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EDITORIAL HIGHLIGHTS

16-07-2026

GS 2: GOVERNANCE THE HINDU PAGE: 06

Marginal dip in number of rural job scheme workers

The analysis finds a dip in registered and active workers coinciding with shift from MGNREGS to VB-G RAM G; govt. counters the claim saying it does not reflect the continuous verification

Sobhana K. Nair
NEW DELHI

In the fortnight following the transition from the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) to the Viksit Bharat Guarantee for Rozgar and Ajeevika Mission Gramin (VB-G RAM G), the number of registered workers fell from 27 crore to 26.33 crore, a net reduction of 67.6 lakh workers, or 2.5% of the total workforce enrolled under the rural employment programme, according to an analysis by LibTech India, a consortium of academics and activists.

The number of active workers – those who have worked at least once in the last three years under the programme – also fell from 10.84 crore to 10.57 crore, a decline of about 26.3 lakh workers (2.43%).

The VB-G RAM G 2025 came into force on July 1, 2026.

'Dynamic figure'

Rural Development Ministry officials, however, disputed the findings, saying the analysis covered only a short period and did not reflect the continuous verification, updating and renewal of worker and job card records undertaken by States and Union Territories. The number of registered and active workers is a dynamic figure and changes as records are updated, the officials said.

An analysis notes that public data does not indicate the reason of removal or the gender, age or caste of the affected. ARUN KULKARNI

The Ministry officials also put the onus on the States, arguing that they have to follow the Standard Operating Procedures prescribed by the Centre for any deletions. They added that no complaints had been received regarding denial of employment due to non-completion of e-KYC or face authentication and that about 84,000 Gramin Rozgar Guarantee Cards covering 1.91 lakh workers had already been issued under the new law.

According to LibTech India, three States – Bihar and Uttar Pradesh and Telangana – accounted for a large portion of the net fall in registered workers and the decline in active workers. Bihar saw 5.98 lakh workers removed from the rolls, Uttar Pradesh 8.06 lakh and Telangana 7.2 lakh.

E-KYC in question

The group said that although transition guidelines provided that e-KYC-verified MGNREGA Job Cards would remain valid and workers should not be denied employment because of pending e-KYC, there was little clarity on how workers unable to complete e-KYC or facial recognition-based verification would be protected from omission.

"The publicly available framework did not explain in comparable operational detail how workers unable to complete e-KYC or Face Recognition System (FRS) would be carried over, how omissions would be identified, or how prompt restoration would work," said Venkateswarlu Kuruva, researcher at LibTech India.

LibTech described the latest decline as the fourth major reduction in worker numbers in recent years to coincide with a digital compliance measure, following Aadhaar-based payments in 2022-23, mandatory e-KYC in 2025 and facial recognition-based attendance verification in 2026.

The organisation noted that publicly available data do not indicate why workers were removed, whether they had pending e-KYC or facial recognition verification, whether prior notice was issued, whether Gram Sabha verification was conducted or whether an appeal mechanism was available. It also does not reveal the gender, age or caste of those affected.

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GS 2: INTERNATIONAL RELATIONS THE HINDU

PAGE: 08

Iran's disruptive strategy, its global consequences

Arjun Subramaniam

Strategic affairs analyst

Iran's recent actions over the Strait of Hormuz and its strategy of targeting its neighbours in the Gulf as retribution for the actions of the United States may seem to have been operational masterstrokes. However, in the long run, they may well prove to be strategic blunders that have antagonised the world at large and leave Iran out of the global mainstream and away from the path of sustained economic progress.

A strategy of disruption

For decades, Iran has overplayed its hand in presenting itself as standing up to what it has termed "continued Western imperialism" and in supporting the Palestinian cause through the lens of Islamic resistance – a policy that was not endorsed by most other developed and developing Islamic nations. As the Islamic regime in Iran grew in power, buoyed by its success in standing up to a powerful Iraq during the Iran-Iraq war that stretched through the 1980s, so too did its frustration at being unable to deliver telling blows against the "Big Satan-Little Satan" combination, as it referred to the U.S. and Israel, respectively.

Consequently, it engineered the second phase of its disruptive strategy in the late 1990s by developing and supporting proxies such as the Hezbollah, Hamas and Houthis, commonly known as the Axis of Resistance, and liberally endorsed their use of terrorism to cause widespread disruption in the region.

Here again, the Iranians have achieved much tactical success over the last two decades and kept West Asia on tenterhooks, but at a much larger level, it has widened the chasm that exists between itself and the rest of the world barring Russia, China and North Korea. It is this quartet which is shaping the trajectory of fundamentally disruptive resistance to the existing global order.

When you compare this with the orderly way in which countries such as India are also challenging the existing global order with a call for greater multilateralism through dialogue and consensus, one can clearly figure out Iran's disruptive path.

Notwithstanding much assertion of civilisational and cultural linkages, India has maintained a steady transactional relationship with the Islamic Republic of Iran, revolving principally around energy flow, trade corridors and the Chabahar port. Much in tune with its foreign policy of multilateralism in a multi-polar world, it managed to navigate the sanctions regime imposed on Iran by the West and maintained some energy flow based on national interest till it found alternate means and then gradually reduced its import of Iranian crude.

India's approach

India has only modest diplomatic leverage with Iran and rightly chose not to position itself as an interlocutor during the recent conflict, preferring instead to resort to quiet back-channel diplomacy and frequent calls for restraint. India co-sponsored the UN Security Council Resolution 2817 (2026), which officially condemned Iran's military attacks and aggressive actions against the Gulf Cooperation Council (GCC) nations and Jordan. Adopted on March 11, 2026, the resolution demanded that Iran immediately cease all attacks and threats, particularly those targeting international navigation through the Strait of Hormuz.

Iran has no doubt been emboldened by its ability to withstand months of the U.S.-Israel bombing campaign. It has come out of the conflict battered and embittered but still standing. With large portions of its military capacity still intact and a regime in power that seems to be now dominated by a combination of the Islamic Revolutionary Guard Corps (IRGC) and hard line clerics, it appears that the region can expect continued acts of isolated belligerence that stay below the threshold of conflict. The frenzy of stage-managed grief and genuine hatred towards the U.S. and Israel that was on display on the streets of Tehran for the funeral of its slain leader, Ali Khamenei does not augur well for the future.

Iran's proposal to levy 'special rates' on friendly countries for transit through the Strait of Hormuz is another disruptive attempt at preventing any collective action from energy-hungry countries eager to benefit from this offer.

More recently, Iran's strikes on tankers following the Omani route through the Strait of Hormuz highlight its propensity to engage in coercive brinkmanship. Such an environment is highly unsettling for a large part of the world including India for obvious reasons – energy and trade corridors running through a volatile geopolitical arena.

The choice before Iran

It is time that collective pressure from countries other than the West starts building on Iran to desist from its varied coercive methods to keep the region on the edge. As the U.S.'s appetite to remain embroiled in the conflict waxes and wanes, and Israel strains to 'finish off the job it started', Iran needs to take a step back and not overplay the advantageous geopolitical hand it currently holds.

As a first step, it must look for windows to extract legitimate leverage accruing from the proposed de-freezing of its assets and widening energy flow from its embattled oil fields and refineries. Despite its isolation from the West, Iran is categorised as an upper-middle-income economy and has much potential for rapid growth, should it desire so for its people.

Tehran needs to recognise the limits of its current geopolitical advantage

GS 2: INTERNATIONAL RELATIONS THE HINDU PAGE: 10

The problem with China's 4.3% growth

It's the slowest growth since 2022, when China was still in the grips of the pandemic, and below the government's already-lowered annual target of 4.5-5%; the country is facing multiple challenges of a real estate slowdown, sluggish consumption, and serious challenges in the job market

WORLD INSIGHT

Ananth Krishnan

China's economy grew 4.3% in the second quarter of 2026, according to data released on Wednesday by China's National Bureau of Statistics (NBS). With growth falling to the lowest in more than three years and below the government's already lowered annual target of 4.5-5%, attention has turned to how the Chinese government is likely to deal with multiple challenges of a real estate slowdown, sluggish consumption, and serious challenges in the job market.

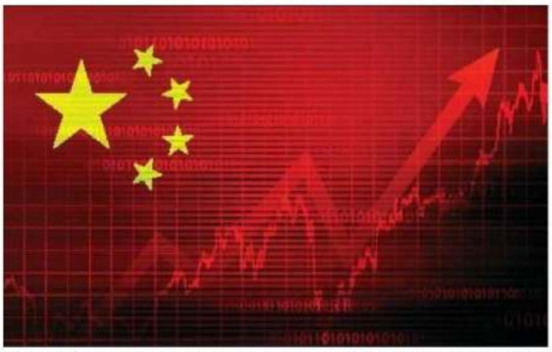
A meeting of the ruling Communist Party's Politburo slated for July-end is likely to offer some clues. China's surging exports have emerged as a bright spot for Beijing, while raising questions for India and other trade partners that are grappling with ever-widening trade imbalances.

What does the latest data show?

China's GDP expanded by 4.3% in the second quarter, down from 5% in the first quarter. This marked the slowest growth since 2022, when China was still in the grips of the pandemic. Significantly, growth fell below the annual target. In March 2026, China's National People's Congress (NPC), or Parliament, announced a 4.5-5% target for the year, which was the lowest since 1991.

Other economic indicators released on Wednesday showed a 5.7% drop in fixed-asset investment and sluggish retail sales – an important marker of consumption, which the government hopes will drive future growth for a historically investment-reliant economy.

In May, retail sales fell 0.6% from last year, another low since the pandemic. June showed a slight recovery to a 1.1% increase in retail sales of goods. Usual caveats apply about China's economic data, which China's former Premier Li Keqiang himself reportedly once advised were for "reference only" (and that other indicators, such as freight and power consumption, were arguably more revelatory about the state of the economy). At the same time, it is important to note that economists still closely study China's official data, as numbers reveal how the government wants to portray the state of the economy and may signal potential policy changes. Most economists have noted improvements in the reliability of statistics, with numbers becoming harder to fudge coinciding with the global integration of China's economy and more transparency into the performance of Chinese companies, many of which are publicly listed.



China's GDP expanded by 4.3% in the second quarter. The numbers reveal how the government wants to portray the state of the economy and may signal potential policy changes. GETTY IMAGES

What is driving down growth?

If real estate is about "location, location, location", China's slowdown story is in many ways about "real estate, real estate and real estate". In the first half of the year, property investment fell 18%, a remarkable statistic for an economy once driven by real estate growth. This isn't only about the property sector. The spillover effects are hard to overstate.

An entire swathe of the economy is in a slump, from construction to every related industry that has for decades relied on a booming property sector, from lighting to furniture. Then there is the psychological impact in a country where most people's savings are locked into real estate given the low returns from regulated interest rates that make bank deposits unappealing. Investing abroad is also not an option given the tight capital controls, although the stock market has emerged as an alternative avenue despite its volatility.

This has further dampened the willingness of Chinese consumers to spend, along with other persisting anxieties such as rising healthcare and education costs. Still, there are bright spots for the Chinese economy such as the rapid growth in China's high-tech industries and the continuing expansion of Chinese exports, from electric vehicles to most recently, an extraordinary surge in the exports of air-conditioners to Europe amid a summer heat wave. Trade still remains robust for China, growing 17% in the first half of the year. Exports grew for 11 consecutive quarters to $2.1 trillion in the first six months of the year.

How is the government likely to respond?

All eyes are on an upcoming meeting of the Politburo, the top policy-making body of the Communist Party of China, set for late July. Mao Shengyong, deputy director of the NBS, said on Wednesday the government was likely to "introduce targeted, more proactive and effective policies in response to changing circumstances", without specifying.

Boosting domestic consumption and minimising job losses are likely to top its concerns, especially with many graduates currently entering the workforce. Urban unemployment remained flat at 5% in June. Mr. Mao said "efforts will be stepped up to secure the steady development of employment", with a target to create 12 million new urban jobs in 2026, despite the concerns about hiring impacted by AI. Earlier this week, China announced a first of its kind five-year plan for consumption, with a 2030 retail sales target of 60 trillion yuan ($8.86 trillion), a 20% rise from 2025.

Addressing the property sector – the elephant in the room – is one major challenge. The government has walked a tightrope of avoiding what it calls "systemic risks" while trying to protect buyers (as it needs to, if consumption is to revive) while not bailing out many developers. This is part of an ongoing effort to reform the sector and curb speculation, after Chinese President Xi Jinping's declaration in 2016 that "houses were for living in and not speculation".

The broader problem for Beijing is that it's not only property developers but local governments also have been hard hit by the slump, with real estate sales a major contributor of revenues. Many tier-two and tier-three cities have seen a major cash crunch, impacting spending on infrastructure and social services. The extent of the crunch remains unclear with some taking to fudging data to mask the state of their finances, as the Communist Party's own anti-corruption watchdog warned recently. It cited the example of one plot of land being sold "18 times" in the southern city of Nanning "without ever changing hands", reported the *South China Morning Post*, with the fudge allowing "the city government to artificially shore up its fiscal revenue by 2.83 billion yuan (US$416 million) in 2024".

"Captivated by quick gains," it warned, "some authorities engaged in accounting gimmicks to reflect substantial rises in fiscal revenue, masking actual budget strains."

THE GIST

Economic indicators released on Wednesday showed a 5.7% drop in fixed-asset investment and sluggish retail sales — an important marker of consumption, which the government hopes will drive future growth for a historically investment-reliant economy.

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GS 2: POLITY

THE HINDU PAGE: 10

Digitisation and efficiency in criminal justice system

The shift in approach to justice has contributed to making the criminal justice system more citizen-oriented

LETTER AND SPIRIT

C.B.P. Srivastava

Recently, the Centre has announced that India aims for full digital rollout of its criminal justice system from July 1, 2027 after which the procedures related to investigations and trials under the new criminal laws will be recorded digitally through the Interoperable Criminal Justice System. The efficiency of any criminal justice system largely depends on the procedural efficiency beginning from the registration of the first information report (FIR) to investigation, filing of chargesheet outlining specific charges levelled against the accused and presenting the evidence and witness testimonies gathered to substantiate them, trial and finally the disposal. In the digital system the data is stored on the government's cloud platform, MeghRaj.

Understanding criminal justice system

The criminal justice system comprises the police, courts, prisons, forensics, and prosecution services, and aims at ensuring that individuals who suffer injury or loss at the hand of others can present their cases and seek justice.

Justice cannot be delivered unless the rights of the accused and the interests of the victim and the society are balanced. This has been the fundamental principle of the criminal justice system, particularly in common law countries that follow the adversarial system. These countries base their legal systems primarily on judicial precedents and uncodified case law rather than strict statutory codes. This principle also gives the accused a fair chance to present his case in accordance with the tenets of natural justice, that is, the rule of fair hearing (*Audi alteram partem*). In other words, no person should be condemned unheard. The system seeks to ensure procedural fairness. On the other hand, the inquisitorial system is practised in civil law countries, where rules are codified into comprehensive written statutes rather than shaped by judicial precedent. Under this system, the judge plays an active role in investigating the facts and determining the outcome of the case on the basis of inquiry and investigation. Thus, the precision of decision depends largely on the skills and prudence of the judge concerned.

Changed attitude

The reforms in the criminal law have opened a new avenue for the delivery of justice. To be more appropriate, the Indian Penal Code (IPC) and the Code of Criminal Procedure (CrPC) have been replaced by the Bhartiya Nyaya Sanhita (BNS) and Bhartiya Nagrik Suraksha Sanhita (BNSS) with the idea of transformation. While the erstwhile penal code was implemented with an idea to punish the accused, the BNS believes in the delivery of justice through retribution. The new code has a democratic approach, placing greater emphasis on individual than on the state in matters relating to crimes. The criminal procedure code believed that trial of a 'criminal' was being conducted whereas the BNSS considers an accused as a citizen whose rights should be balanced with the interests of the victims without any prejudice. Thus, the shift in approach to justice has contributed to making the criminal justice system more democratic and citizen-oriented, while strengthening the protection of the principles of natural justice that are embedded constitutional framework of India.

Reforms in the system

It is well established that every system requires periodic reform to remain responsive to changing needs and circumstances. The judiciary plays a vital role in this process by guiding the state through its directions and rulings. Against this backdrop, it is important to note that courts have laid down procedures governing several aspects of the criminal justice system. Through their decisions, courts often seek to fill legislative gaps in areas where the law is silent, thereby ensuring the effective administration of justice. For example, the Supreme Court in *Visakha v. State of Rajasthan (1997)* gave guidelines to prevent sexual harassment of women at workplace holding that such an act violates Articles 14,15 and 21 of the Constitution.

The recent announcement by the Centre to enhance the efficiency of the criminal justice system through digitisation assumes considerable significance. In the field of forensics, the new criminal laws have made forensic examination of crime scenes mandatory for offences punishable with imprisonment of seven years or more. In view of this requirement, the number of forensic laboratories has increased from 129 in 2023 to 154 in 2025. However, according to the National Crime Records Bureau, only 46% of FIRs were digitally transmitted to courts. Since this accounts for less than half of all registered cases, it suggests that the digital chain of the criminal justice system remains incomplete.

Although most states have implemented various components of the criminal justice digitisation system, progress remains uneven. In this context, full digital rollout by 2027 will fill this gap and make the system more efficient.

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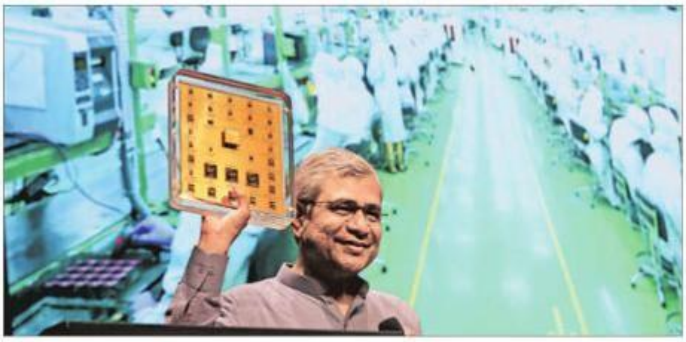
GS 3: ECONOMY
INDIAN EXPRESS PAGE: 07

Eye on supply chain, Cabinet approves Rs 1.27 lakh crore semiconductor push

Rs 62,500-crore mobile making scheme cleared

Soumyarendra Barik
New Delhi, July 15

THE UNION Cabinet on Wednesday approved the second iteration of India's ambitious Semiconductor Mission, with an outlay of Rs 1.27 lakh crore. The fresh six-year initiative will focus on subsidising the supply chain related to chip manufacturing in order to attract companies producing commodities like gases and chemicals used in production.



Union Minister Ashwini Vaishnaw showcases 'Made in India' semiconductor chips during the Cabinet briefing in New Delhi on Wednesday. ANIL SHARMA

The Cabinet also approved a Rs 62,500-crore mobile phone manufacturing push — a five-year follow-on to the Production Linked Incentive (PLI) scheme for smartphone assembly, which helped India successfully localise production. Compared to the first iteration of the India Semiconductor Mission (ISM), Government incentives have been slashed in the 2.0 version. For instance, the first scheme carried a uniform capex subsidy of 50% for fabrication and assembly plants. Under ISM 2.0, however, silicon plants will receive a subsidy of 40%, and other units 35%. Similarly, the incentive for advanced packaging has been kept at 35%, and 25% for the conventional version.

ISM 2.0 will also offer Government subsidies for research and development, and for talent development in the semiconductor sector. India's foray into semiconductor production and packaging has been outlined as a strategic move to insert itself into the global chip supply chain and deepen domestic value addition in its electronics sector. Used to power devices from toasters to fighter jets, semiconductors have become a critical resource amid heightened geopolitical tensions over the last few years.

By 2029, India expects to achieve the capability to design and manufacture chips required for nearly 70-75% of domestic applications, and by 2035, the country aims to be among the top semiconductor nations globally. ISM 1.0, launched in 2021, was conceived as a state-backed push to build a full-stack chip ecosystem, from fabrication and packaging to design and display manufacturing. Under the scheme, cumulative investments of around Rs 1.64 lakh crore have been committed. In this year's Union Budget, Finance Minister Nirmala Sitharaman announced ISM 2.0 to produce equipment and materials, design full-stack Indian IP and fortify supply chains.

Under ISM 1.0, the Government has approved a total of 12 chip plants, including various assembly and testing (ATMP/OSAT) plants being set up by the likes of Micron Technology, and a chip fabrication facility being developed by Tata Electronics in partnership with Taiwan's PSMC. These plants are being constructed in states including Gujarat, Assam, Andhra Pradesh, Uttar Pradesh and Odisha. At least three of these, including Micron, Kaynes Semicon and CG Semi, have started commercial production, though the fab is still under construction. These chips are also being exported.

The Indian Express first reported that the IT Ministry had prepared a blueprint for ISM 2.0 with an outlay of $15 billion — roughly equivalent to Rs 1.25 lakh crore at that time's forex rates. This newspaper had also reported that under the fresh scheme, the Government's focus for subsidies may shift to support the ancillary industry around chip manufacturing, and that incentives for assembly and testing plants may be slashed.

In the first iteration of the incentive policy, released in December 2021, the Centre had offered a 30% capex subsidy for chip packaging and testing plants. In September 2022, it raised the subsidy for such plants to 50%, reportedly as a precursor to Micron Technology's proposal, as the Government sought to facilitate the company setting up an assembly plant in India — eventually approved in June 2023. The PLI scheme for smartphone assembly was instrumental in attracting companies such as Apple to set up local production through their contract manufacturing partners, establishing smartphones as one of the country's biggest export categories. Following the scheme, India has managed to take local value addition in the sector to 24%, compared to China's rate of 38%.

Under the fresh scheme, the Government has focused on local sourcing to boost domestic value addition, and on design and R&D by Indian brands, along with incentives linked to the export of smartphones, Union IT Minister Ashwini Vaishnaw said. In line with sales-linked incentives under the PLI for smartphones, the fresh scheme provides incentive support on eligible sales for manufacturing of mobile phones in India at differentiated rates ranging from 2.25% to 5%.

The scheme will also provide an additional incentive of up to 1.5% linked to domestic sourcing of key components/ sub-assemblies. For building Indian brands, an additional incentive at the rate of 3% on eligible sales will apply for design and R&D of the product. The scheme targets cumulative production of Rs 39 lakh crore during its tenure, up from Rs 22 lakh crore achieved under the previous PLI scheme. It aims to generate 60,000 direct jobs in mobile manufacturing and other sectors. Under the PLI scheme for smartphones, nearly 2 lakh jobs were created.

Vaishnaw said that under the PLI scheme, over Rs 19,000 crore was disbursed as incentives, while the Government collected direct taxes worth Rs 25,000 crore and Rs 3 lakh crore in GST from the smartphone industry.

National Investment Policy to boost urea production

Express News Service
New Delhi, July 15

THE CENTRE on Wednesday approved the National Investment Policy (NIP) for Urea-2026, which aims to make the country self-reliant in the production of fertiliser, Information and Broadcasting Minister Ashwini Vaishnaw told the media on Wednesday.

A proposal of this effect was approved by the Cabinet Committee on Economic Affairs (CCEA), chaired by Prime Minister Narendra Modi. The CCEA approved the proposal piloted by the Department of Fertilizers. According to a statement, the policy will encourage new investments in the urea sector for setting up gas-based manufacturing units in India.

"Setting up of new urea manufacturing units will be covered under the NIP for Urea-2026 for Atmanirbhar Bharat (NIPU-2026)," the statement said, adding that under the New Investment Policy-2012, six new urea units have been set up, including four through Joint Venture Companies of nominated PSUs, and two by private companies. The period for new investment under NIP-2012 expired in October 2019. "There are 33 operational urea-manufacturing units with reassessed/installed capacity of 269.42 LMT. There is a need to increase the indigenous production of urea."