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The Union Home Ministry's decision to enhance reservation for ex-Agniveers in Group C posts of the Central Armed Police Forces (CAPFs) from 10% to 50% marks a significant recalibration of the post-service absorption framework under the Agnipath scheme. Beginning with the Border Security Force (BSF), this policy change comes ahead of the retirement of the first batch of Agniveers and reflects the government's attempt to address long-standing concerns related to job security, rehabilitation, and social stability of short-term military recruits.

Govt. to increase reservation for Agniveers in CAPFs to 50%

After reserving 50% constable posts in BSF, the Home Ministry moves to enhance the quota in Group C posts for ex-Agniveers in other CAPFs; new policy marks a shift from earlier decision

Vijaita Singh
NEW DELHI

Months before the first batch of Agniveers retires from service, the Union Home Ministry has decided to enhance reservation for ex-Agniveers in the Group C posts of the Central Armed Police Forces (CAPFs) from the existing 10% to 50%, a senior government official told *The Hindu*.

On Friday, the Ministry notified that 50% vacant constable posts in the Border Security Force (BSF) will be reserved for former Agniveers. Though exempted from Physical Standard Test and Physical Efficiency Test, the notification suggests that the ex-Agniveers will have to appear for written examinations like other regular candidates.

The official said that the recruitment rules for Group C posts of all CAPFs will be amended gradually in the coming days. This is a significant shift from Ministry's earlier decision to implement 10% reservation for the temporary recruits



The notification suggests that the ex-Agniveers will have to appear for written examinations like other regular candidates. IMRAN NISSAR

of the armed forces in the CAPFs.

Violent protests in 2022

The recruitment policy announced in 2022 was met with violent protests and was one of the major issues during the 2024 Lok Sabha elections.

Following protests, the Ministry announced that 10% of all vacancies in the CAPFs will be reserved for the armed forces recruits who have completed four years of service under the Agnipath scheme. It also announced five years age relaxation in recruitment

for the first batch and three years age relaxation for subsequent batches. The first batch of Agniveers will be eligible for recruitment in the CAPFs in 2026.

On Friday, the Ministry notified the Border Security Force, General Duty Cadre (Non-Gazetted) Recruitment Rules, (Amendment) Rules, 2025, with new provisions.

The amended Rules say, "By direct recruitment (including fifty per cent vacancies shall be reserved for ex-Agniveers in every recruitment year, ten per cent from ex-Servicemen

and up to three per cent for absorption of annual vacancy amongst Combatised Constable (Tradesmen)."

"In the first phase, the recruitment shall be conducted by the Nodal Force for fifty per cent vacancies earmarked for ex-Agniveers" and "in the second phase, recruitment shall be conducted by the Staff Selection Commission for candidates other than ex-Agniveers for the remaining forty-seven per cent (including ten per cent ex-Servicemen) for the vacancies along with the unfilled vacancies of ex-Agniveers in a specific category in the first stage", it said.

For absorption in the rank of constables from among the Combatised Constable (Tradesmen) of the BSF, the age criteria have been relaxed from existing 30 to 35 years.

The CAPFs comprise the Central Industrial Security Force (CISF), BSF, Central Reserve Police Force (CRPF), Indo Tibetan Border Police (ITBP), Sashastra Seema Bal (SSB) and the Assam Rifles.

Background and Context

The Agnipath Scheme, launched in 2022, introduced a four-year short-term recruitment model for the armed forces, with only 25% of recruits retained for longer service. The remaining 75% were expected to reintegrate into the civilian workforce.

However, the scheme faced widespread protests, particularly over the absence of assured post-service employment, making it a politically sensitive issue during the 2024 Lok Sabha elections. In response, the government initially announced **10% reservation** in CAPFs along with age relaxations. The present decision to raise the quota to **50%** represents a major policy shift aimed at restoring trust among recruits and society at large.

Key Features of the New Policy

Enhanced Reservation:

- 50% of constable (Group C) vacancies in CAPFs reserved for ex-Agniveers (starting with BSF).
- Remaining vacancies filled through Staff Selection Commission (SSC), including 10% for ex-servicemen.

Merit-based Screening:

- Ex-Agniveers are exempted from Physical Standard and Physical Efficiency Tests but must clear the written examination, ensuring competitive parity.

Phased Recruitment Process:

- First phase: Recruitment by a nodal CAPF for ex-Agniveers.
- Second phase: SSC recruitment for remaining posts, including unfilled ex-Agniveer vacancies.

Age Relaxation:

- Five years for the first batch and three years for subsequent batches.
- Upper age limit for absorption of Combatised Constable (Tradesmen) raised from 30 to 35 years.

Applicability Across CAPFs:

- Gradual amendment of recruitment rules for all CAPFs, including **Border Security Force, Central Reserve Police Force, Central Industrial Security Force, Indo Tibetan Border Police, Sashastra Seema Bal**, and **Assam Rifles**.

Significance for Governance and Security

Addressing Employment Concerns: The enhanced quota directly tackles the core criticism of the Agnipath scheme—lack of assured post-service employment—thus strengthening its long-term sustainability.

Strengthening Internal Security: CAPFs benefit from disciplined, trained, and operationally experienced manpower, reducing training costs and improving readiness.

Political and Social Stability : By responding to public discontent and protests, the government signals policy responsiveness and trust-based governance.

Civil-Military Integration : The move facilitates smoother transition of short-term military personnel into internal security roles, reinforcing national security architecture.

Concerns and Challenges

Impact on Open Competition: A 50% reservation may raise concerns among civilian aspirants regarding reduced opportunities in CAPFs.

Operational Balance: Over-reliance on short-term military recruits could affect diversity of skills and experiences within CAPFs.

Long-term Absorption Limits: With large numbers of Agniveers retiring annually, CAPFs alone may not be sufficient to absorb all, necessitating broader inter-ministerial employment strategies.

Conclusion

The decision to increase reservation for ex-Agniveers in CAPFs to 50% represents a pragmatic course correction in the implementation of the Agnipath scheme. It balances the objectives of military reform with socio-economic realities by providing a credible post-service pathway, while maintaining merit-based recruitment through written examinations.

UPSC Mains Practice Question

Ques : How does the increased absorption of ex-Agniveers into CAPFs attempt to address the concerns raised during the 2022 protests against the Agnipath scheme? Evaluate whether this measure is sufficient in the long run. **(250 Words)**

Page 04 : GS 2 : Indian Polity / Prelims

The recently concluded Winter Session of the Parliament of India recorded exceptionally high legislative productivity, with Lok Sabha and Rajya Sabha achieving 111% and 121% productivity respectively, as highlighted by Lok Sabha Speaker Om Birla. The session was marked by the passage of key reform-oriented Bills, substantive debates on national symbols and electoral reforms, and concerns over parliamentary decorum. For UPSC aspirants, this session is significant from the perspectives of parliamentary functioning, governance reforms, and democratic accountability.

Winter Session concludes with over 100% productivity

The Hindu Bureau
NEW DELHI

The Winter Session of Parliament concluded on Friday as both Houses were adjourned *sine die* after the passage of key Bills, including one to replace the MGNREGA and others to allow the opening up of the civil nuclear sector for private sector and 100% FDI in Insurance.

Lok Sabha Speaker Om Birla said the Lower House recorded a productivity of 111% over 15 sittings, while Rajya Sabha Chairman C.P. Radhakrishnan, who presided over his first session after taking charge, said the Upper House achieved a productivity of 121%.

The Lok Sabha passed eight Bills, and 10 government Bills were introduced.

The Lok Sabha witnessed a debate to mark 150 years of the National Song *Vande Mataram*. Prime Minister Narendra Modi initiated the discussion and the Lower House discussed the subject for 11 hours and 32 minutes, with the participation of 65 MPs. The issue of electoral reforms was also discussed for approximately 13 hours, with the participa-



Om Birla

tion of 63 members.

In Rajya Sabha, 82 members participated in the discussion on *Vande Mataram*. On electoral reforms, 57 members participated. The Upper House passed eight Bills and adopted a Statutory Resolution regarding the Water (Prevention and Control of Pollution) Amendment Act, 2024, which saw overall participation of 212 MPs.

“Disruption created during yesterday’s (Thursday) sitting by the Opposition members by shouting slogans, displaying placards, disrupting the Minister replying to the discussion, tearing up papers and throwing them in the Well of the House showed conduct unbecoming of MPs. I earnestly hope that members would introspect and not repeat such unruly behaviour in future,” Mr. Radhakrishnan said.

Key Issues and Significance

1. Legislative Productivity and Governance Efficiency

- Productivity beyond 100% indicates extended sittings and effective utilisation of scheduled time, reflecting an emphasis on legislative output.
- Passage of Bills related to restructuring rural employment guarantees (replacement of MGNREGA), opening the civil nuclear sector to private participation, and allowing 100% FDI in insurance signals a reform-driven governance approach with implications for social policy, energy security, and capital inflows.

2. Quality of Parliamentary Deliberation

- Extended debates on **Vande Mataram** (marking 150 years) and electoral reforms demonstrate the deliberative role of Parliament beyond mere law-making.
- Active participation of MPs across both Houses suggests inclusiveness and robustness of debate, aligning with constitutional ideals of representative democracy.

3. Role of Parliamentary Leadership

- The session was the first presided over by Rajya Sabha Chairman **C. P. Radhakrishnan**, highlighting the importance of the presiding officer in ensuring order, time management, and bipartisan functioning.
- The initiation of the Vande Mataram debate by Prime Minister **Narendra Modi** underlines the executive's agenda-setting role within parliamentary democracy.

4. Parliamentary Conduct and Democratic Norms

- Disruptions by Opposition members, including slogan-shouting and entering the Well of the House, raise concerns about erosion of parliamentary decorum.
- Such conduct affects legislative efficiency and public trust, bringing into focus the need for reforms related to parliamentary ethics, codes of conduct, and effective use of disciplinary mechanisms.

5. Federal and Environmental Dimensions

- Adoption of the Statutory Resolution on the Water (Prevention and Control of Pollution) Amendment Act, 2024, reflects Parliament's role in balancing development with environmental regulation—an area of increasing relevance for governance and federal coordination.

Conclusion

The Winter Session stands out as a high-productivity parliamentary session combining legislative output with substantive debate, reinforcing Parliament's centrality in India's democratic framework. However, recurring disruptions underline structural and behavioural challenges that must be addressed to preserve the dignity and effectiveness of parliamentary institutions.

UPSC Prelims Practice Question

Ques : Which of the following best explains the constitutional role of Parliament as reflected in the Winter Session?

- (a) Law-making only
- (b) Executive control through Question Hour
- (c) Deliberative and representative democracy
- (d) Federal dispute resolution

Ans : (c)

UPSC Mains Practice Question

Ques : Discuss the significance of parliamentary debates on electoral reforms in strengthening India's democratic framework.

In a significant judgment, the Supreme Court of India has highlighted that child trafficking and commercial sexual exploitation remain a “deeply disturbing reality” in India despite the existence of protective laws. The ruling not only upheld convictions under the Immoral Traffic (Prevention) Act but also laid down important judicial principles for appreciating evidence in child trafficking cases, especially concerning the testimony of minor victims.

Child trafficking a deeply disturbing reality, says SC

SC judgment emphasises that courts must not disbelieve the testimony of a trafficked child just because of minor inconsistencies in her evidence; says she must be treated as an injured witness

Krishnadas Rajagopal
NEW DELHI

The Supreme Court, in a judgment on Friday, observed that child trafficking and commercial sexual exploitation of children by organised cartels is a “deeply disturbing reality” in India which continues to flourish despite protective laws.

The court said child trafficking networks have a complex and layered structure which operate at various levels of recruiting, transporting, harbouring, and exploiting minor victims.

The judgment, which laid down guidelines for appreciating evidence in child trafficking cases, said courts must not disbelieve the testimony of a trafficked child just because of minor inconsistencies in her evidence.

“Such organised crime activities operate as apparently independent verticals whose insidious intersections are conveniently veiled through subterfuge and deception to hoodwink innocent victims,” a Bench of Justices Manoj Misra and Joymalya Bagchi said.

Judicial sensitivity

Courts have been asked to bear in mind several key points while recording the evidence of a minor trafficking victim

- The child's socio-economic and cultural vulnerability, especially if from a marginalised or backward community
- Organised crime networks operate through complex, layered structures that often mislead minors; victims should not be faulted for failure to protest promptly
- Judicial consideration of a minor's testimony must be sensitive and avoid secondary victimisation
- A conviction can rest on the sole testimony of the victim if it is credible and convincing
- A trafficking victim's testimony deserves the same weight as that of an injured witness

A victim's sole testimony must suffice if her version appeared to be credible and convincing. A trafficked child must not be treated as an accomplice by the courts. “Her deposition is to be given due regard and credence as that of an injured witness,” the court directed.

Justice Bagchi, who authored the judgment, termed child trafficking and sexual exploitation as an offence that struck at the very foundations of dignity and bodily integrity.

The judgment concerned a minor who was forcibly pushed into illicit sexual intercourse by a

gang of traffickers in Bengaluru. Her persistent refusal to consent had led her to be confined in a rental apartment, until she was rescued by the police in November 2010.

The top court, while upholding the conviction of the gang members under the Immoral Traffic (Prevention) Act, said the case laid bare the “moral and material abandonment” of a child whom the state was constitutionally obliged to protect from harm's way.

Justice Bagchi said courts must not discard a trafficked victim's version as improbable or “against ordinary human conduct”

solely on the ground of her failure to promptly protest against the “ostensibly innocuous yet ominous agenda of the trafficker”.

“Diffused and apparently disjoint manner in which the crime verticals operate in areas of recruitment, transportation, harbouring and exploitation make it difficult, if not impossible, for the victim to narrate with precision and clarity the interplay of these processes...,” Justice Bagchi observed.

Recognise vulnerability

In the present case, the victim's testimony about the topography of the rented apartment was rebutted by two prosecution witnesses, prompting the defence to attempt to discredit her evidence.

The Bench underscored that courts must bear in mind, while examining a victim, her “inherent socio-economic and, at times, cultural vulnerability when the minor belongs to a marginalised or socially and culturally backward community”.

Judicial appreciation of the victim's evidence must be marked by sensitivity and realism, it said.

Key Observations of the Supreme Court

- **Victim-Centric Approach to Evidence:** The Court clarified that the testimony of a trafficked child cannot be disbelieved merely due to minor inconsistencies. Trauma, fear, prolonged confinement, and socio-economic vulnerability often impair precise recall.

- Status of the Child Victim: A trafficked child is not an accomplice. Her testimony deserves the same weight as that of an injured witness. If credible and convincing, sole testimony is sufficient for conviction.
- Nature of Trafficking Networks: The judgment recognises trafficking as an organised crime with layered verticals—recruitment, transportation, harbouring, and exploitation—operating in a diffused and deceptive manner, making narration by victims inherently fragmented.
- Sensitivity in Judicial Scrutiny: Courts must account for the socio-economic, cultural, and psychological vulnerability of child victims, particularly those from marginalised communities. Judicial realism and empathy are essential while evaluating evidence.

Constitutional and Legal Significance

- Reinforces Article 21 (Right to Life and Dignity) by affirming the State's constitutional obligation to protect children from exploitation.
- Strengthens the spirit of Article 15(3) and Article 39(e) & (f), which mandate special protection for children.
- Aligns domestic jurisprudence with India's commitments under international conventions such as the UN Convention on the Rights of the Child (CRC), even if not explicitly cited.

Way Forward

- Capacity building of police, prosecutors, and judges in trauma-informed procedures.
- Strengthening rehabilitation mechanisms under child protection laws.
- Better coordination between law enforcement, judiciary, and child welfare institutions.
- Community-level vigilance to disrupt recruitment networks at the source.

Conclusion

The Supreme Court's ruling marks a decisive shift towards a victim-sensitive and rights-based criminal justice approach in child trafficking cases. By recognising the complex nature of organised trafficking and the lived trauma of child victims, the judgment reinforces constitutional values of dignity, justice, and compassion. It sends a clear signal that procedural rigidity must not defeat substantive justice, especially when the most vulnerable are at stake.

UPSC Mains Practice Question

Ques: Discuss the constitutional obligations of the State and the judiciary in combating child trafficking in India. How does judicial sensitivity in appreciating a trafficked child's testimony contribute to effective enforcement of child protection laws? **(250 Words)**



The city is inching towards a 24/7 future as the government prepares to roll out proposals under 'Night Time Economy' to make late-night business a year-round reality. The policy seeks to cut bureaucratic red tape, extend public transport and strengthen safety and sanitation, projecting a 260,000-crore economic boost and creation of lakhs of jobs by 2032. **Serish Namiseti** reports on how this initiative offers an early glimpse of Telangana's ambitious \$3 trillion economy envisioned under Vision 2037.

He adds that parking and staffing pose minor challenges, but are challenges nonetheless.

"To coordinate this ecosystem, the city will appoint a Night czar, an independent authority whose job is not to control businesses but to grow the night economy by reducing government in-

C/O. RADIANT SCHOOL OF SCIENCE , KH - 0, STHAPAN - 2 FLAT, KH ROAD, GANDHINAGAR - 382421, GUJARAT.

Targeted Urban Geography

- Initial rollout in high economic-density corridors such as HITEC City, Financial District, Old City, Secunderabad and Banjara–Jubilee Hills.
- These areas already exhibit latent night-time demand due to IT employment, tourism, food streets, and entertainment hubs.

Institutional Innovation

- Creation of a Night Czar / Night Commissioner to coordinate policing, sanitation, transport, and lighting—without micro-managing businesses.
- Reflects global best practices seen in cities like London and Amsterdam.

Economic and Employment Impact

Projected economic contribution:

- ₹8,500 crore (2025) → ₹26,000+ crore (2032)
- CAGR of over 20%

Employment generation:

- 2.1–2.4 lakh jobs by 2031 across hospitality, retail, logistics, transport, security, and gig platforms.
- Supports inclusive urban livelihoods, particularly for migrants, delivery workers, street vendors, and informal service providers.
- This aligns with India's broader objectives of:
 - Labour-intensive growth
 - Expansion of the services sector
 - Formalisation of informal economic activity

Governance and Urban Planning Dimensions

Ease of Doing Business

- Eliminates “licence raj” that undermined earlier 24×7 initiatives.
- Predictable rules reduce compliance costs and encourage private investment.

Urban Infrastructure Expansion

- Extension of Metro and State bus services till 2 a.m.
- Night sanitation squads, clean public toilets, waste management systems.
- Smart lighting, CCTV coverage, SOS systems, and dedicated taxi/auto stands.

Gender-Sensitive Urban Design

- Deployment of Pink Patrols, women-only night hubs, and safe mobility corridors.
- Enhances women's workforce participation and right to the city after dark.

Social and Environmental Challenges

- Despite its promise, the Night Time Economy raises several concerns:

Public Hygiene and Waste Management

- Night food streets risk becoming sanitation hotspots without strict enforcement.

Law and Order

- Requires sustained policing without harassment or moral policing.

Urban Inequality

- Benefits may remain concentrated in affluent zones unless expanded equitably.

Environmental Externalities

- Noise pollution, light pollution, and increased energy consumption must be regulated.
- These challenges underscore the need for robust municipal capacity and inter-departmental coordination.

Conclusion

The Night Time Economy initiative represents a paradigm shift in urban governance, signalling India's transition from restrictive regulation to facilitative statecraft. If implemented with institutional discipline, civic accountability, and inclusivity, Hyderabad's 24×7 model can become a template for metropolitan reform across India. More than extended business hours, it reflects a deeper recognition that modern cities must function continuously to remain competitive, inclusive, and globally relevant—a prerequisite for achieving India's long-term economic and developmental ambitions.

UPSC Mains Practice Question

Ques : The emergence of Night Time Economy (NTE) reflects a shift towards trust-based urban governance and inclusive economic growth. Discuss in the context of Hyderabad's proposed 24×7 economy model. **(150 Words)**

Page 11 : GS 3 : Indian Economy

The recent minutes of the Monetary Policy Committee of the Reserve Bank of India reveal an unusual macroeconomic concern: inflation in India has fallen to excessively low levels. With headline Consumer Price Index inflation declining to 0.3% in October 2025, well below the 4% target and even breaching the lower tolerance band, MPC members have flagged risks associated not with high inflation, but with prolonged disinflation in a developing economy.

‘Too low an inflation a cause for concern’

Prevailing low inflation will squeeze profit margins, increase real value of debt and interest rates for private sector, says MPC's external member

Lalatendu Mishra
MUMBAI

Although low inflation rate and high growth led the Monetary Policy Committee (MPC) to reduce repo rate by 25 basis points (bps) earlier this month to support growth, the drastic fall in inflation numbers remained a cause for concern, the minutes of the MPC released by the Reserve Bank of India (RBI) on Friday indicate.

“The current inflation rate is actually too low, breaching the lower bound in the flexible inflation targeting regime, especially if precious metals like gold are excluded. Besides, too low an inflation rate is not healthy for a developing country like India, suggesting a demand deficit,” external MPC member Nagesh Kumar wrote.

He said inflation not only continued to remain benign, the headline CPI too declined further to 0.3% in October 2025, largely driven by decreasing food prices. “It is in contrast to FY25: Q2, when the growth was slowing, but inflation was at relatively high levels,” he pointed out.

Stating that inflation had continued to undershoot forecasts, external MPC member Saugata Bhattacharya said while the low prints had largely emanated from a small set of components, the broader bas-



Dribbling down: Headline CPI declined further to 0.3% in October 2025, largely driven by decreasing food prices. SUSHIL KUMAR VERMA

ket of “underlying” inflation too was likely to undershoot the inflation target for many months.

“In addition, there is little to signal a risk of potential overheating of capacity even if growth momentum were to sustain. Household inflation expectations remain well anchored and have responded to the recent sharp drop in inflation,” he stated.

External member Prof. Ram Singh said in his statement that the prevailing low inflation would squeeze profit margins and increase the real value of debt and interest rates for the private sector.

“Disinflationary expectations running across several quarters can dampen and defer private-sector investment even in the short run. As MSMEs’ businesses operate in highly competitive markets and have limited ability to raise prices through the market power channel but the wages tend to be downward

sticky, low inflation is detrimental to their interests as well,” he emphasised.

Deputy Governor Poonam Gupta stated that inflation had been below the 4% target for the last nine months averaging 2.3% and was likely to remain well contained for at least nine more months. “The average inflation for 2025-26 is projected to be 2.0%, down by 60 bps from the October policy.

The most crucial recent development from the perspective of monetary policy has been the faster than anticipated moderation in CPI headline inflation,” she wrote. “Going ahead, good agricultural production, low food prices and exceptionally benign international commodity price outlook suggest that headline inflation for the full year (2025-26) is likely to be around 2%, half of what was projected at the beginning of the year, RBI Governor Sanjay Malhotra wrote in his statement.

Why “Too Low Inflation” Is a Concern

Demand Deficit Signal

- Persistently low inflation indicates weak aggregate demand, especially when driven by broad-based price moderation rather than one-off supply shocks.

- MPC members noted that even “underlying inflation” is undershooting targets, suggesting structural softness in consumption.

Impact on Investment and Growth

- Low inflation raises the real interest rate, even after a 25 bps repo rate cut.
- Higher real borrowing costs can:
- Discourage private investment
- Delay capacity expansion
- Reduce credit appetite, particularly among MSMEs

Profitability and MSME Stress

- Firms face compressed profit margins as output prices stagnate while wages remain downward sticky.
- MSMEs, with limited pricing power, are disproportionately affected, worsening employment prospects.

Debt Dynamics

- Disinflation increases the real value of outstanding debt, raising the repayment burden for households and firms.
- This can weaken balance sheets and amplify financial stress.

Monetary Policy Implications

- The RBI operates under a Flexible Inflation Targeting (FIT) framework ($4\% \pm 2\%$).
- Current inflation:
- Below target for nine consecutive months
- FY 2025–26 projected average: $\sim 2\%$
- This situation creates a policy dilemma:
- Aggressive easing risks future asset bubbles
- Inaction risks entrenched deflationary expectations
- As highlighted by MPC members, anchored inflation expectations, while desirable, may also signal limited pricing power and subdued demand momentum.

Broader Structural Factors

Food Price Dominance

- Sharp moderation driven by:
- Good agricultural output
- Low food prices
- Raises concerns about inflation volatility once food prices normalise.

Global Context

- Exceptionally benign international commodity prices have reinforced disinflationary pressures.
- However, this may reverse due to geopolitical or supply-chain shocks.

Growth–Inflation Disconnect

- India exhibits high growth with ultra-low inflation, a divergence from traditional Phillips Curve expectations.
- Suggests growth may be uneven, sector-specific, or non-consumption-led.

Conclusion

While low inflation is conventionally viewed as positive, excessively low and prolonged disinflation poses serious macroeconomic risks for a developing economy like India. It can suppress investment, strain MSMEs, and raise real debt burdens, undermining sustainable growth. The MPC's concern underscores the need for a balanced macroeconomic strategy, where monetary easing is complemented by fiscal support, demand stimulation, and structural reforms to revive consumption and investment without destabilising price stability. Maintaining inflation close to the target, rather than merely low, remains crucial for India's long-term economic resilience.

UPSC Mains Practice Question

Ques : Too low an inflation is also a cause for concern in a developing economy. In the context of recent MPC observations, examine the implications of prolonged low inflation for India's growth and investment prospects.

The significance of a strong defence industrial base

India's aspiration to become a developed nation by 2047 rests not only on social and economic transformation but also on the strength of its strategic capabilities. Among these, the defence industrial base occupies a pivotal role. For far too long, the country's defence manufacturing ecosystem has remained constrained by restrictive policies, resulting in limited private participation and excessive reliance on imports. Domestic private industries were not allowed in this sector but there were imports, without compunction, from private manufacturers from across the world. The result was a structural vulnerability that affected both economic potential and national security.

A shift after reforms

But there has been a significant shift in recent years. There has been an opening up to the private sector, liberalised foreign direct investment norms, corporatisation of the Ordnance Factory Board, and a progressive expansion of the list of arms and armaments to be procured under the 'Make' procedure apart from a pro-active promotion of innovation, which have all contributed to rapid progress. Defence production has increased and exports have grown exponentially, now reaching more than 80 countries.

These trends signal a maturing ecosystem that is increasingly capable of meeting domestic requirements while also contributing to global supply chains.

The evolving global security landscape, marked by conflicts in Europe, West Asia and Asia, has exposed the fragility of international peace and the risks of supply-chain disruptions. Nations with robust domestic defence industries have proved to be more resilient. For India, which faces persistent challenges along its borders and in the maritime domain, self-reliance



Rajiv Gauba
is Member, NITI Aayog

In an evolving global security landscape, India's security and economic ambitions demand nothing less

in defence is not only desirable but also indispensable.

At the same time, shifting geopolitical dynamics are opening up new possibilities. Europe's renewed emphasis on defence spending, the saturation of traditional suppliers, and growing demand for cost-effective and reliable platforms create opportunities that India is well-positioned to capture. The country's strategic geography in the Indian Ocean Region and its expanding diplomatic profile further strengthen its potential to emerge as a credible supplier of defence equipment.

Simplify procedures

But realising this potential will require sustained focus on reforms. Regulatory complexities continue to hinder private-sector participation, especially for micro, small and medium enterprises and startups. Export licensing, joint ventures and technology-transfer approvals need to be speeded up. Long-term demand projections will give the private sector the confidence to make large investments. The pathway to achieving India's stated ambition of ₹50,000 crore in defence exports by 2029 will require simplifying procedures and ensuring policy continuity.

The role of the Defence Research and Development Organisation (DRDO) also needs to evolve. The DRDO has been instrumental in building India's strategic capabilities, but the next phase demands a sharper division of responsibilities. Frontier research must remain its core focus, while production, scaling and commercialisation should increasingly shift to industry, public and private. Such an approach aligns with global best practices and will strengthen competitiveness.

A dedicated, professionally staffed export facilitation agency would streamline outreach

and provide a single-window interface for global partners. It will also help overcome the challenges arising from fragmented institutional arrangements across Ministries and the resultant coordination issues.

Key steps to take

Equally important is the need to overhaul financial, testing and certification frameworks. Indian manufacturers often face challenges in securing competitive credit lines, meeting excessively stringent domestic standards and conducting trials within reasonable timelines.

Establishing specialised export financing instruments, expanding integrated testing facilities and adopting international certification protocols can dramatically improve competitiveness. A more proactive use of lines of credit, government-to-government agreements, and long-term service commitments would further enhance India's credibility in a market dominated by established players.

Defence exports are not merely a commercial undertaking. They signify technological maturity, strategic reliability and the emergence of a nation as a major actor in the international security architecture. Strengthening the defence industrial base is essential not only for reducing import dependency but, equally, for generating high-skilled employment, and enhancing geopolitical leverage.

The progress in recent years is encouraging. What is required now are consistent efforts to deepen reforms and build an ecosystem that encourages innovation and investments. India's security and economic ambitions demand nothing less.

The pursuit of a strong defence industrial base is not just a strategic necessity. It is a defining step toward India's emergence as a confident, capable and influential global power.

GS Paper 2 : International Relations

UPSC Mains Practice Question : A strong defence industrial base is both a strategic necessity and an economic opportunity. Critically examine this statement in the context of India's national security challenges and developmental aspirations. (150 words)

Context :

India's aspiration to become a developed nation by 2047 under Vision 2047 rests not only on economic growth and social inclusion but equally on strategic autonomy and national security. In this context, the strengthening of India's defence industrial base has emerged as a core national priority. As highlighted by Rajiv Gauba, Member of NITI Aayog, a robust domestic defence manufacturing ecosystem is essential to reduce import dependence, enhance resilience amid global instability, and position India as a credible global defence supplier.

Why a Strong Defence Industrial Base Matters

1. Strategic and National Security Imperatives

- India faces persistent land and maritime security challenges, alongside supply-chain vulnerabilities exposed by conflicts in Europe and West Asia.
- Excessive reliance on imports creates strategic fragility, particularly during geopolitical crises.
- Self-reliance in defence production ensures operational readiness and resilience.

2. Economic and Industrial Significance

- Defence manufacturing is capital-intensive and technology-driven, generating:
 - High-skilled employment
 - Spillovers into aerospace, electronics, metallurgy, AI and advanced manufacturing
- Defence exports enhance foreign exchange earnings and reduce the current account burden.

3. Geopolitical Leverage

- Defence exports signal technological maturity and strategic reliability.
- Supplying defence equipment strengthens diplomatic partnerships, especially with developing countries seeking cost-effective alternatives to traditional suppliers.

Recent Reforms and Achievements

- India has witnessed a decisive policy shift in recent years:
- Opening of defence manufacturing to the private sector
- Liberalised FDI norms
- Corporatisation of the Ordnance Factory Board
- Expansion of procurement under the 'Make' procedure
- Promotion of startups and defence innovation ecosystems

As a result:

- Defence production has increased significantly
- Exports now reach over 80 countries
- India is increasingly integrated into global defence supply chains
- These trends indicate a maturing defence manufacturing ecosystem.

Persisting Challenges

- Despite progress, several bottlenecks remain:

Regulatory and Procedural Delays

- Export licensing, technology transfer approvals, and joint venture clearances are time-consuming.
- MSMEs and startups face disproportionate compliance burdens.

Financial Constraints

- Limited access to competitive credit and export financing.
- Absence of specialised defence export financing instruments.

Testing, Certification and Standards

- Lengthy trials and overly stringent domestic standards reduce competitiveness.
- Lack of alignment with international certification protocols.

Institutional Fragmentation

Coordination gaps across ministries hamper export facilitation and outreach.

Role of DRDO and Institutional Reforms

- The role of Defence Research and Development Organisation must evolve:
- DRDO should focus on frontier research and strategic technologies
- Production, scaling, and commercialisation should increasingly shift to industry—both public and private
- This division mirrors global best practices and enhances efficiency
- Additionally, the creation of a dedicated defence export facilitation agency with professional staffing can:
 - Provide a single-window interface
 - Improve coordination
 - Enhance India's credibility as a defence partner

Way Forward

- To achieve the target of ₹50,000 crore in defence exports by 2029, India must:
- Simplify and digitise regulatory procedures
- Provide long-term demand visibility to industry
- Strengthen export financing, testing infrastructure, and certification systems
- Use government-to-government agreements, lines of credit, and long-term service commitments strategically
- Ensure policy continuity and reform depth

Conclusion

A strong defence industrial base is not merely a component of military preparedness; it is a pillar of economic strength, technological advancement, and geopolitical influence. India's recent progress in defence manufacturing and exports is encouraging, but sustained reforms are essential to unlock its full potential. As India advances towards 2047, a resilient, innovative and globally competitive defence industry will be indispensable to its emergence as a confident, capable and influential global power.