

The Hindu Important News Articles & Editorial For UPSC CSE
Saturday, 28 Feb, 2026

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Page 01 : GS III : Indian Economy / Prelims Exam

On February 27, 2026, the Ministry of Statistics and Programme Implementation (MoSPI) transitioned India's GDP base year from 2011-12 to 2022-23. This decadal update is designed to capture structural transformations such as the digital revolution, the GST regime, and post-pandemic consumption patterns. While the new series upgrades the real growth forecast for FY26 to 7.6%, it simultaneously reveals a smaller nominal economy, creating a complex "fiscal paradox" for policymakers.

New GDP series upgrades FY26 growth to 7.6%

T.C.A. Sharad Raghavan
NEW DELHI

India's economic growth is expected to touch 7.6% in the current financial year 2025-26, showed the second advance estimates of gross domestic product (GDP) based on the new and updated series released by the government on Friday. This is faster than the 7.4% predicted in the first advance estimates for 2025-26 released in January, which was based on the older series.

The new series of data, released by Statistics Secretary Saurabh Garg and Chief Economic Advisor V. Anantha Nageswaran, has incorporated several improvements, including an updated base year of 2022-23 from the earlier 2011-12.

The new series has revised downward the growth for 2023-24 to 7.2% from the 9.2% estimated in the old series and has revised the growth for 2024-25 to 7.1% from the earlier

estimate of 6.5%. According to the data, India's nominal GDP has been revised downward for the three years spanning 2023-26, which will have a negative impact on several fiscal ratios pegged to these numbers, such as the fiscal deficit-to-GDP ratio and the debt-to-GDP ratio.

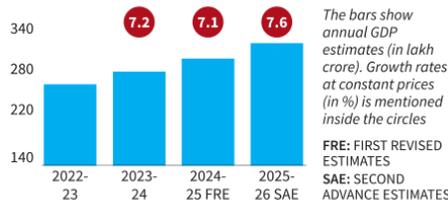
The government also released the GDP growth data for the third quarter of 2025-26 based on the new series, which stood at 7.8% as compared to 8.4% in the second quarter and 6.7% in the first quarter.

Growth in current year

According to the second advance estimates for 2025-26, the secondary sector is expected to grow at 9.5%, up from 7.3% in 2024-25. This growth is to largely be driven by the manufacturing sector, which is estimated to grow 12.5% in 2025-26 as compared to 8.3% in the previous year. The construction sector is set to grow at

Stronger outlook

The second advance estimates peg India's economic growth at 7.6% in FY26, higher than the first estimates made in January



6.9%, down from 7.1% over the same period.

Notably, the primary sector is expected to see a significant slowdown, with growth expected to be 2.8% in 2025-26 as compared to 5% in the previous year. This is due to growth in the agriculture sector expected to slow to 2.5% in 2025-26 from 4.3% in 2024-25, and in the mining and quarrying sector to 5% from 11.2% over the same period.

The tertiary sector, comprising the services

sectors, is expected to see growth to quicken to 8.9% in FY26, up from 8.3% in the previous year. This is a result of double-digit growth in the trade, hotels, transport and communication grouping (10.3%), and the financial, real estate, IT, and professional services grouping (10%).

The data in the new series shows that the size of the economy is expected to be ₹345.47 lakh crore in 2025-26, which is about 3.3% smaller than what was predicted in the first

advance estimates based on the old series.

Further, the size of the economy in both 2023-24 and 2024-25 has been revised downward by 3.8% each. According to economists, this would not only revise upwards the government's fiscal deficit ratios over the past few years but would also make its planned debt reduction path a significantly steeper one.

"On a current-price basis, nominal magnitudes for 2023-24 to 2025-26 are lower than those under the old series," D.K. Srivastava, chief policy advisor at EY India, said. "This also means the overall size of the economy now appears smaller."

According to Aditi Nayar, chief economist at ICRA, the new data implies that the fiscal deficit-to-GDP ratio would be around 15-20 bps higher on an average during the previous year as compared to the earlier estimates.

Key Methodological Improvements

The new series moves away from several outdated practices to align with international standards (SNA 2008/2025).

Double Deflation Method: Unlike the old series that often used a single deflator (adjusting only output prices), the new series uses separate deflators for inputs and outputs in manufacturing and agriculture. This provides a more accurate "Real GVA" by accounting for cost-push inflation.

Wider Data Integration: The series incorporates high-frequency administrative data including GST (Goods and Services Tax), e-Vahan (vehicle registrations), and the PFMS (Public Finance Management System).

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Daily News Analysis

Informal Sector Mapping: For the first time, regular annual surveys like ASUSE (Annual Survey of Unincorporated Sector Enterprises) and PLFS (Periodic Labour Force Survey) are used to replace older proxy-based estimations for the household and informal sectors.

Sectoral Growth Dynamics (FY26)

The new data highlights a widening "growth divergence" between sectors:

Sector	FY26 Growth (Est.)	Drivers / Inhibitors
Secondary (Industry)	9.5%	Primarily led by Manufacturing (12.5%); though Construction slowed slightly to 6.9%.
Tertiary (Services)	8.9%	Robust double-digit growth (10%+) in Trade, Hotels, Transport, and Financial services.
Primary (Agri & Allied)	2.8%	Significant slowdown from 5% (FY25) due to weakening agricultural and mining output.

The Nominal GDP Shrinkage & Fiscal Implications

While real growth looks better, the nominal size of the economy for FY26 is now estimated at ₹345.47 lakh crore—about 3.3% smaller than previous estimates.

Why this matters:

Fiscal Deficit Ratio: Since the fiscal deficit is expressed as a percentage of GDP (Fiscal Deficit / Nominal GDP), a smaller denominator (GDP) automatically inflates the ratio. Experts suggest this could push the FY26 deficit from the budgeted 4.4% to 4.5%.

Debt-to-GDP Ratio: Similarly, India's debt burden appears heavier relative to a smaller economy. This makes the government's target of reducing central debt to 50% of GDP by 2031 a much steeper "climb."

Tax Buoyancy: A smaller nominal base might suggest that the economy is more "tax-dense" than previously thought, potentially affecting future tax policy and revenue projections.

Conclusion: Accuracy vs. Optics

The new GDP series is a double-edged sword. On one hand, it enhances statistical credibility and provides a more granular view of a modernizing India—vital for attracting global investment. On the other, the downward revision of the nominal base

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complicates the fiscal consolidation roadmap. For India to maintain its status as the world's fastest-growing major economy, the focus must now shift from statistical "upgrades" to addressing the slowdown in the primary sector, which remains the largest employer.

UPSC Prelims Exam Practice Question

Ques : Consider the following statements regarding India's new GDP series (Base Year 2022–23):

1. It adopts the Double Deflation method for estimating Real GVA in manufacturing.
2. It uses GST and PFMS administrative datasets for improved estimation.
3. It eliminates the use of PLFS in estimating informal sector output.

Which of the statements given above is/are correct?

- A) 1 only
- B) 1 and 2 only
- C) 2 and 3 only
- D) 1, 2 and 3

Ans: b)

UPSC Mains Exam Practice Question

Ques: How does improved GDP estimation enhance India's global economic credibility? Discuss with reference to capital flows and sovereign ratings. (150 Words)

Page 05 : Prelims Exam

The Indian Navy formally commissioned INS Anjadip, the fourth of eight planned Anti-Submarine Warfare Shallow Water Crafts (ASW SWC). Built by Garden Reach Shipbuilders & Engineers (GRSE) at Kattupalli, Chennai, the vessel is named after the historic Anjadip Island off Karwar, symbolizing a legacy of maritime bravery. Its induction reflects India's shift toward specialized, high-tech coastal defense.

Technical Specifications & Capabilities

The INS Anjadip is not a traditional heavy destroyer; it is a "scalpel" designed for precision in cluttered coastal environments.

Dimensions: 77 meters long with a displacement of approximately 900 tons.

Speed: Capable of reaching 25 knots, optimized for agility in shallow waters where larger submarines or ships struggle to maneuver.

Indigenous Arsenal: * Sensors: Equipped with advanced hull-mounted and towed sonar systems to detect "silent" diesel-electric submarines.

Weapons: Features lightweight torpedoes and anti-submarine rockets.

CMS: An integrated Combat Management System that coordinates data from sensors to neutralize threats in real-time.

Navy boosts anti-submarine capability with INS Anjadip

The Hindu Bureau
CHENNAI

In a move to sharpen its anti-submarine warfare capabilities, the Indian Navy on Friday commissioned its fourth indigenously designed and built anti-submarine warfare shallow water craft *INS Anjadip* at the Chennai Port.

It was commissioned by the Chief of the Naval Staff, Admiral Dinesh K. Tripathi. Senior naval officials were present.

The vessel, which is 77 metres long, has been designed to detect, track, and neutralise enemy submarines in coastal waters.

It has been named 'Anjadip' to carry forward the valour of the historic island off the coast of Karwar.

The ship is equipped with indigenous anti-submarine warfare weapons and sensor package.

The *INS Anjadip* was



INS Anjadip being commissioned by Admiral Dinesh K. Tripathi at the Chennai Port on Friday. B. VELANKANNI RAJ

constructed at Kattupalli by Garden Reach Shipbuilders & Engineers, Kolkata, and will mainly address the challenges of the littoral combat environment.

"*Anjadip* is equipped with modern shallow-water sonars, lightweight torpedoes, anti-submarine rockets, and combat management system. It is engineered for agility, precision and combat effectiveness," Admiral Tri-

pathi said at the commissioning ceremony. "The ship and her systems distinctly reflect the growing strength of India's indigenous design and industrial ecosystem. Aatmanirbharta, today, is moving beyond Make in India to Trust in India," he added.

It is equipped to undertake coastal surveillance, low-intensity maritime operations, and search and rescue operations.

Strategic Significance for India

The commissioning of INS Anjadip addresses three critical strategic pillars:

A. Countering the "Silent" Threat in the IOR: The Indian Ocean Region (IOR) has seen increased activity from foreign conventional submarines. Large frigates often find it difficult to track submarines in shallow, noisy coastal waters. The ASW SWC class fills this tactical gap, ensuring that India's vital ports and coastal installations remain protected.

B. The "Aatmanirbharta" Milestone: Admiral Dinesh K. Tripathi's statement—"Aatmanirbharta is moving beyond Make in India to Trust in India"—is pivotal.

The ship's design and over 80% of its content are indigenous.

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It highlights the success of the GRSE-L&T partnership, showcasing the efficiency of private-public synergy in defense manufacturing.

C. Multi-Role Versatility: Beyond its primary role of hunting submarines, INS Anjadip is a "Force Multiplier" for:

Coastal Surveillance: Monitoring illegal fishing, smuggling, or maritime infiltration.

Low-Intensity Maritime Operations (LIMO): Handling non-state actors or asymmetric threats.

Search and Rescue (SAR): Providing quick response during maritime disasters.

Operational Context: The GRSE Project

The INS Anjadip is part of a larger contract for eight vessels. These ships are intended to replace the aging Abhay-class ASW corvettes. By deploying these crafts, the Navy frees up its larger frontline warships (like the P-15B destroyers) for blue-water operations in the deep ocean, while the ASW SWCs secure the "home turf."

Conclusion

The induction of INS Anjadip is a testament to the Indian Navy's transition from a "Buyer's Navy" to a "Builder's Navy." In an era where underwater warfare is becoming increasingly sophisticated, specialized assets like the ASW SWC ensure that India's littoral waters remain an impenetrable zone. For India, securing the coast is not just about defense; it is about ensuring the uninterrupted flow of the Blue Economy.

Aim, Think & Achieve

UPSC Prelims Exam Practice Question

Ques: With reference to Anti-Submarine Warfare Shallow Water Crafts (ASW SWC), consider the following statements:

1. They are optimized for operations in shallow coastal waters.
2. They are primarily designed for blue-water carrier strike group protection.
3. They are equipped with both hull-mounted and towed sonar systems.

Which of the statements given above is/are correct?

- A) 1 and 3 only
- B) 1 only
- C) 2 and 3 only
- D) 1, 2 and 3

Ans: a)

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Page 09 : GS II & III : Governance and Indian Economy / Prelims Exam

In Karnataka, the gap between stagnant earnings and soaring expenses has reached a breaking point. While the state's compounded inflation between 2012 and 2024 stands at 208.3%, the Variable Dearness Allowance (VDA) has only increased wages by roughly 58%. This "erosion of real wages" means that workers today have significantly less purchasing power than they did a decade ago, pushing millions into a cycle of debt and overtime.



For more than three years now, over 1.7 crore workers in Karnataka covered by the Minimum Wages Act, 1948, are desperately waiting for a revision. Though the Act mandates revision of wages at least once in five years, it has been nine years since the last wage revision process was completed in 2015-17. A.A. Srinivas

Frozen wages, soaring prices

The compounded inflation rate in Karnataka between 2012 and 2024 has been calculated to be at 208.3%. With minimum wage revision hanging fire, workers have a tough time coping with the rising cost of living, reports **Sharath S. Srinivas**

Mahadevappa A., a casual worker at a factory in Bengaluru, was shocked when in April 2025, he was informed of an impending hike in his salary after the government notified increase in minimum wages across sectors of employment. Nearly a year later, his mood, and that of thousands of workers like him, is no longer upbeat. The notification proposing the hike has contained a draft, with the government dithering on finalising the wage hike. In his late 30s and a native of T. Narasipura in Mysuru district, Mahadevappa has been working as a casual worker for nearly two decades now. His current gross salary is about ₹15,300 per month, and he had his hopes pinned on the hike to cope with escalating cost of living. "The rent is high and add to it the high school fee. Cost of every food item has gone up. How do you expect a family to lead a decent life with what we earn?" he asked. He and many of his colleagues have been taking up overtime jobs to earn additional income, but at the cost of social life. His spouse also takes up odd jobs to augment the family income.

Over 1.7 crore workers

For more than three years now, over 1.7 crore workers like Mahadevappa, covered by the Minimum Wages Act, 1948, are desperately waiting for a revision. Though the Act mandates revision of wages at least once in five years, this cycle of revision due in 2022-23 has not been completed yet. It has been nine years since the last wage revision process was completed in 2015-17.

Bringing hopes in desperate times, the State government on April 11, 2025 proposed fresh minimum wages ranging from ₹25,744 per month for unskilled worker to ₹34,225 per month in Zone 1, which includes Bengaluru, to ₹19,310 per month for unskilled worker to ₹28,285 per month for highly skilled worker in Zone 3. The draft, for the first time, fixed minimum wages for 18 scheduled employments apart from revising minimum wages in the rest. Minimum wages have been notified in a total of 81 scheduled employments.

How it was calculated For the first time in Karnataka, guidelines laid down by Supreme Court in the landmark Ripan-keon front case in 1950 were followed to arrive at the wages. In a departure from the past minimum wage revision, Karnataka considered non-vegetarian diet to calculate the cost of food (2,700 calories per consumption unit) to form the minimum wage matrix. The inclusion of non-vegetarian diet has been a long-standing demand of the labour unions, which have argued that about 80% of the State's population consumes meat. Immediately after the draft was published, the

industry bodies took exception to what they termed as "snip hike", and petitioned the government against its implementation. The draft received more than 150 objections/ suggestions from the industries/ industry bodies. With the Karnataka State Minimum Wages Advisory Board, a tripartite body with members from industries, unions and government, deliberating on the issue, also unable to come to any conclusion after two meetings, the decision to move with the government. As deliberations at the government level are still under way, four cases landed up in Karnataka High Court against the proposed revision.

Will hurt MSMEs "The proposed hike is too steep and will affect the viability of the MSME sector where 50% of the workforce in Karnataka is employed," said B.C. Prabhakar, president of Karnataka Employers' Association (KEA), which was petitioner in one of the cases before the Karnataka High Court. He argued that a hike at this scale is disadvantageous to the MSMEs in Karnataka when compared to MSMEs in neighbouring States where minimum wages are lower.

Uma Reddy, president of Federation of Karnataka Chamber of Commerce and Industry (FCCI), concurred and said, "Minimum wages should be comparable with other States and neither too low nor too high. With high wages, it will be difficult for the sector to grow." She said the government should either incentivise the enterprises to pay higher wages or exclude the micro and small enterprises from the policy framework. "Micro and small enterprises cannot be in the same bracket with large industries."

On the other hand, the unions, which have welcomed the draft notification and seek its implementation, point to critical flaws in the method of calculation adopted that they claim have depressed the proposed minimum wages by at least 20%. Along with the cost of food, clothing and shelter, the wage calculation should also consider new age requirements such as mobile phones and data bills, the unions have said and also pointed out that rate of Variable Dearness Allowance (VDA) increase has not kept pace with inflation.

Erosion of wages The compounded inflation rate in Karnataka between 2012 and 2024 has been calculated to be at 208.3%. The wage increase in these scheduled employ

ments is calculated in terms of VDA, statutorily announced once a year by the State government. Considering the VDA announced in the corresponding period, the quantum of wage increase is ₹5,844 per month. If one were to get a monthly salary of ₹10,000 in 2012, the salary would have increased to ₹15,844, which is roughly 58% increase, showing that the annual wage increase through VDA does not catch up with inflationary trends.

General secretary of Centre of Indian Trade Unions (CITU) Meenakshi Sundaram feels that it is critical to guard against the erosion of real wages of the workers. "Not only should the purchasing power be protected, but also provide for them to participate in the economy. Minimum wage is already a substantive wage. The linking of the Consumer Price Index, based on which the minimum wages are arrived at, causes further injustice to the workers."

Even as the hiring of casual labour increases in government and in large industries against the permanent work force size labour cost is cheap, the lower minimum wage is leading to exploitation, warned the All India Trade Union Congress general secretary U.A. Vijaybhaskar. "In order to reduce the exploitative gap between the permanent and contract workers, it is essential to increase the minimum wage based on real needs."

The process of the minimum wage amendment goes back to 2022-23 when the current cycle of revision commenced during the BJP government with notification of revised minimum wages for 36 employments with a hike ranging from 5% to 10%. The ATUIC, which termed the hike as unfair and flagged that the guidelines of Ripan-keon front had not been followed, approached the High Court of Karnataka, which eventually stayed the draft. After the Congress government came to power, a fresh wage revision was announced based on Apex Court laid down guidelines in April 2025.

Garment sector loses Even as the government took up wage revision in 81 scheduled employments, 19 employments, including government work, have been excluded. Unions in the garment industry that employ about four lakh women have been fighting for fair wages for over a decade now. Over the last four decades, attempts to increase minimum wages in 2009, 2010 and 2018 have resulted in court cases, inordinately delaying the revision.

"Hundred of lakh in minimum wage, we get an increased VDA hike. There is a huge gap between the VDA and general price rise. Unions are not there to negotiate. Workers are merely suspended for raising their voice," said a worker at a garment factory in Hosur, Karnataka. "After 19 years of work, my take home salary does not exceed ₹15,000. House rents have gone up in Hosur area after the metro connectivity, legislators' salaries get increased every now and then, but every effort to raise minimum wages is stone-walled," said the worker, who wished to remain anonymous.

Wages have also been fixed arbitrarily, and absence of factory-level wage unions have compounded the problem. In 2018, basic wage was initially increased to ₹49,811 per day for unskilled workers in Zone 1, which was withdrawn later and downgraded to ₹12,000.

₹169.44 per day in 2019 after a tripartite committee decision in which government and industry representatives voted together against the garment workers' demand. In 2023, basic wage was increased to ₹49,811 per day for unskilled and ₹54,448 for highly skilled workers per day. Currently, an unskilled worker is paid ₹21,818 per month, and semi-skilled worker is paid ₹33,085 a month, while a highly skilled worker gets paid ₹33,656 per month.

"The government has revised the basic wage without considering ground realities both in 2018 and 2023. What was fixed in 2023 is far less than what was initially proposed in 2018 when wage revision was common for all 81 scheduled employments," R. Prathiba, president of Garments and Textiles Workers' Union (GATWU) said. By dilatorily keeping the garment sector away from the minimum wage revision, the government is causing injustice to the workers, who are mostly women, she added.

The wage has been an issue in the garment industry as the Indian garment industry competes in a highly price sensitive international market with other countries. There is a general difference of about ₹1,000 to ₹5,000 a monthly minimum wage between garment workers and workers in other employments.

For instance, the prevailing minimum wage for highly skilled jobs in the automobile sector in Zone 1. In the past, unions have tried pressure on wage hike implementation through international campaigns. "The historical injustice to garment workers has continued with the government deciding to initiate wage hike through a compromise. There has been no fixed time frame too," said GATWU joint secretary K.R. Jayaram.

Shadow of Labour Codes Meanwhile, as the State government dithered over finalising the wage revision, the notification of four Labour Codes by the BJP-led Union Government on November 21, 2020, seems to have complicated the decision-making though unions have repeatedly pointed out that the codes do not come in the way of revising minimum wages. The new Industrial Code has subsumed the Payment of Bonus Act, 1950, Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and Equal Remuneration Act, 1976 - all related wages to workers - even as the concept of scheduled employments has been done away with.

All labour unions and the management representatives have been differing in their point of view over implementation of minimum wages after the four new Codes came into force. "Legally, there is no scheduled employment now and the Minimum Wages Act has been repealed with the notification of Code on Wages, 2019. The power to fix minimum wages under old Act has been taken away by the new Code. The State government can fix new minimum wages only after the Centre fixes the floor wage," Mr. Prabhakar argued.

The Joint Committee of Trade Unions (JCTU), an umbrella platform bringing together nine trade unions in Karnataka, however, has pointed out provisions in the Codes that do not bar implementation of the minimum wages. The JCTU, in its memorandum in December, 2025, urging the government to implement minimum wages immediately, has said that the provisions in the Code on Wages provide ample opportunities to the government to ensure that the process of revision of minimum wages, under way and nearing completion, can be continued under the new Labour Code as well.

The Labour Department, meanwhile, is learnt to have sought opinion from the Law Department over implementation of the minimum wages in the light of Codes coming into effect. The Department sources say that the decision on the minimum wages will only be made in consultation with Chief Minister Siddikuntaiah, even as the ATUIC plans a State-wide protest against the delay in implementation of minimum wages on March 5.



The Raptakos Brett Criteria: A New Benchmark

The draft notification of April 2025 was revolutionary because it adopted the 1992 Supreme Court guidelines (Raptakos Brett case). This move shifted the calculation of minimum wage from "bare subsistence" to "living conditions."

Calorie-Based Calculation: For the first time, a non-vegetarian diet (2,700 calories) was used as the base, recognizing the dietary reality of 80% of the state's population.

Proposed Hikes: Zone 1 (Bengaluru): ₹25,714 (Unskilled) to ₹34,225 (Highly Skilled).

Zone 3: ₹19,319 (Unskilled) to ₹28,285 (Highly Skilled).

The Tripartite Deadlock

The implementation is currently stalled due to conflicting interests between three major stakeholders:

Stakeholder	Perspective / Argument
Government	Dithering on finalization; caught between labor welfare and industrial health.
Industry (MSMEs)	Argue that the "steep hike" will make units unviable and uncompetitive compared to neighboring states.
Labour Unions	Claim the hike is still 20% lower than required as it ignores modern costs like mobile data and high education fees.

Legal and Structural Challenges

The delay is further complicated by two major factors:

A. The Garment Sector Exclusion

About 4 lakh workers (mostly women) in the garment industry have been excluded from this revision. Historically, their wages have been kept low to maintain international price competitiveness, leading to what unions call a "historical injustice."

B. The Shadow of New Labour Codes

The notification of the Four Central Labour Codes in November 2025 has created a legal vacuum.

Industry Argument: The old Minimum Wages Act, 1948 is repealed. States must wait for the Centre to fix the "Floor Wage."

Union Argument: Savings clauses in the new Code on Wages (2019) allow ongoing wage revision processes to be completed and protected.

Conclusion: Economic Growth vs. Human Cost

The Karnataka wage crisis underscores a fundamental tension in Indian political economy: the balance between Ease of Doing Business and Social Security. While MSMEs need protection to survive, an economy built on "subsistence wages" cannot sustain long-term domestic consumption. For Karnataka to remain an industrial leader, it must resolve the legal ambiguity of the new Labour Codes and ensure that the "real wage" does not fall further behind the "inflation curve."

UPSC Prelims Exam Practice Question

Ques: With reference to the Raptakos Brett case (1992), consider the following statements:

1. It expanded the concept of minimum wage from subsistence level to living wage components.
2. It mandated inclusion of expenses such as children's education and medical needs.
3. It rejected calorie-based criteria for wage fixation.

Which of the statements given above is/are correct?

- A) 1 only
- B) 1 and 2 only
- C) 2 and 3 only
- D) 1, 2 and 3

Ans: b)

UPSC Mains Exam Practice Question

Ques: Can higher minimum wages hurt MSME competitiveness in a globalized economy? Discuss with reference to the garment sector. (250 words)

Page 11 : GS III : Indian economy / Prelims Exam

As of January 2026, the Union Government has utilized only 63% of its full-year fiscal deficit target. In absolute terms, this amounts to ₹9.8 lakh crore out of the budgeted ₹15.58 lakh crore. This is a significant improvement compared to the same period last year (74.5%), suggesting that the government is on track—or perhaps even ahead of schedule—to meet its fiscal deficit target of 4.4% of GDP for FY26.

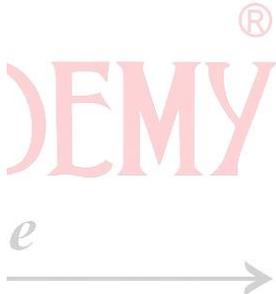
Fiscal deficit at 63% of full-year target: CGA

Press Trust of India
NEW DELHI

The Centre's fiscal deficit at the end of January stood at ₹9.8 lakh crore, or 63% of the annual budget target for 2025-26, compared

with 74.5% in the year-ago period, government data released on Friday showed.

The Centre estimates the fiscal deficit during 2025-26 at 4.4% of GDP, or ₹15.58 lakh crore.



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Decoding the Fiscal Deficit

The Fiscal Deficit is the difference between the government's total expenditure and its total non-debt receipts (Revenue + Non-debt Capital Receipts).

Why the 63% figure is significant:

- Revenue Buoyancy:** A lower percentage of the target used by January typically indicates robust tax collections (GST and Income Tax) or higher-than-expected non-tax revenues (like dividends from the RBI or PSUs).
- Expenditure Management:** It suggests disciplined spending, although it can also reflect a "back-loading" of capital expenditure (CapEx) where the government spends more in the final quarter (February-March).
- Market Confidence:** Lower-than-expected borrowing requirements help keep sovereign bond yields stable, reducing the overall cost of debt for the economy.

The "New GDP Series" Factor

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Daily News Analysis

As discussed in previous news (from the Statistics Secretary), the nominal GDP for FY26 has been revised downward due to the new base year (2022-23).

The Denominator Effect: Because the Fiscal Deficit is a ratio ($\frac{\text{Deficit}}{\text{GDP}}$), a smaller nominal GDP makes it harder to hit the 4.4% target.

The Government's Buffer: The fact that the deficit currently stands at only 63% of the target provides the government with a "fiscal cushion" to absorb the impact of the smaller GDP denominator without breaching the 4.4% ceiling.

Comparison Table: Fiscal Health Year-on-Year

Metric (as of Jan)	FY 2024-25	FY 2025-26	Status
Deficit as % of Target	74.5%	63.0%	Improved
Full Year Target (Deficit/GDP)	5.9% (approx)	4.4%	Consolidating
Absolute Deficit (Jan)	Higher	₹9.8 Lakh Cr	Controlled

Conclusion: The Road to 4.5% and Beyond

The government's ability to keep the deficit at 63% by the 10th month of the fiscal year is a strong signal of fiscal prudence. This discipline is critical as India aims to reach a fiscal deficit of below 4.5% by FY26, as part of the post-pandemic glide path. However, the final two months of the fiscal year are crucial, as the government typically accelerates spending on infrastructure and social schemes to exhaust budget allocations.

UPSC Prelims Exam Practice Question

Ques: The Fiscal Deficit of the Government of India is calculated as:

- A) Revenue Expenditure – Revenue Receipts
- B) Total Expenditure – (Revenue Receipts + Non-debt Capital Receipts)
- C) Revenue Expenditure + Capital Expenditure
- D) Total Borrowings – Interest Payments

Ans: B)

UPSC Mains Exam Practice Question

Ques: "Fiscal consolidation is as much about revenue buoyancy as it is about expenditure discipline." Discuss in the context of recent CGA data showing 63% deficit utilization by January. **(250 Words)**

In News : Prelims Exam : Moist Heatwave

Research showed that timings and locations of the moist heatwaves are controlled by the active and break periods of the southwest monsoon (SWM) season and can be predicted weeks in advance.



About Moist Heatwave

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Moist heatwaves are triggered by a combined impact of high temperatures and elevated humidity levels in the atmosphere. The best way to measure the combined effect of humidity and temperature is 'wet bulb temperature'.

Wet bulb temperature is the lowest temperature to which air can be cooled by the evaporation of water into the air at constant pressure.

This is a process happening on human skin when people sweat.

The globally accepted level for wet bulb temperature that forms the limit of human survivability is 35°C.

Impact of Moist Heatwaves on Human

When air is already humid, sweat cannot evaporate from skin, leaving the body unable to cool itself. This can lead to heat exhaustion and fatal heatstroke within hours.

It is because high humidity impairs evaporation, limiting the human body's ability to dissipate metabolic heat and regulate core temperature.

In such circumstances, the physiological strain on the human body intensifies, exacerbating the risks of cardiovascular and respiratory illnesses.

A thermoregulatory failure can lead to hyperthermia, heat exhaustion, and fatal heatstroke in extreme cases.

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UPSC Prelims Exam Practice Question

Ques: Wet Bulb Temperature (WBT) is a measure of:

- A) Air pressure
- B) Combined effect of temperature and humidity
- C) Solar radiation
- D) Wind speed

Ans: B)

Page : 06 : Editorial Analysis

International law is not dead, its rules stay resilient

Rising tensions between the United States and Iran, with threats of the use of force, have once again triggered a debate on the utility of international law. International relations scholars are writing obituaries of international law, arguing that one should brace for a norm-free world. This precarious argument started with the Russian invasion of Ukraine (2022), followed by Israel's military actions in Gaza and West Asia. Donald Trump's presidency, the recent illegal American actions in Venezuela, the U.S.'s withdrawal from numerous international organisations, and Canadian Prime Minister Mark Carney's astute observation of 'rupture' in the global order have given this thought a fillip. While it is true that international law is undergoing one of its darkest phases, pronouncing its death is not just merely intellectually lazy but also misleading.

Use of force

Let us take one of the most fundamental international norms – the prohibition on the threat or use of force in international relations, enshrined in Article 2(4) of the United Nations Charter – as an example to understand this. It is true that this norm has been breached many times in recent years, but it has not been unprecedented. In 1970, international lawyer Thomas Franck argued that Article 2(4) had died because of wars around the world, owing to the Cold War rivalry between the U.S. and the then Soviet Union. In the past four decades, the U.S. and other powers have been involved in several wars, including the Soviet-Afghan war (1979-89), the Falklands war (1982), the Gulf war (1990-91), and conflicts in Bosnia, Kosovo, Afghanistan (2001), Iraq (2003), Syria, and Libya in the 2010s. All these wars, like the wars and military attacks in the last few years, battered Article 2(4); they could not kill it. The law continues to exist and remains the only normative framework for holding the powerful accountable.



Prabhash Ranjan
is Professor and Vice Dean (Research), Jindal Global Law School

As Columbia professor Monica Hakimi argues, when international relations are legalised, those wielding public power are compelled to explain their conduct using the framework of international law. The claims that they make about authority will resonate with people only when their actions are grounded in domestic and international rules. Related to this is the point that international law is the only framework that gives the powerless a semblance of agency to ask questions to those wielding public power. A world without such a normative framework would be far more dangerous.

Still, today's breach of Article 2(4) differs qualitatively from the past. In the past, powerful states justified their use of force by employing the analytical framework of international law, demonstrating that even hegemony needed this normative framework. This left open a prospect of dialogue and deliberation. So, in the 1990s and 2000s, the U.S. legally expanded the interpretation of self-defence – an exception to the use of force – to justify its military actions. Whether the American legal interpretations were correct or merely a tool to mask its imperial designs is debatable.

In today's populist-authoritarian world, there is brazenness. A scarce attempt is made to justify behaviour as per international law, and the imperial designs stare in one's face. The U.S.'s repeated insistence on Venezuelan oil drives home the point. It is this rising populist-authoritarianism that poses the greatest threat to international law, not the act of a military strike or invasion itself.

Looking beyond the use of force

Concurrently, it would be a mistake to reduce the entire body of international law to the UN Charter. While the UN Charter is undoubtedly a critical pillar, it does not by itself define the legalisation of international relations that has occurred over the last eight decades. Today,

international law is widespread and diverse, governing international trade, foreign investment, civil aviation, maritime resources, outer space, human rights, climate change, chemical and biological weapons, and many other areas. This, as Yale professor Oona A. Hathaway argues, means that international law is flourishing as a social phenomenon.

International law works silently

International law-making continues unabated, as evidenced by the conclusion of free trade agreement negotiations between India and the European Union. In recent years, key treaties such as the High Seas Treaty (aimed at the sustainability of marine biological diversity), and a Pandemic Agreement (to strengthen pandemic prevention), have been signed. Over the years, hundreds of international courts, at global (such as the International Criminal Court) and regional levels (such as the African Court on Human and Peoples' Rights), have been created, demonstrating the judicialisation of international relations. These courts, away from the limelight, continue to resolve complex international law disputes peacefully.

In sum, as international lawyer Philippe Sands reminds us, much of international law operates silently and seamlessly behind the scenes, despite the media-grabbing headlines about breaches of the UN Charter. This silent international law enables goods and people to cross borders, and communication networks to transcend national geographies, positively impacting the lives of ordinary people. Just as one does not abandon a liberal constitutional order due to an authoritarian regime running amok, one should fight to preserve the existing liberal international law order against the global bullies. Pontificating on the death of international law only plays into the hands of the global bullies.

The views expressed are personal

Proclaiming the death of international law aids world tyrants

GS Paper II : International Relations

UPSC Mains Practice Question: Is populist-authoritarianism a greater threat to international law than military aggression itself? Discuss. (250 Words)

Context :

The global landscape is currently marred by high-intensity conflicts in Ukraine and Gaza, alongside a shift toward populist-authoritarianism. These events have led many scholars to argue that we have entered a "norm-free" world where might makes right. However, Ranjan argues that while the system is in a "dark phase," it remains resilient. He asserts that international law is not just about the prevention of war, but a vast, silent web that governs nearly every aspect of modern civilization.

Key Themes

A. The Resilience of Article 2(4)

Ranjan addresses the most common criticism: the frequent violation of the prohibition on the use of force (Article 2(4) of the UN Charter).

Historical Context: He reminds readers that this "death of law" argument is old. In 1970, Thomas Franck made similar claims during the Cold War.

Survival through Violation: Even when hegemons (like the US or Russia) break the law, they often feel compelled to justify their actions using legal language (e.g., expanding the definition of "self-defense"). This proves that the normative framework still holds power; otherwise, they wouldn't bother with the excuse.

B. The Shift to "Brazenness"

The author notes a qualitative change in modern violations. In the past, states used "legal gymnastics" to justify force. Today, under populist-authoritarian leaders, there is a more "brazen" disregard for justification (e.g., interests in Venezuelan oil). He identifies populist-authoritarianism, rather than the military strikes themselves, as the true existential threat to the legal order.

C. The "Silent" Success of International Law

The most compelling part of the analysis is the reminder that international law is not just about war and peace.

Functionalism: Law works "silently and seamlessly" in trade, civil aviation, and climate change.

Institutionalization: The creation of the High Seas Treaty and the Pandemic Agreement, alongside the functioning of the International Criminal Court (ICC), shows that the "judicialization" of international relations is still expanding.

Related Static Section: Core Concepts of International Law

To understand the editorial, one must understand the static legal foundations it references:

Concept	Description
Article 2(4) UN Charter	The cornerstone of modern international law. It prohibits the threat or use of force against the territorial integrity or political independence of any state.
Sovereign Equality	The principle that all states, regardless of size or power, have equal rights and duties under international law.

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Concept	Description
Pacta Sunt Servanda	A fundamental principle of treaty law meaning "agreements must be kept." It is the basis for why trade and environmental treaties function.
Sources of Law	As per Article 38 of the ICJ Statute , law is derived from International Conventions (treaties), Customary Law, and General Principles.
Jus Cogens	Peremptory norms from which no derogation is permitted (e.g., prohibition of genocide, slavery, and wars of aggression).

The "Agency" of the Powerless

Static theory suggests that International Law acts as a leveler. In a world of pure "Realism" (power politics), small nations have no voice. International Law provides the "only normative framework for holding the powerful accountable," giving weaker states the "agency" to challenge hegemony in forums like the General Assembly or the International Court of Justice.

Critical Assessment

Ranjan's argument is an "Institutionalist" critique of "Realism." While Realists argue that international law is "the vanity of the optimist," Ranjan highlights its utilitarian necessity. Without the "silent law" he mentions (telecommunications, trade, maritime routes), the global economy would collapse.

However, the editorial acknowledges a grim reality: the transition from "legal justification" to "brazenness" suggests that the moral authority of international law is eroding, even if its functional utility remains.

Conclusion

Prabhash Ranjan concludes that pronouncing the death of international law is "intellectually lazy." While the UN Charter's rules on force are being battered, the broader body of international law—governing everything from the high seas to pandemics—is flourishing as a social phenomenon. The current crisis is not a sign that law is useless, but a call to defend the liberal international order against "global bullies." To abandon the law because it is violated is as illogical as abandoning domestic criminal law because a crime was committed.