EDITORIALS - 20TH OCT 2026

1. Bending towards bold reform: IDBI stake sale, 26-year arc of governance (GS Paper III Economy)

This editorial '**Bending towards bold reform: IDBI stake sale, 26-year arc of governance**' was published in **The Indian Express** on 20th Oct 2026, highlights IDBI's **strategic disinvestment** within India's governance reforms and unfinished structural transformation.

Banking Reform and Structural Constraints

- **IDBI's strategic disinvestment** to Fairfax, described as India's largest financial-sector foreign direct investment, could improve **financial intermediation** and lower capital costs, though gains require time.
- India's **cost of capital** exceeds ASEAN peers; reserve requirements, priority-sector lending and **public-sector banking culture** constrain efficient credit allocation and competitiveness.
- **Bank nationalisation** covered 14 banks in 1969 and 6 in 1980, bringing 91% of banking under public control; **political lending** and recurring bad loans weakened this model.
- The **1991 reforms** left structural gaps in land, labour and capital markets; 4 labour codes advanced reform, while **political constraints** impeded land and agricultural changes.
- IDBI's sale extends the pandemic-era **asset monetisation** approach, but one transaction cannot establish a broader **bank privatisation** trajectory.

Governance Model: Six Cs

- **Consistency:** Governance shifted towards enabling investment and programme delivery, from Vibrant Gujarat (2003) to financial inclusion, health, sanitation and **digital delivery**.

- **Continuity:** Inherited programmes were expanded; Aadhaar became major digital infrastructure, while **VB-G RAM G** builds on MGNREGA, raising guaranteed employment from 100 to 125 days and linking work to durable rural assets.
- **Creativity:** PRAGATI combines centralised oversight with decentralised execution; Jan Dhan and UPI expanded benefit delivery, while Sardar Sarovar illustrates **technology-led implementation** backed by sustained execution.
- **Consensus:** Public outreach and behavioural nudges encouraged participation; the **GST Council** institutionalised pooled taxation sovereignty, offering scope for wider cooperation without authoritarian centralisation.
- **Commitment:** Fiscal consolidation survived the pandemic; under the **Insolvency and Bankruptcy Code**, gross non-performing assets fell from 11.2% in 2018 to 1.8% in 2026; effective capital expenditure exceeded the fiscal deficit, while Gati Shakti, manufacturing and solar initiatives advanced structural investment.
- **Calibration:** Amid weakening multilateralism, 9 **free trade agreements** cover 38 countries; G20 and BRICS presidencies strengthened the voice of the Global South and Africa.

Priorities for Viksit Bharat

- Accelerate **productivity-led growth** and competitiveness while maintaining **fiscal discipline**.
- Complete **factor-market reforms** and improve financial intermediation to bring **capital costs** towards international levels.
- Modernise **legal architecture** for faster dispute resolution, stronger contract enforcement and **investment protection**.
- Expand **manufacturing beyond assembly**, supported by reliable power, efficient logistics and **urban infrastructure**.
- Promote **quality employment**, skilling and research and development while balancing **artificial intelligence** adoption with job creation.

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Safeguarding Public Interest in Bank Privatisation

- **Depositor protection:** Ownership changes must preserve depositor confidence; the Deposit Insurance and Credit Guarantee Corporation covers eligible deposits up to ₹5 lakh per depositor per bank, including principal and interest.
- **Rural banking access:** Commercial priorities must preserve underserved regions' access; Reserve Bank of India rules require at least 25% of newly opened banking outlets annually in unbanked rural centres.
- **Priority-sector credit:** Privatisation must retain social lending obligations; domestic commercial banks, excluding regional rural banks and small finance banks, generally face a 40% priority-sector target against the prescribed credit base.
- **Ownership safeguards:** Buyer scrutiny should prevent unsuitable control; the Reserve Bank's 2023 framework requires prior approval for acquisitions taking aggregate shareholding or voting rights to 5% or more.
- **Transparent valuation:** Independent valuation and competitive bidding can protect public assets; Air India's 2021 sale used business and asset valuations to determine a ₹12,906 crore reserve price.
- **Employee interests:** Transition agreements should clarify service protections; the Reserve Bank's draft Yes Bank reconstruction scheme (2020) proposed retaining employees' remuneration and service conditions for at least 1 year, with exceptions for key managerial personnel.
- **Resolution capacity:** Private ownership requires credible crisis-management arrangements; the 2020 Lakshmi Vilas Bank–DBS amalgamation protected depositors through transfer of their full deposit balances.

2. Meta's open-weight gambit, AI's global play (GS Paper III Science and Technology)

This editorial '**Meta's open-weight gambit, AI's global play**' was published in **The Indian Express** on 20th Oct 2026, highlights open-weight AI competition, its **commercial implications** and **governance risks**.

Open-Weight AI and Global Competition

- Meta's **Muse Spark Open**, designed for coding and prolonged agent tasks, seeks to regain ground against China's growing **open-weight AI** presence.
- **Open-weight models** allow downloading, running and adapting released parameters, subject to release terms, giving developers and businesses greater **control** over AI use.
- **AI competition** increasingly concerns whose models become developers' default foundation, enabling influence over **commercial ecosystems** and technical standards.
- On **Terminal-Bench 2.1**, testing agents' terminal-based coding performance, China's Kimi K3, GLM 5.3 and Qwen3.8 outperformed **Muse Spark Open**.

Commercial Benefits and Governance Risks

- **Lower costs** can make self-hosting feasible for firms lacking frontier-scale hardware; greater **adaptability** supports applications constrained by proprietary restrictions, including cybersecurity vulnerability detection and defence.
- Wider access supports **innovation** and reduces dependence on a few providers, but distributed capabilities become harder to **monitor**, while released weights cannot be recalled.

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India's Strategic Options in the Open-Weight AI Ecosystem

- **Computing access:** Shared infrastructure can lower entry barriers for researchers and start-ups; the IndiaAI Compute Portal provides eligible users access to subsidised graphics processing unit resources.
- **Indian-language capability:** Diverse speech datasets can improve regional accessibility; AI4Bharat's IndicVoices supports IndicASR, a speech-recognition model covering all 22 Scheduled Languages.
- **Domestic research:** University-led development can strengthen foundational capabilities; BharatGen's consortium brings together institutions including IIT Bombay, IIT Madras and IIT Kanpur to develop India-centric AI resources.
- **Strategic autonomy:** Supporting multiple domestic developers can diversify technological dependence; IndiaAI's foundation-model initiatives include Sarvam AI, Gnani AI and Soket AI, alongside other Indian teams.
- **Public-purpose deployment:** Locally relevant applications can demonstrate practical value; Kisan e-Mitra uses AI to answer farmers' queries about the Pradhan Mantri Kisan Samman Nidhi scheme.
- **Data governance:** Model adaptation should use appropriately governed datasets; AIKosh's data-contribution framework seeks non-personal datasets and specifies quality requirements before publication.
- **Evaluation capacity:** Domestic testing should assess safety and contextual suitability; India's AI Safety Institute has been assigned safety research, standards development, system testing and emerging-risk evaluation.

3. Climate change is blurring the seasons. Policy must catch up (GS Paper III Environment)

This editorial '**Climate change is blurring the seasons. Policy must catch up**' was published in **The Indian Express** on 20th Oct, highlights the need for **locally adapted policies** integrating heat preparedness, pollution control and public health.

Compounding Climate and Health Risks

- Mumbai recorded **38°C on October 12**, over 5°C above normal; anticyclonic circulation and shifting winds delayed the sea breeze, while humidity and the **urban heat-island effect** intensified discomfort.
- **Stagnant air** restricted pollutant dispersal, while high temperatures and intense sunlight favoured **ground-level ozone**, compounding pollution during unpredictable seasonal transitions.
- **PM2.5** contributes to respiratory and cardiovascular disease; ozone damages the respiratory system, while **extreme heat** stresses the heart and kidneys, increasing risks for people with existing illnesses.
- **Vulnerable groups** include outdoor workers, older people, children and poorly ventilated households; University of Chicago's **Climate Impact Lab** research highlights winter heat risks when health systems may be less prepared.

Integrated and Locally Adapted Policy

- The **Bombay High Court** repeatedly flagged deteriorating air quality, including firecracker risks on October 15; uneven **compliance** persists across vehicular emissions, construction and road dust, industry and waste burning.
- **Sustained enforcement** requires construction-dust controls, industrial and vehicular emissions monitoring, action against waste burning and better public transport; municipal monitoring and dust suppression need **consistent implementation**.

- **Urban cooling** through trees, mangroves, wetlands, open spaces and cool roofs must complement **pollution reduction at source**.
- **Heat action plans** must extend beyond summer; forecasts and health advisories should account for humidity, warm nights, exposure duration and **air-quality deterioration**.
- **Worker protection** requires drinking water, shaded rest areas and adjusted working hours, alongside **targeted outreach** to vulnerable residents.
- **Local climatic conditions** must guide regional responses, while coordination across departments integrates heat preparedness, pollution control and **public-health planning**.

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Financing Climate-Resilient Cities

- **Municipal revenue:** Stronger local finances can sustain adaptation investment; the Fifteenth Finance Commission highlighted incomplete property registers, undervaluation and weak administration as obstacles to effective property taxation.
- **Dedicated budgets:** Climate expenditure tagging can clarify funding priorities; Mumbai's 2025–26 Climate Budget identified ₹16,321 crore in climate-aligned activities, covering both adaptation and mitigation.
- **Market borrowing:** Creditworthy municipalities can supplement public allocations through bonds; Pune raised ₹200 crore through municipal bonds, illustrating a financing route for urban infrastructure.
- **Development finance:** External lending can support resilient basic services; the World Bank approved a $300 million Tamil Nadu programme in 2023 covering water and sewerage improvements across 21 urban local bodies.
- **Project preparation:** Technical support can turn adaptation needs into fundable proposals; the Green Climate Fund's Project Preparation Facility supports feasibility studies, climate-impact assessments and environmental safeguards.

- **Household protection:** Insurance can cushion heat-related livelihood losses; Self-Employed Women's Association members in Ahmedabad have accessed micro-insurance providing payments when temperatures cross specified thresholds.
- **Performance accountability:** Financing should reward service improvements; Tamil Nadu's climate-resilient urban programme incorporates performance-based contracts, offering a model for linking expenditure to delivery.