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Islamabad channel: India must stand for peace, whoever the broker may be

THAROORTHINK

BY SHASHI THAROOR

IN THE volatile theatre of West Asian geopolitics, the script has taken an improbable turn. For decades, the corridors of power in Washington and Tehran were paved with mutual suspicion, separated by a chasm that no amount of traditional diplomacy could bridge. Yet, as the 2026 Iran-US conflict reaches a fever pitch, the most consequential diplomatic bridge is being built not in Geneva or Doha, but in Islamabad, where negotiations begin on Friday.

The emergence of Pakistan as the indispensable broker in this crisis is a development that demands a mature and sophisticated response from New Delhi. While the historical reflex of our establishment might be one of disparagement, strategic anxiety, or both, the sheer scale of the current conflagration, US President Donald Trump's threat of a "civilisation-ending" cataclysm, and the malign effects on the region all necessitate a more statesmanlike posture. True, the Pakistani Prime Minister's social-media gaffe in posting a message apparently drafted in Washington suggests that the US may merely be using Pakistan to give the ceasefire a neutral, third-party face, allowing both the US and Iran to de-escalate without appearing to back down directly to one another. But even if Pakistan is a diplomatic fig leaf rather than the real initiator, India must now navigate this development with a combination of strategic restraint, regional responsibility, and a renewed commitment to its role as the voice of the Global South.

To understand why Pakistan has suddenly become the pivot point for the Trump administration and the Iranian leadership, one must look at the unique "connectivity matrix" it has cultivated. The relationship between Field Marshal Asim Munir and President Donald Trump is no longer a matter of back-channel rumour; it is an operational reality. Trump's penchant for personalised diplomacy, especially one over-valuing the strongman archetype, has found a mate in Munir, whom he calls his "favourite field marshal". This personal rapport, forged during the heat of the 2025 India-Pakistan crisis over Operation Sindoor, has bypassed the formal bureaucracy of the State Department, creating a direct, high-velocity channel to the Oval Office.

Simultaneously, with a Shia population of 40 million (the largest outside Iran), Islamabad possesses a cultural and sectarian asset that resonates in Tehran. Unlike the Sunni Gulf monarchies, which Iran views through a lens of existential rivalry, or Turkey, whose NATO membership creates a permanent glass ceiling of mistrust, Pakistan is perceived as a neighbour, albeit one that is not always friendly (or kind to its Shia minority) but that has "skin in the game". A 900-km shared border means that for Pakistan, a regional war is not abstract geopolitics but a domestic nightmare of potential refugee surges and sectarian spillover.

This is the "Islamabad channel" — a conduit that has already shown its potency by reportedly influencing Israeli targeting lists and facilitating the transmission of the earlier 15-point American ceasefire proposal. Its viability is enhanced by Pakistan's "all-weather" alliance with China, its recent defence treaty with Saudi Arabia, and its stature as the second-most populous nation in the Islamic world, reinforced by the foreign ministers of Egypt, Turkey and Saudi Arabia flying to Islamabad recently.

> If Pakistan succeeds, India should be among the first to celebrate. Celebrating a neighbour's mediation does not diminish our standing; in a nuclear-armed neighbourhood, a win for stability is a win for everyone

As this initiative unfolds, India stands at a crossroads. The instinct to dismiss a Pakistani diplomatic win is a relic of a zero-sum era that the geopolitics of the third decade of the 21st century has disrupted. Instead, New Delhi should adopt a three-tiered strategy that prioritises regional stability over parochial rivalry.

First, India must lead a resonant call for peace on behalf of the Global South. As the US and Israel assault Iran and Iran retaliates against its Gulf neighbours, the rest of the world is currently paying the highest price for this conflict in the form of energy inflation and ruptured supply chains. As a leading voice of these nations, India's moral and diplomatic weight should be used to demand a cessation of hostilities. By championing peace without condemning either belligerent, India has reinforced its identity as a responsible global power that values the stability of the international order.

Second, India must watch the Pakistani initiative with the keen eye of an interested neighbour rather than that of a resentful critic. There is no strategic benefit in rooting for the failure of a peace process. If the "Islamabad channel" manages to bring Washington and Tehran onto the same page, it will be a triumph for regional security. A de-escalated Iran War means a stabilised energy market and the protection of Indian interests. Why should we disparage it?

If the Islamabad dialogue succeeds, India should be among the first to celebrate the return of peace. Celebrating a neighbour's successful mediation does not diminish our standing; it is a recognition that in a nuclear-armed neighbourhood, a win for stability is a win for everyone. To sneer at it would signal to the world that India's foreign policy is driven by spite rather than by substance. Regional resentments should never trump a clear-eyed assessment of the larger national interest.

However, the path to peace is littered with potential shipwrecks. If the Pakistani effort fails — whether due to Iranian intransigence, American domestic politics, Israeli fury or the sheer unworkability of the peace plan — India must resist the temptation to gloat. A failed mediation is a tragedy for the region. Analysis, not celebration, should follow any setback. Does it leave room for a different kind of Indian effort? Could India's own unique relationship with the US and its historical ties with Iran offer an alternative track? If the Islamabad process hits a wall, the vacuum it leaves will be dangerous, and India must be ready to step into the breach, not with a "told-you-so" attitude, but with a "let's try something else" mentality.

The world of 2026 is no longer a unipolar playground. With China backing the Pakistani channel and other Islamic countries in support, the geopolitical tectonic plates are shifting. Amid the wreckage of the old order, India must maintain strategic autonomy while being ready to act as a bridge-builder.

In this moment of supreme peril, let the "Islamabad channel" be tested. Let us watch it with the maturity of a nation that understands that peace is not a trophy to be won, but a foundation upon which all our futures are built. India's voice must be clear: We are for peace, whoever the midwife may be.

The writer is a fourth-term Member of Parliament (Lok Sabha) for Thiruvananthapuram and chairman of the Parliamentary Standing Committee on External Affairs

GS 3: ECONOMY

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EMIs ON VARIOUS LOANS ARE EXPECTED TO REMAIN STABLE

RBI holds repo rate, sees GDP growth slowing to 6.9% in FY27

George Mathew, Akash Mandal & Siddharth Upasani
Mumbai/New Delhi, April 8

THE RESERVE Bank of India's (RBI) Monetary Policy Committee (MPC) Wednesday left the main policy instrument, the repo rate, unchanged at 5.25%.

The move underscores a cautious and calculated approach as economic risks resulting from the West Asia conflict have led to heightened uncertainty for both the inflation and growth outlook despite the US and Iran agreeing to a two-week ceasefire.

"The ceasefire, to some extent, has been taken into account. The whole implications... we'll come to know. But the ceasefire has been taken into account in the monetary policy decision," the central bank Governor Sanjay Malhotra told reporters in a press conference.

The conflict had led to a sharp rise in crude oil prices and broader energy supply disruptions after Iran closed the Strait of Hormuz. This unleashed fresh price pressures, pushing up input costs, straining supply chains, and raw material shortages across industries.

While the Strait of Hormuz has been re-opened, questions remain over the status of the energy infrastructure of the Gulf nations.

"The MPC opined that the intensity and the duration of the conflict, as well as the impact of the conflict, have resulted in damage to the energy and other infrastructure at risk to the inflation and growth outlook," Malhotra said.

Given the risks, the central bank has turned more cautious, projecting India's GDP growth to decline to 6.9% in FY27 from 7.6% in FY26. On the other hand, headline retail inflation is set to average 4.6% in the current fiscal. In FY26, Consumer Price Index inflation averaged around 2%. While risks to the growth outlook are on the downside, those for the inflation forecasts are on the upside.

"Upside risks to inflation outlook have increased," Malhotra said. "Elevated energy and other commodity prices, as well as shocks to availability of inputs due to disruptions in the Strait of Hormuz are likely to impact growth in FY27," he said.

Oil and exchange rate

The RBI has made some changes to the assumptions that underpin its growth and inflation forecasts.

For one, it now expects the price of India's crude oil basket to average $85 per barrel in FY27 as against its previous assumption of $70/bbl, disclosed in October 2025. In March, the price of the crude oil basket price had surged 64% from February to $113/bbl after averaging below $70/bbl for seven months in a row. In the first week of April, the average price had risen even further to $129/bbl, according to petroleum ministry data.

• NEW FORECASTS & ASSUMPTIONS

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On the exchange rate front, the RBI has assumed that the rupee will average 94-per-dollar in the current fiscal. In October 2025, it had assumed an exchange rate of 88-per-dollar for the second half of FY26.

However, a delay in the conclusion of the India-US trade deal sparked foreign investment outflows and pushed the rupee past 90- and 91-per-dollar in December.

A second wave of risk-aversion caused by the war led to the rupee spiralling past 92, 93, 94, and 95-per-dollar in March.

On Wednesday, it closed at 92.58-per-dollar, with Malhotra saying in his address that the RBI's exchange rate policy has not changed.

"Specifically, intervention in the foreign exchange market is aimed at smoothening excessive and disruptive volatility without targeting any specific level or band for the exchange rate. This is consistent with our long-standing policy of the exchange rates being market-determined. The RBI stands committed to this policy and would judiciously contain excessive or disruptive volatility to ensure that self-fulfilling expectations do not exacerbate currency movements beyond what is warranted by fundamentals," the governor said.

Commenting on the RBI's recent measures to curb speculative bets against the rupee, he said they were not going to remain in place forever.

Future rate trajectory

When asked about rate hikes in the future, he said the risks are evolving, so it is very difficult to make predictions.

Keeping the policy rate unchanged at 5.25% would come as a significant relief for borrowers across various segments of the economy. When the RBI maintains its repo rate, it generally means that lending rates offered by banks and financial institutions are unlikely to rise in the near term. As a result, equated monthly installments on various loans — homes, vehicles, personal needs, corporate financing or small businesses — are expected to remain stable. Deposit rates are also expected to remain unchanged as of now.

By holding rates steady, the MPC signalled that it is closely monitoring economic conditions before further adjustments to ensure that both borrowers and lenders operate in a relatively stable environment.

"Our baseline view remains for the RBI to keep its policy rate unchanged at 5.25% through FY27," Lavanya Venkateswaran, Senior ASEAN Economist at Singapore's OCBC Bank said.

Malhotra used the word 'fundamentals' five times in his address, arguing that the macroeconomic fundamentals are "on a stronger footing at the current juncture than in previous crisis episodes as well as relative to many other economies, providing it with greater resilience to withstand shocks", with high-frequency indicators till February indicative of strong momentum in economic activity.

FULL REPORT ON WWW.INDIANEXPRESS.COM

GS 3: ECONOMY

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Top 10% rural households own 44% land in India: Study

ENS Economic Bureau
New Delhi, April 8

LAND OWNERSHIP in rural India is highly concentrated with the top 10% of households owning 44% of total land area even as about 46% of households are landless, said a working paper released by the Paris-based World Inequality Lab.

Large landholders dominate land ownership in many villages with the largest landholder controlling about 12% of village land on an average, while two states — Bihar and Punjab — have the highest share of villages in which a single landlord owns more than half of the available land, the paper titled 'Land inequality in India: Nature, history, and markets' said.

The paper, co-authored by economists Nitin Kumar Bharti, David Blakeslee, and Samreen Malik, said Bihar and Kerala stand out among states for their high levels of land concentration in terms of top 10% or 5% or 1% ownership.

Overall, while the top 10% rural households own 44% of total land area, the top 5% and top 1% own 32% and 18% of total land area, respectively, it said. The paper draws its findings from the Socio-Economic Caste Census conducted in 2011, which covered 650 million individuals from 270,000 villages across ten of the largest states of India — Punjab, Uttar Pradesh, Bihar, Rajasthan, Madhya Pradesh, Maharashtra, Karnataka, Tamil Nadu, Kerala, and West Bengal — accounting for approximately 75% of the rural population.

Punjab has the highest level of landlessness at 73%. EXPRESS PHOTO

Land inequality among states

The share of land owned by the top household ranges from a low of 7.3% in Uttar Pradesh to a high of 20.1% in Bihar, the working paper said.

Among the four states where dependency on agriculture is particularly high, Rajasthan (34%) and Uttar Pradesh (39%) have a relatively lower level of landlessness than Madhya Pradesh (51%) and Bihar (59%). Punjab, known for its highly developed commercial agriculture sector, has the highest level of landlessness at 73%, the paper said. As per the all-household Gini measure, Kerala has the highest Gini coefficient at 90, followed by Bihar, Punjab, Tamil Nadu and West Bengal, each with a Gini coefficient of around 80.

Karnataka and Rajasthan have the lowest Gini coefficient of below 65, the paper stated.

A lower Gini coefficient indicates a more equal distribution of income or wealth within a population, meaning a smaller gap between the rich and poor. "Excluding landless population reduces the Gini coefficient for all states, and reduces variation across states, indicating that landlessness contributes significantly to the all-household Gini measure," it said.

Land ownership pattern

While 46% of rural households are landless, among the landed households the average size of a landholding is 6.2 hectares. However, 28.9% of land is held by households with 0-1 hectares, and 48.6% by households with 1-2 hectares, the paper stated. The mean share of land held by the largest landholder in the village is 12.4%, while in 3.8% of villages the largest landholder owns more than 50% of the land, it said.

FULL REPORT ON
WWW.INDIANEXPRESS.COM

GS 3: SPACE

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Over 4,600 objects placed in orbit in 2025 after 315 space launches: report

The Hindu Bureau
BENGALURU

The year 2025 saw 315 successful space launches globally, with about 4,651 objects placed in orbit. According to the Indian Space Situational Assessment Report (ISSAR) for 2025 released on Wednesday, a maximum number of payloads were deployed during 2025.

The report stated that 4,651 objects were launched to orbits and 1,911 re-entered the atmosphere with a net annual growth of 74.5%.

In 2025, eight Indian satellites were launched and four rocket bodies placed in orbit. -FILE PHOTO

27 satellites operational

With regard to the Indian space assets in 2025, eight satellites were launched and four rocket bodies were placed in orbit. The report said that 12 Indian objects re-entered the atmosphere.

It added that the IRNSS-1 D satellite was decommissioned 600 km above geosynchronous orbit.

In total, there are 86 Indian satellites in orbit of which 27 are operational, 23 are defunct (still in orbit), and 36 decayed.

Among the Indian rocket bodies, three Launch Vehicle Mark-3 (LVM-3) are still in orbit and five are decayed; four Small Satellite Launch Vehicles are decayed; four Geosynchronous Satellite Launch Vehicles (GSLV) are in orbit and 10 have decayed, and 42 Polar Satellite Launch Vehicles (PSLV) are in orbit and 19 have decayed.

The report also said that 563 and 519 orbital manoeuvres were carried out in low-earth orbit and geostationary orbit, respectively.

Fourteen collision avoidance measures were carried out in low-earth orbit along with four in geostationary orbit, the ISSAR report said.

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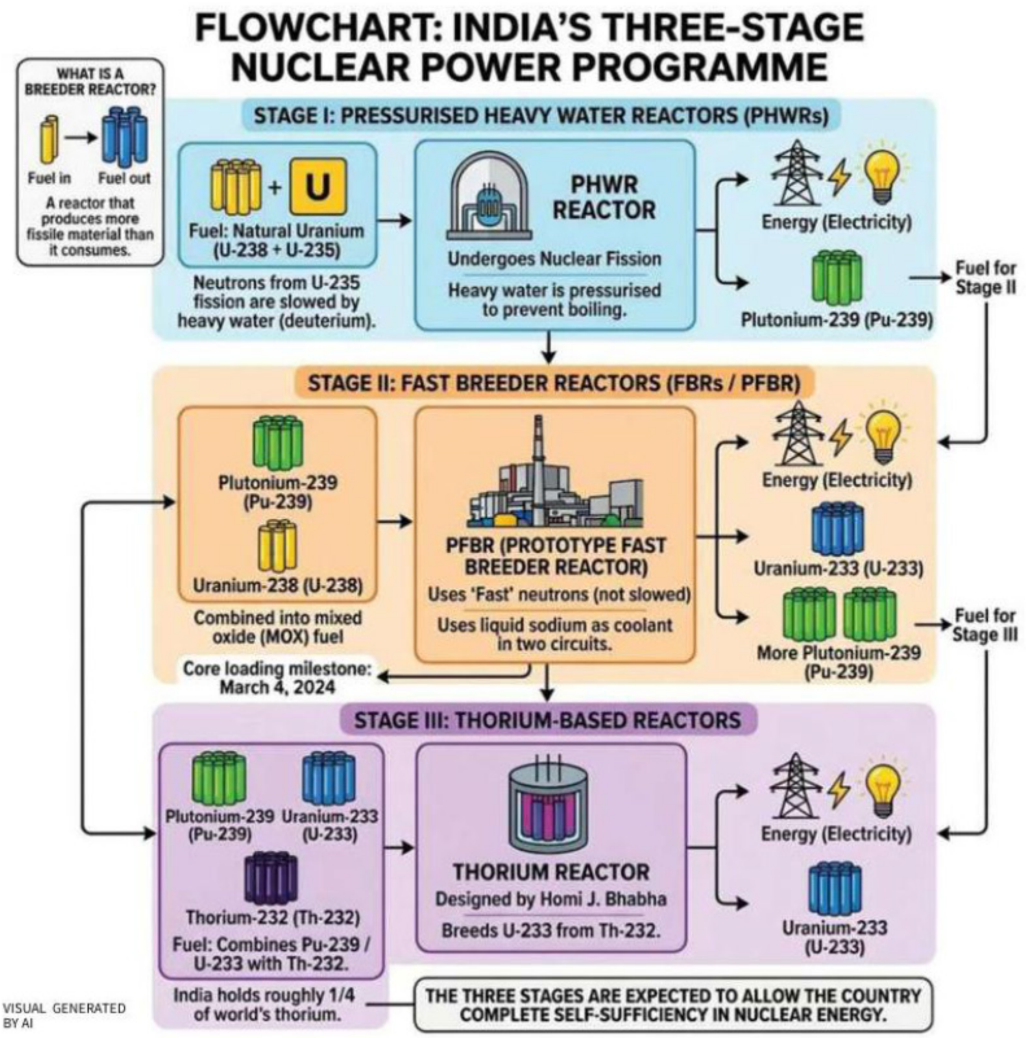

THE GIST

- PFBR at Kalpakkam achieved criticality, the first step in a sustained chain reaction, but commercial operation remains pending.
- Fast breeder reactors use plutonium and depleted uranium to produce more fuel, forming a bridge in India's three-stage nuclear programme aimed at long-term fuel security.
- Despite being technically feasible, FBRs face high costs, operational complexity, and delays, making their economic viability and wider acceptance uncertain.

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The thermal cost of India's textile surge

India is currently winning the global trade shuffle. As political instability rocks traditional hubs such as Bangladesh, international buyers are pivoting toward Indian textile clusters. But as factories in Tiruppur and Bengaluru take on these surge orders, they are walking into a thermodynamic crisis they haven't budgeted for.

The crisis is personal before it is industrial. A textile worker in Tamil Nadu loses 50% of her work capacity on a 40°C afternoon; and as she does not have any sick leaves or cooling breaks, she also loses 50% of her day's wages. She absorbs the cost of a warming planet so that global supply chains remain 'efficient.' However, the biology of labour is hitting a wall, and India's textile industry is quietly cracking under the weight.

Sreoshi Banerjee

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Raktimava Bose

Consultant at the National Council of Applied Economic Research (NCAER)

The crisis of productivity

Between 2001 and 2020, India lost an estimated 259 billion labour hours annually due to heat stress, a productivity haemorrhage exceeding $600 billion each year. In 2024 alone, that loss spiked to as high as 247 billion hours.

The productivity crisis is no longer a theoretical risk; it is a mechanical and biological reality crippling India's industrial heartlands. In the manufacturing hubs of Palghar, Maharashtra, factory owners report production capacity dropping by up to 50% as extreme heat triggers hazardous conditions that jeopardise both man and machine. Intense temperatures often restrict operations to just four hours daily, as heat becomes unbearable for the workforce. It also increases the likelihood of workplace injuries and serious health conditions, including heatstroke and dehydration. Industrial equipment, designed for more temperate baselines, frequently overheat, leading to sudden operational shutdowns and technical failures that derail tight production schedules. This physical collapse of the shop floor is mirrored in Karnataka's textile factories, where indoor temperatures routinely exceed 35-40°C, far above the permitted threshold of 30°C. At these extremes, the "human engine" throttles down as a matter of survival. International studies confirm that at 33-34°C, a worker's capacity is effectively halved.

The productivity crisis is no longer a theoretical risk; it is a mechanical and biological reality crippling India's industrial heartlands

As per research published in the *Journal of Political Economy* in 2021, annual output falls by 2% per degree Celsius. On individual hot days, the decline reaches 4%. For India's textile industry, which employs 45 million people and controls 39% of global cotton cultivation, this crisis has led to operational collapse.

The supply chain trap

Global brands impose strict delivery deadlines and heavy financial penalties for delays. Yet, workers cannot be pushed beyond physiological limits. Thus, factory managers face an impossible choice: ignore worker collapse to meet a shipment, or face financial ruin. As orders shift to India due to regional and political instability, hubs such as Tiruppur are being crushed by a "thermodynamic bottleneck" where surge orders collide with record-breaking heat. This creates a regressive tax on the poor, disguised as a weather problem. While global brands insulate themselves by diversifying sourcing – shifting orders to Vietnam or Mexico – local factory owners lack the bargaining power to renegotiate terms and the burden is pushed downward.

Ultimately, the cost is absorbed by the millions of informal workers who have no safety net; when a factory floor becomes a furnace, they don't just lose productivity, they lose their daily wages. History has shown that when disruption strikes, workers pay the price; for example, during COVID-19, brands cancelled $2.8 billion worth of orders from Bangladesh in March 2020 alone, affecting approximately 1.2 million workers.

By 2030, India is projected to lose 5.8% of its daily working hours to extreme heat, the equivalent of 34 million full-time jobs. The supply chain will not break gradually; it will break when orders simply cannot be met because the human element has reached its thermal limit.

The way forward

India has a choice. It can either continue to externalise the cost of a warming planet onto workers, or the country can systematically transit to a climate-smart supply chain. This requires action on five fronts: first, policymakers must recognise heat stress as a supply chain risk and integrate climate-heat projections into industrial policy and trade agreements. Second, industrial clusters must adopt mandatory heat-action plans with enforceable temperature thresholds, cooling breaks, and worker health assessments. Third, financing mechanisms must be reformed. Banks must incorporate climate risk into loan assessments, and governments must offer concessional credit lines supporting investments in cooling systems, water management, and heat-resilient technologies. Fourth, labour protection codes must be strengthened to address heat stress explicitly. Workers must have guaranteed access to clean drinking water, and shaded rest areas. Fifth, innovation must be driven through targeted R&D grants for wearable cooling technologies, heat-tolerant cotton varieties, and energy-efficient manufacturing processes. And finally, international buyers must bear part of the adaptation cost, through fairer pricing and longer lead times. For decades, the global fashion industry has operated on a convenient lie: that the 'cost of production' is a static number on a spreadsheet. This number was artificially deflated by a climate we took for granted. The physics of thermoregulation will not bend to profit margins. If heat stress remains invisible in boardrooms, India's workers will pay in lost wages and shortened lives.

Views expressed are personal.

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The other side of sport — mastering manufacturing

Sanjeet Singh

Senior Adviser at NITI Aayog

Lakshita Mehrotra

Senior Team Lead at the Foundation for Economic Development (FED)

To say that sports is an emotion in India is an understatement. Although cricket takes up most of the mindshare, the sports ecosystem in India is evolving rapidly with athletes such as Neeraj Chopra and Lakshya Sen bringing attention to the diversity in sports in the right manner. But besides viewership and athletes, the sports ecosystem comprises several key players that keep the growth engine running. One such important, but rather overlooked, component is that of sports goods manufacturing.

Sports equipment manufacturing, a highly labour-intensive sector, plays a significant role in the economics of sport. NITI Aayog and the Foundation for Economic Development (FED) have recently released a report on 'Realising the export potential of the sports equipment manufacturing market in India' that details the state of affairs. Culturally, India interacts heavily with sports, but the country contributes only about 0.5% to the nearly \$50 billion global trade in sports equipment. This under-representation is not due to the absence of legacy or capability. Rather, it points to structural issues in the industry that have significantly hampered its ability to reach its full potential.

Diverse manufacturing landscape

India's manufacturing footprint in sports equipment is geographically concentrated and operationally fragmented. Production still primarily hinges on old, well-established centres such as Jalandhar (Punjab) and Meerut (Uttar Pradesh), which together hold more than an 80% share of domestic output. The sports equipment industry in India is small in terms of production volume and is largely dominated by micro, small, and medium enterprises (MSMEs) engaged in labour-intensive segments such as stitched balls, cricket gear, protective accessories and entry-level fitness equipment. If, on the one hand, this artisanal skill level has sustained the industry for a long time, on the other hand, it has restricted scaling, the adoption of new technologies, and the emergence of internationally recognised brands.

One key characteristic of the sector is the high level of diversity in sports equipment manufacturing compared to other sectors. Raw materials, machinery and the techniques of making footballs, for example, are entirely different from the ones required for making hockey sticks or golf shafts. This vast range of differences makes effective policy design exceedingly difficult and often leads to generic interventions that overlook category-specific realities.

To understand the right ways to compete at a global level, we first need to find out what makes local manufacturers inherently less cost-effective.

> Critical structural problems are preventing India's sports equipment industry from reaching its full potential

As per the report, industry data show that Indian firms encounter on average a 15% cost disadvantage when compared to their peers in China and Pakistan. For example, a football produced in India might cost ₹100, while competing countries might be able to produce it for only ₹85-₹87. This gap, which is a result of factors such as higher input prices, inefficient logistical planning, and limited economies of scale, greatly reduces export competitiveness and impacts the pricing power that companies have.

The core issues

Making high-performance sports equipment requires feature-specific items such as specialised polymers, performance fabrics, carbon composites and precision tooling. The issue is that not all of these are produced domestically, and those that are made locally are manufactured on an extremely limited scale. Moreover, import duties on such components, as well as on advanced manufacturing machinery, drive up production costs. For MSMEs which function with extremely low margins, these additional levies essentially hinder the possibility of investing not only in technology upgrades but also in product diversification.

Issues related to ease of doing business aggravate the problem. Manufacturing is mainly concentrated in the northern parts of India, which leads to extremely high logistics costs when exporting goods through distant ports. On top of that, rising land prices, fragmented industrial infrastructure, and industrial delays on account of compliance are some of the other factors that keep on eroding operational efficiency. As these challenges are structural rather than cyclical, smaller firms with weak financial strength are most affected.

Another problem is certification and standards compliance. Globally traded sports equipment must meet the very stringent performance standards laid down by international federations. India lacks certified production facilities that meet international standards for most sports categories; therefore, manufacturers must have their products validated by European labs. Testing expenses can range from ₹5 lakh to ₹50 lakh per stock keeping unit (SKU) which is an enormous amount for an MSME. Apart from the direct monetary costs, a prolonged certification process also delays market launches, which in turn discourages experimentation and, consequently, impedes innovation.

There are many reasons why the sports sector in India is not expanding rapidly, one of which is demand side problems. India has, by and large, failed to create sports brands with worldwide appeal, similar to those for cricket equipment, that could command premium pricing. The main reasons for the lack of organic global demand for Indian sports equipment are low marketing investments, few international brand partnerships, and the absence of long-term, athlete-brand relationship-driven demand. Hence, most domestic firms today focus on contract manufacturing at the lowest-value end of the spectrum, whereas they should be aiming for original brand ownership.

Reform, support, upgrade

Addressing these issues is complex and requires a balanced approach. The report outlines a clear pathway with key recommendations. First, rationalise import duties on specialised raw materials and advanced machinery to regain price competitiveness. Second, provide targeted fiscal support, such as export-linked incentives, offsetting certification costs, and aiding participation in international trade platforms. Third, India should leverage its advantage in industries such as technical textiles, footwear production, plastics processing, and light engineering alongside sports goods clusters to enable rapid technological upgrades, increase production scale, and shift toward higher-value, performance-oriented equipment.

In the medium term, India must also establish internationally recognised testing and certification centres, which reduce compliance costs, facilitate quicker time-to-market for new innovations, and showcase India's intent to be a standards-setting player rather than just a supplier.

Finally, by investing in local raw materials, especially advanced composites and performance fabrics, India can gradually reduce imports and improve supply availability. On the demand side, relying solely on contract manufacturing is insufficient; building strong domestic brands is essential. A unified national campaign involving top athletes, sports federations, industry bodies, and government departments can help showcase Indian sports equipment globally.

Utilising strategic procurement methods linked with India's forthcoming international sporting events can generate a short-term demand uplift while also promoting domestic production to global buyers.

For long, India has supplied sports goods mainly through indirect global value chains. The next decade offers a chance to change this. With growing domestic sports activity, a reshaping of global supply chains, and opportunities from hosting major international events, the ingredients for change exist. What is lacking is a strategic, well-executed plan to shift from scattered traditional production to large-scale, advanced manufacturing. If India seizes this opportunity, it could become a key player in the global sports economy and set new trends in how sports are played worldwide.

GS 2& 3: POLITY & ECONOMY

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Jan Vishwas 2.0 is all about trust-based compliance

Chandrajit Banerjee

Director General, The Confederation of Indian Industry (CII)

The passage of the Jan Vishwas (Amendment of Provisions) Bill, 2026 by Parliament reflects a conscious and forward-looking policy choice by the Government of India to recalibrate the balance between enforcement and facilitation, and to embed trust as a central pillar of the regulatory framework. The reform signals a clear departure from over-reliance on criminal sanctions toward a more proportionate, predictable, and facilitative approach to compliance.

In recent years, the decriminalisation of minor business-related offences has emerged as a core element of India's reform agenda. The underlying objective has been consistent: to rationalise compliance requirements, enhance ease of doing business and foster a regulatory culture that promotes voluntary compliance rather than fear-driven adherence. Excessive criminalisation of technical and procedural lapses had created compliance anxiety, discouraged entrepreneurship, and diverted administrative and judicial resources from more serious violations.

A journey of reform

This reform journey began with the Jan Vishwas (Amendment of Provisions) Act, 2023, which decriminalised minor offences by amending 183 provisions across 42 Central Acts administered by 19 Ministries and Departments. By replacing criminal penalties for technical and procedural non-compliances with civil penalties or administrative measures, it significantly reduced the compliance burden on businesses and citizens, improving both ease of doing business and ease of living.

Building on this foundation, the 2026 Bill, commonly referred to as the Jan Vishwas 2.0, represents a decisive scale-up of this reform effort. The Bill proposes amendments to 784 provisions across 79 Central Acts administered by 23 Ministries and Departments, including the decriminalisation of 717 provisions. It also rationalises the statute book by removing obsolete and redundant offences, thereby strengthening the coherence and credibility of India's overall regulatory architecture.

Driven by clarity and proportionality, Jan Vishwas 2.0 will help shift Indian businesses toward a trust-based compliance culture

Extensive engagement between government, industry bodies, experts and other stakeholders has helped identify provisions where criminal liability was disproportionate to the nature of the offence. Such sustained dialogue has been critical in ensuring that regulatory objectives are preserved even as enforcement mechanisms are made more facilitative. Going forward, continued consultation will remain essential to keep regulation aligned with evolving economic realities.

A process of engagement

The Confederation of Indian Industry (CII) has shaped this reform agenda through sustained, evidence-based policymaker engagement. Industry representations consistently highlighted a large number of statutory offences related to minor and procedural lapses – delays in filings, documentation gaps or clerical errors – that did not warrant criminal prosecution. The CII has emphasised that decriminalisation of such offences strengthens compliance rather than diluting enforcement.

The CII's advocacy has gone beyond decriminalisation alone. A persistent industry recommendation has been to move away from court-imposed 'fines' toward a system of regulatory 'penalties' administered by executive authorities, with clear rules, proportionality, and time-bound resolution. The CII has also stressed the need for the retrospective application of decriminalisation reforms, covering cases currently pending in criminal courts. The Jan Vishwas 2.0 seems to address these long-standing concerns very well.

At a broader level, the Jan Vishwas 2.0 reflects a fundamental shift in regulatory philosophy, from criminalisation to trust, proportionality and economic efficiency. It recognises that most technical or procedural violations occur without *mala fide* intent and are better resolved through civil or administrative mechanisms. The reform explicitly retains stringent enforcement for serious offences where public interest, safety, environmental protection or national priorities are involved. The amendments span key sectors such as exports, textiles, the environment, and transport, and introduce graded enforcement mechanisms, including warnings and lower penalties for first-time or minor violations. Such measures should reduce regulatory uncertainty and boost confidence, especially for micro, small and medium enterprises (MSME) facing high compliance burdens.

Reduces 'court congestion'

These reforms could significantly help India's overburdened judiciary. With nearly 50 million cases pending in courts – many for minor procedural or technical violations – shifting such matters out of criminal courts can reduce congestion and improve efficiency. Government indications, post the passing of the Bill in Parliament, suggest many pending minor cases may be reviewed for closure under the revised framework.

The Bill also advances trust-based regulation by introducing tools such as improvement notices and proportionate penalties for first-time contraventions. This approach recognises the reality that most businesses and citizens act in good faith and comply more effectively in a regulatory environment that is clear, predictable and fair.

The success of the Jan Vishwas 2.0 will depend on effective implementation. Strengthening institutional capacity for administrative adjudication, ensuring uniform enforcement practices, and issuing clear guidance to regulated entities will be critical to realising the full benefits of the reform for industry and citizens.

By decisively moving towards a trust-based, proportionate and growth-oriented framework, The Jan Vishwas 2.0 has the potential to create a more predictable, transparent and investor-friendly environment. Ultimately, the reform reinforces a simple yet powerful principle: compliance works best when driven by clarity, proportionality, and – above all – trust.