PRELIMS TOPICS

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- **Pax Silica** – IE, Page 1
- **Census 2027 and outlay –** IE, Page 7 and TH, Page 10
- **IMF's conditions for Pakistan –** IE, Page 20
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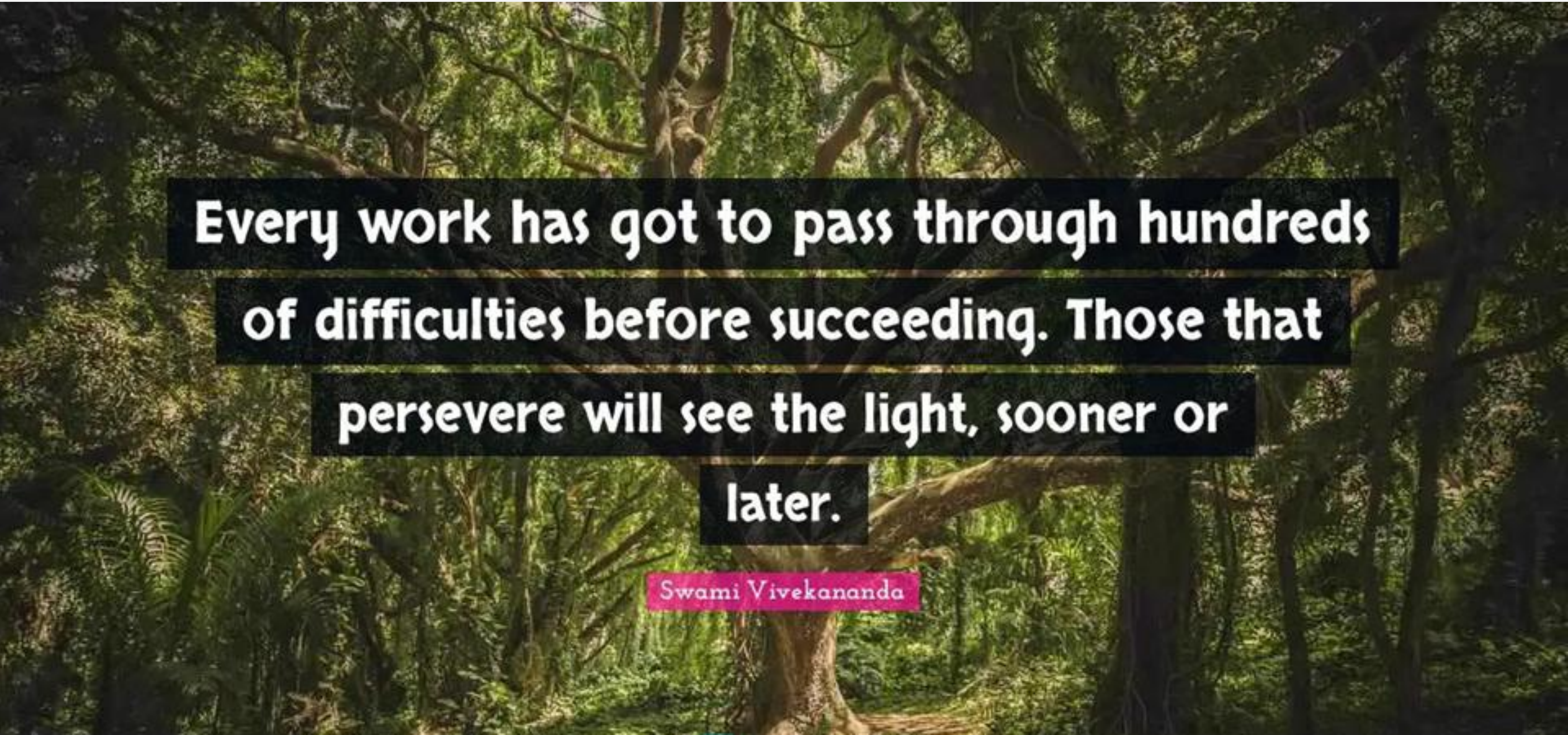
- **MGNREGA to be renamed** – IE, Page 1 and TH, Page 11


Every work has got to pass through hundreds
of difficulties before succeeding. Those that
persevere will see the light, sooner or
later.
Swami Vivekananda

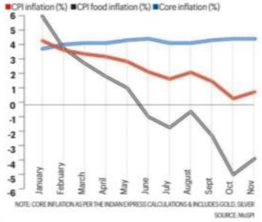
RETAIL INFLATION

Context: India's retail inflation rose to 0.71% in November, driven by core components, while food prices stayed in deflation, shaping RBI's near-term monetary policy outlook.

Nov retail inflation rises to 0.71%; food remains in deflation zone

Siddharth Upasani
New Delhi, December 12

• India's retail inflation in 2025



NOTE: CORE INFLATION AS PER THE INDIAN EXPRESS CALCULATIONS & INCLUDES GOLD, SILVER
SOURCE: MoSPI

INDIA'S HEADLINE retail inflation rate based on the Consumer Price Index (CPI) inched up to 0.71 per cent in November from October's record low of 0.25 per cent, data released on Friday by the Ministry of Statistics and Programme Implementation (MoSPI) showed. Inflation was pushed up by an unfavourable base effect, which was particularly strong for food items. Despite the unfavourable base, food prices were down on a year-on-year basis for the sixth month in a row in November, this time by 3.91 per cent. In October, food prices were down by a larger 5.02 per cent.

"The marginal uptick in retail inflation was on account of decline in the food deflation," said Paras Jasrai, Economist at India Ratings & Research. "The deflationary trend in food items was led by strong deflation in vegetables and pulses and products. Even the cereals inflation recorded a 50-month low level of 0.1 per cent in November helped by a favourable Kharif sowing season," Jasrai added. Deflation refers to inflation being below zero or in the negative territory, implying that prices in a month are lower on a year-on-year basis.

The RBI angle

At 0.71 per cent, the latest headline inflation print is along expected lines and below the Reserve Bank of India's (RBI) medium-term target of 4 per cent for the 10th month in a row. It is also below the lower-bound of the central bank's flexible inflation targeting range of 2-6 per cent for the third straight month.

This comes days after the RBI's Monetary Policy Committee (MPC) last week cut the policy repo rate by 25 basis points (bps) to 5.25 per cent. RBI Governor Sanjay Malhotra said, "underlying inflation pressures are even lower" as sharply higher precious metal prices were lifting headline inflation by as much as 50 bps.

The central bank has forecast prices to rise 0.6 per cent on average in October-December, 2.9 per cent in January-March 2026, 3.9 per cent in April-June 2026, and 4 per cent in July-September 2026. To meet the RBI's forecast of 0.6 per cent average inflation in October-December, retail prices can rise by up to 0.98 per cent in December. Jasrai of India Ratings expects CPI inflation for December to be near 1 per cent, with food prices remaining "benign" in the first 11 days of the month.

November inflation internals

Among the broad food categories, prices were down on a year-on-year basis in November for vegetables (22.2 per cent lower), pulses (15.86 per cent lower), and spices (2.89 per cent lower). However, vegetable prices were 2.6 per cent higher in November when compared to October, while those of pulses were up a minor 0.1 per cent. The largest month-on-month increase in prices was for eggs, which were 5.2 per cent more expensive compared to the previous month.

On the whole, food prices were up 0.5 per cent in November compared to October.

The price momentum – indicative of price pressures from one month to another – was broadly subdued in non-food categories. Clothing and footwear prices were up 0.1 per cent month-on-month, while housing and fuel were each up 0.2 per cent. The 'miscellaneous' category, comprising household goods and services, saw its price index rise 0.2 per cent in November from October, mostly due to the 'personal care and effects' sub-category seeing a 0.5 per cent increase. This pushed the inflation figure for the same to an all-time high of 24.04 per cent due to elevated gold and silver prices.

The CPI basket contains 299 items, including gold and silver. While these two items make up only 1.19 per cent of the entire basket, the recent astronomical rise in their prices in recent times has greatly influenced the headline retail inflation rate. Both, gold and silver inflation hit record highs of 58.32 per cent and 65.52 per cent, respectively, in November.

Steady core inflation

Elevated gold and silver inflation was the reason why core inflation – or inflation excluding food and fuel items – did not fall and was broadly steady at 4.4 per cent in November, according to calculations by The Indian Express. This upward pressure on core inflation from the gold and silver prices was nullified by the continued impact of the Goods and Services Tax (GST) rate cuts that took effect on September 22.

With headline inflation subdued – the average for the first eight months of 2025-26 is 1.8 per cent, lower than the RBI's full-year forecast of 2 per cent – economists see a chance that the MPC may cut interest rates again at its next meeting in early February.

"The movement of inflation is on expected lines and would tend to move upwards in Q4. With GDP growth also to moderate in Q3 and Q4, this can be a reason for another rate cut by the RBI as conditions are like those in December when the repo rate was reduced. Therefore, there seems just about an even chance of there being another rate cut in February based on these conditions," Madan Sabnavis, Bank of Baroda's Chief Economist, said.

E. EXPLAINED

Understanding deflation

Deflation refers to inflation being below zero or in the negative territory, implying that prices in a month are lower on a year-on-year basis.

Retail inflation moves up marginally to 0.7% in Nov.

Inflation has slowed in seven of the first eight months of the financial year; decline in food prices offsets marginal acceleration in fuel inflation; prices in housing segment stay virtually unchanged

The Hindu Bureau
NEW DELHI

Retail inflation in India quickened marginally to 0.7% in November 2025, up from the historic low of 0.25% in October 2025, with a continued contraction in food prices offsetting a marginal acceleration in fuel inflation. November's inflation rate is the second-lowest ever recorded in the current series of the Consumer Price Index (CPI).

Inflation as measured by the CPI, for which the latest data were released by the Ministry of Statistics and Programme Implementation on Friday, has slowed in seven of the first eight months of this financial year.

The food and beverages category saw prices contract by 2.8% in November 2025, as compared to a high base of 8.2% in November of last year, and a contraction of 3.7% in October 2025.

"The factors driving inflation downwards have been the same: base effect and decline in prices of vegetables and pulses," Madan Sabnavis, chief economist at the Bank of Baroda said. "In particular, potatoes, onions and tomatoes have witnessed a decline, leading to food inflation falling by 3.9%. In the food basket, edible oils witnessed sharp increases though the topline number was down to 7.9%. Mustard and coconut oil were the main drivers of inflation here."

This contraction in food prices offset the impact of a quickening in fuel inflation to 2.3% in November 2025, compared to 2% in October, and a contraction of 1.8% in November of last year. Inflation in the pan, tobacco, and intoxicants category quickened marginally in November 2025 to 3% from 2.9% in October.

The clothing and footwear category, on the other hand, saw inflation ease marginally to 1.5% from 1.7%.

Inflation in the housing category remained virtually unchanged at 2.95% in November 2025 as compared to 2.96% in October.

Marginal rise

Retail inflation in India inched up in November 2025, rising from October's **record low of 0.25%**

Source: CMIE

Syllabus Integration:

- **GS 3:** Indian Economy (Inflation & Monetary Policy): CPI inflation trends, food vs core inflation dynamics, transmission of monetary policy, inflation targeting framework.
- **GS 3:** Agriculture & Food Management: Food price deflation, supply-side factors, seasonal effects, role of MSP and buffer stocks.
- **GS 2:** Economic Governance: RBI's role, MPC decision-making, policy coordination between fiscal and monetary authorities.
- **GS 4:** Ethics & Public Policy: Balancing inflation control with growth and welfare concerns, protecting purchasing power of vulnerable sections.
- **Prelims:** CPI vs Core CPI, inflation target (4% ± 2%), Monetary Policy Committee, role of RBI in price stability.

RETAIL INFLATION

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RETAIL INFLATION

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RETAIL INFLATION

BASE EFFECT AND INFLATION

Inflation was dragged higher by an unfavourable base effect, which was particularly strong for food items.

Base effect is the distortion in a percentage change caused by an unusually high or low figure in the previous reference period (the "base').

RETAIL INFLATION

RETAIL INFLATION

FOOD PRICES AND INFLATION

The deflationary trend in food items was led by strong deflation in vegetables and pulses and products.

Deflation refers to inflation being below zero or in the negative territory, implying that prices in a month are lower compared to the same month last year

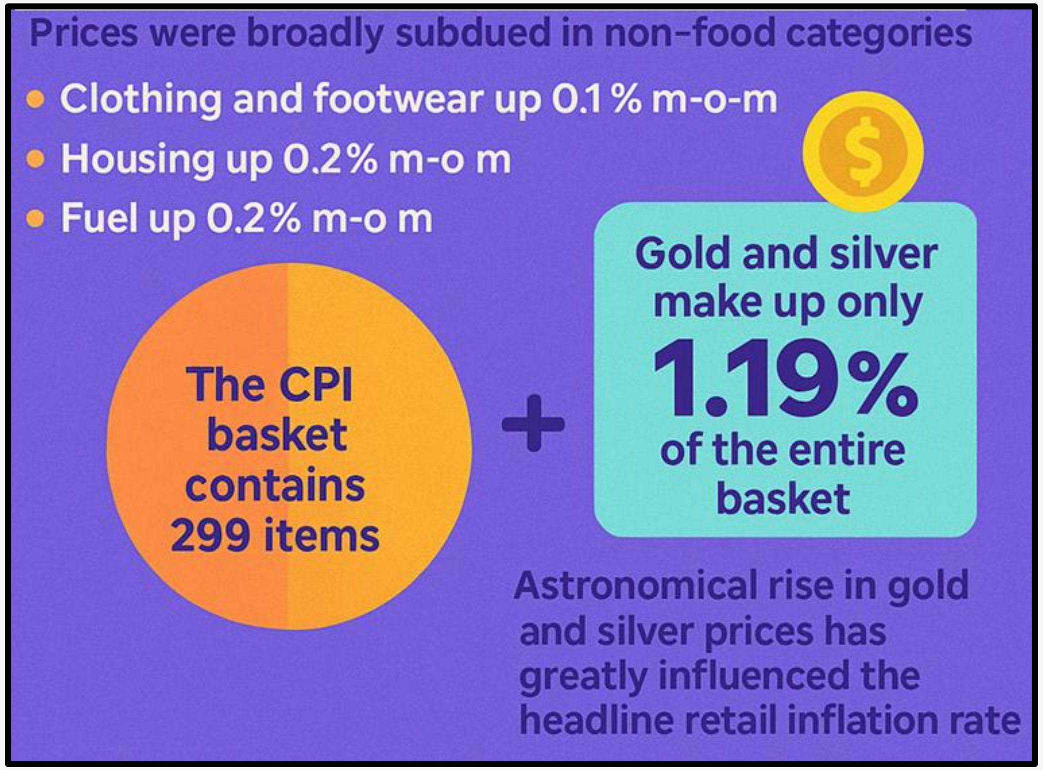
RETAIL INFLATION

What is Deflationary Trend

- A sustained decrease in the general price level of goods and services, meaning money's purchasing power rises, aiuowing you to buy more with the same amount
- It signals weak demand
- Can lead to reduced spending (people wait for lower prices)
- Lower business profits
- Unemployment
- Higher real debt burdens
- Economic stagnation, often requiring central banks to cut rates to spur activity

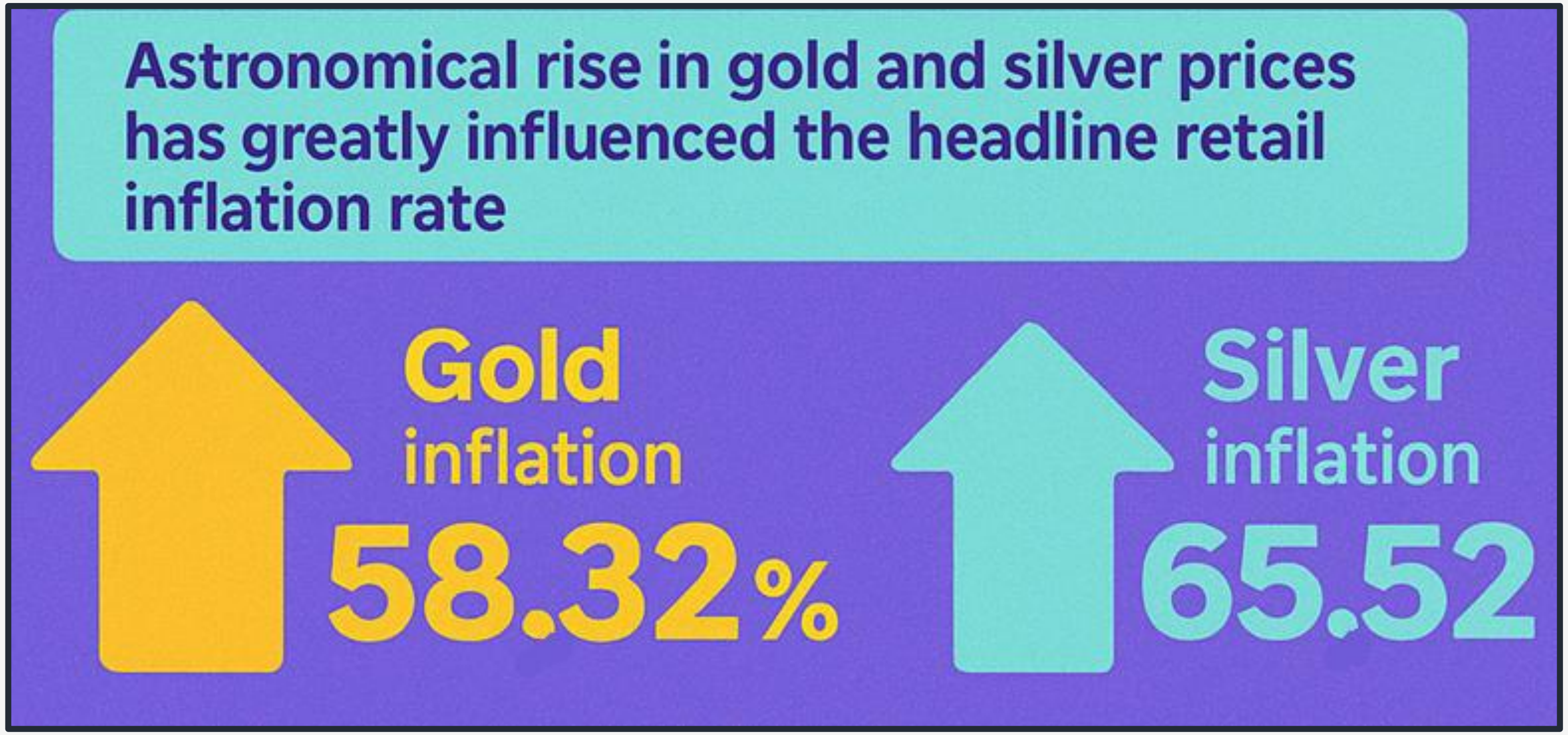
RETAIL INFLATION

Non-Food Categories



RETAIL INFLATION

Non-Food Categories



RETAIL INFLATION

STATUS OF CORE INFLATION

Elevated gold and silver inflation was the reason why core inflation – or inflation excluding food and fuel items – 4.4 pe-rcent in November.

This upward pressure on core inflation from gold and silver prices was nullified by the continued impact of Goods and Services Tax (GST) rate cuts that took effect on September 22

RETAIL INFLATION

INFLATION AND RBI RATE CUT

The CPI data for November after the RBI's Monetary Policy Committee (MPC) last week cut the policy repo rate by 25 basis points (bps) to 5.25 percent.

The central bank has forecast prices to rise but the RBI governor said underlying inflation press ures are even lower as sharply higher precious al prices were lifting headline inflation by as much as 50 bps.

With headline inflation subdued – the average for the first eight months of 2025-26 is 1.8 percent lower than the RBI's full-year forecast of 2 percent – economists see a chance that the MPC may cut interest rates again at its next meeting in early February

PAX SILICA

Context: India has been kept out of the US-led Pax Silica coalition on critical minerals and advanced supply chains, raising questions about strategic alignment amid efforts to counter China's dominance.

India out of US-led coalition on critical minerals supply chain

Ravi Dutta Mishra
New Delhi, December 12

A NEW US-led strategic initiative, Pax Silica, which aims to build a secure supply chain ranging from critical minerals and energy inputs to advanced manufacturing and semiconductors, does not include India.

This comes at a time when an India-US trade deal remains elusive despite several high-level talks and rounds of technical negotiations.

Delhi has been vying for opportunities during the ongoing global supply chain realignment as US and European companies are looking to diversify away from China. The West's diversification push has gathered pace, especially after China imposed restrictions on rare earth magnets, disrupting global supply chains.

A US Department of State statement said the inaugural Pax Silica Summit convenes counterparts from Japan, the Republic of Korea, Singapore, the Netherlands, the United Kingdom, Israel, the United Arab Emirates and Australia. "Together, these countries are home to the most important companies and investors powering the global AI supply chain," the statement said.

Pax Silica is a US-led strategic initiative to build a "secure, prosperous, and innovation-driven silicon supply chain" — from critical minerals and energy inputs to advanced

»CONTINUED ON PAGE 2

E. EXPLAINED

Countering China's dominance

Pax Silica is a US-led initiative to counter China's dominance in new age sectors. It aims to reduce what US calls "coercive dependencies" and protect materials and capabilities "foundational to artificial intelligence", and "ensure aligned nations can develop and deploy transformative technologies at scale".

Syllabus Integration:

- **GS 2:** International Relations: Supply-chain diplomacy, minilateralism, India–US strategic partnership limits, balancing strategic autonomy. Global Governance: Coalition-building, geopolitics of decoupling/de-risking from China, role of like-minded groupings.
- **GS 3:** Indian Economy & Strategic Resources: Critical minerals, semiconductors, rare earths, industrial policy, resilience of global value chains. Science & Technology: Advanced manufacturing, AI-linked supply chains, technology access and export controls.
- **GS 4:** Ethics & Strategic Decision-making: National interest vs alliance politics, equitable access to critical technologies.
- **Prelims:** Pax Silica initiative, critical minerals list, China's dominance in rare earths, concept of "coercive dependencies".

PAX SILICA

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PAX SILICA

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PAX SILICA


PAX SILICA
AIM OF THE INITIATIVE
Pax Silica aims to reduce coercive dependencies, protect the materials and capabilities foundational to artificial intelligence

PAX SILICA

KEY TAKEAWAYS

PAX SILICA

WHAT IS INCLUDED?

New joint ventures and strategic co-investment opportunities

Protecting sensitive technologies and critical infrastructure from undue access or control by countries of concern

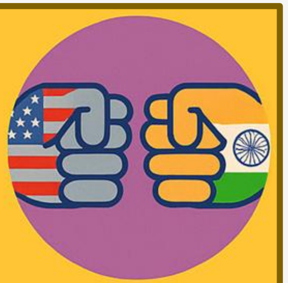
Building trusted technology ecosystems, including ICT systems, fibre-optic cables, data centres, foundational models and applications

PAX SILICA

WHY INDIA IS NOT INCLUDED

US-led initiatives are among the top in terms of AI and semiconductor supply chain, and India currently has not evolved in these sectors.

Ongoing trade war and pending trade deal



Like the Minerals Security Partnership (MSP) launched by the US in 2022, India could join the initiative at a later stage

CENSUS AND OUTLAY

Context: The Union Cabinet has approved ₹11,718 crore for a two-phase Census 2027, including caste enumeration, marking India's first digital census with major implications for governance and welfare design.

Syllabus Integration:

- **GS 1:** Society & Demography: Census as a tool for population dynamics, caste structure, social stratification, and representation.
- **GS 2:** Governance & Polity: Constitutional mandate of Census, evidence-based policymaking, federal implications, and welfare targeting.
- **GS 2:** Social Justice: Caste data for inclusive policies, affirmative action calibration, and addressing horizontal inequalities.
- **GS 4:** Ethics & Data Governance: Privacy, informed consent, digital data protection, and responsible use of sensitive socio-economic data.
- **Prelims:** Census of India Act, 1948; last Census (2011); first digital Census; two-phase process (house-listing & population enumeration); inclusion of caste enumeration.

CASTE ENUMERATION TO BE PART OF EXERCISE

Govt sanctions Rs 11,718 cr for two-phase Census 2027

Divya A
New Delhi, December 12

THE GOVERNMENT has approved Rs 11,718 crore for conducting the Census 2027, the first digital exercise of its kind, Union Information & Broadcasting Minister Ashwini Vaishnaw said Friday. Earlier, the Union Cabinet approved the proposal to conduct the Census at a meeting chaired by Prime Minister Narendra Modi.

The Census 2027, world's largest administrative and statistical exercise, will be conducted in two phases— the houselisting and housing phase between April and September next year; and population enumeration in February 2027 (for the UT of Ladakh and snow bound non-synchronous areas of UT of Jammu & Kashmir and states of Himachal Pradesh and Uttarakhand in September 2026).

The Cabinet Committee on Political Affairs on April 30 this year had decided to include caste enumeration in the Census 2027, which will be done in the second phase.

Vaishnaw said a gazette notification will be issued in due course about what data fields will be included in the new Census and other such specific details. About 30 lakh field functionaries will complete the exercise. Briefing about the Cabinet decisions, Vaishnaw said Census 2027 will be the 16th in the series and the eighth since Independence. "It will be the first-ever digital Census. The digital design of the Census has been made keeping in mind data protection," he said.

According to officials, the Census will also collect data on housing condition; amenities and assets, demography, religion, SC & ST status, language, literacy, economic activity, migration and fertility.

A government statement Friday said several new initiatives have been taken for the Census 2027. Calling it "the first Census by digital means in the country", the statement said, "Data will be collected using mobile applications that will be available for both Android as well as iOS versions. A dedicated portal namely Census Management & Monitoring System (CMMS) portal has been developed for managing and monitoring the entire Census process on a real time basis."

The statement also mentioned a Houselisting Block (HLB) Creator web map application being created for the Charge Officers. "An option to self-enumerate will be provided to the public," said the statement.

Also, the government approved the 'CoalSETU' window for auction of coal linkages for diverse industrial uses and exports to ensure fair access and optimal utilisation of resource, allowing allocation of coal linkages on an auction basis for long-term for any industrial use and export by adding a separate window named 'CoalSETU' in the Non-Regulated Sector Linkage Auction Policy of 2016.

Union I&B Minister Ashwini Vaishnaw during a briefing on Cabinet decisions in New Delhi on Friday. ANIL SHARMA

E. EXPLAINED

Crucial for policies

Being conducted after 16 years (the last Census took place in 2011), the population enumeration exercise will be very telling at a time when inclusivity and representation of all communities is being spoken about by the government and the Opposition parties alike. Since it will tabulate caste census as well, the data collected thus will be crucial for policy-making and social welfare schemes in the coming years.

Cabinet clears Bill to set up single higher education regulator

Press Trust Of India
New Delhi, December 12

A BILL to set up a higher education regulator, which will replace bodies such as the UGC and AICTE, was approved by the Union Cabinet Friday, officials said. The proposed legislation, which was earlier christened the Higher Education Commission of India (HECI) Bill, has now been named as Viksit Bharat Shiksha Adhikshan Bill.

The single higher education regulator, which was proposed in NEP, looks to replace the UGC, the AICTE and the National Council for Teacher Education (NCTE). "The Bill to set up Viksit Bharat Shiksha Adhikshan has been approved by the Cabinet," an official said.

While UGC oversees non-technical higher education, AICTE oversees technical education and NCTE is regulatory body for teachers' education.

The Commission proposed to be set up as a single higher education regulator, but medical and law colleges will not be under its ambit. It is proposed to have three major roles—regulation, accreditation and setting professional standards. Funding, seen as the fourth vertical, is not proposed to be under it.

Census 2027 to cost ₹11,718 crore, no separate budget earmarked for NPR

Vijaita Singh
NEW DELHI

The Union Cabinet on Friday approved the proposal for conducting Census of India 2027 at a cost of ₹11,718.24 crore, a government statement said.

Unlike 2019, the statement does not mention a separate budgetary allocation for updating the National Population Register (NPR), which is the first step for the creation of a countrywide National Register of Citizens (NRC).

In 2019, the Union Cabinet chaired by Prime Minister Narendra Modi approved ₹3,941.35 crore for updating the NPR and ₹8,754.23 crore for conducting the Census of India 2021, which could not be conducted due to the COVID-19 pandemic.

NPR, which was first collected in 2010 and updated in 2015 and already has a database of 119 crore residents, was to be updated with the first phase of Census in 2020. On July 29, Government informed the Lok Sabha that no decision has been taken to update the NPR during the forthcoming Census exercise.

Union Home Minister Amit Shah posted on X, "The outcome of the Census 2027 will serve as the new compass for development, mirroring India's latest population data with more accuracy. The precision in data will accelerate Modi Ji's vision of delivering the benefits of good governance and development to citizens of every demographic denomination, making the slogan of 'Sabka Saath, Sabka Vikas' a grand reality of New India in the Amrit Kaal."

The government's statement on Friday said that the "largest administrative and statistical exercise in the world" will ensure that data is provided to Ministries in a "clean, machine-readable and actionable format" as part of the "Census-as-a-Service (CaaS)" initiative.

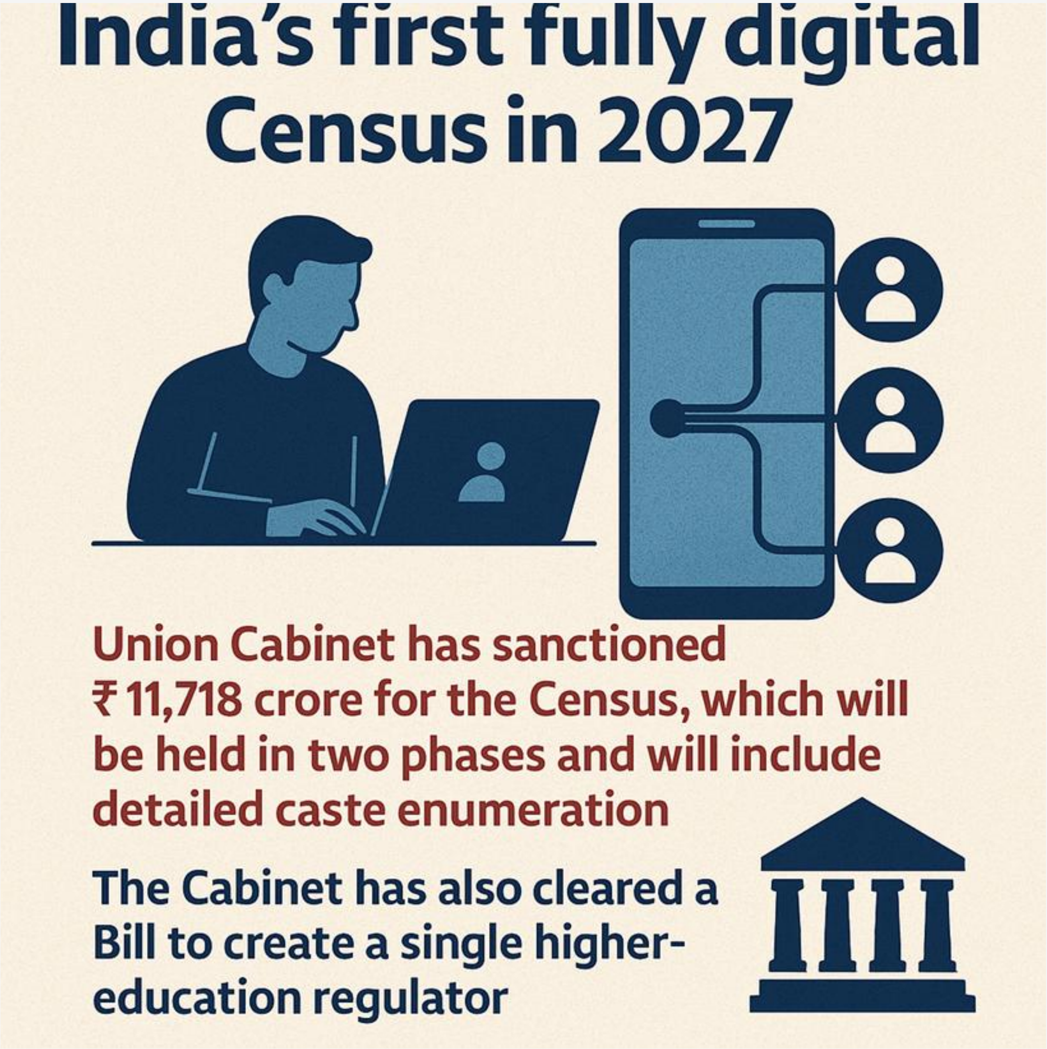
This will be the first digital Census and the first to enumerate caste in independent India. "The current endeavour would be to make available the coming Census data at the shortest possible time across the country. Efforts will also be made to disseminate Census results with more customised visualisation tools," the statement said.

The government said that around 18,600 technical manpower will be engaged for about 550 days at the local level. "The enumerators, generally government teachers and appointed by the State governments, will be doing the field work of Census in addition to their regular duties," it said.

Data will be collected using mobile applications and a dedicated portal, namely Census Management and Monitoring System, has been developed for monitoring the Census process in real time.

Officials conducting a pre-test exercise for Census 2027 in Bulandshahr district of Uttar Pradesh. R.V. MOORTHY

CENSUS AND OUTLAY



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CENSUS AND OUTLAY

CENSUS 2027

KEY TAKEAWAY

The Census 2027, world’s largest administrative and statistical exercise.

CENSUS AND OUTLAY

CENSUS 2027

TWO PHASES:

the houselisting and housing phase between April and September next year	population enumeration in February 2027

CENSUS AND OUTLAY

HOUSELISTING & HOUSING PHASE

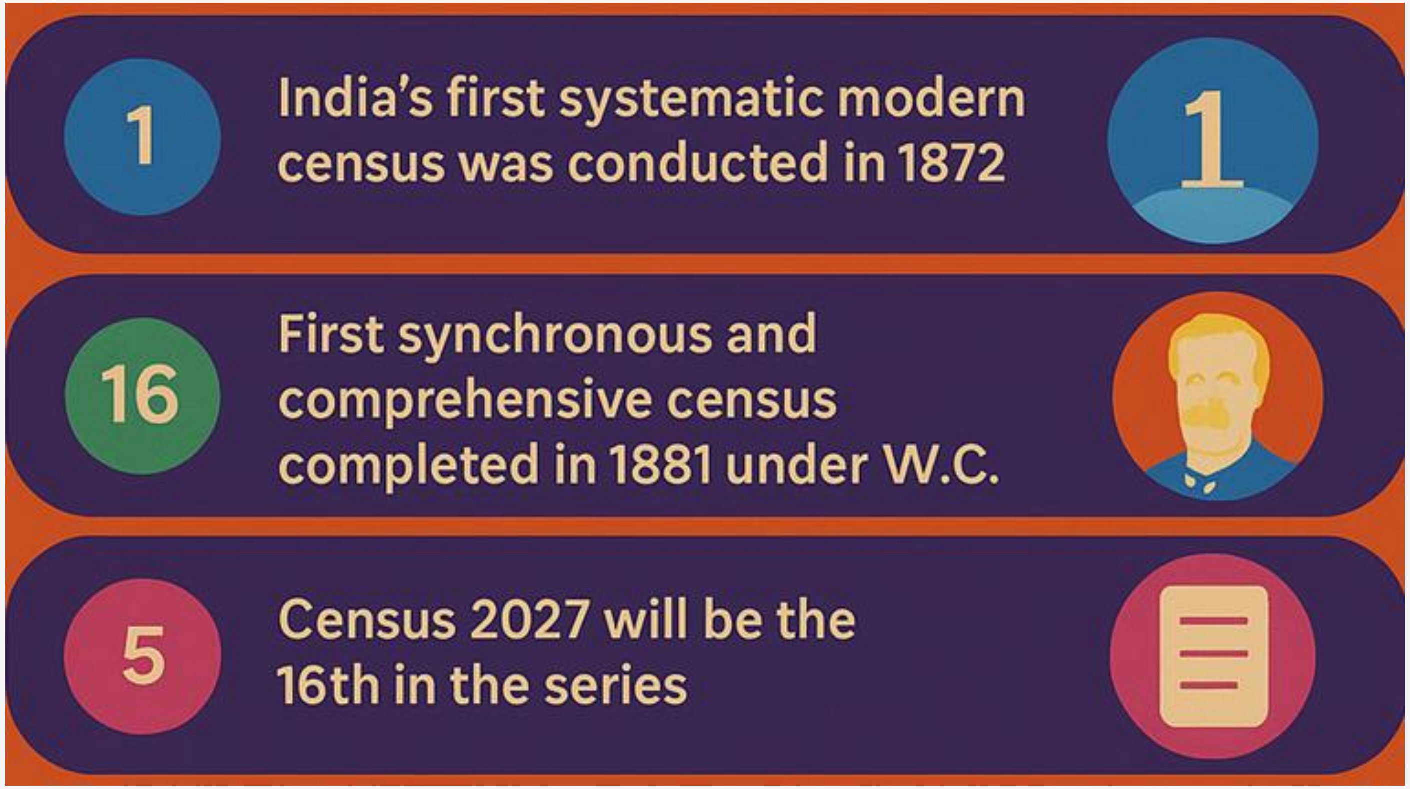
Data collection to map every building and household

Gathering details on amenities (phones, vehicles, Wi-Fi), building materials, and number of rooms

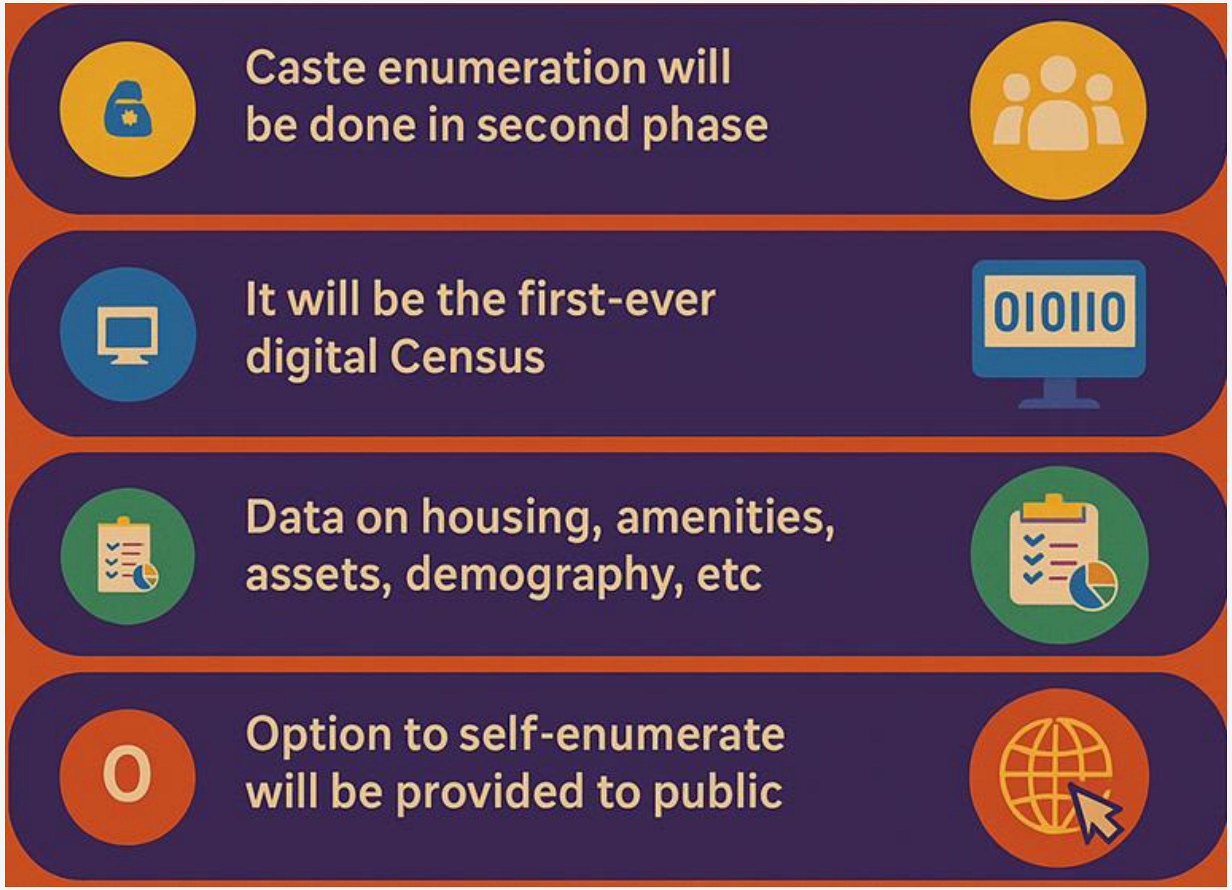
Paving the way for the main Population Enumeration (Phase II) to count people in the next phase

Houselisting is about "Where people live" (the house/amenities), while Population Enumeration is about "Who lives there"

CENSUS AND OUTLAY



CENSUS AND OUTLAY



IMF'S CONDITIONS FOR PAKISTAN

Context: IMF has imposed 11 new structural and governance-linked conditions on Pakistan for continued disbursement under EFF–RSF loans, reflecting concerns over macroeconomic stability, reforms credibility, and geopolitical risks.

• GLOBAL

IMF's 11 new conditions for cash-strapped Pakistan to avail loans

Aanchal Magazine
New Delhi, December 12

NOTING THAT concerns about Pakistan's business and reputational risks have reduced as tensions with India waned, the International Monetary Fund (IMF) Thursday imposed 11 new structural benchmarks that Islamabad has to meet in order to avail its loans, three of which have to be met by the end of December.

Cash-strapped Pakistan is currently availing two credit facilities from the IMF: a $7-bn Extended Fund Facility (EFF), and a $1.3-bn climate-focussed Resilience and Sustainability Facility (RSF). The EFF offers a long repayment period to help countries facing serious balance of payment issues implement structural reforms; the RSF aims to build resilience against climate vulnerabilities.

On Thursday, Pakistan's central bank announced that it had received a tranche of $1.2-bn — $1-bn under the EFF and $200-mn under the RSF — from the IMF, the approval for which was received in October. With this, Pakistan has received a sum of about $3.3-bn under the two arrangements.

11 new conditions

After its 'Governance and Corruption-Diagnostic (GCD) Assessment' in November found that corruption is a "persistent feature" of Pakistan's governance landscape, the IMF said that Pakistan must publish asset declarations of high-level federal civil servants. It has also asked Pakistan to develop a comprehensive medium-term tax reform strategy that includes at least: a sequenced roadmap of tax policy, administration, and legal reforms; clear governance arrangements; and a resource plan for implementation. Moreover, Islamabad must finalise preconditions for the private sector participation for Hyderabad Electric Supply Company and Sukkur Electric Power Company, two public sector utilities. These conditions must be met by the end of December.

By March, Pakistan must finalise a fiscal roadmap that includes at least: prioritisation of key reform areas; staffing requirements and roles; timelines and milestones; revenue impact estimates; and key performance indicators. To boost FX inflows, Pakistan must complete a comprehensive assessment of remittance costs and structural impediments to cross-border payments by end-May 2026.

By end-June, a national policy for sugar market liberalisation with clear timelines for implementation must be adopted.

Structural benchmarks

- Out of the 11 conditions, three relate to tax reforms, asset declarations of government officials and private sector participation in the energy sector.
- Pakistan has to meet these three conditions by the end of December.

Pak loans, India's concerns

In the aftermath of the Pahalgam terror attack and Operation Sindoor in May, India abstained from voting in the IMF board meeting, citing Pakistan's "poor track record" and the possibility of "misuse of debt financing funds for state-sponsored cross-border terrorism".

Two days before its board met on May 9 to approve $2.4-bn worth loan facilities to Pakistan, the IMF staff had flagged "reputational risks" over perceived misuse of its lending and the increase in "enterprise risks" due to rising tensions with India. But the IMF team that visited Karachi and Islamabad in September-October for the second review of the EFF and the first review under the RSF noted that Pakistan's economic program is "entrenching macroeconomic stability and rebuilding market confidence".

Syllabus Integration:

- **GS 2:** International Relations & Global Institutions: IMF conditionalities, lender–borrower asymmetry, economic sovereignty, and India's strategic concerns over Pakistan's financial credibility.GS 3: Indian Economy & External Sector: Balance of Payments crises, fiscal consolidation, tax reforms, energy sector restructuring, and implications of sovereign debt sustainability.
- **GS 3:** Internal Security (Linkages): Concerns over misuse of international financing and terror-financing risks affecting regional stability.
- **GS 4:** Ethics & Governance: Transparency, anti-corruption benchmarks, accountability in public finance, and ethical conditional lending.
- **Prelims:** IMF instruments (EFF, RSF), purpose of structural benchmarks, Pakistan's recurring IMF bailouts, role of IMF Board voting dynamics.

IMF'S CONDITIONS FOR PAKISTAN

IMF LOAN CONDITIONS

IMF has released another loan installment to Pakistan but has added 11 new strict conditions focusing on governance, tax reforms and privatisation, reflecting concerns over corruption and economic management.

WTN (WHAT'S THE NEWS)

IMF'S CONDITIONS FOR PAKISTAN

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IMF'S CONDITIONS FOR PAKISTAN

KEY TAKEAWAYS

Also conducted the first review of the arrangement under the Resilience and Sustainability Facility (RSF)

Concerns about Pakistan's business and reputational risks have reduced as tensions with India have waned

The IMF released the country report for Pakistan after agreeing in October to process the second $1-billlon tranche for the country as part of its $7-billion Extended Fund Facility (EFF) lending program

IMF'S CONDITIONS FOR PAKISTAN

THE EXTENDED FUND FACILITY (EFF)

IMF'S CONDITIONS FOR PAKISTAN

THE EXTENDED FUND FACILITY (EFF)

CONDITIONS

- Countries' policy commitments expected to focus on structural reforms to address institutional or economic woaknesses.
- Disbursements conditional on the observance of quantitative performance criteria

DURATION

Typically approved for periods of 3 years, but may be approved for periods as long as 4 years

REPAYMENT

Over 4½–10 years in 12 equal semiannual installments

INTEREST RATE

The market-determined Special Drawing Rights (SDR) interest rate

IMF'S CONDITIONS FOR PAKISTAN

RESILIENCE AND SUSTAINABILITY FACILITY (RSF)

Eligibility:

- All PRGT-eligible low-income countries
- small states (population under 1,5 million)
- all middle-income countries

Affordable longer-term financing to support reforms to reduce risks to prospective balance of payments (BoP) stability, including thase related to climate change and pandemic preparedness

IMF'S CONDITIONS FOR PAKISTAN

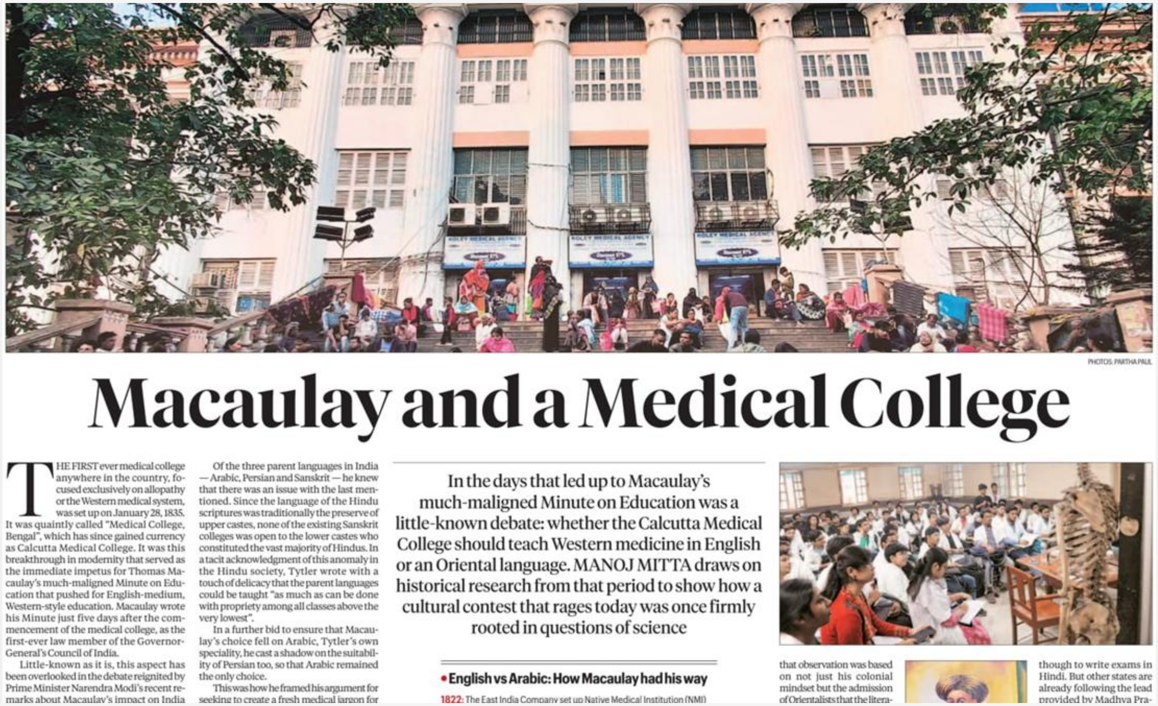
GOVERNANCE AND CORRUPTION DIAGNOSTIC (GCD) ASSESSMENT

MACAULAY MINUTE

Context: The article revisits Macaulay's Minute on Education through the lens of a colonial-era medical college, highlighting enduring debates on language, knowledge systems, and decolonisation of education.

Syllabus Integration:

- **GS 1:** Modern Indian History & Culture: Colonial education policy, Macaulay's Minute (1835), marginalisation of indigenous knowledge systems, cultural hegemony.
- **GS 2:** Governance & Social Justice: Language policy in education, medium of instruction debates, access and equity in higher education.
- **GS 3:** Science & Technology (Policy Interface): Western vs indigenous medical knowledge systems, evolution of scientific institutions in colonial India.
- **GS 4:** Ethics & Intellectual Decolonisation: Epistemic injustice, respect for plural knowledge traditions, ethical foundations of education policy.
- **Prelims:** Macaulay's Minute (1835), Orientalists vs Anglicists debate, role of colonial medical colleges, early modern education reforms.


PHOTOS: PARTHA PAUL

Macaulay and a Medical College

In the days that led up to Macaulay's much-maligned Minute on Education was a little-known debate: whether the Calcutta Medical College should teach Western medicine in English or an Oriental language. MANOJ MITTA draws on historical research from that period to show how a cultural contest that rages today was once firmly rooted in questions of science

THE FIRST ever medical college anywhere in the country, focused exclusively on allopathy or the Western medical system, was set up on January 28, 1835. It was quaintly called "Medical College, Bengal", which has since gained currency as Calcutta Medical College. It was this breakthrough in modernity that served as the immediate impetus for Thomas Macaulay's much-maligned Minute on Education that pushed for English-medium, Western-style education. Macaulay wrote his Minute just five days after the commencement of the medical college, as the first-ever law member of the Governor-General's Council of India.

Little-known as it is, this aspect has been overlooked in the debate reignited by Prime Minister Narendra Modi's recent remarks about Macaulay's impact on India

Of the three parent languages in India — Arabic, Persian and Sanskrit — he knew that there was an issue with the last mentioned. Since the language of the Hindu scriptures was traditionally the preserve of upper castes, none of the existing Sanskrit colleges was open to the lower castes who constituted the vast majority of Hindus. In a tacit acknowledgment of this anomaly in the Hindu society, Tytler wrote with a touch of delicacy that the parent languages could be taught "as much as can be done with propriety among all classes above the very lowest".

In a further bid to ensure that Macaulay's choice fell on Arabic, Tytler's own speciality, he cast a shadow on the suitability of Persian too, so that Arabic remained the only choice.

This was how he framed his argument for seeking to create a fresh medical jargon for

• English vs Arabic: How Macaulay had his way

1822: The East India Company set up Native Medical Institution (NMI)

that observation was based on not just his colonial mindset but the admission of Orientalists that the litera-

though to write exams in Hindi. But other states are already following the lead provided by Madhya Pra-

MACAULAY MINUTE

CALCUTTA MEDICAL COLLEGE AND MACAULAY

How debates around Calcutta Medical College in the 1830s influenced Macaulay's famous Minute on Education and the wider shift to English-medium Western education in India

WTN (WHAT'S THE NEWS)

MACAULAY MINUTE

B2B

MACAULAY MINUTE

ABOUT

The first ever medical college anywhere in the country, focused exclusively on allopathy or the Western medical system, was set up on January 28, 1835

Prior to this medical college there was a 13-year-old college called Native Medical Institution which had tried to teach in local languages a disparate blend of allopathy with unani and ayurveda

It was called 'Medical College, Bengal,', which has since gained currency as Calcutta Medical College

In a departure from traditional exclusionary practices, its portals were open to all Indians irrespective of caste and creed

Macaulay wrote his Minute just five days after the commencement of the medical college

MACAULAY MINUTE

MACAULAY MINUTE AND MEDICAL COLLEGE

Macaulay wrote his Minute just five days after the commencement of the medical college.

The debate on language of instruction in the college contributed to this famous minute

The debate was to teach in Arabic as the primary choice of language as the other parent language Sanskrit was not open to all

"English could be "taught thoroughly to as many as have opportunities to learn it,"

science should be "diffused generally by means of the languages of the Country"

MACAULAY MINUTE

KEY POINTS OF THE MINUTE

MEDIUM OF INSTRUCTION

English should be the language for teaching European literature and science

FUNDING

All government education funds should exclusively support English education, with no new grants for Oriental learning

MACAULAY MINUTE

KEY POINTS OF THE MINUTE

ORIENTAL STUDIES

Declared traditional Indian learning (Arabic, Sanskrit) as inferior and less valuable

DOWNWARD FILTRATION THEORY

Education should target a small elite class ("natives") who would then filter knowledge down to the masses, though this was later interpreted as a policy to educate fewer people

MACAULAY MINUTE

WOOD'S DESPATCH

As for the language of instruction
- primary: vernacular languages
- secondary: English and vernacular languages

A separate education department should be given grants-in-aid

At least one government school should be opened in every district

The government should support education for women

MACAULAY MINUTE

WOOD'S DESPATCH

At least one governmeiit schoul should be opened in every district

The training of teachers should be promoted and Secular education is to be promoted

Úniversities are established in large cities

100% FDI IN INSURANCE SECTOR

Context: The Union Cabinet has approved private participation in the nuclear sector and 100% FDI in insurance, signalling a reform push to boost investment, energy security, and long-term growth.

Cabinet clears private participation in nuclear sector, 100% FDI in insurance

ENS Economic Bureau
New Delhi, December 12

CLOSE ON the heels of Prime Minister Narendra Modi's assertion that the country is in full-fledged "reform express" phase, the Union Cabinet on Friday approved a host of legislative and administrative measures to give a push to different sectors of the economy, including civil nuclear energy and the insurance sector.

A Bill to raise the foreign direct Investment (FDI) limit in insurance companies from 74 per cent to 100 per cent got the nod, in what could unlock the sector's full potential, which is anticipated to grow at 7 per cent annually over the next five years. The Bill, to be tabled in Parliament next week, is expected to attract stable and sustained foreign investments, enhance competition, facilitate technology transfer, and significantly improve insurance penetration in the country.

Additionally, the Bill aims to relax current restrictions on the repatriation of dividends and key management personnel for foreign-owned firms, thereby boosting the ease of doing business. However, at least one among the Chairman, Managing Director, or CEO must be an Indian citizen. The Cabinet also approved the Atomic Energy Bill, 2025 or the Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Bill allowing private participants in the nuclear power sector. The move comes amid the country's plan to add 100 gigawatt of nuclear capacity by 2047.

REFORM PUSH

- A Bill to raise the foreign direct Investment limit in insurance companies from 74% to 100% received the Union Cabinet's approval, in a move that could unlock the sector's full potential
- SHANTI Bill allowing private participants in the nuclear power sector approved. This comes amid the country's plan to add 100 gigawatt of nuclear capacity by 2047

In the Union Budget 2025-26, the government has announced plans to increase private sector participation in setting up nuclear capacities by amending the Atomic Energy Act and the Civil Liability for Nuclear Damage Act. For this purpose, the government had also announced the setting up of a Nuclear Energy Mission for the research and development of Small Modular Reactors (SMR) with an outlay of Rs 20,000 crore. The government has targeted at least five indigenously developed SMRs that will be operationalised by 2033.

The legislation includes core activities such as exploration of atomic minerals, fuel fabrication, equipment manufacturing, and aspects of plant operations. The SHANTI Bill proposes a slew of structural reforms, including an independent nuclear safety authority and a dedicated nuclear tribunal, reports suggested.

"The Bill is critical to align civil nuclear liability for operators and suppliers with international standards to attract global technology providers as well as private investors," said Anujesh Dwivedi, Partner, Deloitte India.

Currently, the tariff for nuclear power is governed by the Department of Atomic Energy, in consultation with the Central Electricity Authority. However, private sector participation will necessitate governance by an independent regulator (such as CERC), enabling the possibility of competitive determination of tariffs, Dwivedi noted. FE

Syllabus Integration:

- **GS 2:** Governance & Public Policy: Legislative reforms (Atomic Energy Act, Civil Liability for Nuclear Damage), Centre's reform agenda, role of independent regulators.
- **GS 3:** Indian Economy & Infrastructure: FDI liberalisation, insurance sector deepening, nuclear energy for clean baseload power, SMRs and energy transition, ease of doing business.
- **GS 3:** Science & Technology: Indigenous Small Modular Reactors (SMRs), nuclear fuel cycle, technology transfer and indigenisation.
- **GS 3:** Environment & Energy Security: Low-carbon growth, nuclear power in climate commitments and energy mix diversification.
- **GS 4:** Ethics & Governance: Nuclear safety, liability, risk-sharing, regulatory accountability, balancing public interest with private profit.
- **Prelims:** FDI limits in insurance (100%), SHANTI Bill, SMRs, Atomic Energy Act, Civil Liability for Nuclear Damage Act, target of 100 GW nuclear capacity by 2047.

100% FDI IN INSURANCE SECTOR

WTN (WHAT'S THE NEWS)

100% FDI IN INSURANCE SECTOR

B2B

100% FDI IN INSURANCE SECTOR

Nuclear energy in India:
Strategic sector,
historically state-dominated

Governing laws:

- Atomic Energy Act, 1962
- Civil Liability for Nuclear Damage Act (CLNDA), 2010

PRIVATE PARTICIPATION IN NUCLEAR SECTOR

Key operator:

Nuclear Power Corporation of India Ltd. (NPCIL)

Department:

Department of Atomic Energy (DAE) under PMO

100% FDI IN INSURANCE SECTOR

EARLIER POSITION

Private sector:
Allowed only as suppliers/vendors

Not allowed as operators of nuclear plants

Nuclear power tariffs:
Regulated by government (not market-based)

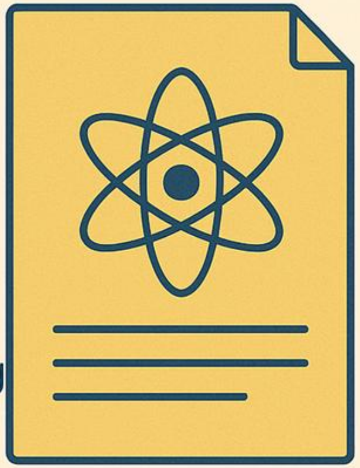
100% FDI IN INSURANCE SECTOR

Private participation approved in nuclear power sector

Cleared via:

SHANTI Bill

(Sustainable Harnessing and Advancement of Nuclear Energy in India Bill, 2025)



Objective:

Add 100 GW nuclear capacity by 2047

Recent Cabinet Decision

100% FDI IN INSURANCE SECTOR

Aligns:

- Civil nuclear liability with international norms

KEY PROVISIONS OF SHANTI BILL

Proposes:

- Independent Nuclear Safety Authority
- Dedicated Nuclear Tribunal

Allows private entities in:

- Nuclear power generation
- Fuel fabrication
- Equipment manufacturing
- Certain plant operations

100% FDI IN INSURANCE SECTOR

SMALL MODULAR REACTORS (SMRs)

SMRs: Compact nuclear reactors (<300 MW)

Budget 2025–26 announcement:

₹20,000 crore Nuclear Energy Mission

Target: At least 5 indigenous SMRs Operational by 2033

Importance:

- Lower cost
- Enhanced safety
- Suitable for private participation

100% FDI IN INSURANCE SECTOR

REGULATION & TARIFFS

Current regulator:
Department of Atomic Energy (with CEA consultation)

Proposed change:
Independent regulator (similar to CERC)

Enables:
Competitive tariff determination

100% FDI IN INSURANCE SECTOR

100% FDI IN INSURANCE SECTOR

Insurance sector regulator:
IRDAI

Types:

- ✓ Life insurance
- ✓ General insurance
- ✓ Health insurance

Strategic sector for:

- ✓ Financial inclusion
- ✓ Long-term capital formation

100% FDI IN INSURANCE SECTOR

EARLIER FDI LIMITS

26% → 49% → 74%
(with conditions)

RECENT CABINET DECISION

FDI limit raised to
100% Via amendment to Insurance Act

STATUS:

Bill approved by Cabinet

To be tabled in Parliament

100% FDI IN INSURANCE SECTOR

Conditions Attached

Companies must:

- Retain Indian management control
- Meet solvency and governance norms

At least one among:

Chairman / MD / CEO to be Indian resident

Dividend repatriation norms relaxed

100% FDI IN INSURANCE SECTOR

EXPECTED BENEFITS

- Increased foreign capital inflow
- Enhanced insurance penetration
- Technology transfer
- Improved competition & efficiency

MGNREGA TO BE RENAMED

Context: The government is considering renaming and expanding MGNREGA, increasing guaranteed work from 100 to 125 days to strengthen rural employment security amid underutilisation of the scheme.

Syllabus Integration:

- **GS 2:** Polity: Legislative amendment process, renaming of Acts, role of Finance Commission in scheme continuation.
- **GS 2:** Governance & Social Justice: Rights-based welfare, legal guarantees of employment, Centre–State implementation dynamics, reform of flagship schemes.
- **GS 3:** Indian Economy (Inclusive Growth): Rural distress, labour absorption, counter-cyclical fiscal policy, demand stabilisation through public works.
- **GS 4:** Ethics & Social Policy: Dignity of labour, distributive justice, welfare accountability, ethics of social protection.
- **Prelims: MGNREGA (2005), 100 days employment guarantee, proposed 125 days, average employment days (~50), funding via Finance Commission awards.**

Govt. likely to rename MGNREGS to 'Pujya Bapu Gramin Rozgar Yojana'

Sobhana K. Nair
NEW DELHI

The government is likely to introduce a Bill in the ongoing Winter session of Parliament amending the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), changing the name of the flagship rural employment scheme to "Pujya Bapu Gramin Rozgar Yojana".

According to senior government functionaries, the amended Bill was cleared by the Union Cabinet in its meeting held on Friday. There was no official announcement on the proposal at the Cabinet briefing addressed by Union Minister Ashwini Vaishnaw. The original Bill passed by Parliament on August 25, 2005, was called the "National Rural Employment Guarantee Act". The suffix "Mahatma Gandhi" was added in 2009.

The flagship scheme guarantees up to 100 days of wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. The sources also indicated that the government plans to increase this to 125 days.

As per a written answer by the Minister of State for Rural Development Kamlesh Paswan on Friday in the Rajya Sabha, the average number of days of employment per household during the past five years comes to 50.35 days. He also noted that the scheme was a "fallback option when no better employment opportunity is available".

In 2022, the government had appointed a panel headed by former Union Rural Development Secretary Amarjeet Sinha to review the scheme, especially the inter-State variations, and lower expenditure under the scheme in States with higher poverty rates. The amended Bill is likely to take into account the panel's recommendation, introducing exclusionary clauses based on economic indices of a State.

The government is also likely to tweak the scheme's funding pattern.

Flagship scheme: The average number of days of employment per household during the last five years stood at 50.35 days. FILE PHOTO

100 to 125 days: MNREGA scheme to get name change

In FY25, average employment days per household under scheme was just 50

Harikishan Sharma
New Delhi, December 12

THE GOVERNMENT may finalise a revamp of the Mahatma Gandhi National Rural Guarantee Act and increase the number of guaranteed employment days to eligible rural households from 100 now to 125.

The Union Cabinet discussed the proposal to expand the scheme and also to change the name of the law itself to Pujya Bapu Rural Employment Guarantee Act, sources in the government said.

While the law guaranteed jobs for 100 days, the average days of employment provided per household under the scheme was just about 50 days in 2024-25. In fact, the number of households completing 100 days stood at 40.70 lakh last year. In the current financial year, only 6.74 lakh families have hit the 100-day ceiling.

The proposal comes on the back of an approval process already initiated by the government for continuation of the scheme in the Sixteenth Finance Commission awards which will be effective April 1, 2026.

• Approved by Cabinet

Rs 11,718 CR for Census 2027

A BILL to set up a higher education regulator which will replace bodies such as UGC and AICTE

A BILL to raise FDI in the insurance sector to 100 per cent

A BILL to open nuclear energy sector to private players

PAGES 7, 15

In 2022, a committee constituted by the Ministry of Rural Development, which administers the MNREGS, was tasked to study the performance of states and issues related to the scheme's governance. The committee had submitted its report last year.

The NREGA was enacted in 2005, and was renamed by the then UPA government as Mahatma Gandhi National Rural Employment Guarantee Act with effect from October 2, 2009. According to sources, the NDA government will have to amend the law to rename it and increase the number of

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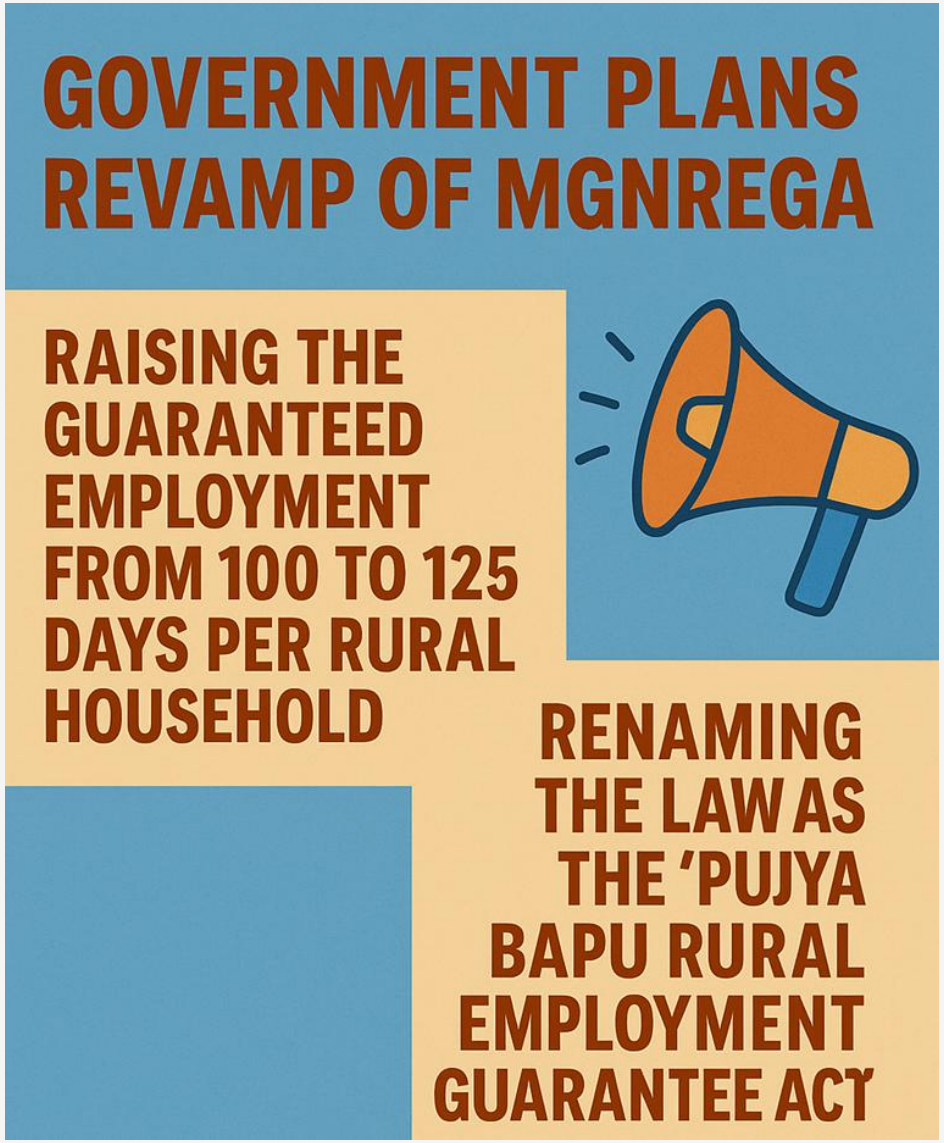
MGNREGA TO BE RENAMED



WTN (WHAT'S THE NEWS)

MGNREGA TO BE RENAMED

B2B

MGNREGA TO BE RENAMED

RECENT DEVELOPMENTS

PROPOSED EXPANSION:

Guaranteed employment days may increase from

100 → 125 days

REASON:

Underutilisation – average employment in FY25 ≦ 50 days/household

COMPLETION DATA:

Households completing full 100 days remain low

ADMINISTRATIVE REVIEW:

MoRD committee (2022) studied scheme performance & governance issues

MGNREGA TO BE RENAMED

MGNREGA

Mahatma Gandhi National Rural Employment Guarantee Act

Original enactment
2005
(Notified on 2 February 2006)

Renamed
In 2009
(added 'Mahatma Gandhi')

Nature
Rights-based demand-driven wage employment scheme

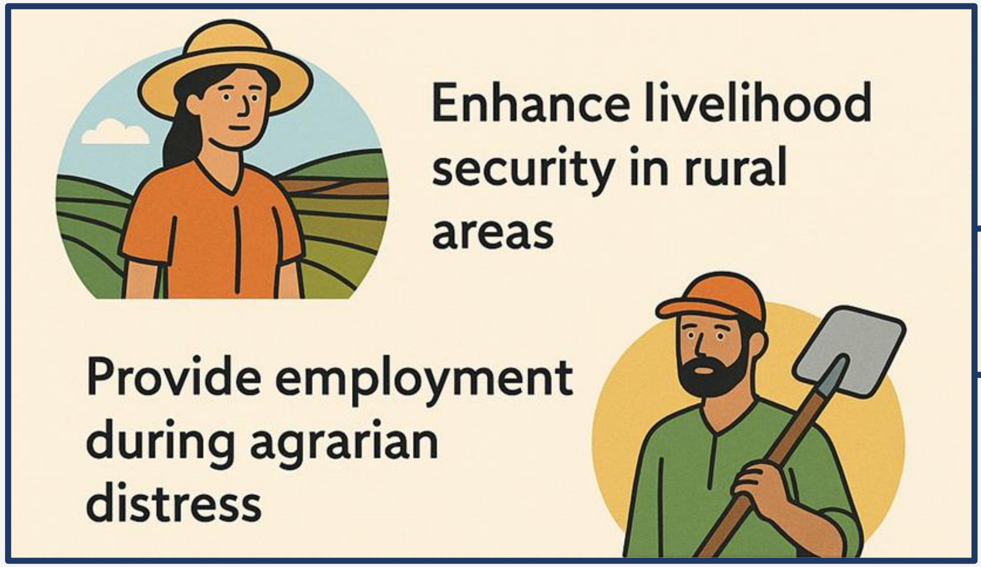
Guarantee
100 days of unskilled manual work per rural household per financial year

Legal basis
Act of Parliament
(statutory entitlement)

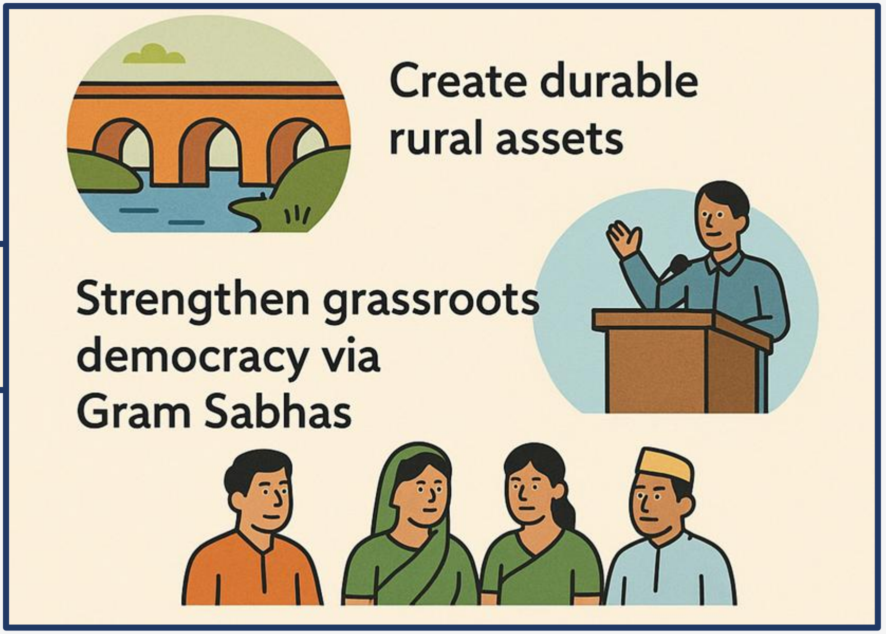
Ministry
Ministry of Rural Development (MoRD)

Coverage
All rural districts of India

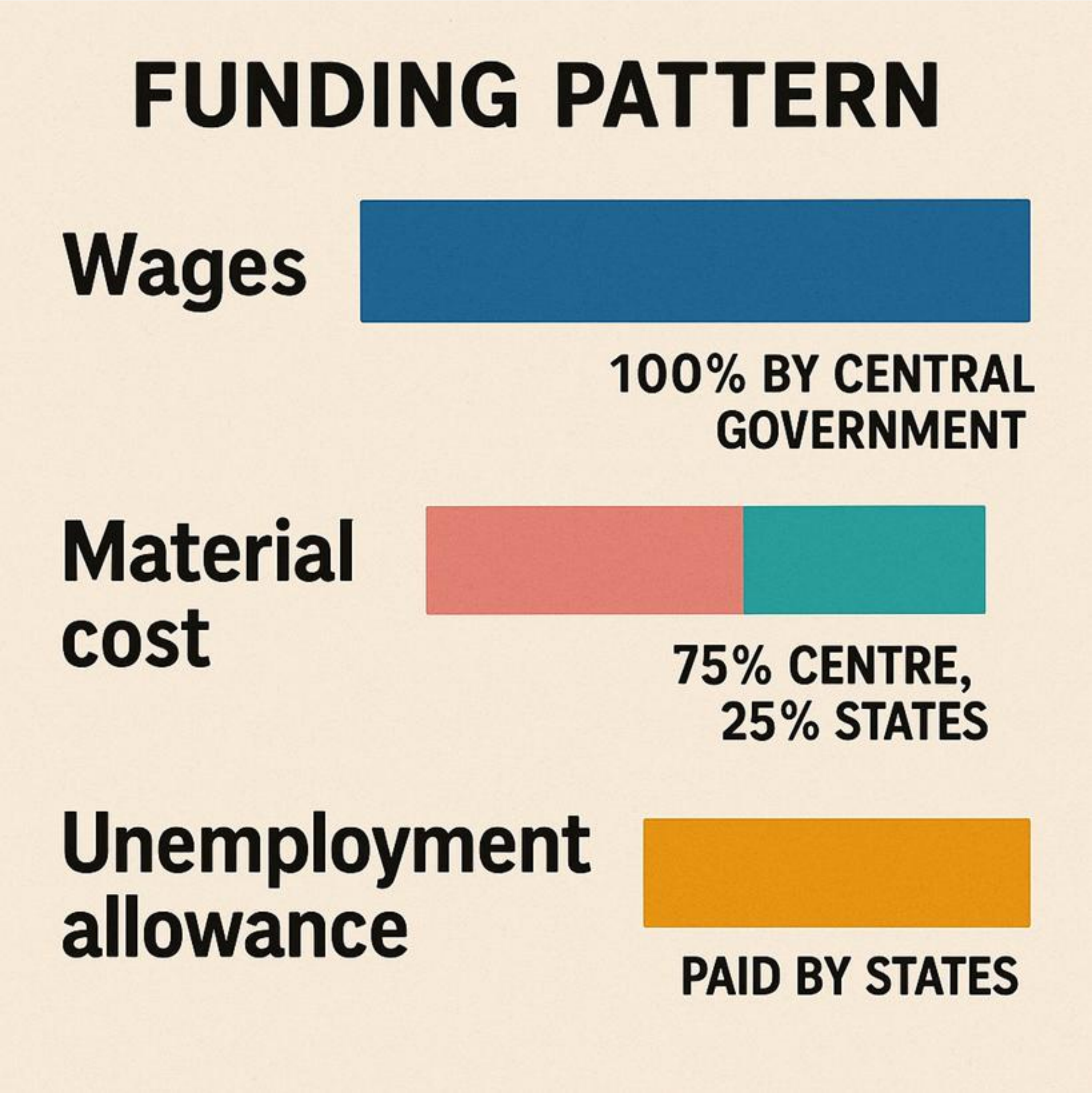
MGNREGA TO BE RENAMED



Objectives



MGNREGA TO BE RENAMED



MGNREGA TO BE RENAMED

KEY IMPLEMENTATION FEATURES

Demand-based
Employment provided on application

Time limit
Work to be provided within 15 days

Unemployment allowance
If work not provided

Implementing agency
(primary)
Gram Panchayat

Wages
As per state-specific MGNREGA wage rate

Payment mode
DBT into bank/post office accounts

MGNREGA TO BE RENAMED

KEY FACTS ABOUT MGNREGA

- NOT A CENTRAL SECTOR SCHEME - IT IS CENTRALLY SPONSORED BUT RIGHTS-BASED
- RENAMING CANNOT BE DONE BY EXECUTIVE ORDER ALONE
- EMPLOYMENT IS NOT AUTOMATIC - MUST BE DEMANDED