to make the following three crucial changes in its policies:

- **Complete Ban on Child Marriage and Investment in Education:** The Prohibition of Child Marriage Act must be strictly implemented. Heavy investments should be made in secondary education, especially in rural areas, to keep girls in schools.

- **Promoting Reversible Scientific Methods:** Instead of permanent sterilisation, policymakers must increase access to safe, scientific, and reversible contraceptive methods (such as condoms, contraceptive pills, IUDs). For this, Community Health Centres (CHCs) need to be strengthened.
- **Reducing Gender Skew:** The mindset of shifting the entire responsibility of family planning solely onto women must be changed. There is a need to run nationwide awareness campaigns to increase male participation (such as male sterilisation and condom usage).

### Conclusion

A sustainable demographic transition is possible only when women get real autonomy over their reproductive rights. NFHS-6 data makes it clear that until we address child marriage and the structural deficiencies of health systems, treating symptoms like high fertility rates and poor maternal health is impossible. India must now move beyond the mindset of 'population control' and focus on 'women's welfare and reproductive rights'.

### UPSC Prelims Exam Study Questions

**Question: The Prohibition of Child Marriage Act, 2006 seeks to:**

- (a) Regulate inter-faith marriages
- (b) Prohibit marriage below the legally prescribed age
- (c) Provide financial incentives for marriage
- (d) Promote population stabilisation

Answer: **(b)**

### UPSC Mains Practice Questions

**Question:** Family planning in India has historically been women-centric. Critically examine the implications of this approach for reproductive rights and gender equality. **(15Marks, 250 Words)**

Introduced in the Lok Sabha on March 25, 2026, the Foreign Contribution (Regulation) Amendment (FCRA) Bill, 2026, proposes to completely transform the regulation of civil society in India. While the government presents it as a step toward enhancing national security and transparency, critics and legal experts believe that it grants excessive powers to the Executive. This amendment has the potential to turn the FCRA from a regulatory law into a tool of State control.

## FCRA Bill — expanding state control over civil society

**T**he Foreign Contribution (Regulation) Amendment (FCRA) Bill, 2026, introduced in the Lok Sabha on March 25, 2026, is far more than a routine regulatory measure. While presented as a step towards greater transparency and national security, it significantly increases executive power, transforming the FCRA from a law regulating foreign funding into one that enables extensive state control over non-governmental organisations (NGOs), charitable trusts, and educational and religious institutions.

**From oversight to overreach**  
The current FCRA regime was already among the most stringent regulations governing civil society in any democracy. The 2020 amendments imposed strict restrictions: requiring all foreign contributions to pass through a single bank branch (State Bank of India) in New Delhi, reducing administrative expenditure limits from 50% to 20%, banning sub-granting to smaller organisations, and expanding suspension powers. These measures alone devastated thousands of NGOs, particularly smaller faith-based and charitable bodies serving marginalised groups.

The 2026 Bill goes much further. By introducing a new Chapter IIIA (and removing the previous Section 15) and replacing existing asset-management provisions, it creates a framework for the government to seamlessly vest organisational assets and properties without compensation or management. Its most troubling provision is the proposed Section 14B, which introduces automatic "cessation" of FCRA registration. An organisation could lose its registration not only if renewal is denied but also if it fails to apply on time or if renewal remains pending. This effectively allows institutions to be paralysed through procedural delays rather than proven misconduct, weakening due process and increasing executive discretion.

The gravest concern is Section 16A under the new Chapter IIIA. It states that when an FCRA registration is cancelled, surrendered, or deemed to have ceased, all foreign contributions and assets derived from them automatically "provisionally vest" in a government-designated authority, without prior judicial review or independent adjudication. This means that a simple administrative decision can strip organisations of control over their funds and property. As cancellation under Section 14 can be based on broad and subjective grounds such as "public interest," organisations risk losing control of their assets even for minor, procedural, or disputed violations. Because cancellation under Section 14 triggers the application of Section 16A, organisations risk losing assets even for procedural, minor, or disputed breaches. The designated authority would then be empowered to manage, transfer, or dispose of these assets, with sale proceeds credited to the Consolidated Fund of India. The provision is particularly sweeping because it may cover assets funded both domestically and from abroad—potentially bringing schools, hospitals, orphanages, religious institutions, charitable organisations, and places



**P. Wilson**  
Member of Parliament (Rajya Sabha) and a Senior Advocate practising in the Supreme Court of India

of worship such as churches, mosques, and temples built over decades under government control. The powers granted to the Designated Authority are extraordinary. It can take control of assets, manage institutions, oversee finances, and alter operations in the vaguely defined "public interest," giving the executive wide discretion. If an organisation fails to secure restoration or re-registration within the prescribed period, the vesting becomes permanent. The Authority may then transfer or sell the assets, with the proceeds credited to the Consolidated Fund of India—effectively enabling executive confiscation through legal process.

This endangers not only the survival of organisations but also the essential services and infrastructure upon which communities depend. FCRA assets include land, buildings, vehicles, equipment, and unspent funds, raising the real possibility that institutions could be effectively shut down. Foreign donors primarily support Indian charitable organisations to aid vulnerable communities, promote education, improve public health, and advance other public-interest goals. These contributions help organisations deliver tangible societal benefits.

Seizing such funds into the Consolidated Fund based on weak or disputed allegations defeats the very purpose of these donations. The new provisions thus expose Indian organisations to the constant risk of state expropriation, endangering both donated funds and the assets they support. This framework establishes sweeping procedures for "provisional vesting" and "permanent vesting" of assets in a government-appointed "Designated Authority".

The amendments also deepen executive control during suspension and investigation. The amended Section 13 bars organisations from managing their assets without prior approval during suspension, effectively paralysing their operations. The revised Section 43 centralises enforcement by requiring Union government approval before any state agency can investigate FCRA violations. Combined with broader definitions of "key functionaries" and increased personal liability for office-bearers, the Bill risks creating a climate of fear that discourages civil society participation.

**Limited accountability**  
The 2026 Bill proposes abolishing Section 22, which currently deals with the disposal of assets of defunct or non-operational organisations. The law also lacks clear timelines for approving or rejecting FCRA licences, permissions, registrations, and renewals, leading to uncertainty and delays that can hinder projects dependent on foreign funding and disproportionately impact vulnerable communities. Often, reasons for cancellation are not publicly disclosed due to national security concerns, making it difficult for organisations to challenge such decisions. Cancellations or suspensions might occur due to procedural lapses, risking the shutdown of organisations serving communities.

**The impact on minority communities,** especially Christians, is particularly worrying. Christian organisations run thousands of schools, colleges, hospitals, orphanages, tribal welfare bodies, and charitable trusts—many supported by ongoing funding from churches, diaspora groups, and humanitarian agencies. There are many such institutions in Kerala, Tamil Nadu, Nagaland, Mizoram, and Meghalaya. It is a fact that minorities operate charitable organisations that mainly benefit the majority. Under Section 16A, these could face government takeover if their registration lapses, renewal is delayed, or cancellation procedures are initiated. Institutions such as long-established convent schools, colleges, mission hospitals, and orphanages face the risk of coming under government control simply due to procedural non-compliance. But the fact remains that the government is systematically targeting organisations one after another, and between 2014 and 2026, about 22,000 FCRA licences have been cancelled for no valid or credible reasons. It could be stated with concern that the government appears to be eyeing the properties of minorities, which in reality benefits the majority.

Cancellations of FCRA licences threaten ongoing efforts in child protection, immunisation, neonatal health, nutrition, early childhood education, parental involvement, youth skills development, and access to government schemes in affected regions. The sector contributes significantly to the economy—around 2% of GDP—with roughly four lakh to eight lakh individuals per organisation losing access to vital services due to revoked licences. According to the 2014 Ministry of Statistics and Programme Implementation report, civil society organisations generate 27 lakh jobs and 34 lakh full-time volunteers, surpassing public sector employment. A separate survey of 515 NGOs found that 47% are the main source of employment in more than half the localities where they operate. These amendments threaten not only the existence of organisations but also the infrastructure and community resources relied upon by millions.

**Constitutional rights under threat**  
Critics view the Bill as a serious threat to civil society and minority institutions. Its vague "public interest" standard could be used against organisations working on minority rights, tribal welfare, environmental protection, human rights, or public advocacy. The result may be a chilling effect, discouraging donors, trustees, and volunteers from supporting such organisations.

The Bill also raises constitutional concerns under Articles 14, 19(1)(c), 25, 26, 29, 30, and 300A. By concentrating broad powers in the executive, it risks undermining freedom of association, the autonomy of religious and educational institutions, and property rights.

Any regulation of foreign contributions must be accompanied by due process, independent oversight, and safeguards against arbitrary state action. Without such protections, the Bill risks becoming one of the most oppressive laws affecting civil society in modern India.

The Foreign Contribution (Regulation) Amendment Bill, 2026, raises concerns that asset confiscation powers could disrupt welfare services relied upon by thousands in India

## Key Points: Contentious and Major Provisions of the FCRA Bill, 2026

### 1. Provisional and Permanent Vesting of Assets

- **Section 16A (New Chapter IIIA):** Under this, if an organisation's FCRA registration is cancelled, surrendered, or ceased, all its assets (land, buildings, vehicles, bank accounts) created through foreign funds will immediately and provisionally

vest with a government 'Designated Authority'. This will not require any judicial review or approval from an independent court.

- **Permanent Forfeiture:** If an organisation fails to restore its registration within a specified timeframe, the government can sell those assets and deposit the proceeds into the Consolidated Fund of India.

**2. Automatic Cessation (Section 14B)** According to the new rules, if an organisation fails to apply for renewal on time, or if its renewal remains pending due to administrative delays, its registration will be considered automatically ceased. This could bring the functioning of an institution to a standstill even due to procedural delays.

**3. Strict Control During Suspension** Under the amended Section 13, during the period of investigation or suspension, no organisation can manage or utilise any of its assets or funds without prior permission from the government.

**4. Centralisation of Investigation (Section 43)** Now, any state agency must mandatorily obtain approval from the Union Government before investigating an FCRA violation, thereby fully centralising investigative powers with the Centre.

## Analytical Significance & Concerns for UPSC

### 1. Impact on Civil Society & Economy

- **Employment Crisis:** The civil society sector contributes significantly to India's economy (approximately 2% of the GDP). According to older reports by the Ministry of Statistics and Programme Implementation (MoSPI), this sector generates millions of jobs and full-time volunteers. This stringent law could lead to the closure of many social organisations, adversely affecting employment.
- **Disruption of Welfare Schemes:** The closure of NGOs working in remote areas in the fields of child protection, vaccination, malnutrition, health, and education will affect the marginalized sections of society.

### 2. Threat to Minority Institutions and Social Infrastructure

- Thousands of schools, mission hospitals, and orphanages are run by Christian and other minority organisations in several parts of India (such as Kerala, Tamil Nadu, and the North-Eastern states).
- Under this Bill, based on broad and vague terms like "public interest," the risk of these historic institutions being taken over under government control increases, even for minor procedural errors.

**3. Violation of Constitutional Rights** This Bill poses a challenge to several fundamental rights and provisions of the Indian Constitution:

- **Article 14:** Equality before law and protection against arbitrariness.
- **Article 19(1)(c):** The right to freedom to form associations or unions.
- **Articles 25, 26, 29, and 30:** Freedom of religion and the right of minorities to manage educational and cultural institutions.

- **Article 300A:** The principle of not being deprived of the right to property without due process of law.

### Challenges and Criticisms

- **Lack of Accountability and Transparency:** The Bill proposes to remove older rules (such as Section 22), leaving a lack of clarity regarding the disposal of assets of defunct organisations. Furthermore, no fixed timeframe has been set for the approval or rejection of licenses.
- **Chilling Effect:** Cancelling licenses in the name of "national security" without assigning reasons and increasing personal liability on office-bearers will create an atmosphere of fear among donors, trustees, and volunteers, which can weaken public advocacy in a democracy.

### Conclusion

In a democratic system, regulating foreign funding and ensuring transparency is a legitimate right of the State; however, this control must be based on the 'Due Process of Law', independent judicial oversight, and the principle of proportionality. The FCRA Bill, 2026, appears to be an attempt to bring the voluntary contribution of civil society entirely under State control rather than empowering it. To remain a mature democracy on the global stage, India needs to strike a pragmatic balance between national security and the freedom of civil society.

### UPSC Prelims Exam Study Questions

**Question: Article 19(1)(c) of the Constitution guarantees:**

- (a) Freedom of speech and expression
- (b) Freedom of religion
- (c) Freedom of movement
- (d) Freedom to form associations or unions

**Answer: d)**

### UPSC Mains Practice Questions

**Question:** Discuss the role of civil society organisations in a democratic polity. How can regulation of foreign funding be balanced with constitutional freedoms?(15 Marks, 250 Words)

For decades, India pursued population control policies with the slogan 'Hum Do, Hamare Do' (We Two, Our Two). However, according to recent data, India's Total Fertility Rate (TFR) has declined to 1.9, which is below the replacement level (2.1). In southern states like Kerala, Tamil Nadu, and Andhra Pradesh, this rate has dropped to as low as 1.3. In view of this demographic shift, the Chief Minister of Andhra Pradesh has announced cash incentives (₹30,000 and ₹40,000) for the third and fourth child. This policy shift triggers a new debate on demography, federalism, and economic priorities in India.

## Should India incentivise bigger families?



**Aparajita Chattopadhyay**  
Professor at the International Institute for Population Sciences

PARLEY

**F**or decades, Indian policymakers have encouraged population control, with the familiar slogan of 'Hum Do, Humare Do' (We two, our two). However, the recent drop in India's Total Fertility Rate (TFR) – the average number of children a woman would have in her lifetime – has now dropped to 1.9, below the replacement rate of 2.1, with some southern States seeing their TFR drop to 1.3. Last month, Andhra Pradesh Chief Minister Chandrababu Naidu announced cash incentives of ₹30,000 and ₹40,000 to women having their third and fourth child respectively, in a bid to reverse that trend. Several other southern States have indicated that they also see the benefits of boosting population growth, though not through a cash payout. Should India incentivise bigger families? Aparajita Chattopadhyay and Neelanjana Sircar discuss the question in a conversation moderated by Priscilla Jebaraj.

**Why are policymakers considering a change in the approach to population control?**

**Aparajita Chattopadhyay:** After a long struggle with family planning since independence, our fertility has started declining. There are State-level variations, but overall fertility now is 1.9. It is fine, and India can grow in this way for maybe 40 to 50 years. But reversal of fertility trends cannot be a policy driven thing. It is deeply rooted socio-culturally and is an individualistic choice. You cannot tell a group of women to increase fertility because I am giving you money. It has never happened in that way, even in European or other Asian countries.

**The political implications are the immediate trigger for this policy. Is the threat of future parliamentary delimitation a reason to reverse fertility decline?**

**Neelanjana Sircar:** There has been a lot of discussion about the growth rate of southern States as delimitation is on the horizon. But we need to look beyond pure politics because any growth spurred by these incentives is unlikely to help in the short-term. The reality is, if there's a delimitation exercise happening in the next couple of years, you're not going to dramatically change the fertility rate by then.

Another reason this is being considered is because of the political economy of States with a working population that may be shrinking. But this is a ham-handed approach. Social and demographic transformations are complex phenomena, and go hand in hand with a certain level of economic development. Historically,



Children playing on the swings near the outskirts of the Amaravati capital region, amid the summer heat, in Andhra Pradesh on May 8. G.N. Rao

with a certain level of social and economic development, the fertility rate drops.

Now, there's a cash incentive to play to encourage people to have more children. For a wealthy family, this incentive is simply not enough to invest in another child. But for a poor family, perhaps it is. Here, you are not just increasing the fertility rate in a State, you are also changing other social attributes in the population, in terms of who is going to be able to respond to such an incentive and who will not. It's not as simple as saying we've created a working age population because you've fundamentally changed the composition of the working age population once you've introduced an economic incentive.

**What has been the international experience of attempting to boost population growth?**

**AC:** Incentivisation can help relatively lower income groups, and this has happened in many European countries. For example, in Poland, there was a short-term boost in birth rate only among the lower income demographics. In Sweden and France, tax incentives changed things for a short span, but it was very difficult to sustain that reversal, and the same thing happened with Singapore, Japan, South Korea.

Nowadays, the entire world is going through a polycrisis shock. There is a lot of instability in geopolitics, the economy, and the climate.

Moreover, there are both altruistic and individualistic attitudes to fertility. The younger generation is quite aspirational. They need their prosperity – a good job and savings. So, you cannot ask them to go and have more children.

Until women confirm that there is security in every possible sense, they will not reverse the fertility rate because there are plenty of tangible and intangible costs for a woman or for the



society to have an additional child. So at this juncture, I believe that incentivisation may not work. In India, especially, it is not required because we have a huge population base, so there may not actually be a scarcity of working age labourers if you improve their skills, give them better job opportunities, improve the savings and investment scenario, and promote the silver ageing economy.

**NEELANJANA SIRCAR**

**Falling fertility rates are an uneven phenomenon. What does this portend for Indian federalism?**

**NS:** Demographic anxieties have been showing up in one State after another. Even in a poorer State like West Bengal, there are demographic anxieties vis-a-vis Bangladesh. As for why this phenomenon happens, these are labour market vacancies. These are populations which have achieved a certain level of development, and yet the economy requires some people willing to do manual work, at a lower wage, in the sun. This is not a problem that can be solved by simply having more children. It is unlikely that demographic anxieties can be reduced as a function of the economic structure.

Migration is an economic phenomenon that is almost independent of the fertility rate, given what the economic condition of these States might be. The people who are being birthed there are very unlikely to be willing to do those jobs that people coming from north India are doing today in south India.

**AC:** With regard to Andhra Pradesh, if you look at the recent NFHS statistics, there are a number of areas, instead of cash incentives, where they can spend money in order to get lower middle class people to reproduce more. Almost one in four women aged 20 to 24 got married before turning 18. Only 30% of households have women who own any assets, and only 48% of women work. If Andhra Pradesh thinks that they're demographically advanced and can behave like Europe to reverse fertility trends, then the women in the workforce should be at 80%.

In European countries, the motherhood penalty is almost negligible. There is enough parental leave, and workforce participation is very high. So only when your economy and social security is perfect can you think of having a reversal of fertility trends.

**What are some key findings of the**

**Longitudinal Ageing Study in India?**

**AC:** By 2050, 20% or more of the Indian population will be aged 60 and above, so we have to prepare ourselves, especially with regard to healthcare costs. We need tremendous investment in geriatric care, basic primary healthcare, better pension schemes, and better savings schemes. We also need to have communities for elderly living. But we still have a huge population base. Don't mix up the percentage with the number base. We can reduce the working age population so long as we have a very highly skilled population who earn well and will pay for these costs.

**If population growth incentives don't work, then lower-fertility rate States may increase their working age population through migration from other States. What is the political fallout of that?**

**NS:** Demographic anxieties have been showing up in one State after another. Even in a poorer State like West Bengal, there are demographic anxieties vis-a-vis Bangladesh. As for why this phenomenon happens, these are labour market vacancies. These are populations which have achieved a certain level of development, and yet the economy requires some people willing to do manual work, at a lower wage, in the sun. This is not a problem that can be solved by simply having more children. It is unlikely that demographic anxieties can be reduced as a function of the economic structure.

Migration is an economic phenomenon that is almost independent of the fertility rate, given what the economic condition of these States might be. The people who are being birthed there are very unlikely to be willing to do those jobs that people coming from north India are doing today in south India.

It boggles the mind that somebody is trying to reverse what is a very standard social phenomenon and demographic trend at this stage of development. I understand that there are challenges in Europe where countries are well below replacement rates. But this entire debate is bizarre for the very simple reason that there are so many things the government could be spending this kind of money on which would actually address the needs of an ageing population and an underemployed population. This is a very peculiar policy decision.



To listen to the full interview  
Scan the code or go to the link  
[www.thehindu.com](http://www.thehindu.com)

### Key Points: Reasons for Policy Shift and Immediate Triggers

#### 1. Political Fear of Parliamentary Delimitation

- Fertility rates have declined rapidly in southern states, whereas they remain relatively higher in northern states (such as Bihar and UP).

- Southern states fear losing their political representation if population is used as the baseline in the future delimitation of Lok Sabha seats.

## 2. Shrinking Working-Age Population

- A declining fertility rate will lead to a reduction in the number of youth and workers in the future, while increasing the elderly population.
- State governments fear that this could adversely affect their economic growth rate and lead to a shortage in the labor market.

## Core Analytical Insights for UPSC

### 1. International Experience and Limits of Cash Incentives

- **Temporary Impact:** Globally (e.g., France, Sweden, Poland, Singapore, Japan, South Korea), it has been observed that financial incentives or tax exemptions bring only short-term improvements in birth rates; sustaining this in the long term is nearly impossible.
- **Social Disparity:** An incentive of ₹30,000-₹40,000 cannot motivate a rich or middle-class family to have an additional child (as the cost of child-rearing and education is extremely high). Its impact will be confined only to the low-income group (poor demographic), which may alter the socio-economic structure of the population.

### 2. 'Motherhood Penalty' and Women Empowerment

- Unlike Europe, India suffers from a severe lack of social security and childcare infrastructure for working women.
- The example of Andhra Pradesh highlights that 1 out of every 4 girls aged 20-24 there gets married before the age of 18, and only 48% of women are part of the workforce. Increasing the fertility rate is impossible without integrating women into the workforce and ensuring their security.

### 3. Impact on Indian Federalism and Political Economy

- **Shifting Political Priorities:** Divergent demographic profiles of different states will shift their economic priorities. States with an aging population will demand spending on 'pensions and healthcare', while states with a youthful population will focus on 'employment and education'.
- **Migration:** The labor shortage in southern states is being met by migrant workers coming from North India. While this is an economic reality, it is also rising cultural and demographic anxieties within the states.

### 4. 'Silver Economy' and Challenges of an Aging Society (Longitudinal Ageing Study in India - LASI)

- By the year 2050, 20% or more of India's population will be above 60 years of age.
- The issue is not the quantity of the working-age population, but its quality. If the current population is highly skilled, even a smaller workforce can bear the geriatric care and pension costs of the elderly.

## Way Forward

- **Focus on Skill over Scale:** Instead of spending money on incentivizing more children, the government should invest in skill development and quality employment for the existing youth population.
- **Comprehensive Social Security:** If governments genuinely want to stabilize the fertility rate, they must completely eliminate child marriage, invest in secondary education for girls, and enhance facilities like maternity leave and crèches for working mothers.
- **Elderly-Friendly Infrastructure:** To promote the 'Silver Economy' (an economy centered around the elderly) in the coming times, a robust framework for geriatric care and strong pension schemes must be prepared.

## Conclusion

A declining fertility rate is a natural demographic transition phase of economic and social development. In such a scenario, attempting to reverse it artificially or through cash incentives is an immature policy move. India still possesses a massive population base; the need of the hour is not to increase family sizes, but to make the available human resource healthy, educated, and highly skilled so that they can serve as the economic backbone of a future aging India.

### UPSC Prelims Exam Study Questions

**Question: The "Silver Economy" primarily relates to:**

- (a) Mining sector
- (b) Economy centred around the needs and services of elderly persons
- (c) Precious metals market
- (d) Pension taxation reforms

**Answer: b)**

### UPSC Mains Practice Questions

**Question:** India's demographic transition has entered a new phase marked by declining fertility rates. Examine its opportunities and challenges. (15Marks, 250 Words)

The Andaman and Nicobar Administration has recently released the draft 'Andaman and Nicobar Islands Tribal Councils (Preparation of Electoral Rolls and Conduct of Elections) Rules, 2026'. Under these rules, provisions have been made to formally conduct elections every 5 years, delimit constituencies, and provide reservation for women in the traditional self-governance system of the Nicobarese community, similar to other parts of India. However, the Nicobarese Tribal Councils view this move as 'bureaucratic interference' in their autonomy and an attempt by the Central Government to impose a leadership of its own choice.

## Why is Nicobar debating elections?

Why are Nicobarese tribal councils wary of the administration's proposed election rules? How are Nicobarese leaders chosen today, and what changes do the draft rules propose? Why does the administration want formal elections for tribal councils? How could the proposed rules change Nicobarese self-governance?

**EXPLAINER**

**Abhinav Lakshman**

**The story so far:**

The centrally administered Union Territory of Andaman and Nicobar Islands is planning to introduce elections, as they are conducted in the rest of India, to the Nicobarese tribal community's system of self-governance in the archipelago. This includes measures such as the delimitation of constituencies, the preparation of electoral rolls, and the reservation of seats and leadership positions for women in the community's tribal councils. This move has led to urgent discussions amongst existing tribal councils of the Nicobarese about how this might bureaucratise the governance they have been practising. Some have also suspected that it could be intended to have tribal councils that might be more favourable to the Union government's interests there, especially in Great Nicobar, where the current Nicobarese leadership has been opposing the Centre's \$91,000 crore container port, airport, and tourist township project.

**What do the draft rules propose?**

The draft Andaman and Nicobar Islands Tribal Councils (Preparation of Electoral Rolls and Conduct of Elections) Rules, 2026, was notified by the district administration on May 15 this year and prescribes the exact procedure and rules for conducting 5 yearly elections to the Village Councils and Tribal Councils. The draft rules provide for conducting elections, the structure of the new representative system, the manner in which seats and constituencies are to be delimited, the rules for candidature, nomination, and withdrawal, their duties and responsibilities, and the broader administrative set up for conducting these elections.

The proposed structure involves Nicobarese villagers electing five to nine Captains for each village and directly voting for the position of the Chief Captain and each Island Tribal Council. The First Captains of each village of a particular Island are to vote for the position of the Vice-Chief Captain of the Island Tribal Council, and this Island Tribal Council would include the Chief Captain, the Vice-Chief Captain, and all First Captains of the Island.

These draft rules have been notified under the Andaman and Nicobar Islands (Tribal Councils) Regulation, a Presidential regulation promulgated in 2008 with the specific intent to bring autonomous self-governance to the Nicobarese community. Even though this Regulation provided the statutory language to set up the Village Council and Tribal Council structure, a key feature of this Regulation gave the district administration (through the Deputy Commissioner and Assistant Commissioner) an absolute and unilateral veto over any decision of the councils, if they posed a threat of injury or "annoyance" to the public or might "lead to a breach of peace".

Since the 2009 Regulation was passed, there have been several attempts at notifying Draft Rules under the latest one in 2020. The past iterations of the draft have often been circulated among tribal council leaders, but the leadership has not been able to successfully communicate the essence of these rules and procedures to the community at large.



The Tribal Welfare Department of the A&N administration has said that it will wait till June 15 for suggestions and objections. FILE PHOTO

**THE GIST**

- ▼ Draft rules propose formal elections for Nicobarese Village and Tribal Councils, including constituencies, voter rolls, and reservations for women.
- ▼ Traditional governance is consensus based, with village captains chosen through community meetings and locally conducted ballots rather than a fixed bureaucratic electoral system.
- ▼ Tribal leaders fear the proposed electoral system could bureaucratise their traditional governance structure and alter existing decision-making processes.

Even though the Nicobarese community has been participating in Lok Sabha elections, according to officials from the Office of the CEO, Andaman and Nicobar Islands, this would be the first time a system of constituency-wise representative leadership structure will be implemented for Nicobarese self-governance if the Draft Rules are finalised.

**How do the Nicobarese tribal councils function today?**

The Nicobarese community, a designated Scheduled Tribe with a total population of about 30,000 across the Nicobar group of Islands, is traditionally represented by Tribal Councils that have been established over the last five to six decades. Each group of inhabited islands in the Nicobar has its own Tribal Council. Under this Tribal Council structure lies the village leadership, which comprises three Captains per village, headed by the First Captain and assisted by the Second and Third Captains. Including the Tribal Council of Little and Great Nicobar, seven Tribal Councils represent the Nicobarese community in islands like Car Nicobar, Nancowry, Kanorta, Teressa, and others.

Since at least the mid-1970s, experts and scholars have observed that the Nicobarese have been picking village captains through adult franchise. The concept of captaincy as village leadership first emerged in the 18th Century when the Nicobarese who would go on board passing ships of colonial empires to negotiate began calling themselves captains. The British colonists were, however, the first to start legitimising the Captaincy structure as representative leadership of the community for their own administrative advantage towards the end of the 19th Century.

This structure eventually developed into a supplement to the social structure of large joint families, often referred to as *Tulers*, that could become a formal channel of communication with the government.

The idea of the tribal council, however, emerged only in the 1990s to facilitate and ease the community's entry into Government developmental activities, specifically in relation to a Central government scheme of the time for poverty alleviation. Today, the Nicobar district says that the "village leadership and the tribal councils have become" the

link between the Local Administration and the tribal people of the island... most of the developmental schemes are being implemented through them only".

**How are leaders currently chosen in Nicobarese communities?**

Even though authorities in the Nicobar district administration have maintained that under the current system, village captains are usually elected every four years, Anthropologist and community leader Justice Justin has told *The Hindu* that "there is actually not much documentation on how exactly the leadership of the existing tribal councils operate".

A senior leader of the Tribal Council in Great Nicobar Island explained that elections for Captains and Tribal Council chairperson are held whenever the community feels the need for it. This leader, who is also the First Captain of his village on Great Nicobar Island, elaborated, "For example, the last time I was elected Captain was maybe around 2-3 years ago. There is a tradition in our community to get together for a village meeting. All residents of the village are present at this meeting."

The villagers then nominate names for the Captains of the village through popular consensus. These names are then put on a ballot paper. "We make the ballot papers and print them out ourselves, we appoint a polling officer from among us to conduct the ballot, and the person with the most votes becomes First Captain." He added that similarly, the Tribal Council on GN has been choosing the Chairperson by popular consensus, but that it had been decades since there was an election to this position.

Villagers mostly think about candidates' level of education, fluency in Hindi (the language of government officials), "foreign" trips (an indicator of exposure to the world outside the islands), and "smartness" (the ability to deal appropriately with officials and outsiders, according to R. Venkat Ramaniyam, Simruji Singh & Arild Vain (2012). What Ramaniyam et al. noted, however, was that even though the Captains and Council were elected, "decisions were taken after popular consultation, usually through community meetings, and the tribal council did not have unilateral decision making powers. Consequently, the captains were neither

seen as lawmakers nor as "leaders" balancing social and political concerns."

**Why are the proposed changes causing concern?**

Tribal Council leaders who have spoken to *The Hindu* about the implications of the new Draft Rules said that the proposed structure is largely being seen as something that would disrupt their traditional ways of perceiving governance. The tribal council leader from Great Nicobar said, "We have been using this way of governing our villages for generations. We hold elections through consensus when needed, and our traditional ways of being are so well integrated into how we oversee the islands and villages. This looks like it will turn all of this into an office job that we will have to do in addition to the lives we live on the islands."

Meanwhile, Mr. Justin has noted that there is a real chance that an attempt to notify the Rules has come now in light of the opposition the government is facing from the Tribal Council on GN, even though he acknowledged that systemic problems of opacity have riddled the existing system of Tribal Councils and Village Captaincy. "For instance, in several Island Tribal Councils, it remains unclear when the Chairperson was last elected and what kind of authority they wield," he said.

But experts like Mr. Justin, who have worked with the government on engaging with the indigenous communities of the A&N, have doubted whether the entire Nicobarese community in the islands will have the time and resources to understand the Draft Rules as they have been notified, the context of the Regulation under which they will be implemented, and the implications of introducing such a system for their village-level governance.

The Tribal Welfare Department of the A&N administration has said that it will wait till June 15 for suggestions and objections, after which a final version may be notified. While the Tribal Councils of Nicobar are yet to hand in a formal objection or suggestions, the Congress party in A&N has already objected to them and called for their withdrawal, primarily citing the lack of recognition for the *Tuler* system and the lack of consultation with the community before bringing this draft.

### Key Points: Current System vs. Proposed Changes (The Transition)

#### 1. How are leaders chosen currently?

- **Three-Tier Traditional Structure:** The villages are led by three captains (First, Second, and Third Captain). Above this, each island group has its own 'Tribal Council'.
- **Consensus & Ad-hoc Voting:** Currently, there is no fixed 5-year tenure. Whenever the community feels the need, a village-wide meeting is convened. Villagers decide on names through mutual consensus and cast votes by making their own ballot papers and choosing a polling officer from among themselves.
- **Criteria for Selection:** While choosing a leader, priority is given to their education, command over the Hindi language (to communicate with the administration), and exposure to the outside world ('smartness').

## 2. What do the Draft Rules, 2026 propose?

- **Formal Electoral Framework:** Official elections will be conducted every 5 years for each village and Tribal Council.
- **Representation System:** Villagers will directly elect 5 to 9 captains for their village and vote directly for the 'Chief Captain' of the island's Tribal Council. Following this, the 'First Captains' of the villages will collectively elect the 'Vice-Chief Captain'.

## Analytical Importance for UPSC: Why Administration Wants Elections?

- **Administrative Ease and Transparency:** The administration argues that there is a lack of transparency in the functioning of the current tribal councils and the election of their Chairpersons. It remains unclear when the last elections were held and what powers they hold.
- **Implementation of Development Schemes:** Since most of the government's welfare and infrastructural schemes are implemented through these councils, the administration desires an accountable, formal, and legitimate leadership structure.
- **Gender Inclusion:** Through these rules, an effort is being made to reserve seats for women in tribal leadership, which is negligible in the current system.

## Reasons for Concern: Why Nicobarese Tribal Councils are Apprehensive?

### 1. The GNI Infrastructure Angle (Great Nicobar Mega-Project Dispute)

- The biggest concern is that this change is being introduced at a time when the current Nicobarese leadership is strongly opposing the Central Government's ₹91,000-crore Great Nicobar Mega Project (which includes a container port, airport, and greenfield township).
- Tribal leaders suspect that through this bureaucratic electoral system, the administration wants to weaken the traditional leadership and bring in leaders who favor the government projects.

### 2. Fragmentation of Traditional Social Fabric

- Captains are traditionally not considered 'lawmakers' or autocratic leaders; rather, they function through popular consultation (mutual consensus).
- The new rules would turn this system into something akin to an 'office job' (bureaucratic work), completely ignoring their centuries-old joint family mechanism—the '**Tuhet System**'.

### 3. The Threat of 'Absolute Veto'

## Daily News Analysis

- These draft rules have been brought under the 'Andaman and Nicobar Islands (Tribal Councils) Regulation, 2009'. A major flaw of this regulation is that the district administration (Deputy Commissioner) possesses a unilateral veto power to overturn any decision of the Tribal Council in the name of 'breach of public peace'. The introduction of an electoral system will further weaken self-governance through this veto power.

### Way Forward

- **Community Consultation:** The Tribal Welfare Department has given time until June 15 for suggestions, but experts believe that due to geographical distance and language barriers, the entire population is unable to understand this complex legal draft. Therefore, instead of rushing, the administration should engage in direct dialogue.
- **Harmonizing Traditional and Modern Systems:** On the lines of the Sixth Schedule in Northeast India, a model should be adopted in Nicobar that respects their 'Tuhet' and traditional captancy structure, while also incorporating financial transparency and gender representation.

### Conclusion

Democratic decentralization and elections are progressive steps for any society. However, when implemented in specially protected tribal areas (like the Scheduled Tribes of Nicobar), local culture and their consent must be paramount. If the administration enforces these rules without widespread tribal consensus and for the benefit of its mega-projects, it will be a severe blow to the unique self-governance system and rights of the Nicobarese community.

### UPSC Prelims Exam Study Questions

**Question: Which of the following is most closely associated with traditional Nicobarese social organisation?**

- (a) Khap System
- (b) Tuhet System
- (c) Khel System
- (d) Morung System

**Answer: b)**

### UPSC Mains Practice Questions

**Question:**Examine the implications of introducing formal electoral mechanisms in traditionally consensus-based tribal governance systems.(15 Marks, 250 Words)

## Implementation complete, but workers still vulnerable

**W**ith the notification of the rules for the four labour codes in May, the implementation framework for these codes is now complete. Trade unions and academics have raised serious objections to several provisions in the new labour codes, arguing that they are regressive and detrimental to the interests of workers. It has also taken nearly six years to operationalise the codes enacted during 2019-20. The codes are The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and The Occupational Safety, Health and Working Conditions Code, 2020.

### Critical gaps

Rules essentially lay down the standard operating procedures (SoPs) for implementing an Act or Code. While they cannot contradict the provisions of the parent legislation, they become crucial where the law is broad or open-ended. Given the sustained opposition to several provisions in the four labour codes, it was expected that the rules would help moderate some of the contentious aspects. However, those expectations appear to have been belied.

The Industrial Relations Code, 2020 formally introduced the concept of Fixed-Term Employment (FTE) into India's labour law framework, although such employment arrangements have been widely used for decades. However, the Code does not specify a minimum tenure or limit the number of contract renewals.

The rules could have addressed these gaps to mitigate potential adverse effects on workers. A minimum tenure (one year) could have prevented very short tenures which are detrimental to employees. Also, there could have been some restrictions in the number of times renewals can be allowed. Otherwise, there is a possibility that even regular positions become FTEs with



**Kingshuk Sarkar**

Professor of Economics and Public Policy at the Goa Institute of Management

unlimited renewals. Unfortunately, the rules remain silent on these important issues.

The Code on Wages (Central) Rules provide only a vague definition of the "floor wage" and do not clearly distinguish it from the minimum wage. While the Rules require consultation with State governments, they do not specify a detailed framework for such consultations, raising concerns that the process may remain largely symbolic. The Rules also fail to lay down clear principles for fixing minimum wages. As a result, the convention of treating a four-member family as comprising three consumption units is likely to continue. This effectively perpetuates gender bias, as an adult female is assigned a weight of 0.8 compared with 1.0 for an adult male.

The Rules further provide that the hourly wage shall be calculated by dividing the daily wage by eight. Conceptually, this is a flawed approach. An hourly wage should not merely be a pro-rata derivation of the daily wage, as workers may not be able to find work for the remaining hours of the day. Internationally, minimum hourly wages are often determined independently of daily wage rates. This issue is particularly important in India, given the large number of domestic workers and the likely expansion of gig and platform-based work in future.

### Gig workers remain vulnerable

The Social Security Code (Central) Rules make no attempt to clarify the employment relationship in the gig economy. Gig and platform workers continue to be treated as self-employed and remain part of the unorganised workforce. The Rules are also silent on the mandatory gratuity insurance envisaged under the Code. Such insurance could protect workers against non-payment of gratuity by employers. However, the Rules fail to specify the modalities for implementing this safeguard, leaving an

important worker protection mechanism undefined. The Industrial Relations Code (Central) Rules provide that a sole registered trade union must have at least 30% membership to be recognised. This means that registration alone does not guarantee recognition. In large establishments, smaller or newly formed unions may find it difficult to meet this threshold, further weakening their ability to represent workers at a time when the bargaining power of trade unions has already been declining for decades. Notably, the 30% threshold does not appear in the Code itself. The Rules also fail to provide further clarity on the engagement and renewal of fixed-term employees, leaving significant scope for ambiguity and potential misuse.

### Missing safeguards for workers

The Occupational Safety, Health and Working Conditions Code (Central) Rules set out safety and welfare provisions for the various occupations covered under the Code. However, certain occupation-specific welfare measures, such as housing and medical facilities for plantation workers, are absent. The Rules also do not specify the activities for which contract labour may be engaged, nor do they clearly distinguish between core and non-core activities.

This omission is significant, given the growing informalisation of the labour market through the use of contract labour in core operations. The lack of clarity on what constitutes a core activity leaves considerable scope for ambiguity and misuse.

Broadly speaking, certain open-ended provisions contested by the trade unions and academics, could have been moderated to a certain extent while framing the Rules. But, as it is evident now, that did not happen. It is yet another missed opportunity and a further cause for concern for the country's working class.

Labour Code Rules leave workers' concerns unaddressed

## GS Paper II: Governance and Social Justice

**UPSC Mains Exam Practice Questions:** Labour reforms seek to balance economic efficiency and workers' welfare. Critically examine whether the Labour Codes achieve this objective. (15 Marks, 250 Words)

**Context :**2026, the framework for their implementation has been completed. It took nearly six years to implement these codes, which were passed by Parliament in 2019-20. The four codes are: the Code on Wages (2019), the Industrial Relations Code (2020), the Code on Social Security (2020), and the Occupational Safety, Health and Working Conditions Code (2020). However, economists and trade unions believe that the new rules have failed to rectify the anomalies in these laws, rendering the country's working class more vulnerable.

## Critical Gaps in Various Labor Codes and Rules

### 1. Industrial Relations (IR) Code: Risks of Fixed-Term Employment (FTE)

- Uncertain Tenure: The rules do not prescribe any minimum tenure (e.g., at least 1 year) for Fixed-Term Employment.
- Unlimited Renewals: There is no ceiling on how many times a contract can be renewed. This allows employers to convert even regular positions into fixed-term ones, potentially leading to the exploitation of workers.

### 2. Code on Wages: Gender Discrimination and Logical Anomalies

- Ambiguous 'Floor Wage': The distinction between the national minimum wage and the floor wage remains unclear in the rules.
- Perpetuation of Gender Bias: The old tradition of considering a 4-member family as 3 'consumption units' while fixing the minimum wage continues. In this framework, an adult male is assigned a weight of 1.0 and an adult female is assigned 0.8, which directly promotes gender discrimination.
- Daily vs. Hourly Wages: Hourly wages are calculated by dividing the daily wage by 8. This runs contrary to global standards, as domestic and gig workers in India do not get work for the entire day.

### 3. Code on Social Security: Neglect of Gig and Platform Workers

- Ambiguity in Employment Relationship: The rules still classify gig and platform workers (e.g., delivery partners/drivers of Zomato, Swiggy, Ola) as self-employed or unorganized, thereby depriving them of mainstream labor rights.
- Silence on Mandatory Gratuity Insurance: While the code contained a provision for 'mandatory gratuity insurance' to protect workers in case employers fail to pay gratuity, the rules fail to define the modalities for its implementation.

### 4. Reduction in the Bargaining Power of Trade Unions

- According to the Industrial Relations rules, a registered trade union will require at least 30% membership to gain recognition. This condition was not part of the original code. This will make it extremely difficult for smaller or newer unions to represent workers in large companies.

### 5. Occupational Safety, Health and Working Conditions (OSH) Code: The Growing Web of Contract Labor

- Lack of Distinction Between Core and Non-Core Activities: The rules do not clarify the difference between 'core activities' and 'non-core activities'.

- **Informalisation:** Due to this ambiguity, companies are heavily deploying contract labor even in core operations, leading to the rising informalisation of the labor market. Furthermore, specific welfare policies like housing and medical facilities for plantation workers are missing.

### **Analytical Significance for UPSC: Economic and Social Implications**

- **Rising Contractualisation of the Labor Market:** The lack of safeguards in the rules for FTE and contract labor threatens to completely eliminate 'job security'. This legitimizes a 'hire and fire' culture in the economy.
- **Quality vs. Quantity of Employment:** While the new rules might increase employment opportunities, the quality of employment will be extremely poor. Low wages, lack of social security, and poor working conditions could turn the 'demographic dividend' into a 'demographic disaster'.
- **Overlooking the Gig Economy:** The future of the economy rests on gig and platform work. The absence of a robust welfare and legal protection mechanism for them puts the future of India's growing digital workforce in jeopardy.

### **Way Forward**

- **Immediate Amendment to the Rules:** A maximum renewal limit and a minimum duration (at least 1 year) must be mandatorily added for Fixed-Term Employment (FTE).
- **Ensuring Gender Equality:** The traditional and patriarchal norm of consumption units (0.8 weight for women) in the calculation of minimum wages should be replaced to grant equal status to both men and women.
- **Clear Classification of Core and Non-Core Activities:** To prevent the misuse of contract labor, the core and auxiliary functions of industries must be clearly codified.
- **Specific Boards for Gig Workers:** On the lines of states like Rajasthan, an effective implementation framework for a 'Welfare Board' and a social security fund for gig workers should be established at the central level as well.

### **Conclusion**

The objective of labor reforms should be to enhance the 'Ease of Living' for workers alongside improving the 'Ease of Doing Business' for the industry. However, the rules notified in May 2026 appear to be heavily tilted in favor of employers. To achieve equitable and inclusive economic growth, India must adopt a balanced approach between the interests of capital and labor. Failing to address the existing loopholes in the rules is a missed opportunity that the government needs to reconsider.

