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Headlines:

- MGNREGA to VB-G RAM G: Employment Guarantee in Transition
- India–US Trade Pressure and Strategic Autonomy
- Bangladesh: Democratic Transition and Foreign Policy
- Persian Gulf Security: Beyond the U.S. Security Umbrella
- PM CARES Fund: Transparency and Utilisation Concerns

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1. MGNREGA to VB-G RAM G: Employment Guarantee in Transition

GS-II – Social Justice, Welfare Schemes, Centre–State Relations | GS-III – Rural Economy, Employment, Inclusive Growth

Why in News?

- Employment generation under VB-G RAM G has sharply declined during its initial months, raising concerns over the transition from MGNREGA and rural livelihood security.
- April–July 2026 generated around 70 crore person-days, nearly 43% below the average of the preceding two years.

Key Developments

- **Policy Transition:** MGNREGA was replaced by the Viksit Bharat–Guarantee for Rozgar and Ajeevika Mission (Gramin) from July 1, 2026.
- **Implementation Gap:** Delayed Rules and administrative transition created uncertainty, affecting the initiation of works during April–June.
- **Employment Decline:** In 10 of 19 major States, employment generation reportedly fell by 60–85%; some major States witnessed near-standstill.
- **Budgetary Provision:** Union allocation for VB-G RAM G is ₹95,692 crore, with total expenditure including State contributions projected at around ₹1.5 lakh crore.
- **Wage Provision:** A minimum norm of ₹300/day was notified for VB-G RAM G.
- **Employment Guarantee:** The framework remains significant for providing wage employment and livelihood support to rural households, particularly during lean agricultural periods.

Key Concerns

- **Rural Livelihoods:** Reduced wage employment can weaken income security and rural purchasing power.
- **Funding & Federalism:** Centre–State cost-sharing may influence implementation and fund availability.
- **Technology & Exclusion:** Facial recognition at worksites may create authentication and accessibility concerns.
- **Implementation Capacity:** Higher budgetary allocation does not automatically translate into employment without timely Rules, administrative preparedness and adequate work availability.

Way Forward

- Ensure seamless transition, timely fund release and administrative preparedness.
- Strengthen transparency, social audits and grievance redressal.
- Ensure technology remains inclusive, accessible and non-exclusionary.

2. India–US Trade Pressure and Strategic Autonomy

GS – II: International relations

Why in News?

- The U.S. has reportedly identified India among 40+ countries allegedly enabling Chinese tariff circumvention, raising concerns over possible punitive trade measures.

Strategic Dimensions

- **Strategic Autonomy:** India must balance its U.S. partnership with policy space, economic sovereignty and independent decision-making.
- **Trade Pressure:** Potential U.S. punitive tariffs could affect Indian exports, investment and competitiveness.
- **Diversification vs Decoupling:** India needs alternative supply sources without abruptly disrupting manufacturing dependent on Chinese inputs.
- **Supply-Chain Resilience:** India imported $131.63 billion from China in FY 2025–26, recording a $112.16 billion trade deficit. Reducing excessive dependence while securing critical intermediate goods remains important.
- **Energy & Economic Choices:** External pressure should not compromise India's diversified sourcing and strategic economic choices.

Key Issues

- **Tariff Evasion Allegation:** The U.S. alleges that Chinese goods are routed through third countries after limited processing and subsequently exported to the U.S. at lower tariffs.
- **Rules of Origin:** Strong origin verification is crucial to distinguish genuine value addition from trade circumvention.
- **Chinese Intermediate Goods:** India is increasingly importing intermediate goods from China rather than only finished products, supporting domestic assembly and manufacturing.
- **Make in India:** Abrupt restrictions on Chinese inputs could raise production costs and disrupt Indian manufacturing and export competitiveness.
- **Scale of Allegation:** The U.S. report estimates around $60 billion in Chinese goods were allegedly rerouted through third countries; however, it does not quantify India's specific share or identify specific Indian shipments/exporters.

Way Forward

- Strengthen domestic manufacturing, component production and supply-chain resilience.
- Diversify import sources while avoiding abrupt economic decoupling.
- Improve Rules of Origin, customs verification and trade compliance.

- Pursue issue-based engagement with the U.S. while safeguarding India's strategic autonomy.

3. Bangladesh: Democratic Transition and Foreign Policy

GS-II – India's Neighbourhood, International Relations, Regional Organisations, Democracy & Human Rights

Why in News?

- Bangladesh is undergoing political transformation following the July Uprising of 2024, with renewed emphasis on democracy, inclusive governance, human rights and institutional accountability.

Historical Context

- 1971 & 2024: The 1971 Liberation War remains central to Bangladesh's national identity, while the 2024 uprising represents renewed democratic aspirations.
- The two moments can be viewed as distinct but complementary milestones in Bangladesh's political evolution.

Political & Governance Dimensions

- **Democratic Transition:** The post-uprising phase has highlighted rule of law, human rights, accountable governance and democratic institutions.
- **Inclusive Governance:** The government emphasises equal political, cultural and social rights irrespective of religion, ethnicity or geographical identity.
- **Minority Rights:** Greater institutional attention to religious and indigenous communities reflects the objective of inclusive citizenship.
- **Social Harmony:** Welfare measures and representation of diverse communities seek to strengthen social cohesion and equality.

Foreign Policy

- **Stated Foreign-Policy Approach:** The government advocates a "Bangladesh First" approach based on sovereign equality, national dignity, mutual respect, non-interference and mutual benefit.
- **Neighbourhood Relations:** Bangladesh seeks friendly relations with neighbours while emphasising sovereign equality and mutual benefit.
- **SAARC & Regional Cooperation:** Revitalising SAARC, alongside regional cooperation and connectivity, remains an important priority.

Significance for India

- **Neighbourhood Stability:** Political stability and democratic governance in Bangladesh are vital to India's Neighbourhood First approach.
- **Security:** Cooperation is important for border management, countering transnational crime and maintaining security in India's Northeast.
- **Connectivity:** Bangladesh provides important opportunities for Northeast connectivity, transit, waterways and regional trade.
- **Economic Engagement:** Stable bilateral relations can deepen trade, investment, connectivity and people-to-people ties.
- **Regional Cooperation:** Constructive India–Bangladesh relations can strengthen South Asian regional cooperation.

4. Persian Gulf Security: Beyond the U.S. Security Umbrella

GS-II – International Relations

Why in News?

- The Iran–U.S. conflict has raised questions over the durability of the traditional U.S.-led security architecture in West Asia and the future of stability in the Persian Gulf.

Changing Security Architecture

- **U.S. Security Umbrella:** Decades of American military presence and bases have shaped Persian Gulf security.
- **Emerging Vulnerabilities:** Attacks on U.S. facilities highlight the vulnerabilities of an externally dependent security framework.
- **Regional Strategic Autonomy:** Gulf states may increasingly seek diversified security partnerships and greater capacity for independent security choices.
- **Iran Factor:** The limitations of prolonged containment of Iran strengthen the case for dialogue and regional security mechanisms.
- **Multipolarity:** The region could move towards a more multipolar security order, involving regional and extra-regional powers.
- **Oman's Mediation:** Oman's engagement between Washington and Tehran highlights the role of regional diplomacy and middle-power mediation.

Strait of Hormuz

- A critical global energy chokepoint through which around one-fifth of global seaborne oil flows pass.
- Disruption can increase energy prices, shipping costs and insurance premiums, affecting global supply chains and international trade.

Implications for India

- **Energy Security:** Gulf instability can affect India's energy supplies and import costs.
- **Maritime Security:** Disruption around Hormuz can affect Indian shipping routes and freight costs.
- **Trade & Economy:** Higher energy and transportation costs can increase inflationary and current-account pressures.
- **Diaspora:** Regional instability can create risks for the large Indian community in the Gulf.
- **Strategic Balancing:** India must maintain constructive relations with Gulf states, Iran and the U.S. while preserving strategic autonomy.

Way Forward

- Promote regional dialogue, confidence-building and conflict-resolution mechanisms.
- Encourage a balanced and inclusive Gulf security architecture based on regional ownership and mutual security.
- Strengthen India's energy-source diversification, strategic petroleum reserves and maritime preparedness.

5. PM CARES Fund: Transparency and Utilisation Concerns

GS-II – Governance, Transparency, Accountability, RTI

Why in News?

- Audited financial statements for 2023–24 and 2024–25 show a decline in donations and a sharp decline in utilisation of the PM CARES Fund, alongside concerns over delayed financial disclosures.

Financial Trends

- **Corpus:** Increased from ₹6,722 crore in 2022–23 to ₹8,453 crore in 2024–25, a rise of 25.8%.
- **Utilisation:** Declined from ₹437.9 crore to ₹87.5 lakh during the same period.
- **Donations:** Fell to ₹480 crore in 2024–25, around 30% lower than the previous year.
- **Interest Income:** At ₹475 crore, interest earnings were almost equal to donations, following the reported shift of the corpus from savings accounts to fixed deposits.
- **Total Income:** Reached ₹1,279.9 crore in 2024–25, while the closing balance stood at ₹8,452.06 crore.
- **Refunds:** Refunds from implementing agencies reportedly exceeded the amount ultimately utilised, while details regarding their purpose and agencies were not adequately disclosed.

Transparency & Accountability Concerns

- **Delayed Disclosures:** Financial statements were released after a prolonged delay, raising concerns over timely public disclosure.
- **Implementing Agencies:** Greater clarity is needed regarding agencies receiving funds, allocations made to them and subsequent refunds.
- **RTI Debate:** The Fund continues to be part of a wider debate over transparency, public scrutiny and applicability of the RTI framework.
- **Audit Oversight:** Changes in auditors and delays in publication have raised concerns over the timeliness of financial scrutiny.

Governance & Disaster Management

- **Public Trust:** Large unutilised balances underline the importance of transparent and efficient management of emergency resources.
- **Timely Response:** For an emergency-relief mechanism, efficient utilisation is important to ensure timely assistance during disasters and crises.
- **Financial Governance:** Transparent disclosure of receipts, allocations, utilisation and refunds strengthens accountability and public confidence.

Way Forward

- Ensure timely publication of audited statements and supporting notes.
- Provide greater transparency regarding fund receipts, allocations, implementing agencies and refunds.
- Strengthen independent audit, disclosure and accountability mechanisms.
- Balance rapid emergency response with financial transparency, efficient utilisation and public trust.