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Headlines:

- NCDC (Amendment) Act, 2026 and Cooperative Federalism
- Supreme Court on 'Industry' Definition and Labour Rights
- Youth Unemployment: A Household-Level Economic Burden
- Smart Glasses and the Emerging Privacy Challenge
- India's Evolving Space Sector: ISRO and Private Participation

सत्यमेव जयते

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1. NCDC (Amendment) Act, 2026 and Cooperative Federalism

GS Paper: GS-II – Polity & Governance

Why in News?

- The NCDC (Amendment) Bill, 2026 was passed by the Lok Sabha on 11 August and Rajya Sabha on 12 August 2026, expanding the financial and operational scope of the National Cooperative Development Corporation (NCDC).
- Farmer organisations have raised concerns that the enhanced role of NCDC could increase Union intervention in State-level cooperative societies.

Background: NCDC

- NCDC is a statutory corporation established under the National Co-operative Development Corporation Act, 1962; the Act came into force on 14 March 1963.
- It plans, promotes and finances programmes for cooperative development, including agriculture, foodstuffs, industrial goods and allied sectors.

Key Provisions

- **Direct assistance:** NCDC can provide loans and grants directly to cooperative societies and entities engaged in cooperative development.
- **State-level cooperatives:** NCDC can participate in the share capital of cooperatives operating within a State, subject to Central Government approval.
- **Wider coverage:** Removes the requirement that eligible industrial and village cooperatives must be located in rural areas.
- **Expanded scope:** Broadens activities to include cooperative development and industrial goods, while expanding the definition of foodstuffs.
- **Information sharing:** NCDC can collect and share credit and other relevant information with specified financial institutions and the Central Government.

Constitutional Framework

- **Article 19(1)(c):** Guarantees the right to form cooperative societies.
- **Article 43B:** Directs the State to promote voluntary formation, autonomous functioning, democratic control and professional management of cooperatives.
- **Seventh Schedule – State List, Entry 32:** Covers incorporation, regulation and winding up of cooperative societies.
- **97th Constitutional Amendment, 2011:** Gave constitutional recognition to cooperatives through Part IXB and related provisions.
- **2021 Supreme Court judgment:** Held that Part IXB operates only insofar as it concerns Multi-State Cooperative Societies, thereby preserving the constitutional domain of States over State-level cooperatives.

Significance

- **Financial empowerment:** Wider access to institutional finance can strengthen cooperative enterprises.
- **Rural development:** Can support agricultural processing, storage, marketing and allied activities.
- **Cooperative development:** Greater financial flexibility may help expand cooperative institutions and their economic contribution.

Concerns

- **Federalism:** Greater direct Union involvement may raise concerns over State autonomy.
- **Cooperative autonomy:** Excessive governmental intervention could affect democratic and member-driven functioning.
- **Resource allocation:** Stakeholders fear that expanded sectoral coverage could dilute the traditional focus on agriculture and rural development.

Way Forward

- Ensure Centre–State consultation in implementing the expanded mandate.
- Maintain a clear distinction between State and Multi-State cooperatives.
- Preserve autonomy, democratic control and professional management.
- Ensure NCDC financing remains aligned with inclusive cooperative and rural development.

2. Supreme Court on 'Industry' Definition and Labour Rights

GS Paper: GS-II – Polity & Governance | GS-III – Employment & Labour

Why in News?

- On 20 August 2026, a nine-judge Constitution Bench in State of Uttar Pradesh v. Jai Bir Singh examined the correctness of the BWSSB v. A. Rajappa (1978) interpretation of "industry" under Section 2(j) of the Industrial Disputes (ID) Act, 1947.
- The ID Act was repealed from 21 November 2025 following the commencement of the Industrial Relations Code (IRC), 2020, making the judgment particularly relevant to the transition between the two legal regimes.

Background: BWSSB Judgment, 1978

- The seven-judge Bench adopted a broad, worker-oriented interpretation of "industry".
- Triple Test: An activity generally qualifies as an industry where there is:
    - Systematic and organised activity

- Employer–employee cooperation
- Production/supply of goods or services to satisfy human wants.

- The interpretation brought several service-oriented and welfare institutions within labour-law protection.

Supreme Court's 2026 Position

- Pending disputes: The Bench unanimously held that the BWSSB framework will govern pending disputes under the repealed ID Act, 1947.
- Triple Test: Opinions differed on whether the test required reformulation. The CJI-led four-judge opinion considered its essential framework sound but sought refinement, while other judges found reconsideration unnecessary or upheld the original test.
- IRC, 2020: The Court did not decide the meaning of "industry" under Section 2(p) of the IRC. Its interpretation must be undertaken independently on the basis of its own text, scheme and context.

Sovereign & Welfare Functions

- The reference also examined whether government welfare activities constitute industrial activities.
- Core sovereign functions may stand outside the scope of industrial regulation, but merely being performed by the State does not automatically exclude an activity from labour-law coverage.

Constitutional & Labour Rights Dimension

- Article 42: Directs the State to secure just and humane conditions of work.
- Article 23: Prohibits trafficking, begar and forced labour.
- Labour legislation seeks to address the structural bargaining-power imbalance between employers and workers.
- The issue therefore reflects the constitutional commitment to social and economic justice.

Significance

- Continuity of protection: Prevents pending disputes under the repealed ID Act from losing the legal framework applicable when they arose.
- Legal certainty: Separates legacy ID Act disputes from interpretation of the new IRC.
- Judicial precedent: Demonstrates the balance between precedential stability and doctrinal evolution.

Way Forward

- Interpret the IRC, 2020 independently, based on its statutory text and objectives.
- Balance worker protection with industrial flexibility.

- Ensure labour reforms remain consistent with constitutional social justice and dignified working conditions.

3. Youth Unemployment: A Household-Level Economic Burden

GS Paper: GS-III – Indian Economy

Why in News?

- Recent PLFS 2025 data highlights the wider economic impact of unemployment among educated youth, extending beyond individual joblessness to household financial stress.
- The issue is significant for India's demographic dividend, as prolonged transition from education to employment can result in underutilisation of human capital.

Key Data

- **Youth unemployment:** 14.8% among 18–29-year-olds; rises to 29.4% among tertiary-educated youth.
- **NEET:** 40.1% of tertiary-educated youth are neither in employment, education nor training.
- **Gender dimension:** 74.7% of tertiary-educated young women who are NEET are outside the labour force.
- **Duration:** 58% of unemployed tertiary-educated youth have searched for work for over a year; 28.9% for over two years.

Household-Level Impact

- Around 20.8% of households with tertiary-educated youth support at least one unemployed educated youth.
- Such households spend around ₹1,087 less per month on consumption on average.
- 14.4% have no active earning member, while 39.5% depend on a single earner.
- Nearly 62.5% have no regular salaried worker, increasing vulnerability to prolonged unemployment.

Broader Implications

- Human-capital wastage: Education does not translate into productive employment.
- Demographic dividend risk: Delayed employment weakens the economic gains from India's young population.
- Gender exclusion: High female NEET levels indicate barriers beyond job availability, including labour-force withdrawal.

- Social mobility: Families may be forced to accept lower-quality jobs to cope with financial pressures.

Policy Gaps

- Current interventions emphasise skilling, apprenticeships and hiring incentives, but insufficiently address long job-search periods and recruitment delays.

Way Forward

- Reduce recruitment delays and improve school-to-work transitions.
- Expand quality job creation, apprenticeships and industry-linked skilling.
- Target female employment barriers and improve childcare and workplace support.
- Track duration of unemployment and household vulnerability, not merely unemployment rates.

4. Smart Glasses and the Emerging Privacy Challenge

GS Paper: GS-II – Polity & Governance | GS-III – Science & Technology

Why in News?

- The growing use of AI-powered smart glasses with cameras, microphones and speakers has raised concerns over covert surveillance, non-consensual recording and personal-data collection.
- The technology highlights the challenge of keeping privacy safeguards aligned with rapidly evolving AI and wearable technologies.

Technology & Privacy Risks

- **Inconspicuous surveillance:** Discreet cameras can make it difficult for bystanders to know when they are being recorded.
- **Continuous data capture:** Extended battery life enables prolonged recording of surroundings, conversations, documents and activities.
- **Sensitive information:** Incidental recording may capture private spaces, medical information, confidential documents and personal conversations.
- **Women & children:** Covert surveillance can facilitate cyber harassment, non-consensual intimate imagery and child sexual abuse material.

Constitutional Dimension

- **Article 21:** K.S. Puttaswamy v. Union of India (2017) recognised privacy as a fundamental right.

- **Reasonable expectation of privacy:** Individuals may retain legitimate privacy expectations even in public settings, particularly against detailed or continuous surveillance.
- **Constitutional balancing:** Privacy is not absolute and must be balanced with legitimate State and public interests, subject to constitutional safeguards.
- Emerging technologies therefore raise concerns regarding consent, dignity, autonomy and informational self-determination.

Legal & Regulatory Framework

- **DPDP Act, 2023:** Provides a technology-neutral framework for processing digital personal data.
- **Regulatory challenge:** Covert recording creates practical difficulties regarding notice, consent, lawful processing and rights of individuals captured incidentally.
- The challenge is greater when recorded persons have no meaningful opportunity to know or object.

Broader Concerns

- **Regulatory lag:** Technological innovation may outpace legal safeguards.
- **Accountability:** Clear responsibility is needed for misuse, storage, sharing and secondary use of captured data.
- **Innovation vs privacy:** Blanket bans are impractical as wearable technologies expand.

Way Forward

- Adopt privacy-by-design through:
  - Data minimisation
  - Purpose limitation
  - Security safeguards
  - User control
  - Privacy impact assessments
- Establish clear safeguards for recording indicators, consent and sensitive locations.
- Strengthen AI governance, regulatory capacity and public awareness while enabling responsible innovation.

5. India's Evolving Space Sector: ISRO and Private Participation

GS Paper: GS-III – Science & Technology

Why in News?

- A debate has emerged over the changing role of ISRO amid expanding private participation in India's space sector.
- The government maintains that ISRO is being enabled to focus on frontier technologies and strategic missions, while industry undertakes manufacturing and commercial activities at scale.

Institutional Transition: NewSpace India

- India is moving from an ISRO-centric model towards an ecosystem approach.
- **ISRO:** Increasing focus on frontier R&D, advanced technologies and strategic missions.
- **Industry:** Greater role in manufacturing, commercial launches, satellite production and supply-chain development.
- This transition seeks to combine public-sector technological capability with private-sector innovation and scale.

Growing Private-Sector Role

- **Launch vehicles:** Private firms are developing indigenous launch systems and commercial launch services.
- **Manufacturing:** Industry can undertake large-scale production of rockets, satellites and components.
- **Supply chains:** Greater private participation can create a competitive domestic space-industrial ecosystem.
- **Innovation:** Start-ups can accelerate development of new space-based products and services.

Institutional Framework

- **Indian Space Policy, 2023:** Provides a framework for wider participation of Non-Government Entities (NGEs) across the space sector.
- **IN-SPACe:** An autonomous single-window nodal agency under the Department of Space that promotes, authorises and facilitates private-sector space activities.
- **NSIL:** Commercialises ISRO-developed technologies, products and services and facilitates industry participation.

Significance

- **Space economy:** Expands India's commercial space market and attracts private investment.

- **Economies of scale:** Private manufacturing can enable higher launch frequency, standardisation and lower costs.
- **Innovation & jobs:** Encourages entrepreneurship, high-skilled employment and technology development.
- **Strategic autonomy:** Strengthens domestic capabilities in critical space technologies.

Challenges

- **Technology transfer:** Ensuring effective transfer of mature ISRO technologies while protecting strategic technologies and intellectual property.
- **Capital intensity:** Space activities require substantial investment and specialised capabilities.
- **Regulatory clarity:** Need predictable frameworks for licensing, liability, spectrum and space activities.
- **Security:** Commercialisation must remain aligned with national-security requirements.

Way Forward

- **Maintain a clear division:** ISRO – frontier R&D & strategic missions; industry – manufacturing & commercial scale-up.
- Strengthen IN-SPACe, technology transfer, private R&D and domestic supply chains.
- Promote responsible, secure and cost-effective expansion of India’s space ecosystem.