

**The Hindu Important News Articles & Editorial For UPSC  
 CSE**

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**Page 08 :GS III :Indian Economy**

The Prime Minister's "Seven-Point Call to Action" marks a sobering pivot in India's economic narrative. After months of official reassurances, the government's coordinated messaging with the industry suggests that the **West Asia Crisis** (the 2026 Iran War) has moved from a geopolitical concern to a direct threat to India's domestic stability.

**1. The Context: A "Coordination of Concern"**

The simultaneous warnings from PM Narendra Modi and the **Confederation of Indian Industry (CII)** indicate a "National Emergency" footing. The timing—occurring immediately the conclusion of major elections—has drawn criticism, suggesting that political optics may delayed necessary economic warnings.

**2. The Seven-Point Call: Objectives vs. Economic Reality**

The Prime Minister's suggestions aim to preserve foreign exchange and reduce the trade deficit, but they face significant "on-the-ground" friction.

PM's Suggestion	Strategic Intent	Potential Economic Risk
<b>Work from Home / Reduce Fuel</b>	Lower oil import bill & conserve Forex.	Delayed implementation; contradicts recent high-intensity physical election campaigning.
<b>Stop Chemical Fertilizers</b>	Reduce massive fertilizer subsidy & import dependency.	<b>Food Security:</b> Potential drop in crop yields, especially with the concurrent <b>El Niño</b> threat.
<b>Cancel Foreign Travel</b>	Conserve Foreign Exchange (Forex).	Travel spending was already down 3% (Feb 2026); the real Forex drain is FII (Foreign Institutional Investor) outflow.
<b>Buy Local (Vocal for Local)</b>	Reduce import reliance.	<b>Supply-Side Gaps:</b> Domestic production may not be sufficient to meet demand, leading to <b>inflation</b> .
<b>Avoid Gold Purchases</b>	Reduce "unproductive" capital outflow.	Gold is a traditional hedge against inflation; demand remains inelastic during crises.

**Belated warning**

Narendra Modi's suggestions to Indians imply a serious economic impact

**P** rime Minister Narendra Modi's seven-point call to action for the citizens of India lays bare the severity of the impact of the West Asia crisis. Further, apart from its implications, Mr. Modi's message is problematic for two other key reasons: its timing and content. A key part of his message was to urge people to work from home and reduce their fuel usage. A more effective approach might have been to lead by example. Yet, Mr. Modi's message comes days after he and his Cabinet colleagues flew all over the country and organised roadshows to campaign for the recent elections. Neither did any of his pre-election speeches mention these issues. His message also comes on the back of daily reassurances by his government's officials that there was nothing to worry. Clearly, there is. The Prime Minister's message also follows various Ministers' attempts to heap praise on him for not raising petrol and diesel prices. A decision not to further burden the common man is welcome, but the flip side is that it fails to impress upon them the need to curtail consumption. The government took that strategic call before the elections, and is now trying to dilute it. Perhaps a hike in fuel prices will follow soon. The Prime Minister's speech also coincided with a similar call to action for Indian corporates by the Confederation of Indian Industry. This kind of coordinated messaging points to a dire situation. Several of the Prime Minister's suggestions might also have other negative impacts that could be more serious than the problems they are trying to address. Some others might simply not be as effective as he hopes.

after have

If farmers stop using chemical fertilizers, as he has urged, the immediate impact will be on crop output at a time when El Niño is already set to hurt it. High-frequency indicators are already revealing the economic damage of the West Asia crisis. This will only exacerbate the situation. The suggestion to stop foreign travel will conserve foreign exchange, but Reserve Bank of India (RBI) data up to February 2026 shows that Indians' foreign travel spending in 2025-26 was already down by 3%. March, the first month after the Iran war broke out, is likely to have seen an even sharper decline. The real pressure on the rupee and India's foreign exchange is because foreign institutional investors are pulling out while the RBI is using valuable dollars to shore up the falling currency. Urging Indians to buy local is another way of asking them to consume less, since purely domestic supply is not nearly enough to cater to the demand. Asking them to buy less gold is also likely to be futile. All this means that the economy is in for a hard time over the next few months – a warning the Prime Minister should have delivered much earlier, elections or no elections.

### 3. Critical Economic Indicators (2026)

The warning comes at a time when high-frequency indicators show the Indian economy is under a "pincer attack":

- **The Rupee Pressure:** While the PM asks citizens to save dollars, the **RBI** is burning through reserves to prevent a free-fall of the Rupee caused by global investors fleeing to "safe havens" like the US Dollar.
- **The Fuel Price Paradox:** By keeping prices artificiality stable during the election, the government "shielded" the public but failed to signal the need for **demand destruction**. A significant price hike is now considered inevitable to recover under-recoveries.
- **The Fertilizer Dilemma:** A sudden shift away from chemical fertilizers during a war-induced supply shock risks a transition-related slump in agricultural productivity, potentially leading to **food inflation**.

### 4. UPSC Analytical Perspective

#### A. Policy Credibility and Timing

In economics, "forward guidance" is crucial. When a government assures stability and then suddenly pivots to austerity, it can trigger **panic consumption** or a loss of investor confidence. The critique here focuses on the "political cycle" overriding the "economic cycle."

#### B. The West Asia Factor (The Iran War)

India imports over 80% of its crude oil. A conflict in the **Strait of Hormuz** (as discussed in the IORA news) creates a supply-side shock. If the government cannot pass the cost to consumers, the **fiscal deficit** widens; if it does, **retail inflation** (CPI) spikes.

#### C. The RBI's Dual Challenge

The central bank is fighting a battle on two fronts:

1. **Managing the Currency:** Intervening in the Forex market to prevent a crash.
2. **Managing Inflation:** Balancing interest rates to curb rising prices without stifling the already fragile post-war growth.

#### Conclusion

The "Belated Warning" serves as a reminder that India's economic "fortress" is highly sensitive to external shocks. While the call for citizens to contribute through "Work from Home" and "Buying Local" is a soft-power tool to manage the crisis, the real solution lies in structural reforms—reducing oil dependency, diversifying fertilizer sources, and stabilizing FII inflows. The next few months will be a "Hard Time" for the Indian economy, requiring transparent communication and proactive fiscal management rather than reactive austerity.

### UPSC Mains Exam Practice Question

**Ques:** "Economic resilience in the 21st century depends as much on strategic preparedness as on economic growth." Discuss. (150 Words)

The recent electoral victory of C. Joseph Vijay and his party, Tamilaga Vettri Kazhagam (TVK), has introduced a unique acoustic phenomenon to Tamil Nadu's streets: the pea whistle. While it serves as a symbol of political triumph and sporting enthusiasm (CSK's Whistle Podu), it also highlights the systemic neglect of Noise Pollution as a public health crisis in India.

## A new start against noise pollution

For a few weeks now, the most insistent sound in Tamil Nadu has been the pea whistle, and that looks set to continue. Inside the Chepauk stadium, Chennai Super Kings supporters live up to the team's call to action – "whistle podu" (blow the whistle) – through all its Indian Premier League matches.

Outside the stadium, since the Assembly election results on May 4, supporters of the Tamilaga Vettri Kazhagam (TVK) have flooded the streets across the State to celebrate Joseph Vijay's victory by blowing the party's election symbol, which is also a pea whistle.

Anyone who watched the 2010 football World Cup will understand how irritating this noise can be. The vuvuzelas were so relentless that international viewers complained that the football commentary had become inaudible, prompting several broadcasters to add audio filters. When hundreds or thousands of people blow pea whistles, they render a comparably terrible annoyance. A single whistle blast creates 104-116 decibels of pressure at the source, according to research from Western Michigan University. The threshold beyond which sustained exposure to air pressure can damage hearing is 85 decibels.

Some of the cricket team's matches have been rousing and the TVK's victory is unprecedented. But the fact remains that noise pollution has become the most tolerated form of pollution in India.

While even air pollution has finally forayed into the policy vocabulary as a deleterious problem, data from the National Ambient Noise Monitoring Network (NANMN) show that more than 80% of recording stations breached the prescribed noise limits during both day and night in 2019 itself – while awareness of its ills remains low. In Chennai, all 10 stations exceeded the residential nighttime



**Vasudevan Mukunth**

threshold of 45 decibels. A 2022 UN Environment Programme report cited a maximum reading from Moradabad in Uttar Pradesh to be the world's second-highest on its list (a ranking contested by government officials).

The actual problem is likely to be much worse as the NANMN has only 70 stations across seven metros, and the network has not been meaningfully expanded in 14 years. District towns in the Hindi belt and the Northeast generate ambient sounds whose profiles no official authority is measuring. Further, in towns with less healthy civic infrastructure and less responsive policing, loudspeaker permissions are unchecked and construction activity often runs through the night. Among the poor, the children often sleep with noise while their parents often spend several hours in conditions that, in any country with a functioning occupational health enforcement, would attract criminal liability.

### Effects of excess noise

The World Health Organization has attributed 16% of disabling hearing loss in adults to occupational noise. India is estimated to have 6.3 crore people with some degree of impaired hearing. According to studies of noise-induced hearing loss in occupational settings, the prevalence of impaired hearing ranges from 13% in a Puducherry survey of 500 construction workers to a pooled estimate of 49% in a meta-analysis of industrial cohorts.

The European Environment Agency ranks noise as the second-largest environmental cause of disability-adjusted life years lost in Europe, behind only air pollution.

A WHO synthesis attributed around 16 lakh healthy life years lost annually in Western Europe to traffic noise alone. This is because loud sounds disrupt sleep, elevate cortisol levels in the blood, render endothelial dysfunction, and impair the cognition of children

near airports and arterial roads.

India also has more densely packed cities, building acoustics that are less sensitive to the need to mitigate noise, and of course looser enforcement.

### Rules against noise

If tolerance is not a feature of India's political discourse, it remains a fixture of how Indians react to pollution.

One reason is the Noise Pollution (Regulation and Control) Rules 2000, which set zone-wise limits and silence zones but which are rarely enforced. The Central Pollution Control Board only recently proposed financial penalties for violations – that too because much of the worst noise is generated by occasions that politicians would prefer not to police.

The Rules already accommodate religious and cultural observances. State governments can permit nighttime loudspeaker use between 10 pm and midnight on festive occasions for up to 15 days a year. However, public events routinely exceed decibel limits within the permitted hours, with sound systems often plonked in residential lanes and sometimes even outside hospitals.

No major political party has been willing to ask its supporters to organise a festival or procession but observe the limits. Parties fear that any restraint will be read as an attack on the faithful. It need not be and the political imagination should be capable of saying so.

Mr. Vijay has presented TVK as a fresh start for Tamil Nadu, unencumbered by the compromises of the Dravidian parties. At least for now, he possesses the political capital to set norms that his predecessors could not. One hopes the whistle that brought him to power could be the start of a new relationship with public sound that respects the right of people to work, relax, and sleep in peace.

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The World Health Organization has attributed 16% of disabling hearing loss in adults to occupational noise

### 1. The Science of the "Whistle": Decibels vs. Health

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A single pea whistle generates **104–116 decibels (dB)** of sound pressure. To put this in perspective:

- **Threshold for Damage:** The WHO and research institutes identify **85 dB** as the limit for safe, sustained exposure.
- **The World Cup Precedent:** Similar to the vuvuzelas of the 2010 FIFA World Cup, the mass blowing of whistles creates a "terrible annoyance" that disrupts communication and triggers physical distress.
- **Ambient Breaches:** In 2026, data shows that more than **80%** of India's monitoring stations consistently breach noise limits. In Chennai, every residential monitoring station exceeds the nighttime limit of **45 dB**.

## 2. Structural Deficiencies in Noise Monitoring

Despite its health impact, noise pollution remains under-monitored and under-policed compared to air pollution.

- **Stagnant Monitoring:** The **National Ambient Noise Monitoring Network (NANMN)** has remained static with just 70 stations in seven metros for over 14 years. Vast regions in the Hindi belt and the Northeast have zero official noise tracking.
- **Legislative Failure:** The **Noise Pollution (Regulation and Control) Rules 2000** exist but suffer from "selective enforcement." Politicians are often hesitant to police religious or cultural events (which are allowed a 10 pm–midnight extension for 15 days a year) for fear of alienating supporters.
- **The "Silent" Victims:** Children in poor urban neighborhoods and industrial workers bear the brunt. Disabling hearing loss affects an estimated **6.3 crore Indians**, with prevalence as high as **49%** in some industrial sectors.

## 3. The Psychological & Physical Toll

Noise is the **second-largest** environmental cause of health loss (after air pollution). Its effects are far-reaching:

- **Cardiovascular Health:** Chronic noise disrupts sleep and elevates **cortisol** (stress hormone) levels, leading to endothelial dysfunction.
- **Cognitive Development:** Children living near arterial roads or airports show impaired memory and reading comprehension.
- **Occupational Hazard:** 16% of adult hearing loss is attributed to loud work environments, which often lack enforcement of safety standards.

## 4. A New Normative Leadership?

The transition of power in Tamil Nadu offers a unique window for policy change.

- **Political Capital:** As a leader who disrupted a 60-year bipolar political cycle, CM Joseph Vijay has the "political capital" to set new civic norms.

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- **The Proposal:** Moving away from "noise as celebration" toward a culture that respects the **Right to Sleep and Peace**. This requires the political courage to ask supporters to observe decibel limits during festivals and processions.

### Conclusion

Noise pollution in India is a "tolerated" silent killer. The whistling celebrations in Tamil Nadu are a vibrant sign of a new political era, but they also underscore a critical policy gap. For the TVK's "fresh start" to be meaningful, it must address the invisible pollutants that degrade the quality of life. Realizing the "right to peace" will require a mix of better monitoring technology (expanding NANMN), stricter enforcement of the 2000 Rules, and a cultural shift led by the state's highest offices.

### UPSC Mains Exam Practice Question

**Ques:**Noise pollution has emerged as a major yet neglected public health challenge in urban India. Discuss.(150 Words)



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**Page 09:GS II : Governance and Social Justice / Prelims Exam**

The **State of Working India Report 2026** provides a sobering look at the "Aspiration-Attainment Gap" among India's youth, particularly in Uttar Pradesh and Bihar. While educational ambitions are high and uniform across social groups, the reality of learning levels and school completion reveals deep structural inequalities.

# Goal attainment and youth aspirations are not aligned

Keeping track of youth aspirations against the system's ability to match them is critical if the country is serious about creating a productive labour force

**DATA POINT**

**Garima Agarwal**

India's ability to ride the cresting wave of the demographic dividend, before it recedes, depends critically on the education and employment choices of its 367 million young people. While surveys track such outcomes, little is known about how close outcomes are to initial goals. The State of Working India Report 2026, published by Azim Premji University, offers insights into youth aspirations and attainments.

The study utilises the Population Council's dataset – UDAYA: Understanding the Lives of Adolescents and Young Adults – which surveyed adolescents in Uttar Pradesh and Bihar, the two Indian States with the largest youth populations. The sample of interest covers girls and boys aged 15-19 when first contacted in 2015-16 and tracks them three years later in 2018-19 when they are 18-22 years old. Of the full sample of 13,141 youngsters surveyed, aspirations were recorded only for 6,300 who were enrolled in education at the time of the survey. At ages 15-19 when the 6,300 youngsters were first contacted, about 72% aimed for at least graduate education. Three years later, this share grew to 84%. Moreover, aspiration levels were similar across gender, religion, and caste. Uniformly high educational aspirations across social groups indicate a convergence of aspiration windows, possibly due to economic progress and rapid expansion in access to the Internet and social media.

Educational attainments, in contrast, showed that not all dreams came true. In the duration between the two interviews, years of schooling completed grew by only 1-2 years on average instead of the expected three years. In making progress towards their educational goals, over half the sample fell short, on average by 1.7 years

**(Table 2).**

About 11% of the sample had already exited education by this time. Between the two interviews, another 40% exited formal education. While some may naturally exit on completing desired education, the average number of years of education attained at exit is only 8 years.

It is striking that while aspirations across wealth quintiles are not very different, attainments diverge sharply. Those in the poorest wealth quintile are more likely to fall short of their goals compared to those in the richest quintile. While the share of boys falling below their educational goals hovers between 50% and 60% across wealth quintiles, there is a noticeable variation for girls – from 66% in the poorest to 38% in the richest quintile (**Chart 1**).

Over half the sample discontinued education before completing Class 12; this group is disproportionately composed of married girls. Married girls face greater barriers than their unmarried counterparts, even within the richest group. In fact, girls who remained unmarried by the time of the second interview (18-22 age group) were as ambitious as boys at setting goals and were more effective at meeting them (**Table 2**).

In general, girls and boys have different reasons to discontinue education. Boys leave to join the labour market while girls exit at the time of marriage. Failure or disinterest and costs of education are some gender-neutral contributing factors.

**Quality of education**

A more troubling picture emerges when learning levels are examined. UDAYA employs tools designed by the Annual Status of Education Report (ASER) for students aged 5-16 to measure proficiency in reading and math. UDAYA respondents were well beyond this age and would be expected to achieve the highest levels of proficiency in both dimen-

sions. However, at age 15-19 when respondents were likely engaged in schooling, 70% of unmarried girls and boys could read a Class 2-level story against only 45% of married girls. The modest gender gap favouring unmarried girls in goal attainment disappears when it comes to learning levels. The share of those who could perform three-digit by one-digit division correctly was just over half for boys, 35% for unmarried girls and only 15% for married girls (**Table 3**).

The uncomfortable question this raises is: are some groups aspiring for education beyond their reach? This two-State study shows that while aspirations are high, attainments have not kept pace across all groups. It is worth confirming whether this is a country-wide pattern, and focusing policy attention on removing structural barriers to access.

Education programs often default to exposing students to high-achieving role models ostensibly to inspire. While well-intentioned, simply raising aspirations with no realistic pathway to achieving them is short-sighted. These programs need to be supplemented with support for identifying interests, goal-setting, and skill-building. Stronger linkages between educational institutions and employers can provide prospective graduates with a more accurate picture of the labour market and facilitate a smoother transition into the workforce.

While it is tempting to only look at the motivational aspects of goals, consistent failure to achieve targets can cause frustration, which in turn may lead to lower effort and worse life outcomes. Keeping track of youth aspirations against the system's ability to match them is critical if we are serious about creating a motivated and productive labour force for the future.

*Garima Agarwal is an Assistant Professor of Economics at Azim Premji University, Bengaluru. The views expressed are personal.*

## Who falls short

The data for the charts were sourced from UDAYA - Understanding the Lives of Adolescents and Young Adults



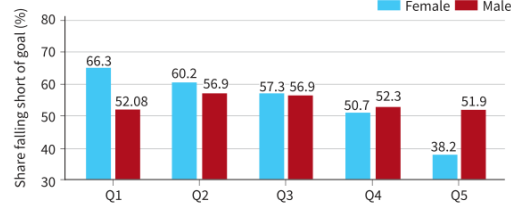
**TABLE 1:** Educational aspirations during both rounds of interview (in %)

Educational aspiration	First interview	Second interview
Below Grade 12	4.93	0.4
Completed Class 12 but below graduate	17.74	10.2
Graduate	53.3	60.35
Post-graduate and above	18.15	23.18
Don't know	5.87	5.87

**TABLE 2:** The gap between initial aspirations and subsequent attainment (in %)

Attainment-goal gap	Unmarried boys	Unmarried girls	Married girls	Total
Met goal	31.8	45.9	26.3	37.6
Exceeded goal	4.8	5.4	3.1	4.8
Below goal	54	44.2	67.5	51.8
No stated goal	9.4	4.5	3.1	5.9

**CHART 1:** The share of respondents who fell short of educational goals by wealth quintile and gender. Q1 = Top quintile; Q5 = Bottom quintile



**TABLE 3:** Learning levels in reading and math (in %)

Learning level	Unmarried boys	Unmarried girls	Married girls	Total
Reads a story	73.97	71.84	44.65	59.74
Solves division problems	51.95	34.53	15.44	29.27

**Note:** Table 1 and 2 use respondents aged 15-19 years at the initial interview with recorded aspirations; marital status is as recorded at the time of the second interview (N = 6300). Table 3 reports the share of all respondents at the highest proficiency levels using UDAYA data for adolescents aged 15-19 years at the initial interview; marital status is as recorded at the second interview (N = 13141). Reading levels include recognition of letters, ability to read words, ability to read a short paragraph (Class 1 level text), and ability to read a longer 'story' (Class 2 level text). Math levels are recognition of single-digit numbers, double-digit numbers, and ability to perform a two-digit subtraction problem with borrowing and a three-digit by one-digit division problem. Children above Class 3 (older than 8 years) should be able to perform division based on NCERT textbook curriculum

### 1. The Core Conflict: Aspirations vs. Reality

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**Daily News Analysis**

Data from the **UDAYA** study tracks a cohort of over 13,000 young people from their mid-teens into early adulthood (15–19 to 18–22 years old).

- **Sky-High Ambitions:** By ages 18–22, **84%** of youth enrolled in education aimed for at least a graduate degree. This aspiration is largely independent of caste, religion, or gender, signaling a "convergence of hope" fueled by internet access and social media.
- **The Attainment Deficit:** In the three years between surveys, average schooling grew by only **1–2 years** (instead of the expected three). Over half the youth fell short of their targets by an average of **1.7 years**.
- **The Exit Point:** Approximately **40%** exited formal education during this window. Critically, the average education level at exit was just **8 years**—far below the graduate goal.

**2. Demographic and Social Barriers**

The report highlights that while we all dream the same, we do not all fail the same. Success in meeting goals is dictated by wealth and gender.

- **The Wealth Gap:** Aspirations do not differ significantly by wealth, but attainments do. The poorest are far more likely to fall short. For girls, the "failure rate" drops from **66%** in the poorest quintile to **38%** in the richest.
- **The Marriage Penalty:** Marriage is the single greatest barrier to education for girls. **Unmarried girls** were found to be as ambitious as boys and even more effective at meeting their goals. Conversely, over half of those who discontinued school before Class 12 were married girls.
- **Gendered Exit Reasons:**
  - **Boys:** Exit primarily to join the labor market due to economic pressure.
  - **Girls:** Exit primarily due to marriage or domestic expectations.

**3. The "Learning Poverty" Crisis**

The most alarming finding involves the quality of education. Using **ASER** tools (designed for children aged 5–16) on this older cohort (18–22):

Metric	Unmarried Girls/Boys	Married Girls
Reading Proficiency (Class 2 level story)	70%	45%
Math Proficiency (3-digit by 1-digit division)	~50% (Boys) / 35% (Girls)	15%

This suggests that many students are aspiring for graduate-level education while lacking the **foundational literacy and numeracy** typically expected of a 10-year-old.

**4. Policy Recommendations for UPSC**

The report argues that "motivational" role models are insufficient without structural support.

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- **Realistic Path-Setting:** Supplement aspiration-raising programs with goal-setting, skill-building, and vocational counseling.
- **Labor Market Linkages:** Create stronger ties between colleges and employers so students have an accurate picture of market requirements, preventing "qualification inflation."
- **Addressing Marriage Barriers:** Policy focus must shift toward removing the social and structural barriers that force girls out of school at marriage.
- **Demographic Risk:** If this mismatch persists, the "demographic dividend" risks becoming a "demographic burden," leading to mass frustration and social unrest among a motivated but under-skilled workforce.

### Conclusion

India's youth are highly motivated, but the system is failing to provide the "bridge" between their dreams and the labor market. High aspirations paired with low learning levels create a volatile mix. To harness the demographic dividend, India must move beyond mere enrollment and focus on **foundational learning quality** and **structural barriers** like poverty and early marriage.



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India is currently facing a "national ecological emergency," with cities choking on waste and rural areas increasingly scarred by plastic and e-waste. The SWM Rules, 2026, were notified under the **Environment (Protection) Act, 1986**, to address these crises through mandatory source segregation, digital monitoring, and remediation of legacy dumpsites. However, the transition from "sound intent" to "administrative efficacy" remains the primary challenge.

## A decentralised solution for waste crisis

The Solid Waste Management Rules, 2026, disregard federalism and embody a technocratic vision of environmental governance, insufficiently attentive to ground realities: as framed, they risk producing blurred accountability, unproductive compliance work, and paper reporting rather than cleaner cities and villages

### EXPLAINER

K. Ashok Yashwanth Shetty

India's waste crisis is no longer a localised urban nuisance but a national ecological emergency. Our cities are choking on waste; plastic clogged drains worsen monsoon flooding; landfills have become mountains of methane, fire, and leachate; open burning of waste materials fouls the air; and rivers and coasts bear the burden of urban negligence. Rural India, too, is scarred by plastic, sanitary waste, pesticide containers, e-waste, and the debris of packaged consumption. A new waste-management framework was essential in this scenario.

The Solid Waste Management Rules, 2026, notified in supersession of the 2016 Rules and brought into effect from April 1, 2026, are animated by a legitimate and urgent environmental purpose. They seek to improve source segregation, regulate bulk waste generators, promote scientific processing, reduce dependence on landfills, remediate legacy dumpsites, promote a circular economy, and move towards digital monitoring. These are worthy aims. But sound environmental intent does not, by itself, ensure sound administrative design.

**Treaty power and federal balance** The Environment (Protection) Act, 1986, under which these Rules are framed, was enacted principally under Article 253 of the Constitution, which empowers Parliament to implement international obligations – in this case, the 1972 Stockholm Declaration. This gives Parliament wide reach: even subjects touching State or local domains – land, water, public health, agriculture, sanitation or local government – may be legislated upon if linked to an international obligation. But a power meant to secure minimum national standards should not become a licence for the Centre to occupy the field, erode State competence, or centralise administration. A national floor must not become an operational blueprint for every State and local body.

Mature federations follow subsidiarity: governmental functions should be performed at the lowest level capable of discharging them effectively, and moved upward only when that level demonstrably lacks capacity. Local competence is presumed; higher-level intervention must be justified. Authority is most effective when closest to knowledge, consequences, and accountability.

India often reverses this logic. It presumes central competence, distrusts sub-national capacity, and reduces States and local bodies to implementing instruments. Nobel Laureate F.A. Hayek's "knowledge problem", explained in *The Use of Knowledge in Society* (1945), is apposite: effective decisions depend on dispersed and contextual knowledge of the "particular circumstances of time and place". Such knowledge cannot be transmitted upward without distortion or delay. No authority in New Delhi, however well-intentioned, can tailor waste policy with equal fidelity to every region's ecology, settlement pattern, or administrative and fiscal capacity.

### The Centralisation Reflex

Although the draft Rules were published on December 14, 2024, inviting objections and suggestions from the public, the deeper flaw lies in a familiar pathology of Indian governance: the belief that



Choking dilemma: An aerial view shows a landfill next to a lake swathed in water hyacinth in Bengaluru on April 15, 2024.

centralisation and over-regulation can cure administrative weakness, and that New Delhi must design and command while States merely execute. Its unstated premise is the incapacity argument – that States lack administrative or technical competence and therefore require Centre's supervision, if not substitution. To treat Indian States, several of which rival major nation-states in population, diversity, and complexity, as inherently incapable is incompatible with national self-respect and a calamity no patriot should tolerate.

As Nobel Laureate Kenneth Arrow pointed out in *The Economic Implications of Learning by Doing* (1962), capacity is not conferred from above; it is built through decision-making, experimentation, feedback, and correction. When States are reduced to mere implementing agencies for centrally-designed rules and schemes, their expertise atrophies, replaced by a culture of compliance and dependence on "instructions from New Delhi."

Local government is a State subject. Solid waste management lies at the intersection of environment, sanitation, public health, land use, and urban and rural local administration. It is among the most localised functions of governance, depending on household behaviour, street-level collection, informal waste workers, ward monitoring, land for composting, user charges, recycling markets, and citizen trust.

A system suited to a resource-rich metropolis like Mumbai cannot be mechanically applied to a Himalayan pilgrimage town with narrow roads and fragile slopes, an island settlement with scarce land, a coastal panchayat facing tidal flooding and marine litter, or a scattered tribal hamlet where low-density habitation makes collection and transport costly. Precisely for that reason, solid waste management requires a differentiated, federal design.

The extension of the Rules to rural local bodies is understandable; rural waste is now a real problem. But treating a gram panchayat as a miniature municipality is administrative fantasy. Most panchayats lack adequate staff let alone sanitation engineers, waste-collection vehicles, digital capacity for complex reporting, or the fiscal base to manage four-stream segregation. The

fourth might create metropolitan waste authorities. A fifth might regulate tourist waste through user fees. After five years, the Centre could review outcomes, identify and disseminate best practices, and revise baseline standards, if necessary, based on evidence rather than assumption. The 2026 Rules do require States to prepare policies and strategies for urban and rural solid waste management, but this is more for form's sake because policy within a centrally-prescribed rulebook is not the same as State-led regulatory design.

### Other concerns

The centralised online portal raises a further federal concern. The Rules require reporting to the Central Pollution Control Board (CPCB), data audits, report uploads, and centralised formats and modules. States and local bodies risk becoming data suppliers rather than co-owners of the governance system. Too often, officials spend more time feeding dashboards than improving service delivery. Compliance becomes reporting upward rather than governing outward. A better design would treat the portal as a shared federal data platform, allowing States and local bodies to add indicators, customise dashboards, access raw data, and publish ward-level, local-language information for citizens. Data should build capacity, not merely discipline sub-national governments.

The Rules also need stronger democratic content. Waste management succeeds only when citizens participate. Rural India has, at least in principle, the gram sabha; urban India has no satisfactory equivalent. Periodic waste reports should be submitted to municipal councils and ward committees, not merely uploaded for bureaucratic review in New Delhi.

The 2026 Rules substantially expand the obligations of municipalities and panchayats for citizens. Data should be predictable, adequate, and formula-based finance, their risk becoming yet another set of underfunded mandates – producing selective compliance, inflated reporting, or quiet evasion rather than genuine waste-management reform.

Under the present model, the likely trajectory is predictable. Sooner or later, a public interest litigation may allege non-implementation by States and local bodies, ignoring the reality that they cannot implement underfunded, top-down mandates in whose design they had little role. The Supreme Court may then treat the matter as legal non-compliance and begin continuing mandamus, drawing all levels of government into prolonged litigation, affidavits, and directions. What began as environmental reform may end as judicialised administration.

### Concluding remarks

The Solid Waste Management Rules, 2026, disregard federalism, local democracy, and subsidiarity. They embody a technocratic vision of environmental governance, insufficiently attentive to ground realities, institutional weaknesses, and local capacity. As framed, they risk producing blurred accountability, unproductive compliance work, and paper reporting rather than cleaner cities and villages.

To succeed, the Rules must be recast around five principles: minimum national standards, State flexibility, empowered local bodies, predictable finance, and citizen accountability. Otherwise, mountains of waste will continue to rise as monuments to centralised ambition and local neglect.

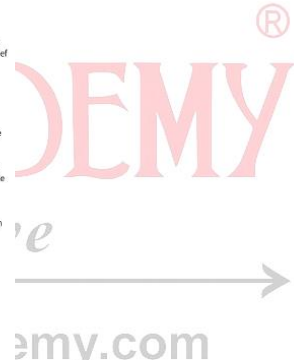
### THE GIST

▼ Solid waste management lies at the intersection of environment, sanitation, public health, land use, and urban and rural local administration and is among the most localised functions of governance

▼ The Solid Waste Management Rules, 2026, notified in supersession of the 2016 Rules and brought into effect from April 1, 2026, are animated by a legitimate and urgent environmental purpose

▼ However, the deeper flaw in the new Rules lies in the belief that centralisation and over-regulation can cure administrative weakness

▼ A system suited to a resource-rich metropolis like Mumbai cannot be mechanically applied to a Himalayan pilgrimage town with narrow roads and fragile slopes. Precisely for this reason, solid waste management requires a differentiated, federal design



### Key Features of the SWM Rules, 2026

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# Daily News Analysis

Feature	Description
<b>Mandatory Segregation</b>	Shift from 2-stream to <b>4-stream segregation</b> : Wet, Dry, Sanitary, and Special-care waste.
<b>Bulk Waste Generators (BWGs)</b>	Defined by area ( $\geq 20,000 \text{ m}^2$ ), water use ( $\geq 40,000 \text{ L/day}$ ), or waste ( $\geq 100 \text{ kg/day}$ ). Must process wet waste on-site.
<b>Digital Governance</b>	Mandatory registration and reporting on a <b>Centralised Online Portal</b> managed by the CPCB.
<b>Legacy Waste</b>	Time-bound <b>biomining and bioremediation</b> of all existing dumpsites (mapping by Oct 2026).
<b>Polluter Pays</b>	Introduction of <b>Environmental Compensation (EC)</b> for false reporting or non-compliance.
<b>Refuse Derived Fuel (RDF)</b>	Mandates industrial units (like cement plants) to increase RDF use from <b>5% to 15%</b> over six years.

## Critical Analysis: Federal and Administrative Concerns

### 1. The Federal Imbalance (Article 253 vs. Subsidiarity)

The Rules are framed using Parliament's "treaty power" (Article 253) to meet international obligations like the Stockholm Declaration.

- **The Critique:** While the Centre can set "national floors" (minimum standards), the 2026 Rules act as an "operational blueprint," leaving little room for States to innovate.
- **Knowledge Problem:** Decisions made in New Delhi often lack the "contextual knowledge" of a Himalayan town versus a coastal village.

### 2. The "Knowledge Problem" and Centralization

The rules presume central competence and often treat States as mere "implementing instruments."

- **Learning by Doing:** Capacity is built through local experimentation. By mandating a one-size-fits-all digital and physical architecture, the Rules risk causing local administrative "atrophy."
- **Rural Reality:** Treating a **Gram Panchayat** as a "miniature municipality" is often unfeasible. Most lack the engineers, vehicles, or fiscal base to manage complex 4-stream segregation.

### 3. Digital Red-Tapism

The centralized portal risks turning local officials into "**data suppliers**" rather than "governance owners."

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- **Paper Reporting:** There is a fear that "unproductive compliance work" (feeding dashboards) will take precedence over actual street-level waste collection.

#### 4. Underfunded Mandates

Expanding obligations for municipalities and panchayats without providing **predictable, formula-based finance** leads to "selective compliance" or "quiet evasion."

#### The Way Forward: A Decentralised Vision

To move beyond "judicialised administration" (where the Supreme Court ends up managing waste through continuing mandamus), the following reforms are suggested:

- **States as Laboratories:** Allow States to frame their own rules for a 5-year pilot period, subject to national minimum standards.
- **Differentiated Design:** Megacities (population >1 crore) need strong **Metropolitan Waste Authorities**, while rural areas should focus on **Gram Sabha-based awareness** and community composting.
- **Shared Federal Data:** The online portal should be a shared platform where States can customize dashboards and add local indicators.
- **Phased Rollout:** Full compliance should begin with megacities, moving gradually to medium towns and then rural clusters.

#### Conclusion

The Solid Waste Management Rules, 2026, are a bold attempt to formalize India's waste sector. However, for a cleaner India, the "top-down" technocratic vision must be balanced with **subsidiarity and democratic content**. Waste management is fundamentally a local function; it succeeds only when it empowers the ward committee and the Gram Sabha rather than just the bureaucrat in New Delhi.

**UPSC Prelims Exam Practice Question**

**Ques: The Solid Waste Management (SWM) Rules, 2026 have been notified under:**

- (a) Water (Prevention and Control of Pollution) Act, 1974
- (b) Environment (Protection) Act, 1986
- (c) Air (Prevention and Control of Pollution) Act, 1981
- (d) Biological Diversity Act, 2002

**Ans: b)**

**UPSC Mains Exam Practice Question**

**Ques: Critically examine the federal concerns associated with the implementation of the Solid Waste Management Rules, 2026.(250 Words)**



**Page 12: GS III : Indian Economy / Prelims Exam**

In April 2026, PM Narendra Modi urged a one-year "pause" on international travel and destination weddings to support the domestic economy amidst the ongoing West Asia crisis. However, statistical trends show that the "cool-down" in travel spending had already begun before this call, while **investment-oriented outflows** reached record highs.

# As PM Modi calls for pause, spend on travel abroad already seen sliding

Reserve Bank of India data show that the real growth areas in terms of foreign spending are purchases of immovable assets abroad and investments in foreign debt and equity; spending on gifts sent abroad contracted 12.7% and 19.1% in the first 11 months of 2025-26 and 2024-25 respectively

**T.C.A. Sharad Raghavan**  
 NEW DELHI

**A**t a time when PM Narendra Modi has urged Indians not to travel abroad and give up on foreign weddings for at least a year, official data show foreign spending by Indian tourists actually slid in the last two years.

In fact, an analysis of data from the Reserve Bank of India (RBI) show the real growth in dollar outflow was coming from high-net-worth individuals (HNIs) investing in movable and immovable foreign assets, rather than from holiday-goers or those getting married in foreign locations.

Addressing a gathering

## Beyond travel

Indians are increasingly spending on foreign investments while expenditure on foreign travel has been declining



Source: RBI • Note: Data is for spending under the Liberalised Remittances Scheme for the first 11 months of each year

in Telangana on Sunday, Mr. Modi gave a seven-point list of suggestions to the Indian public to help the Indian economy and government during the on-

going West Asia crisis. "The growing culture of weddings abroad, travelling abroad, and vacationing abroad is becoming prevalent among the mid-

dle class. We must decide that during this time of crisis, we should postpone travelling abroad for at least a year," Mr. Modi said as one of his suggestions.

RBI data on the expenditure under the Liberalised Remittances Scheme, the only formal pathway under which Indians can spend abroad, shows a total of \$26.4 billion spent under this scheme in the first 11 months (April 2025 to February 2026) of 2025-26. This was 2.3% lower than what was spent in the same period of 2024-25.

### Lower spend

Of this, spending on foreign travel stood at \$15.3 billion, the largest category, but this amount was 3.1% lower in April 2025-February 2026 than in the same period of the previous year, which itself was 1% lower than in April

2024-February 2025.

Similarly, spending on gifts sent abroad contracted 12.7% and 19.1% in the first 11 months of 2025-26 and 2024-25, respectively.

### Debt, equity investment

On the other hand, investment by Indians in foreign debt and equity surged almost 59% to \$2.2 billion between April 2025-February 2026. For context, this figure was \$621 million in the first 11 months of 2021-22. Similarly, the amount spent on the purchase of immovable assets abroad jumped more than 76% in the first 11 months of 2025-26, to \$490 million. This stood at \$96.7 million in the same period of 2021-22.

## Comparative Outflow Analysis (April 2025 – Feb 2026)

The following table contrasts the contraction in "lifestyle" spending against the surge in "asset" spending under the **Liberalised Remittance Scheme (LRS)**:

Category	Spending (11 Months)	Year-on-Year Change	4-Year Context (since 2021-22)
<b>Foreign Travel</b>	\$15.3 Billion	-3.1%	Gradual decline from post-COVID peaks
<b>Gifts Sent Abroad</b>	—	-12.7%	Significant multi-year contraction
<b>Debt &amp; Equity</b>	\$2.2 Billion	+59%	Up from \$621 Million (approx. 3.5x growth)
<b>Immovable Assets</b>	\$490 Million	+76%	Up from \$96.7 Million (approx. 5x growth)

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## Key Insights for UPSC

### 1. The "Knowledge Gap" in Policy vs. Data

There appears to be a disconnect between the political narrative (targeting middle-class travel) and the economic reality (driven by High-Net-Worth Individuals or HNIs). While the Prime Minister's appeal addresses the "culture of weddings," the data indicates that the true pressure on the rupee and dollar reserves is increasingly coming from **wealth diversification** rather than tourism.

### 2. Diversification as a Hedge

The surge in foreign equity, debt, and real estate purchases highlights a strategic shift by Indian investors. With the Indian Rupee facing pressure and global markets offering diversification, HNIs are moving beyond domestic assets.

- **Asset Allocation:** Indians are no longer just "spending" dollars; they are "parking" them in global markets to hedge against currency depreciation.
- **Immovable Assets:** The 76% jump in foreign property purchases suggests a long-term interest in residency, second homes, or global rental yields.

### 3. The LRS and Regulatory Outlook

The **Liberalised Remittance Scheme (LRS)** allows residents to remit up to **\$250,000** per financial year.

**Note:** The trend of surging investments might lead to tighter regulatory scrutiny or "macroprudential measures" by the RBI to manage the **Current Account Deficit (CAD)** if the outflow continues to outpace inward remittances.

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### Conclusion

The data reflects a maturing Indian economy where the affluent class is transitioning from **conspicuous consumption** (weddings/travel) to **global asset accumulation**. While the PM's call for a "travel pause" may resonate with nationalistic economic sentiments, the RBI's balance sheet suggests that the real "drain" on foreign exchange is becoming more structural and investment-led.

## A new phase in the India-Vietnam strategic partnership

The state visit of Vietnamese President Tô Lâm to India last week (May 5-7, 2026) marks a consequential moment in the steady deepening of India-Vietnam ties, reflecting both the maturation of a long-standing partnership amid the sharpening strategic imperatives of the Indo-Pacific. The decision to elevate bilateral relations to an Enhanced Comprehensive Strategic Partnership, along with a wide range of agreements spanning defence, technology, finance, and energy, signals not merely incremental progress but a qualitative shift in the trajectory of the relationship.

The visit comes at a time of heightened geopolitical flux in the Indo-Pacific as Vietnam finds itself navigating an increasingly assertive China in the South China Sea, while India continues to consolidate its Act East policy into a more security-oriented Indo-Pacific strategy. The convergence of threat perceptions, particularly regarding maritime coercion, supply chain vulnerabilities, and strategic autonomy, has provided a durable foundation for bilateral engagement. Indeed, the evolution of India-Vietnam ties has been gradual but structurally consistent, with India's erstwhile Look East (now Act East) policy providing the initial impetus and the elevation to a Comprehensive Strategic Partnership in 2016 enabling institutionalised defence and security cooperation. Since then, regular high-level exchanges, defence dialogues, and capacity-building initiatives have deepened trust.

### The pillar of defence cooperation

Defence cooperation, in particular, has emerged as the backbone of the partnership. In addition to symbolic actions such as the transfer of the missile corvette, *INS Kirpan* (in 2023), India has offered Vietnam finance lines, training assistance, and maritime cooperation structures. The



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Indo-Pacific dynamics are reshaping the India-Vietnam bilateral relationship

current debates around the possible shipment of BrahMos supersonic cruise missiles demonstrate a change in the deterrence calculation in the South China Sea from capacity-building to capability enhancement.

Similarly, economic ties, while less prominent historically, are now acquiring greater salience. Bilateral trade has crossed \$16 billion, with an ambitious target of \$25 billion by 2030, underscoring the recognition of untapped potential. A move toward next-generation economic participation is shown in the focus on supply chain resilience, rare earth collaboration, and digital payment integration. Moreover, Vietnam's position as an Association of Southeast Asian Nations (ASEAN) manufacturing powerhouse makes it an essential partner for India's diversification plans, especially in terms of scaling back reliance on supply chains that are mostly focused on China.

### The regional impact

This deepening partnership has important regional ramifications. First, the relationship between India and Vietnam forms an important component of multilateral balancing in the Indo-Pacific.

Together with Japan, Australia, and the United States, both nations contribute to a wider network of strategic alliances that fight to maintain a rules-based maritime order, even if they are not legally included in U.S.-led alliance structures. A common normative framework intended to combat unilateralism in the South China Sea is shown in the explicit focus of joint statements on the "rule of law, peace, and stability".

Second, the partnership underscores the growing centrality of ASEAN in India's Indo-Pacific vision. Vietnam, as one of ASEAN's more geopolitically assertive and strategically

consequential members, serves as a linchpin for India's deeper engagement with Southeast Asia. At the same time, Hanoi's own foreign policy, characterised by diversification and strategic hedging, finds a natural complement in India's multipronged partnership approach.

Third, the expansion of cooperation into areas such as critical minerals and emerging technologies points to the evolving nature of strategic competition in the Indo-Pacific. Partnerships such as the India-Vietnam partnership will be crucial in shaping alternative economic architectures as global supply chains become more securitised. The agreements made during the visit point to an effort to move beyond conventional economic ties in favour of a more comprehensive framework for economic security.

### Structural issues

Looking ahead, the trajectory of India-Vietnam ties will depend on the ability of both sides to translate strategic intent into operational outcomes. Implementation gaps, particularly in trade, connectivity, and defence industrial cooperation, remain despite the strong political and strategic alignment. For example, navigating scientific, financial, and geopolitical obstacles will be necessary to realise defence exports such as BrahMos. In a similar vein, resolving structural obstacles, including logistics, legal frameworks, and private sector involvement, will be necessary to meet the ambitious trade goals.

India-Vietnam relations are likely to become increasingly embedded within the evolving architecture of the Indo-Pacific. Partnerships that combine functional cooperation with strategic trust will become more important as great power competition heats up. Hence, Mr. Tô Lâm's visit is more about marking the beginning of bilateral ties as a mature, multifaceted partnership than about a single diplomatic milestone.

**GS Paper II: International Relations**

**UPSC Mains Exam Practice Question:** Examine the significance of India-Vietnam defence cooperation in the context of changing power dynamics in the South China Sea. (250 Words)

**Context :** The state visit of Vietnamese President Tô Lâm to India in **May 2026** marks a paradigm shift in Southeast Asian geopolitics. By elevating ties to an **Enhanced Comprehensive Strategic Partnership**, the two nations have

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# Daily News Analysis

moved beyond traditional diplomacy into a robust security and economic alliance aimed at balancing power in the Indo-Pacific.

## Key Highlights of the 2026 Summit

Dimension	Key Developments
<b>Strategic Status</b>	Elevation to <b>Enhanced Comprehensive Strategic Partnership</b> .
<b>Defense</b>	Shift from "capacity-building" to "capability enhancement"; discussions on <b>BrahMos missile</b> exports.
<b>Economics</b>	Bilateral trade target of <b>\$25 Billion by 2030</b> ; focus on rare earths and supply chains.
<b>Technology</b>	Integration of <b>Digital Payment systems</b> (UPI-VietQR) and semiconductor collaboration.

## Core Pillars of the Enhanced Partnership

### 1. Defense: From Symbolism to Deterrence

Defense has transitioned from being a supportive pillar to the "backbone" of the relationship.

- **Hardware Transfer:** Following the 2023 gift of the missile corvette *INS Kirpan*, India is now looking at high-end lethal exports.
- **The BrahMos Factor:** The potential shipment of BrahMos supersonic cruise missiles represents a qualitative change in Vietnam's deterrence against maritime coercion in the South China Sea.

### 2. Economic Security and Supply Chain Resilience

With global supply chains becoming "securitized," India and Vietnam are positioning themselves as alternatives to China-centric models.

- **Manufacturing Powerhouse:** Vietnam's status as an ASEAN manufacturing hub complements India's "Make in India" initiative.
- **Critical Minerals:** Agreements on rare earth elements are vital for both nations' green energy and semiconductor ambitions.

### 3. Maritime Order and Minilateralism

While not part of a formal military bloc, India and Vietnam act as a "minilateral" counterbalance.

- **Rules-Based Order:** Both nations emphasized the **UNCLOS (United Nations Convention on the Law of the Sea)** to combat unilateralism in the South China Sea.
- **Strategic Autonomy:** Both Delhi and Hanoi share a history of "strategic hedging," preferring a multipolar world where no single power (China or the US) dominates the region.

## Structural Challenges and Implementation Gaps

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Despite the "Enhanced" status, several hurdles remain:

- **The "Execution" Gap:** Translating high-level strategic intent into ground-level operational outcomes (e.g., actual delivery of BrahMos) faces financial and geopolitical obstacles.
- **Logistics & Legalities:** Achieving the \$25 billion trade target requires streamlining legal frameworks and improving physical connectivity/logistics between the two regions.
- **Private Sector Involvement:** Much of the current cooperation is government-to-government; deeper integration requires the Indian private sector to view Vietnam as a long-term investment destination.

### Conclusion

The India-Vietnam partnership is no longer just a component of India's "Act East" policy; it is a central pillar of its **Indo-Pacific strategy**. For Vietnam, India provides a reliable, non-coercive partner that respects its strategic autonomy. As great power competition intensifies, this "mature and multifaceted" partnership will be crucial in ensuring that the Indo-Pacific remains a zone of "rule of law" rather than "rule of might."

