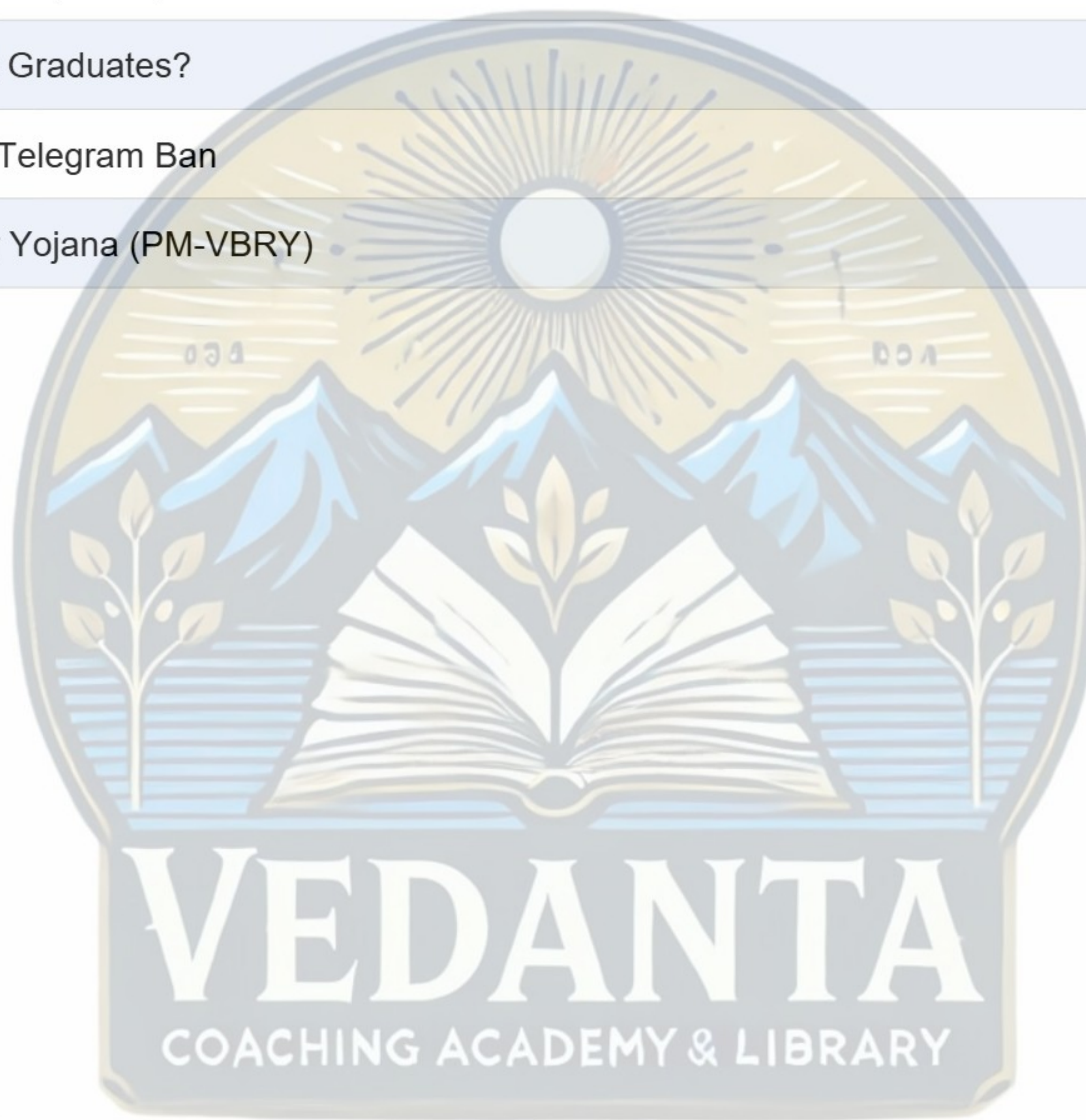


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19 June 2025 | The Hindu

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1. DEAL TO END WAR – TRUMP & IRAN MoU

GS 2

Source: The Hindu, Page 1 | International Relations, Foreign Policy

Page No.1 , GS 2

Trump and Pezeshkian sign deal to end war; U.S. lifts blockade

Agence France-Presse
WASHINGTON/GENEVA

The U.S. on Thursday lifted a blockade of Iranian ports imposed during the West Asia war after President Donald Trump signed a deal to end the conflict, as uncertainty surrounded planned talks in Switzerland aiming to take the accord further.

Mr. Trump and Iran's President Masoud Pezeshkian signed a deal on Wednesday meant to end the war, with Tehran agreeing to dilute its enriched uranium in return for large-scale economic relief. The signing of the deal set in motion a 60-day period for talks on wider issues.

Iranian Supreme Leader Ayatollah Mojtab Khamenei endorsed the talks with the U.S. in a statement.

It remained unclear if the two sides, who have had no diplomatic relations following the 1979 Islamic revolution, would hold a signing ceremony and talks in Switzerland on Friday as announced. The U.S. forces lifted their parallel naval blockade of Iranian ports that had prevented ships from sailing to or from the Islamic republic.

'OPENS DOOR FOR IRAN'
» PAGE 17

Original newspaper report — The Hindu, Page 1, 19 June 2025

Key Developments

- The U.S. lifted a blockade of Iranian ports imposed during the West Asia war after President Trump signed a deal to end the conflict.
- Trump and Iran's President **Masoud Pezeshkian** signed a Memorandum of Understanding (MoU) — Tehran agreed to **dilute its enriched uranium** in exchange for large-scale economic relief.
- The signing set in motion a **60-day period** for talks on wider issues.
- Iranian Supreme Leader **Ayatollah Mojtab Khamenei** endorsed the talks with the U.S.
- The two sides have had no diplomatic relations since the **1979 Islamic Revolution**.
- U.S. naval forces lifted the parallel blockade of Iranian ports that had prevented ships from sailing to/from the Islamic Republic.

Key Provisions of the MoU

- Promises **sanctions relief** on Iranian oil sales.
- Opens the possibility of Iran asserting a formal role in managing transit through the **Strait of Hormuz** — potentially charging fees for passage.
- A **30-day transition period**: vessels taking routes along the Iranian and Omani coasts to exit the strait.
- U.S. will lift its blockade; Iran will remove technical obstacles including **mines**.
- Free passage through the Strait of Hormuz guaranteed only for the **60-day window** — Iran has indicated intent to eventually collect service charges.
- Any future transit arrangements shall conform to **UNCLOS** (United Nations Convention on the Law of the Sea).

About: UNCLOS — United Nations Convention on the Law of the Sea, 1982

- Also known as "Law of the Sea" — establishes the legal framework for marine and maritime activities.
- Divides marine areas into five zones: **Internal Waters, Territorial Sea, Contiguous Zone, Exclusive Economic Zone (EEZ), and High Seas.**
- Provides the backbone for offshore governance by coastal states and navigating nations.
- Under UNCLOS, straits such as Hormuz must allow **free transit passage** not subject to tolls.
- **Key complication:** The United States has NOT ratified UNCLOS; Iran has signed but not ratified it.
- Maritime disputes persist in the **South China Sea** and **East China Sea** over UNCLOS interpretation.

MAINS PRACTICE QUESTION

Q. The recent U.S.-Iran MoU highlights the complex interplay between energy security, nuclear non-proliferation, and freedom of navigation. Critically analyse the implications of the deal for global shipping and India's strategic interests. (15 Marks)

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2. NFHS-6: PROGRESS AMID NUTRITION CHALLENGES

GS 2

Source: The Hindu, Page 10 | Health, Social Justice

Page No.10 , GS 2

NFHS-6 reveals progress amid nutrition challenges

The recently released National Family Health Survey (NFHS-6) report presents a mixed progress card for India, offering reasons to cheer while also sending clear signals to pause and reflect. On the bright side, stunting levels (for children under five), which indicate long periods of sub-optimal food intake with other deprivations, have declined from 35.5% to 29.3%. Through a modest decline, any gain is welcome given the complexity of the task that involves strengthening women's access to knowledge and resources, improved water and sanitation, and ensuring access to healthy affordable diets. Wasting levels that indicate whether children have adequate weight for their height, show no change, except for severe forms of wasting. The pattern across indicators makes one thing clear: gains in child nutrition are due to better healthcare access, immunisation coverage, maternal education and improvements in housing, water and sanitation, while feeding practices and access to quality diets remain weak and continue to limit progress.

Institutional births have reached 90%, with public health facilities accounting for 58% of births; 91% of deliveries were attended by skilled medical personnel and 98% of mothers were visited at least once by health personnel during the antenatal period.

Equally gratifying is vaccination coverage for children – 87% of children between 12 and 23 months of age are now fully vaccinated. Since private facilities account for only about 2% of vaccinations, the high coverage reflects the strong outreach efforts of frontline workers – Accredited Social Health Activists (ASHA), Anganwadi workers (AWW), and Auxiliary Nurse Midwives (ANM). These national averages hide regional disparities, but access to health services has improved across States.

Poor feeding practices

Despite the high rate of institutional births, only about 50% of newborns are breastfed within the first hour of life, indicating that the health system must intensify efforts to support early initiation of breastfeeding. About 64% of children between the ages of six to eight months, receive solid/semi-solid food, while only 15% between six to 23 months receive an adequate diet. Improving the timely initiation of complementary feeding and ensuring that all children receive an adequate diet are key to reducing undernutrition. In India, complementary feeding is closely linked to the

annaprashna ritual, typically performed between six and 12 months – any delay will result in growth faltering.

A growing and under-explored determinant of child nutrition in India is maternal time poverty. Women perform multiple roles within and outside the home. NFHS-6 reports that about 90% of women engaged in paid work during the past 12 months, but this significantly underestimates their overall work burden. A large proportion of women in informal economies engage in unpaid family labour, in farming/fisheries, livestock care, and domestic chores. There are no clear estimates of the percentage of young mothers with children between six to 23 months who are in the work force and there is very little documentation on how women manage child feeding with their other work roles. In many rural areas, in the absence of crèches, women leave their infants and young children with older family members or the child's older sibling (usually a girl), impacting both breastfeeding and complementary feeding, when they are out in the fields.

The processed food trap

Recent consumer expenditure survey results show that households are spending less on cereals and more on dairy, processed foods and beverages, with the latter two forming a large part of the expenditure. This creates an impression of diversity which is not the same as nutritional adequacy. A nutritionally adequate diet would have to follow the ICAR National Institute of Nutrition (INI) food-based dietary guidelines. Unfortunately, for a sizeable section of the population, a nutritious diet consisting of pulses, millets, fruits and vegetables, animal foods and nuts is unaffordable. Processed foods, in contrast, are easily available, ready to eat and packaged in affordable packs.

The first 1,000 days – from pregnancy to a child's second birthday – form the most critical window for healthy physical and cognitive development (most brain growth occurs in the first five years). We need disaggregated data for the 0-5 age group, currently unavailable, as stunting typically peaks during the second year of life and growth faltering often begins much earlier. The Prime Minister's Overarching Scheme for Holistic Nourishment (PM-OSHN) Abhyaan programme currently focuses on identification and rehabilitation of severely malnourished children. Prevention of growth faltering must

Empowering frontline nutrition workers

Monthly anthropometric data for young children is collected by AWWs. Strengthening their skills in data collection would improve data quality. The huge volume of collected data should be analysed locally and feedback provided to the ASHAs and AWWs for timely action.

For this task, recruitment of a nutritionist and a data analyst at the district level is needed. Where possible, digital tools can be used to supplement in-person counselling, by providing both workers and mothers practical information on how, when and what to feed young children at different ages, based on locally available healthy foods.

Behaviour change communication efforts should be culturally grounded, integrating practices such as *annaprashna* to reinforce timely and appropriate complementary feeding, joint capacity building of AWWs, ASHAs, and ANMs in assessing feeding practices and advising families with effective communication materials on improving diets using locally available, affordable foods would enhance the quality of counselling and reduce the risk of undernutrition.

Multisectoral convergence is critical to addressing child malnutrition, yet it remains weak. Child nutrition should be a standing agenda item in Gram Sabha and Panchayat discussions. Local planning must prioritise improvements in Anganwadi infrastructure, safe drinking water, and sanitation facilities, as these foundational services directly influence child growth and health.

Engaging men in childcare, promoting shared domestic responsibilities, and strengthening support to mothers can significantly enhance feeding and caregiving behaviours. Many non-governmental organisations in India have developed crèche models that combine childcare, nutrition and early learning, and can be run by trained local women. From a gender perspective, crèches are not only child development interventions; they are social infrastructure that enables women's economic participation and reduces unpaid care burdens. With coordinated action across sectors and communities, meaningful and sustained progress in child nutrition is entirely achievable.

Better health care alone cannot overcome India's nutrition challenges

Original article — The Hindu, Page 10, 19 June 2025

Key Findings from NFHS-6

- **Stunting** (children under 5) declined from **35.5% → 29.3%** — a welcome improvement indicating reduction in long-term sub-optimal food intake.
- **Wasting** levels show no change, except for severe forms — a continued concern.
- Gains in child nutrition are due to better health-care access, **immunisation coverage, maternal education**, and improvements in housing, water, and sanitation.
- **Feeding practices and access to quality diets remain weak** — continue to limit overall progress.
- Institutional births reached **90%**; public health facilities account for 58% of births; 91% of deliveries attended by skilled medical personnel.
- **87% of children** (12–23 months) are now fully vaccinated — strong outreach by ASHA, AWW, ANM frontline workers.

- Only **50% of newborns breastfed within the first hour** of life — needs urgent systemic attention.
- **Maternal time poverty** — a growing, under-explored determinant of child malnutrition in India.

Concerns & Way Forward

- **Processed Food Trap:** Households spending less on cereals, more on dairy and processed foods — poor nutritional diversity.
- First **1,000 days** (pregnancy to child's 2nd birthday) are the most critical window — prevention of growth faltering must get greater priority.
- **Annaprasana** (timely complementary feeding ritual, 6–12 months) should be promoted as culturally grounded behaviour change communication.
- Engage men in childcare; promote shared domestic responsibilities to address maternal burden.
- **POSHAN Abhiyan** focuses on identification/rehabilitation of severely malnourished — needs to shift toward **prevention**.
- Recruit nutritionists and data analysts at district level; strengthen AWW data quality and feedback loops.
- **Multisectoral convergence** is critical — child nutrition must be a standing agenda in Gram Sabha and Panchayat discussions.

MAINS PRACTICE QUESTION

Q. "Maternal nutrition is the foundation of child health and human capital development." Discuss the intergenerational impact of maternal malnutrition on children in India. Suggest measures to strengthen the maternal and child nutrition ecosystem. (15 Marks)

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3. LOPSIDED SOLUTION – PHARMA REGULATORY OVERSIGHT

GS 3

Source: The Hindu, Page 10 | Health, Governance, S&T;

Page No.10 , GS 3

Lopsided solution

In India, regulatory oversight for pharmaceuticals needs to improve

As part of an overarching attempt to restore confidence in India's pharmaceutical supply chain after a series of deaths damaged the country's reputation as a drug exporter, the government has required a doctor's prescription for individuals to purchase syrup-based medicines. However, while it seems like a credible measure, it is also defensive rather than reformist. The Union Health Ministry has removed the term "syrup" from Schedule K of the Drugs Rules 1945, a change it had signalled when it issued the draft notification in December 2025, thus requiring cough syrups to be sold only with a prescription, through licensed pharmacies. These products were singled out after ethylene glycol (EG) and diethylene glycol (DEG) contamination in India-made cough syrups killed over 300 children across several countries since 2022. The WHO's warnings in 2022 and 2023 also undermined assumptions that India's export quality controls were effective and functioning independently. But beyond contamination, doctors have long raised concerns about how cough syrups are formulated and used. Many over-the-counter (OTC) cough syrups are 'cocktails' of bronchodilators, antihistamines, and decongestants, which can cause tremors and heart palpitations, extreme sedation or paradoxical agitation in infants, and blood pressure effects. The American Academy of Pediatrics has said that cough suppressants are quite ineffective for children under

three, and blood pressure effects. The American Academy of Pediatrics has said that cough suppressants are quite ineffective for children under six years and may even be dangerous, as they can mask underlying conditions such as pneumonia or asthma. Yet, India's entrenched OTC culture makes pharmacists de facto primary care providers in many rural and semi-urban areas.

Most importantly, however, the contamination was the result of failures in manufacturing quality control, testing of raw materials, and regulatory oversight rather than consumer access. Even now, requiring a prescription may reduce inappropriate use and push patients away from self-medication, but it could never prevent contaminated products from reaching the market in the first place. The fundamental issue is that the government continues to tolerate the pharmaceutical lobby's argument that high-end testing requirements – for stronger quality control and ultimately better drugs – will bankrupt smaller manufacturers. Second, while the *Indian Pharmacopoeia* and the *Pharmacopoeia Internationalis* updated their analytical methods to detect EG/DEG following the deaths, failures in batch testing and enforcement persist. As a result, while India has around three dozen State drug controllers, they are chronically understaffed – so without a large increase in the inspectorate, the notification is likely to be ignored sans consequence in rural areas. In a globalised economy, subpar enforcement for medicines in even one country is dangerous; that is infinitely more so in a country aspiring to remain the world's pharmacy.

Original article — The Hindu, Page 10, 19 June 2025

Context & Key Issues

- Government now requires a **doctor's prescription** to purchase syrup-based medicines — a response to deaths damaging India's reputation as a drug exporter.

- ## Systemic Failures & Critique

- ## About: Schedule K — Drugs and Cosmetics Act, 1940

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- MAINS PRACTICE QUESTION**

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GS 3

Essential upgrades

The updates to India's statistical system
are welcome, albeit long overdue

The government has, in recent months, implemented several long-overdue but welcome upgrades to India's statistical databases. Wide-ranging, they cover the way the country measures Gross Domestic Product (GDP), industrial production, and price changes at the retail, wholesale, and producer levels. These updates have not only made India's key economic statistics more representative of reality, but have also brought them in line with international best practices. The most basic change across all indices has been the updating of base years. Until recently, the base years for GDP, the Consumer Price Index (CPI), Wholesale Price Index (WPI), and Index of Industrial Production (IIP) were either 2011 or 2012. As such, these measures were significantly outdated and less reflective of reality with each passing year. In February, the Ministry of Statistics and Programme Implementation (MoSPI) released the new series of national accounts data, including GDP, with a base year of 2022-23. The new series incorporates methodological improvements and new data sources, making it more granular and robust. Some of these, such as the double-deflator approach, have long been demanded by statisticians and international bodies, including the IMF.

Similarly, MoSPI had in February also released the new series of the CPI with an updated base year of 2024, a more inclusive basket of items measured, and more accurate weightages. This has enabled a more realistic reading of retail inflation, a key metric in interest-rate decisions. In early June, MoSPI then released the new series of the IIP as well. The base year was updated to 2022-23 and the index's data collection was strengthened. This, too, eventually feeds into more accurate GDP data. The other factor to be highlighted is that the data upgrades have not been limited to just MoSPI. The Ministry of Commerce and Industry also updated its WPI, releasing the new series on Monday. A more accurate WPI and CPI yield a more accurate GDP deflator, which strengthens the way that statisticians derive real GDP growth after having adjusted for inflation. The Commerce Ministry also released a new Producer Price Index (PPI), which is to replace the WPI in five years. A PPI is the standard among developed economies and provides more information about both goods and service price levels at the producer stage. With all these, the IMF is sure to improve the recurring 'C' grade it has given India's national accounts data. These, it is hoped, will also be capped off by a time-bound release of the new Census with no further delays.

Original article — The Hindu, Page 10, 19 June 2025

Key Updates to India's Statistical Framework

- Government implemented several long-overdue upgrades to statistical databases covering **GDP, industrial production, and price indices** at retail, wholesale, and producer levels.
- **Base year updates** (earlier: 2011 or 2012 — significantly outdated):

Index	Old Base Year	New Base Year	Released By
GDP / National Accounts	2011-12	2022-23	MoSPI (Feb 2025)
CPI (Consumer Price Index)	2012	2024	MoSPI (Feb 2025)
IIP (Index of Industrial Production)	2011-12	2022-23	MoSPI (Jun 2025)
WPI (Wholesale Price Index)	2011-12	2022-23	Ministry of Commerce
PPI (Producer Price Index)	New Index	2022-23	Ministry of Commerce

- New GDP series incorporates **double-deflator approach** and new data sources — more granular and robust.
- New CPI with base year 2024 provides a **more realistic reading of retail inflation** — key metric in interest-rate decisions.
- New **Producer Price Index (PPI)** — will replace WPI in 5 years; standard among developed economies; covers both goods and services price levels at the producer stage.
- More accurate WPI and CPI yield a better **GDP deflator** — strengthens derivation of real GDP growth after adjusting for inflation.
- These upgrades are expected to help India improve its **IMF "C" grade** on national accounts data.

 MAINS PRACTICE QUESTION

Q. Accurate and timely statistical data is the backbone of evidence-based policymaking. In light of recent upgrades to India's statistical system, discuss the significance of these changes and the challenges that remain. (10 Marks)

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The real barriers to trade are no longer tariffs

Recently, the CEO of a large multinational called to ask whether the upcoming visit of the United States Trade Representative to India could result in tariff rates returning to around 18% or settling at a different level.

Such conversations reflect the extent to which trade negotiations are often viewed through the prism of headline tariff numbers. Yet, in practice, tariff rates are only one part of the picture. The more significant determinants of market access and competitiveness frequently lie elsewhere. This presents an opportunity for India to move beyond a narrow focus on tariff haggling and instead address the broader set of factors that shape trade outcomes.

When India and the U.S. issued a joint statement in February 2025 agreeing on a framework for an interim trade agreement, the headlines highlighted the obvious: the tariff numbers. The U.S. reciprocal rate cut to 18%. India's pledge to move toward zero duties on American goods. The "\$500 billion" purchase commitment. But the White House fact sheet buried the more consequential admission – that both sides needed to negotiate the removal of non-tariff barriers. The U.S. deploys its own formidable non-tariff barriers arsenal while India has its quality regulations. The tariff headline was the press release. The NTBs on both sides are the actual problem.

For decades, trade diplomacy revolved around tariffs. Governments negotiated reductions in import duties, and success in trade talks was measured in percentage points shaved off customs rates. In today's hyper-regulated global economy, tariffs barely matter. The real obstacles are faced in the laboratory and the law offices through NTBs.

NTBs are the regulations, certifications, licensing rules, and product requirements that goods must meet before entering a market. They include technical regulations, environmental rules, health and safety requirements, packaging standards and testing procedures. Unlike tariffs, which are transparent and easy to measure, these regulatory hurdles operate within the system and exert a far-reaching influence on trade.

NTBs, the quiet trade weapon
Since the establishment of the World Trade Organization (WTO) in 1995, average tariff rates



Anuj Gupta
Managing Director
of BowerGroupIndia

among its members have fallen by nearly half, yet governments have not abandoned protectionism. As tariffs declined, NTBs surged. Today, they affect around 90% of global trade – a sixfold increase over the past three decades.

The regulatory landscape has expanded just as rapidly. More than half of the 20,000 global product and safety regulations introduced over the past 70 years have emerged since 2000, creating a dense web of overlapping rules that complicates cross-border commerce and raises compliance costs, particularly for smaller exporters. The WTO itself reflects this shift. In 2025 alone, governments submitted over 7,700 notifications of NTBs and health-related trade measures, 10 times more than in 1995.

Among major economies, the European Union (EU) is the most extensive user of these regulatory tools. According to the World Trade Organization and World Bank data, non-tariff measures cover roughly about 94% of imports entering the EU, compared with about 77% in the U.S. and nearly 45% in India. Each major economy deploys these barriers differently. The EU has built the world's most expansive regulatory architecture for trade, with NTBs concentrated in environmental rules, chemical safety regulations, product standards, packaging requirements and climate-related policies such as the Carbon Border Adjustment Mechanism and the EU Deforestation Regulation. These rules are justified as protections, often acting as powerful filters on trade.

The American NTBs are driven by strategic competition, security concerns and technological dominance. Export controls, entity lists and restrictions on semiconductors, AI chips, and advanced computing hardware increasingly limit rivals' access to critical technology supply chains. India has traditionally relied more on tariffs, but this is changing. As part of its industrial strategy, New Delhi is expanding quality regulations on imports of electronics, machinery and chemicals to boost domestic manufacturing and reduce dependence on external supply chains.

The Indian experience
India's own FTA record makes the point sharply. The Association of Southeast Asian Nations (ASEAN)-India agreement has been in force since 2010, yet preferential tariff utilisation among Indian businesses remains below 50%, largely

because non-tariff barriers (NTBs) make claiming these benefits commercially impractical. Indonesian registration requirements restrict Indian pharmaceutical exports, while Thai customs procedures force gems and jewellery exporters to reroute shipments through Hong Kong. Tariffs have fallen, but trade barriers remain.

Japan and South Korea tell a similar story. Despite an FTA with Japan since 2011, Indian pharmaceutical exports remain negligible because market approvals can take five to seven years and Japan has resisted recognising international testing standards. With South Korea, bilateral trade reached \$27 billion in 2024-25, but India accounted for only \$6.5 billion. Overall, India's FTA utilisation rate is about 25%, compared with 70%-80% for developed economies. The agreements existed on paper; the barriers remained in practice.

The next frontier of trade
This does not mean abandoning legitimate environmental or consumer protections, but regulatory systems must be transparent and proportionate. Otherwise, they risk fragmenting global markets at precisely the moment when supply chains are being re-organised.

India's newer agreements signal a genuine shift. The United Arab Emirates Comprehensive Economic Partnership Agreement explicitly mandates automatic recognition of medicines approved by major global regulators, and requires mutual acceptance of laboratory testing that eliminates duplicate compliance costs. The India-European Free Trade Association Trade and Economic Partnership Agreement, in force since October 2025, goes further with mutual recognition of standards, streamlined conformity assessment, and a dedicated sub-committee mandated to address NTBs on an ongoing basis. For the first time, NTB reduction is a legally binding obligation.

The politics of trade still talks about tariffs. The economies of trade has already moved on. In the 21st century, the real barriers are regulatory. If the West wants a serious economic pivot to the east, addressing those barriers will matter far more than cutting tariffs ever did.

The views expressed are personal

Original article — The Hindu, Page 10, 19 June 2025

Key Arguments

- In today's hyper-regulated global economy, **tariffs barely matter** — the real obstacles to market access lie in Non-Tariff Barriers (NTBs).
- Since WTO establishment (1995), average tariff rates among members have **fallen by nearly half** — yet protectionism has not been abandoned.
- As tariffs declined, NTBs surged — today they affect around **90% of global trade**, a **sixfold increase** over three decades.
- More than half of the **20,000 global product and safety regulations** over 70 years have emerged since 2000.
- In 2025 alone, governments submitted over **7,700 NTB notifications** to WTO — **10 times more than in 1995**.

NTBs Across Major Economies

Economy	NTB Coverage of Imports	Key NTB Types
European Union	~94%	Environmental rules, CBAM, EU Deforestation Regulation, chemical safety, packaging
United States	~77%	Export controls, entity lists, AI chip restrictions, strategic tech controls
India	~45%	Quality regulations, import licensing, BIS standards, pharma registration

India's FTA Utilisation Problem

- **ASEAN-India FTA** (in force since 2010) — preferential tariff utilisation among Indian businesses remains below **50%** largely because of NTBs.
- Indonesian registration requirements restrict Indian pharma exports; Thai customs procedures force gem exporters to reroute through Hong Kong.
- **Japan FTA** (since 2011) — market approvals can take 5–7 years; Japan has resisted recognising international testing standards.
- India's **overall FTA utilisation rate is ~25%**, compared to 70–80% for developed economies.
- **UAE CEPA** — mandates automatic recognition of medicines approved by major global regulators; mutual acceptance of lab testing; eliminates duplicate compliance costs.
- **India-EU TEPA** (in force October 2025) — first FTA to make NTB reduction a **legally binding obligation**; streamlined conformity assessment; dedicated sub-committee for ongoing NTB reduction.

MAINS PRACTICE QUESTION

Q. "In the 21st century, the real barriers to trade are regulatory, not tariff-based." Critically examine the role of Non-Tariff Barriers (NTBs) in shaping India's international trade competitiveness, and suggest measures to address them. (15 Marks)

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6. IS INDIA PRODUCING MORE GRADUATES THAN THE ECONOMY CAN ABSORB?

GS 2,3

Source: The Hindu, Page 11 | Education, Economy, Employment

Is India producing more graduates than what the economy can absorb?

Page No.11 , GS 3

PARLEY

Rajan Wadhwa
Former President, Automotive Sector, Mahindra & Mahindra

O.R.S. Rao
Chairman, ICSI, Sakin

India is witnessing an unprecedented expansion in higher education. Over the past decade, thousands of new colleges and universities have been established, producing millions of graduates every year. Yet unemployment of the educated remains a growing concern. Nearly one in three graduates are unemployed. Is India producing more graduates than what the economy can absorb? Rajan Wadhwa and O.R.S. Rao discuss the question in a conversation moderated by M. Ramanan. Edited excerpts:

Is India producing more graduates than the economy can absorb?

O.R.S. Rao: The numbers point to a widening gap between the growth in graduates and the growth in jobs. In engineering alone, the number of graduates has risen sharply over the past few years while job creation has not kept pace. Earlier, the IT services sector was the principal employer of engineering graduates. Today, hiring by IT services firms has slowed considerably, even though sectors such as banking and financial services, manufacturing, defence and space technologies have expanded their recruitment. The challenge is that these new opportunities have not grown fast enough to absorb the increasing number of graduates entering the labour market.

A second issue is the nature of investment. Much of the recent investment in sectors such as semiconductors, advanced manufacturing and technology has been capital-intensive rather than labour intensive. As a result, large investments do not necessarily translate into proportionate job creation.

Has AI made the problem worse?

ORS: We are in the middle of a major technological transition. AI is changing the nature of work much faster than how educational institutions can adapt. Companies now want graduates who can work with AI systems, validate AI-generated outputs, understand responsible and ethical AI use, and solve complex problems using technology. Four years ago, when many of today's graduates entered college, these skills were not widely discussed. Universities cannot design programmes overnight, and students cannot acquire entirely new competencies instantly. As a result, many graduates are entering a labour market that demands skills different from those they were trained for.

Is employability more important than just

job creation?

Rajan Wadhwa: There is certainly a growing concern about employability, particularly among engineering graduates. The problem is often a mismatch between what is taught and what the industry requires. Students may graduate with strong academic credentials but have limited exposure to laboratories, manufacturing environments, teamwork and real-world problem-solving. When they enter the industry, employers frequently find that they need substantial additional training in order to contribute effectively. Companies run their own training programmes to bridge this gap. This was far less common a few decades ago.

Has manufacturing failed to create enough opportunities?

RW: Manufacturing still has considerable potential, but it too is undergoing profound change. People often focus on the impact of AI on software jobs, but manufacturing is also being transformed by automation, robotics, and Industry 4.0 systems. Historically, a large number of engineers were employed in supervisory and operational roles on factory floors. Today, many of those functions are automated. Digital manufacturing systems require fewer people to oversee production processes. As a result, the number of engineering jobs generated by manufacturing is not increasing at the pace many people expected. Even as factories expand output, they often require fewer workers and supervisors than before.

Does that mean the future is one of permanent jobless growth?

RW: I would not go that far. India's push towards self-reliance in sectors such as defence,

Students may graduate with strong academic credentials but have limited exposure to laboratories, manufacturing environments, teamwork, and real-world problem-solving.

seminars and advanced manufacturing is creating new opportunities. There is increasing emphasis on domestic design and product development, and that is encouraging. The challenge is that automation and digitalisation are reducing labour requirements even as industries grow. Therefore, employment growth may not automatically match economic growth. This makes it even more important for educational institutions and industry to work together. Curricula needs to be aligned much more closely with industry requirements.

Has India focused too much on manufacturing and too little on innovation?

ORS: Over many years, India became increasingly proficient at manufacturing products designed elsewhere. Manufacturing alone does not create enough opportunities for highly trained engineers. The real value lies in research, development and design. Countries that control intellectual property and technology create far more opportunities for engineers than countries that simply manufacture products. Recent global developments have reinforced this lesson. Increasing restrictions on access to critical technologies such as semiconductors and strategic components have shown that excessive dependence on external technologies carries risks. India therefore needs to invest much more aggressively in indigenous research, innovation and product development.

Has India made progress in indigenous design capabilities?

RW: It would be incorrect to say that India remains only a manufacturing base. Over the last decade, companies such as Mahindra and Tata Motors have developed significant design and engineering capabilities. Indian engineers today are designing vehicles, platforms, transmissions and other complex systems that would previously have been developed elsewhere. The issue is not whether these capabilities exist. The issue is scale. The number of high-quality engineering graduates being produced is larger than the number of advanced R&D and design roles currently available.

What role should entrepreneurship play?

ORS: Neither government nor industry can create enough jobs for every graduate. We need more graduates to become creators of enterprises rather than only seekers of employment. One major challenge is access to risk capital. Traditional lenders prefer established businesses and proven revenue streams. Innovation, however, requires investors willing to support ideas at an early stage. India's startup ecosystem has made significant progress, but much more needs to be done to support deep-technology ventures.

What should India focus on in the AI era?

ORS: India should focus not only on infrastructure but also on products. There is a significant need for sovereign AI as nations with these systems seek to restrict access. Product companies create intellectual property, innovation and high-value employment. The goal should be to develop products not only for India but for global markets. We should identify strategic areas where India can become a global leader. UPI's success demonstrates that India is capable of building world-class digital platforms.

What needs to change in higher education?

ORS: Industry-academia collaboration must become much deeper. Universities cannot design relevant programmes without industry participation, and industry cannot expect job-ready graduates without contributing to curriculum, internships and skill development.

Looking ahead, what are the priorities?

ORS: Three priorities stand out. First, India must significantly increase investment in research and development. Second, industry and academia must work together much more closely. Third, we need a stronger entrepreneurship ecosystem that encourages innovation and supports risk-taking.

RW: I would add that India must continue building indigenous capabilities in design, engineering and advanced manufacturing. The opportunities are real, particularly in sectors such as defence and aerospace. The challenge is ensuring that education, industry and policy move in the same direction.

To listen to the full interview, scan the code or go to the link www.thehindu.com

Original article — The Hindu, Page 11, 19 June 2025

The Core Problem

- India witnessing unprecedented expansion in higher education — thousands of new colleges producing millions of graduates annually.
- Nearly 1 in 3 graduates is unemployed** — a widening gap between graduate output and job creation.
- In engineering, graduate numbers have risen sharply but **IT sector hiring has slowed considerably** — the traditional principal employer of engineering graduates.
- New opportunities in banking, manufacturing, defence, and space have expanded but **not fast enough** to absorb the rising graduate numbers.
- Capital-intensive investment** in semiconductors, advanced manufacturing, and tech does not necessarily translate into proportionate job creation.

Role of AI & Skill Mismatch

- AI is changing the nature of work faster than educational institutions can adapt — companies want graduates who can **work with AI systems, validate AI outputs, solve complex problems**.
- Students graduate with strong academic credentials but **limited exposure to labs, manufacturing environments, teamwork, and real-world problem-solving**.
- Manufacturing is being transformed by automation, robotics, and Industry 4.0 — **fewer supervisory engineers needed**; the number of jobs generated by manufacturing is not increasing at the pace expected.

Way Forward

- **Industry-academia collaboration** must deepen — universities cannot design relevant programmes without industry participation.
- India should focus on **products not just infrastructure** — develop intellectual property, innovation, and high-value employment.
- Increase investment in **indigenous R&D**; — in semiconductors, advanced computing, and design capabilities.
- Build a stronger **entrepreneurship ecosystem** that encourages innovation and supports risk-taking.
- **Three priorities:** Significantly increase R&D; investment; industry and academia must work more closely; build a stronger startup ecosystem that encourages innovation.

🔥 MAINS PRACTICE QUESTION

Q. The rapid expansion of higher education in India has not translated into commensurate employment opportunities. Examine the structural reasons for graduate unemployment and suggest policy interventions to bridge the gap between education and employability. (15 Marks)

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 (15 ■■■)

7. SECTION 69A OF IT ACT – TELEGRAM BAN CONTROVERSY

GS 2

Source: The Hindu, Page 14 | Polity, Governance, Fundamental Rights

Page No.14 , GS 2

Telegram challenge once again puts spotlight on Section 69A of IT Act

NEWS ANALYSIS

Rizmi Lia M.
CHENNAI

The Centre's move to block Telegram has once again drawn attention to Section 69A of the Information Technology Act, 2000, a provision that gives the government the power to direct intermediaries to block access to online information under specified circumstances.

The temporary ban on the platform, which was initially misused for the medical entrance examination paper leak and misinformation campaigns, was aimed at curbing another paper leak during the NEET-UG retest. Telegram has approached the Delhi High Court challenging the ban, which is set to last till June 22, and the judgment has been reserved.

Section 69A of the IT Act

But the restriction may interfere with Article 19(1) (a) of the Constitution, which protects freedom of speech and expression. Therefore, the orders under Section 69A must be issued with the procedural safeguards established by the Information Technology (Procedure and Safeguards for Blocking Access to Information by the Public) Rules, 2009.

In *Anuradha Bhasin v Union of India*, the Supreme Court examined the validity of the indefinite blanket ban on internet services in the erstwhile State of Jammu and Kashmir, and the court held that freedom of speech and expression, as well as freedom to practice any profession or carry on any trade, business, or occupation over the internet, are protected by Articles 19(1)(a) and 19(1)(g). The court also concluded that orders restricting internet access must meet the proportionality test: they must be required, use the least restrictive measures available, and be open to judicial review.

Article 19(1)(g) provides the right to practice any profession or to engage in any occupation, trade, or business. A ban on a platform that has about 150 million users in India will disrupt many creators, educators, and entrepreneurs running broadcast groups, and prevent them from maintaining communication with their subscribers. It thus limits one's ability to earn a living.

Section 79 of the IT Act also establishes intermediary safe harbour provision, which means platforms are not liable for third-party content if they exercise due diligence, follow the Information Technology Rules, 2021, and act quickly upon receiving knowledge of illegal content.

Original article — The Hindu, Page 14, 19 June 2025

Context

- Centre's move to temporarily block **Telegram** — initially misused for NEET-UG medical entrance paper leak and misinformation campaigns — has renewed attention to **Section 69A of the IT Act, 2000**.
- Telegram approached the **Delhi High Court** challenging the ban (set to last till June 22); judgment was reserved.

About Section 69A — IT Act, 2000

- Authorises the Union Government to block public access to any information via any computer resource, including apps and websites.
- Blocking can be ordered if necessary **"in the interest of India's sovereignty and integrity, defence of India, security of the state, friendly relations with foreign states, public order, or for preventing incitement to commission of any cognizable offence."**

- Orders must be issued with procedural safeguards under **IT (Procedure and Safeguards for Blocking Access to Information by the Public) Rules, 2009**.

Constitutional Concerns & Judicial Precedents

- Restriction may interfere with **Article 19(1)(a)** — freedom of speech and expression.
- **Article 19(1)(g)** — right to practice any profession or trade/business. A ban on a platform with ~150 million users in India will disrupt creators, educators, and entrepreneurs.
- **Anuradha Bhasin v Union of India**: Supreme Court held freedom of speech and expression, and freedom to practice profession over the internet, are protected under Articles 19(1)(a) and 19(1)(g).
- Orders restricting internet access must meet the **proportionality test** — required, use least restrictive measures, and be open to judicial review.
- **Section 79 of IT Act** — intermediary safe harbour: platforms not liable for third-party content if they exercise due diligence, follow IT Rules 2021, and act quickly on illegal content.

MAINS PRACTICE QUESTION

Q. Section 69A of the IT Act, 2000 gives the government sweeping powers to block online content. Critically examine whether such powers strike an appropriate balance between national security imperatives and the fundamental rights of citizens. (15 Marks)

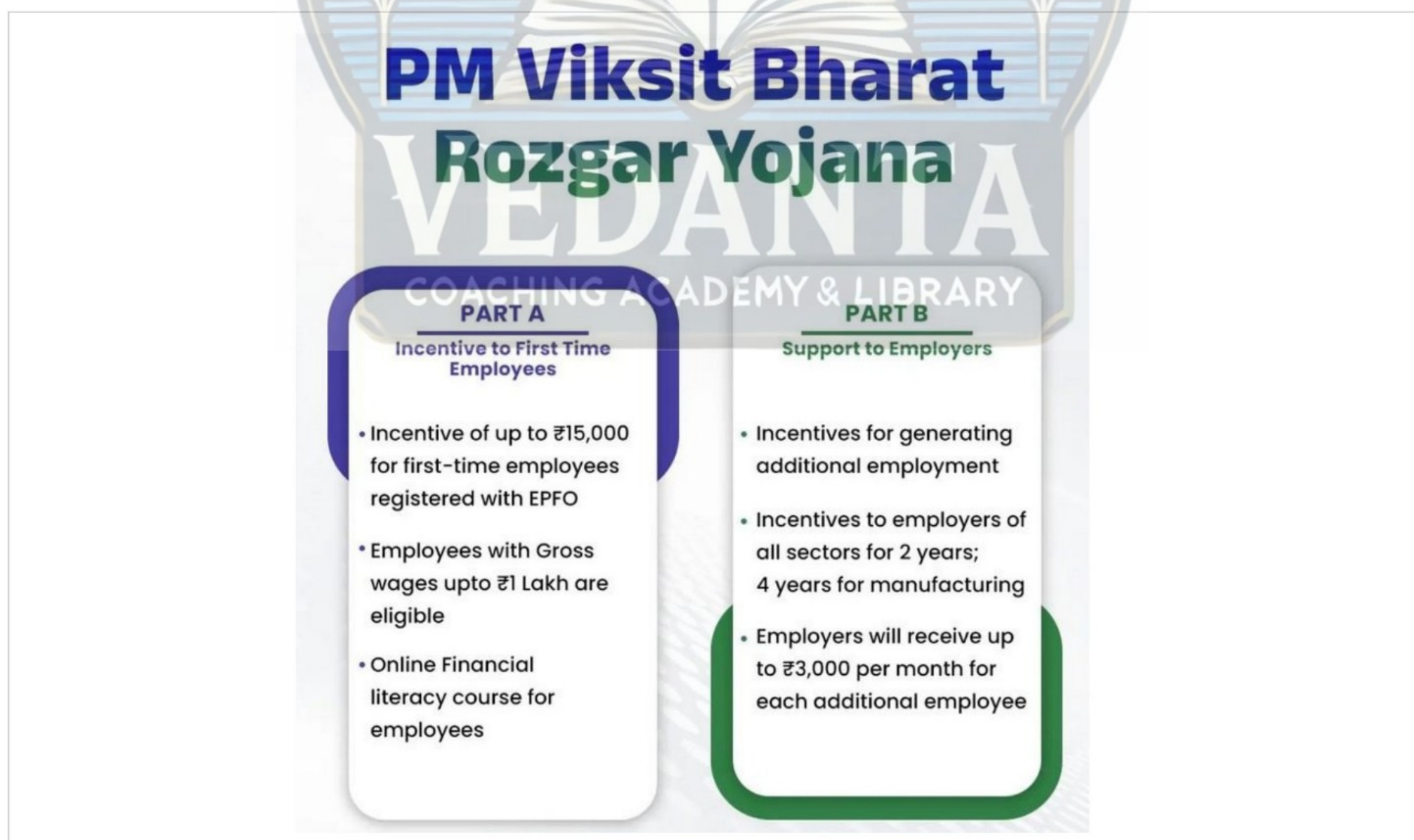
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 (15)

8. PRADHAN MANTRI VIKSIT BHARAT ROJGAR YOJANA (PM-VBRY)

PRELIMS

Source: The Hindu, Page 16 | Government Schemes, Economy



Original infographic — PM Viksit Bharat Rozgar Yojana (PM-VBRY)

Key Facts (Prelims Focus)

Parameter	Details
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Full Name	Pradhan Mantri Viksit Bharat Rojgar Yojana (PM-VBRY)
Nodal Ministry	Ministry of Labour and Employment
Objective	Promote employment-led development, especially in manufacturing sector
Total Outlay	■ 99,446 crore
Target	Create 3.5 crore jobs in two years
Disbursement Mode	Direct Benefit Transfer (DBT)
Recent Development	PM Modi disbursed ■ 2,400 crore to 15 lakh beneficiaries (19 June 2025)
Employee Benefit	First-time employees registered with EPFO get up to ■ 15,000
Employer Benefit	Up to ■ 3,000 per month per new employee (all sectors: 2 yrs; manufacturing: 4 yrs)
Eligibility	Employees with gross wages up to ■ 1 Lakh per month
Vision Alignment	Viksit Bharat Vision & Atmanirbhar Bharat

Significance of PM-VBRY

- Large-scale job creation targeting India's pressing employment challenge — 3.5 crore youth directly benefited.
- Longer incentive duration for **manufacturing sector (4 years)** aligns with Atmanirbhar Bharat and industrial growth goals.
- Promotes **financial literacy and savings** among youth through mandatory online financial literacy courses.
- **DBT mechanism** ensures direct, transparent transfer of benefits — minimises leakage.
- Incentivises **formalisation of employment** through EPFO registration for first-time workers.

