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Why does handloom remain a key part of India's economy?

The sector supports millions of livelihoods, but declining returns and fragmented markets threaten its future

Priyambada Jayakumar

The story so far:

From the Swadeshi Movement's boycott of British textiles to Mahatma Gandhi's adoption of the spinning wheel as a symbol of self-reliance, weaving became an instrument of economic resistance and national identity. National Handloom Day, marked on August 7, commemorates the launch of the Swadeshi Movement in 1905 and honours generations of Indian weavers.

A legacy beyond craft

Today's handloom sector is often viewed as a small artisanal activity – important culturally but peripheral economically. Long before the Industrial Revolution transformed manufacturing in Europe, India's handlooms were among the world's greatest industrial enterprises. Indian textiles travelled across continents, powered global trade and established India's reputation as one of history's foremost manufacturing economies. Handloom was the backbone of India's manufacturing strength and one of the foundations of its global influence.

The sector remains far more significant than it is generally acknowledged. It provides livelihoods to more than 35 lakh weavers and allied workers across over 31 lakh households, with women constituting nearly 70% of the workforce. It remains one of rural India's largest sources of non-farm employment while producing nearly 15% of the country's cloth despite relying largely on manual technology. Few manufacturing sectors create as many jobs with such modest capital investment.

While celebrated traditions continue to enjoy strong recognition, hundreds of lesser-known weaving traditions face gradual extinction. Younger generations are leaving the profession as returns diminish, markets remain fragmented and traditional skills are no longer transferred within families. Every disappearing weave represents not merely the loss of a product but the disappearance of centuries of accumulated knowledge, distinctive design vocabulary, and cultural identity. Therefore, protecting handloom heritage is not only an economic necessity but also our civilisational duty.

The government's recent policy and programme support seems to be making a difference. The National Handloom Development Programme has focused on skill development, design innovation, technology adoption, branding, and improved market access. Greater integration with e-commerce platforms and expanding export opportunities have enabled many artisan clusters to reach consumers who were previously inaccessible.

Several success stories illustrate what targeted intervention can achieve. The revival of *Tangaliya* weaving in Gujarat, the transformation of Badturang village in Odisha's Sambalpur district and the growing popularity of Siddipet *Gollabhama* sarees demonstrate that traditional crafts can thrive when design, market access and institutional support converge. It was more than just a fashion statement when Brad Pitt wore a handcrafted shirt in the traditional *Tangaliya* weave in the *F1* film.

The Office of the Development Commissioner for Handlooms, in collaboration with UNESCO, has initiated the identification and documentation of India's languishing and endangered weaves. This should be extended to every nook and corner of the country. This aligns with Textiles Secretary Neelam Shami Rao's focus on promoting India's rich, Geographical Indication (GI)-tagged handloom and handicraft products and strengthening their presence in domestic and international markets.

Making handloom aspirational

The next phase of policy must shift from preservation to aspiration. For younger consumers, especially Gen Z, handloom must become contemporary, fashionable, and aspirational rather than merely traditional. Celebrity ambassadors, collaborations with leading designers, limited-edition collections, digital storytelling, and partnerships with influencers can reposition India's weaves as premium lifestyle products. The objective should not be to celebrate handloom because it is old, but because it represents craftsmanship, sustainability, and exclusivity. Limited production should become a premium feature.

India must also think beyond domestic markets. The world increasingly values authenticity, sustainability, and handcrafted luxury – all areas where Indian handlooms enjoy a natural competitive advantage. Expanding exports, however, will require consistent quality standards, stronger branding, better GI protection, and vigilant action against cultural misappropriation.

Measuring the contribution

India should leverage its traditional weaves, which for some global markets are ancient imports, to build its soft power. Unlike most manufacturing sectors, India's handloom economy is inadequately measured. Policymakers need reliable data on its contribution to GDP, exports, tax revenues, employment and household incomes. Better measurement will enable better policy and allow the sector to be recognised for the economic value it already creates.

Similarly, establishing a national platform through which States, producer organisations and cooperatives can exchange successful practices would accelerate innovation across the sector.

Handloom is not a relic of India's past; it is a strategic asset for its future. Few sectors simultaneously generate rural employment, empower women, preserve cultural heritage, promote sustainability, and strengthen India's global brand. As the country pursues the vision of Viksit Bharat, handloom deserves to be viewed as a serious economic sector. The measure of success will be how many looms remain active, profitable, and capable of attracting the next generation of weavers.

(Priyambada Jayakumar is a historian, public speaker, handloom advocate, and the author of 'The Man Who Fed India')

1. Context [GS-I – Indian Culture | GS-III – Economy, Employment & MSMEs]
National Handloom Day (7 August) commemorates the Swadeshi Movement launched in 1905 and highlights handloom as both a source of rural employment and an important component of India's cultural and economic heritage.

2. Economic Significance
- Supports 35+ lakh weavers and 31+ lakh allied workers across 31 lakh households; nearly 70% of the workforce is women.
- Produces nearly 15% of India's cloth, despite being largely manual and low-capital intensive.
- Provides major non-farm rural employment, particularly for women and traditional artisan communities.

3. Cultural & Heritage Value
- Preserves traditional knowledge, indigenous designs and regional identities accumulated over generations.
- Diverse traditions such as Tangaliya (Gujarat), Sambalpuri (Odisha) and Siddipet/Gollabhama demonstrate the sector's cultural diversity.
- Geographical Indication (GI) recognition and documentation can protect traditional weaves from cultural misappropriation.

4. Key Challenges
- Declining returns and fragmented markets → younger generations are leaving the profession.
- Skill transmission gap → traditional techniques risk disappearing.
- Limited technology, branding, finance and market access reduce competitiveness.
- Lack of reliable data on GDP contribution, exports, employment and household income makes policy planning difficult.

5. Policy Link & Way Forward
- National Handloom Development Programme → skill development, design innovation, technology adoption and market access.
- Integrate artisans with e-commerce and export markets; strengthen GI protection and branding.
- Shift from merely preserving handloom to making it aspirational and commercially viable through designer collaborations, limited editions and digital storytelling.
- Establish a national handloom data platform to measure employment, income, exports and productivity and share best practices among States.

Agasthyamalai eviction orders still silence Forest Rights Act

The FRA does not require that traditional forest-dwellers need to occupy the land they are claiming for three generations before 2005 nor does it prohibit commercial activities on all forest lands – yet the administration and the judiciary have hampered its implementation on these grounds

C.R. Bijoy

Angry outbursts and tears of desperation swept the hillsides in the Agasthyamalai Biosphere Reserve (ABR), particularly in Theni. In the last few weeks, the Forest Department has issued eviction notices to thousands of households on the Tamil Nadu side alleging they had encroached on forest land.

Based on the findings and recommendations of the Central Empowered Committee (CEC), the Supreme Court directed a time-bound encroachment eviction plan, rehabilitation where applicable, legal action against wilful violators, and post-eviction ecological restoration.

It also imposed additional penalties against 118 government servants found to be encroachers, and ordered the dismantling of all structures, utilities, logistical facilities, etc. within encroached forest areas.

Finally, the Bench prohibited the diversion of forest land or the start of new non-forest activities within the ABR until all encroachments had been removed.

Likewise, it granted immunity from prosecution to all forest, police, revenue, and other officials involved in surveying, demarcating, and removing encroachments as part of this exercise except in cases involving *mala fide* or arbitrary action. Significantly, the court directed the CEC to recommend the deployment of paramilitary forces if the Tamil Nadu government failed to comply with the court's directions.

The State is also to decide on the utilisation, retention, relocation or removal of all infrastructure and other establishments belonging to the Bombay Burmah Trading Corporation, Ltd. (BBTCL) in the Kalakkad Mundanthurai Tiger Reserve, in consultation with the CEC.

Historical injustice

Parliament enacted the Forest Rights Act (FRA) in 2006 to undo the historical injustice suffered by forest dwellers. It recognised and vested forest rights on forest-dwelling Scheduled Tribes and other traditional forest dwellers who had occupied forest land before December 13, 2005.

The FRA provided for a transparent process for these individuals to claim their individual and community rights, to be verified and approved by gram sabhas. Six-member sub-division- and district-level committees – with representatives from the Revenue, Tribal, and Forest Departments and the elected members of panchayats – have to examine the claims and issue titles. Those forest land occupations that didn't fall within the FRA's scope could then become the actual encroachment.

But over the years, State governments, the CEC, the Forest Departments, and even the Supreme Court have ignored this basic legal fact. Despite the FRA having operated for two decades, no official has asked for data on forest land occupation falling outside the FRA's scope nor has such information been presented to the public – making the data presented on encroachment and encroachers in any forum suspect.

Agasthyamalai is a 3,500 sq. km biosphere reserve within Tamil Nadu and Kerala. SPECIAL ARRANGEMENT

In fact, in the recent hearings, the Supreme Court should have hauled up the recalcitrant State governments for poor FRA implementation. The Tribal Department, which is the nodal department to implement the Act, has also been problematically silent over these infirmities.

The FRA also prohibits authorities from evicting people who have allegedly encroached on forest land "till the recognition and verification procedure is complete". Violating these forest rights has been described as an atrocity under the SC/ST (Prevention of Atrocities) Act, 1989, since 2016. Yet courts and officials have continued to breach this principle.

Nowhere does the FRA produce a requirement that other traditional forest dwellers have to have occupied the land they are claiming for three generations (75 years) before 2005. Nor does the Act prohibit commercial activities on all forest lands or cultivating commercial crops there. In fact, the FRA defines "bonafide livelihood needs" to include the "sale of surplus produce arising out of exercise of such rights". It also explicitly permits grazing on all forest lands. Yet the administration and the judiciary have hampered the FRA's implementation on these dubious grounds.

CEC's findings

The ABR spans 3,500 sq. km across Kerala (including parts of Pathanamthitta, Kollam, Idukki, and Thiruvananthapuram) and Tamil Nadu (Tirunelveli, Kanyakumari, Tenkasi, Theni, and Dindigul).

It also covers protected areas as Kalakad-Mundanthurai Tiger Reserve, the Srivilliputhur-Megamalai Tiger Reserve, the Nellai Wildlife Sanctuary, and the Kanyakumari Wildlife Sanctuary in Tamil Nadu. In Kerala, it includes the Periyar Tiger Reserve and the Shendurney Wildlife Sanctuary.

In March 2025, the Supreme Court directed the CEC to conduct an extensive survey of the entire Agasthyamalai landscape and report within three months on non-forestry activities in violation of the Forest Conservation Act 1980 and the Wild Life (Protection) Act 1972.

The Supreme Court directed a time-bound encroachment eviction plan, rehabilitation where applicable, legal action against wilful violators, and post-eviction ecological restoration at the Agasthyamalai Biosphere Reserve

Based on inputs from the Forest Departments, field visits besides, and the previous Madras High Court orders pertaining to Megamalai, the CEC submitted its interim report on July 10, 2025, and the final report on January 16, 2026. The Court's latest directions were based on the contents of these reports. Five of its findings follow:

(i) Srivilliputhur-Megamalai Tiger Reserve: Around 4,595 individuals encroached 5,071.2 ha across Varusanadu, Megamalai, Gandamanur, and Chinnamanur, per 2020 records. The Theni district magistrate reported 4,601 encroachers had occupied 5,072.6 ha. The CEC also recorded 118 serving or retired government employees had encroached 15 ha.

(ii) Kalakad- Mundanthurai Tiger Reserve: Of the 3,388.6 ha of land leased to BBTCL – of the Wadia Group – roughly 3,300 ha had been handed over to the Forest Department in May 2025. The remaining 89.6 ha housed factories, offices, schools, common places with shops, weigh bridges, etc. Their dismantling was to be completed shortly. Another 10.1 hectares had been occupied by 99 families of workers involved in building the Papanasam Upper and Lower Dams in 1942.

(iii) Kanniyakumari Forest Division: Some 427.4 ha had been encroached by 553 persons, of which 237 ha by 47 persons was involved in court cases.

(iv) Periyar Tiger Reserve: About 700 non-tribal inhabitants have lived on tea estates in core areas since the early 20th century.

(v) Shendurney Wildlife Sanctuary: 1.3 ha had been occupied by tribal people in Kattilappara and Rosemala settlements.

Petitions dismissed

The apex court's new orders relate to appeals against the Madras High Court order denying the petitioners' claims about implementing FRA in Manjolai tea estate and rehabilitating evicted estate workers. The court subsequently extended the case's scope to cover ABR, inside which the estate is located.

The lease of the 3,388.7 ha of land leased to BBTCL for 99 years was set to expire in 2028. The Tamil Nadu government declared this land to be part of the critical tiger habitat of the Kalakkad Mundanthurai Tiger Reserve in 2007, notified it as reserve forest in 2023, and issued the eviction notice in 2023. BBTCL then initiated a voluntary retirement scheme for its workers.

These workers filed several PILs and writ petitions challenging the scheme as well as the State's actions, but the Madras High Court and the Supreme Court both dismissed them in 2024 and 2025.

One petition had contended that as the estate had been set up in 1929, the workers should be considered for forest claims under the FRA as 'other traditional forest-dwellers' fulfilling residence in the region for three generations. But the High Court declared these workers to be estate employees, not forest dwellers, and circumscribed them from the FRA's ambit.

Thus, the historical injustice continues.

(C.R. Bijoy examines natural resource conflicts and governance issues. cr.bijoy@gmail.com)

26. Under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, who shall be the authority to initiate the process for determining the nature and extent of individual or community forest rights or both?

(a) State Forest Department

(b) District Collector/Deputy Commissioner

(c) Tahsildar/Block Development Officer/Mandal Revenue Officer

(d) Gram Sabha

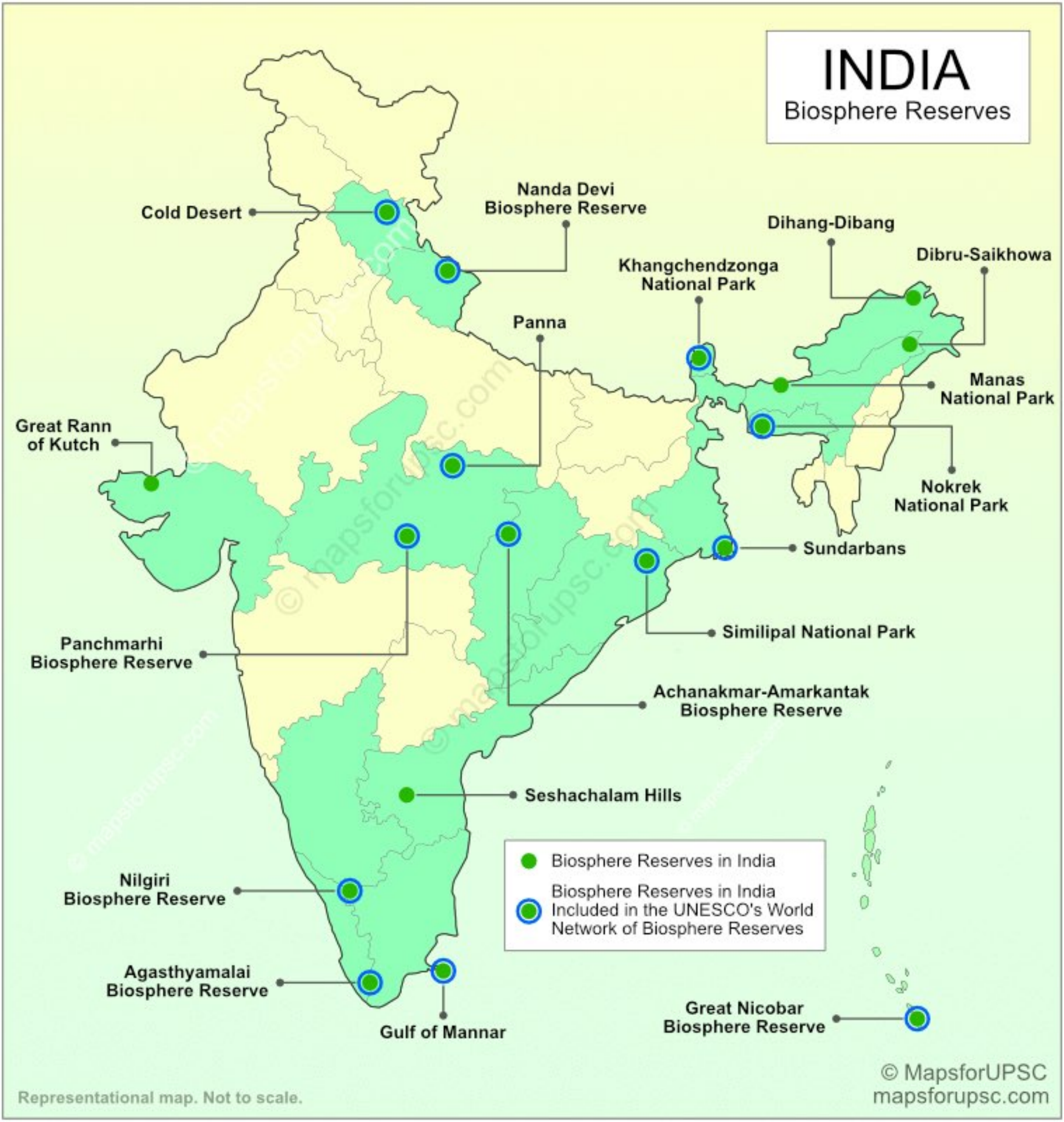
84. At the national level, which ministry is the nodal agency to ensure effective implementation of the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006?

(a) Ministry of Environment, Forest and Climate Change

(b) Ministry of Panchayati Raj

(c) Ministry of Rural Development

(d) Ministry of Tribal Affairs



INDIA
Biosphere Reserves
Cold Desert
Nanda Devi
Biosphere Reserve
Dihang-Dibang
Dibru-Saikhowa
Khangchendzonga
National Park
Panna
Manas
National Park
Great Rann
of Kutch
Nokrek
National Park
Sundarbans
Similipal National Park
Panchmarhi
Biosphere Reserve
Achanakmar-Amarkantak
Biosphere Reserve
Seshachalam Hills
Biosphere Reserves in India
Biosphere Reserves in India
Included in the UNESCO's World
Network of Biosphere Reserves
Nilgiri
Biosphere Reserve
Agasthyamalai
Biosphere Reserve
Gulf of Mannar
Great Nicobar
Biosphere Reserve
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Representational map. Not to scale.

1. Context [GS-II – Tribal Rights & Governance | GS-III – Environment]

Eviction notices in the Agasthyamalai Biosphere Reserve have brought into focus the conflict between forest conservation and the legally recognised rights of forest-dwelling communities. The key question is whether affected households are eligible Forest Rights Act rights-holders or illegal encroachers.

2. Forest Rights Act, 2006

- Recognises Individual Forest Rights (IFR) and Community Forest Rights (CFR) of eligible forest-dwelling Scheduled Tribes and Other Traditional Forest Dwellers (OTFDs).
- OTFDs: must have primarily and genuinely resided in and depended on forest land for livelihood for at least 3 generations (75 years) before 13 December 2005.
- Gram Sabha initiates and verifies claims; Ministry of Tribal Affairs is the nodal Ministry.
- Rights recognised under the Act must be distinguished from post-cut-off illegal encroachments.

3. Agasthyamalai Biosphere Reserve

- Located in the southern Western Ghats, across Kerala and Tamil Nadu; area ~3,500 sq km.
- Part of UNESCO's Man and the Biosphere (MAB) Programme since 2016.
- Major protected areas include Neyyar Wildlife Sanctuary, Peppara Wildlife Sanctuary and Shendurney Wildlife Sanctuary (Kerala) and Kalakad–Mundanthurai Tiger Reserve (Tamil Nadu).
- Important for Western Ghats biodiversity, high endemism and tribal communities, including the Kani.

4. Conservation–Rights Balance

- Conservation: prevent illegal encroachment and protect biodiversity and wildlife habitats.
- Rights: ensure legitimate Forest Rights Act claims are recognised before eviction.
- The Supreme Court's directions on time-bound eviction of illegal encroachments, rehabilitation where applicable and ecological restoration make proper identification of genuine rights-holders especially important.

ILLUSTRATION: AJAYA MOHANTY

Learning from self-help groups

Policymakers may look at experimenting with a lower interest rate (thereby costs) for small retail repetitive savings in order to encourage the poor to save

The self-help group (SHG) movement is the most significant innovation in the rural financial landscape in many decades. It challenged many myths and proved that counter-intuitive thinking could work if we are able to embrace and formalise the attributes of informal exchanges. The policy question is whether we nurture a system coming from the grassroots and allow them to naturally grow or infuse growth hormones.

The movement started with savings, a counter-intuitive initiative in the rural financial system. This was the first instance where credit was not talked about as a credo. This movement also targeted poor women in rural areas, circumventing the patriarchal belief that the head of the household, who is usually male, should be at the centre of poverty-related intervention. People may explain this by saying that women have a natural tendency to save because they are caregivers of the family. But we need to look beyond. The design of the programme reveals that, even if we agree with the gender argument, it was basically a product-design argument.

Women saved predictable, fixed and small amounts regularly (weekly or monthly, depending on how the groups were formed); they pooled the money in a meeting on a pre-specified day; the meeting was held in an open area, proximate to where the women lived; and most of the groups did not pay interest, but women nevertheless saved because they wanted to put some money away, in a place that they trusted. If one were to see the effect of discipline and accumulation, then SHGs give a good example of how that was managed.

REPROSPECT

M S SRIRAM

But savings were not the end. Those were then lent within the group to people who needed cash, on which the community charged interest. The interest rate on loans was pegged to the informal rates to ensure very little arbitrage. The rates were articulated on local terms, as some paise per rupee per month, rather than the annual percentage rate. Basically, the groups were talking in a language that the women understood. This was a closed loop "local bank". The accumulated surplus was distributed as gifts for Diwali and Dusshera annually, making the product design culturally relevant. Leveraging on the accumulated savings with bank linkage for a group loan was the next natural step as they (the group) were gradually formalising.

Instead of looking at what SHGs brought to the table comprehensively, the co-option of the movement by the state took it back to the old thought process of achieving poverty alleviation and livelihood augmentation through group funds given as grants for on-lending as subsidised credit, encouraging higher leverage. As a result, we have a peculiar situation in multiple groups and their community organisations that have idle cash, while the members cannot borrow because of extant default.

The SHG movement was a golden opportunity for the banking system to embed the groups by using their economies of aggregation on both sides of their balance sheet but the banks had to be dragged to the party.

Whenever one talks of small savings of the poor, the refrain is that unit economics does not work for a large bank. This is where we need to learn from informal systems, much the way microcredit learnt from informal systems. We need to understand the pain point and address it, rather than take a paternalistic view. The customers may not be able to read and write, but they are not idiots. They understand the value propositions and are not bothered about the transmission of a few basis points following a monetary policy interest-rate modification. In microcredit, the focus is on access, ease of transaction, and proximity rather than competing on pricing. A similar approach must be adopted in formalising the savings of the poor. In most of the informal arrangements we find that the poor look for safety, proximity and ease of transactions rather than returns. In some cases, they even pay to put their savings away. Therefore, policymakers may look at experimenting with a lower interest (thereby costs) for small retail repetitive savings in order to encourage the poor to save, by solving for access.

One SHG in Ananthapur, Andhra Pradesh, innovated on an insurance product, seeing it as an extension of savings. This experiment is worth noting. Insurance products sold by microfinance companies to the poor are loan cover masquerading as life cover. And then there is also health insurance, with no credible cashless settlement facility. Both should be treated as mis-selling.

The group in Ananthapur found an insurance agent to help them (the group) get a long-term endowment policy, where they would get their money back in case no adverse event happened during the duration of the policy. There was a catch: The insurance company would not allow a monthly premium payment because the group was not large enough and the sum assured was small. The group just got all the members to sign up for an annual premium payment. They got an interest-free loan for each member to pay the annual premium. Thus, it was effectively a monthly premium for the SHG members. Half the premium was paid from the group fund — the accumulated profits of the group. The genius of not only looking at life cover, but doubling it up as savings, is worth noting. This demonstrates that unit economics can be easily overcome if we are imaginative in how we structure the last mile.

It is time policymakers and markets stopped taking cover with the argument that savings products are not for the poor. It is time we stopped paternalising financial literacy and empowerment. Design an appropriate product and the poor will see reason. The providers are not seeing the point, not that the poor are unable to save. Hope there will be more conversations, and the conversations will lead to conversion into an actionable initiative.

The writer is professor, Centre for Public Policy, Indian Institute of Management, Bangalore

Context [GS-II – Social Justice & Women Empowerment | GS-III – Inclusive Growth & Financial Inclusion]: The Self-Help Group (SHG) movement shows how collective savings, social trust and need-based finance can strengthen the financial resilience of poor households, offering lessons for making formal banking more inclusive.

What is a Self-Help Group?

A Self-Help Group is a voluntary group, generally of 10–20 members, that pools regular savings, provides small internal loans and collectively accesses formal financial services.

1. SHGs as a Financial Inclusion Model

1) **Savings-led inclusion**: Small, regular savings build financial discipline and reduce dependence on informal lenders.
2) **Social collateral**: Peer monitoring and collective responsibility reduce information asymmetry and lending risk for banks.
3) **Last-mile banking**: Under the Deendayal Antyodaya Yojana–National Rural Livelihoods Mission (DAY-NRLM), 90.91 lakh SHGs covering 10.05 crore rural households had been mobilised by December 2025.

2. SHGs as Women-led Development

1) **Financial autonomy**: Access to savings and credit strengthens women's control over resources and household decisions.
2) **Collective empowerment**: Group-based action improves bargaining power, confidence and participation in community institutions.
3) **Financial protection**: SHGs can provide access not only to credit but also insurance, pensions and other risk-management products.
4) **Institutional credit**: SHGs accessed ₹12.18 lakh crore of bank credit since 2013–14, demonstrating their growing integration with formal finance.

3. Core Lesson for Formal Banking

1) **Customer-centric banking**: Banks should adapt products to the poor's small savings, irregular incomes and frequent transactions, rather than imposing conventional products.
2) **Beyond credit**: Financial inclusion should combine savings + credit + insurance + pensions + livelihood support.
3) **Enterprise orientation**: Credit must be complemented by skills, technology, market linkages and infrastructure to convert financial access into sustainable livelihoods.
4) **Trust-based delivery**: SHG networks can reduce the cost and difficulty of last-mile financial service delivery.

The cost of unconditional cash transfers

Data show that an overemphasis on cash transfer schemes is bound to eat into investments needed for other public service sectors such as education

DATA POINT

Dipa Sinha
Vijay Ram S.

On August 1, the Delhi Chief Minister launched the Lakshmi Yojana which will provide eligible women with an Unconditional Cash Transfer (UCT) of ₹2,500 per month, fulfilling one of the ruling party's central promises during the Assembly elections. With this, Delhi joins the list of States/UTs which now have such a UCT scheme for women.

Over the last two years, many studies, including the Economic Survey and the 16th Finance Commission (FC) report have raised concerns over the increasing fiscal burden of such schemes. Recent reports show that in States such as Maharashtra and Madhya Pradesh, the number of beneficiaries has been reducing in the name of rationalisation. In Delhi, even before the scheme has been rolled out, restrictive criteria such as requiring a recommendation from the local MLA or MP have been included, plausibly to keep the numbers in check. Evaluations of these schemes show that the money received by women is mostly spent on useful expenditures such as food, health and education. The usual barriers to access such as lack of documents, access to banks, and errors in digital records also remain. The question to be asked going forward is whether the finances for these schemes are coming at the cost of other investments in public services such as education and health. **Chart 1** shows the expenditure of these schemes relative to total expenditure and the expenditure of these sectors for some major States.

As a proportion of total State expenditure, expenditure on these UCT schemes range from over 10% in Jharkhand to less than 0.3% in Himachal Pradesh. According to the 16th FC report, almost 44% of State expenditure is tied up in interest payments, pensions and salaries; this indicates that States do not have much space to manoeuvre towards financing new initiatives or investing in necessary infrastructure. The 16th FC also shows that the States' social sector revenue expenditure as a proportion of total revenue expenditure has remained stable since 2011-12. However, as a proportion of GDP they show a declining trend since 2020-21, indicating that there has been no commensurate increase in spending on these sectors with the increase in spending capacity.

In Jharkhand, Karnataka and West Bengal, which happen to have the largest UCT schemes, the spending on UCTs is more than half the entire spending on education **(Chart 2)**. Further, in Jharkhand, Karnataka, West Bengal, and Maharashtra, the spending on these schemes exceeds the entire State spending on health **(Chart 3)**. This shows that household benefits notwithstanding, there is a need for informed discussions on what the long-term implications of such schemes might be.

As these schemes expand, they increase the fiscal burden on States, which is likely to generate pressure on other forms of social sector spending, including existing expenditures towards providing health and education services. Given the resource-constrained position of State governments, this is not an unreasonable apprehension. Over time, the implications of underfunded public services must be considered.

Some scholars have been arguing that such cash transfers are a 'compensation' for the failure of the state to create opportunities for all. The timing of the cash transfers, immediately before elections, has also led many to call them a 'dole'. It could be argued that the recent protests demanding better facilities and greater accountability are an indication that people are no longer satisfied with only 'compensation' and demand a fair share in resources.

Burden or benefit?

[redacted]
Data were sourced from the Reserve Bank of India. Dipa Sinha and Vijay Ram S are affiliated with the Centre for the Study of the Indian Economy, Azim Premji University. Views expressed are personal
[redacted]

Cost of welfare: Women receive the Pongal gift items, along with ₹1,000 provided by the Tamil Nadu government in Madurai in January 2023

Chart 1: Expenditure of UCT schemes as a share of total expenditure for select States (in %)

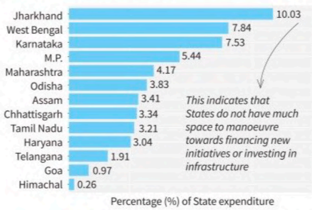

Chart 2: Expenditure on UCTs as a % of State expenditure on education for select States

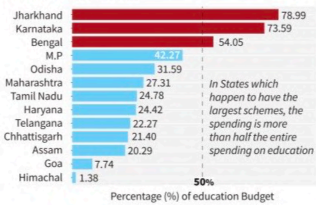

Table1: A State-wise list of unconditional cash transfer (UCT) schemes, which have increased since 2023

State	Scheme name	Monthly amount (₹)	Year of introduction
Goa	Griha Aadhar Scheme	₹1,500	2016 (renewed in 2023)
Sikkim	Sikkim Aama Sashaktikaran Yojana	₹40,000 (per year)	2022 (expanded in 2023)
Karnataka	Gruha Lakshmi Scheme	₹2,000	2023
M.P.	Ladli Behna Yojana	₹1,500	2023
T.N.	Kalaignar Magalir Urimai Thogai	₹1,000	2023
Telangana	Mahalakshmi Scheme	₹2,500	2023
Maharashtra	Mukhyamantri Majhi Ladki Bahin Yojana	₹1,500	2024
Jharkhand	Mukhyamantri Maiya Samman Yojana	₹ 2,500	2024
Odisha	Subhadra Yojana	₹10,000 (per year)	2024
Chhattisgarh	Mahtari Vandan Yojana	₹1,000	2024
Assam	Orunodoi 3.0	₹1,250	2024
Himachal	Indira Gandhi Pyari Behna Sukh Samman Nidhi	₹1,500	2024
Haryana	Lado Lakshmi Yojana	₹2,100	2025
Kerala	Sthree Suraksha Scheme	₹1,000	2026
Punjab	Mukh Mantri Mawan Dheeyan Satkar Yojna	₹1,000 - 1,500	2026
Delhi	Lakshmi Yojana	₹2,500	2026 (replacing earlier scheme)
West Bengal	Annapurna Bhandar	₹3,000	2026 (replacing Lakshmir Bhandar [2021])

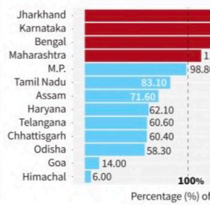

Chart 3: Expenditure of UCT schemes as a share of State expenditure on health for select States (in %)

Context [GS-II – Welfare Schemes & Social Justice | GS-III – Public Finance]

Rapid expansion of unconditional cash transfers (UCTs) by States can provide immediate income support, but large recurring commitments may crowd out spending on education, health and infrastructure.

1. Why UCTs Matter
* Income support: Provides immediate cash for food, health and household needs.
* Women's empowerment: Direct transfers can increase women's financial autonomy.
* Social protection: Helps households cope with economic and livelihood shocks.

2. Fiscal Concern
* Recurring burden: Regular transfers create a continuing revenue expenditure commitment.
* Crowding-out risk: In Jharkhand, UCT spending is 10.03% of total State expenditure; West Bengal 7.84%; Karnataka 7.53%.
* Education trade-off: UCTs equal 79% of the education budget in Jharkhand, 74% in Karnataka and 54% in West Bengal.
* Health trade-off: UCTs equal 207% of the health budget in Jharkhand, 185% in Karnataka and 154% in West Bengal.

3. Deeper Issue
* Fiscal space: States already have large commitments towards salaries, pensions and interest payments, limiting resources for new investment.
* Revenue vs capital: Excessive recurring expenditure can constrain infrastructure and productive investment.
* Not anti-welfare: The concern is not cash transfers themselves, but poorly targeted and fiscally unsustainable transfers.

4. Way Forward
* Targeting: Prioritise genuine vulnerability rather than blanket transfers.
* Human capital first: Protect spending on education, health, nutrition and infrastructure.
* Productive welfare: Combine cash support with skills, livelihoods and employment opportunities.
* Fiscal discipline: Undertake cost-benefit and outcome-based evaluation before expanding schemes.

Tracking nursing

A fully updated live nurses portal will be of immense benefit to the nation

For a country where the human resources in health care will always fall short of the recommended patient-professional ratio, it is important to make sure that every single resource is harnessed. However, government data tabled in the Lok Sabha have shown that the Nurses Registration and Tracking System, created over seven years ago, has registered less than a third of the total nurses in the country. Only 14.24 lakh of the 46.02 lakh registered nursing personnel have been enrolled, leaving 31.78 lakh outside the national system. Clearly, the move to create an accurate national registry and streamline registration-related services on a single platform for all nurses is far from yielding satisfactory results. There are also stark regional disparities, and unexpected performances with the large southern States (Tamil Nadu, Karnataka, and Andhra Pradesh) figuring among the laggers, while Bihar, Jharkhand and Odisha show between 80%-99% enrolment rates. The Indian Nursing Council has attributed the delays to issues rooted in jurisdiction, and federal tension, on the grounds that primary registration is legally the responsibility of individual State Nursing Registration Councils. To receive a National Unique Identity card and nurse passbook, nurses rely on verification by their respective State Nursing Councils. Further, the charge is that several State councils have resisted migrating fully to the central portal and continue operating independent parallel systems.

Poor nurse registration – irrespective of whether it is caused by incomplete digital tracking systems, outdated State registries, delayed licensing, or regional autonomy – has widespread consequences across health-care systems, apart from personally affecting nurses. For nurses, there will be delays in sanctioning their requests for inter-State transfer and credential verification for overseas employment. For the nation, without a centralised live registry that can provide a true measure of how many nurses (with specialisations) are available where, there might be artificial surpluses or deficits on paper, leading to less-than-ideal deployment of resources, and implementation of policy decisions. Fragmented registries also make it easy for unverified individuals, impersonators, or personnel with revoked licences to practise using fraudulent credentials, thus compromising patient safety. A live tracker would be of utmost use during public health emergencies – including disease outbreaks and natural disasters. Else, it could be impossible for state agencies to track, mobilise or deploy specialised nursing personnel to high-alert zones. Given the crucial complementary role, and in some areas, even the primary role that nurses play in the health-care system, efforts must be made to ensure that all nurses are brought into the portal.

Context [GS-II – Health | Governance & Human Resources]

India lacks an accurate live national database of nurses, weakening workforce planning, professional mobility and patient safety. The Nurses Registration and Tracking System (NRTS), launched over 7 years ago, has enrolled only 14.24 lakh of 46.02 lakh registered nursing personnel, leaving 31.78 lakh outside the national system.

1. Why a Live Nursing Registry Matters

- Workforce Mapping: Real-time data on number, location, qualification and specialisation can identify actual shortages/surpluses and improve nurse deployment.
- Patient Safety: Centralised verification can prevent fake credentials, impersonation and practice by nurses with revoked licences.
- Emergency Response: A live database can help rapidly mobilise specialised nurses during disease outbreaks, pandemics and natural disasters.
- Professional Mobility: Unified registration can speed up inter-State transfers and credential verification for overseas employment.

2. Gaps in the Present System

- Low Coverage: Only 14.24 lakh / 46.02 lakh (~31%) nurses are on NRTS, leaving ~69% (31.78 lakh) outside the system.
- Regional Disparity: Bihar, Jharkhand and Odisha reportedly show 80–99% enrolment, while Tamil Nadu, Karnataka and Andhra Pradesh are among the lagging States.
- Fragmented Registries: Primary registration remains with State Nursing Councils, with several councils continuing parallel systems instead of fully migrating to the central portal.
- Federal/Jurisdictional Issue: Verification for the National Unique Identity Card and nurse passbook depends on State Nursing Councils, creating delays and coordination problems.

3. Way Forward

- One Interoperable Registry: Integrate State Nursing Council databases with NRTS and eliminate parallel records.
- Continuous Updating: Regularly update registration, renewal, qualifications, specialisation, employment and licence status.
- Data-driven Deployment: Use the registry to match nurse availability and specialisation with regional health needs.
- Centre–State Coordination: Resolve jurisdictional issues through common standards, interoperable technology and coordinated implementation.

Russia's share in India's oil imports jumps to 48% in June

The U.S. Senate has passed a bill that will see tariffs of up to 100% being levied on top 5 countries importing Russian oil and gas; the Bill now awaits passage in the House of Representatives

T.C.A. Sharad Raghavan
NEW DELHI

At a time when the U.S. looks all set to enact legislation to impose a tariff of up to 100% on India for its Russian oil imports, an analysis of the latest data shows Russia's share in India's oil imports rose to an all-time-high of 48% in June 2026.

The U.S. Senate last week passed the bipartisan Lindsey O. Graham Sanctioning Russia and Iran Act of 2026 which seeks to levy tariffs of up to 100% on countries that continue to buy Russian oil and gas, and that were the largest purchasers of these products from Russia over the previous year. India qualifies for tariffs under these criteria. The Bill still requires to be passed by the U.S. House of Representatives before it becomes law.

An analysis by *The Hindu* of the latest data from the Ministry of Commerce and Industry shows that India significantly lowered its total crude oil imports in June 2026. In terms of volume, June crude oil imports at 18.2 million metric tonnes (MMT) were down 16.5% compared with May 2026, and were 13% lower than in June last year.

However, elevated crude oil prices this year have meant that the oil import bill, while 22% lower in June 2026 than in May, was still 40% higher than in June of last year.

Source: Ministry of Commerce and Industry

While India drastically cut down on overall oil imports, its purchases from Russia bucked this trend. That is, India imported 8.7 MMT of Russian oil in June 2026, just 1% lower than in May, and 25% higher than in June of last year.

As a result of this strategy, Russia's share in India's crude oil imports jumped to 48% in terms of quantity and 48.6% in terms of the value. Russia's share has been rising consistently every month since March and the outbreak of the war in West Asia.

According to the U.S. Bill, the tariffs would apply on a country that was among the five largest importers of crude oil or natural gas from Russia during the 12 months preceding the date of the enactment of the Act, and that then continues to import oil or gas from Russia after 30 days of the enactment.

China and India are the top two importers of Russian oil and India's rising dependence on Russian oil shows it cannot quickly cut back on this source at a time when supplies through the Strait of Hormuz are still constrained.

The premium Russia has charged India for its oil has been steadily declining, data shows, from \$77.7 per tonne in April 2026 to \$10.6 per tonne in June. Russia had been providing India a discount until as recently as February 2026.

Sanctions exposure

The Bill also specifies that tariffs could be imposed on countries that have helped Russia evade sanctions. The Ministry of Petroleum and Natural Gas (MoPNG) told *The Hindu* that India has specifically taken measures to pre-empt any sanctions exposure.

"It [sanctions exposure] was pre-empted through ship-to-ship transfer operations in international waters via the Red Sea route through Yanbu and Fujairah precisely so that a single choke point, or a single sanctions regime, could not halt India-bound cargo," MoPNG said in a clarificatory note it had sent *The Hindu* in late July.

It is unclear as of now whether India's actions would entail helping Russia evade sanctions.

Apart from Russia, the United Arab Emirates (UAE) too saw its share in India's oil imports rise to historic highs. India sourced 17.5% of its oil imports by volume from the UAE in June 2026 and 18% by value, the highest share for both so far.

Taken together, this means that Russia and the UAE together accounted for nearly two-thirds of India's oil imports in June 2026, the highest-ever combined share enjoyed by any two countries. The MoPNG, however, said that such concentration was not a matter of concern given Indian oil marketing companies stand ready to diversify quickly.

"Indian refineries had spent a decade acquiring the logistical flexibility to switch between crude grades and shipping routes the moment disruption struck, which is the definition of a diversification strategy, not its absence," the note said.

Context [GS-II – International Relations | GS-III – Energy Security & Economy]

Issue: Russia's share in India's crude-oil imports rose to a record 48.6% by value in June 2026, even as the United States moves towards stronger secondary sanctions on countries purchasing Russian energy.

1. Key Data

- Russian oil dependence: Russia accounted for 48.6% of India's oil import bill in June 2026, up sharply from around 2.8% in February 2022.
- Import volume: India imported 18.2 million metric tonnes (MMT) of crude in June 2026 — 16.5% lower than May and 13% lower year-on-year.
- Russian crude: India imported 8.7 MMT from Russia, only 1% below May, but 25% higher than June 2025.
- Price advantage: Russia's discount reportedly narrowed from $77.7/tonne in April 2026 to $10.6/tonne in June, reducing one of the earlier economic advantages of Russian crude.
- UAE: The United Arab Emirates supplied 17.5% of India's oil imports by volume and 18% by value in June 2026.

2. Core Issue — Energy Security vs Sanctions

- Energy security: Russia remains a major source of crude for India, allowing refiners to maintain diversified sourcing and flexible crude grades/ shipping routes.
- Strategic vulnerability: A 48.6% share creates significant exposure if geopolitical tensions disrupt Russian supplies or sanctions restrict transactions.
- Strait of Hormuz: With supplies through the Strait of Hormuz constrained, India's dependence on alternative suppliers such as Russia has increased.

3. U.S. Sanctions Pressure

- Proposed U.S. legislation: The U.S. Senate passed the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026, which could permit tariffs of up to 100% on countries among the top five importers of Russian oil and gas. The Bill still requires action in the House of Representatives.
- India's dilemma: Reducing Russian imports too rapidly could raise energy costs and supply risks, while continuing them could increase trade and sanctions exposure with the United States.