



**VAJIRAM & RAVI**  
Institute for IAS Examination

# The Analyst

**CURRENT AFFAIRS** Handout

**5th January 2026**



# Gig Economy: Flexibility at Work, Insecurity in Life

**CONTEXT:** A write up has appeared focusing on abysmal economic and social conditions of gig workers.

## India's Gig Economy : Snapshot

- **Workers:** ~7.7 million (2020–21) → projected **23.5 million by 2029–30**
- **FY 2024–25:** ~12 million gig workers (~2% of total workforce).
- **Core tension:** Rapid platform growth vs absence of labour protection

## Regulation & Policy Status

### Code on Social Security, 2020:

- Formally recognises gig/platform workers
- Enables social security schemes (health, accident cover)
- **Gap:** No enforceable standards on wages, hours, grievance redressal, algorithms

### State-level initiatives:

- Rajasthan & Karnataka enacted welfare laws (implementation uneven)

### Draft Rules (Jan 2026):

- Minimum **90 days** engagement with one aggregator for benefits
- **120 days** if working across multiple aggregators

### Union Budget 2025:

- Identity cards + healthcare benefits for gig workers

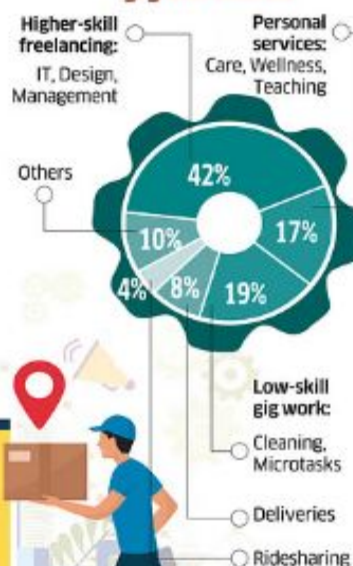
## Who is a gig worker?

An individual, employed transactionally on a time or task-based manner, having the flexibility to choose their hours of work

**15 million**  
freelance workers  
across various sectors

**90 million**  
jobs could potentially  
be added by the  
gig economy in the  
near future

### Breakdown of India's gig workforce



### Key players in India's gig economy

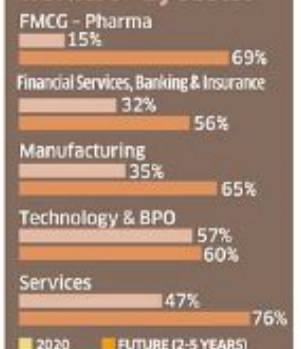
**Uber and Ola**  
(Personal transport)

**Swiggy, Zomato, Delhivery, Dunzo**  
(Delivery)

**Urban Company, Housejoy**  
(At-home personal services)

**FlexingIt and Upwork**  
(High-skilled and professional tasks)

### % of companies looking to hire gig workers – by sector



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## "Remain out of the ambit of any Social Security Cover"

- ❑ **Minimum Wages Act 1948 & Occupational Safety Code 2020**
- ❑ **Trade Union Act 1926 & Industrial Relations Code 2020**
- ❑ **Social Security Code 2020 : Doesn't provide any "Institutional Security"**

## Contribution of Gig Economy to India's Development

### 1. Employment Generation

- Absorbs surplus labour from agriculture & informal sector
- Critical for **youth, migrants, semi-skilled workers**
- Acts as shock absorber during crises (e.g., post-COVID)

### 2. Services Sector & GDP Growth : Services contribute **55%+ of GDP**

- Rapid expansion of delivery, mobility, logistics, e-commerce

### 3. Digital Economy & DPI

- Boosts digital payments, GPS logistics, AI-based allocation
- Strengthens **UPI-Aadhaar-Mobile** ecosystem
- Digital economy projected to form **~20% of GDP by 2029-30**

### 4. MSMEs & Micro-Entrepreneurship : Low entry barriers, minimal capital requirement

- Supports MSMEs via last-mile delivery & digital reach

## Projected Gross Volume of the Gig Economy

The Gig Economy is projected to grow to **\$455 B by year-end 2023** in Gross Volume Transactions.



### 5. Female Labour Force Participation :

Flexible, home-based or time-adjustable work. Women **≈ 28% of gig workforce**

- Platforms like Urban Company enable **40-50% higher earnings** than traditional roles

### 6. Regional Decentralisation : Expansion into Tier-2 & Tier-3 cities (Quick Commerce)

- **Q-commerce market:** ₹64,000 crore (2025-26)
- ~20 lakh new gig jobs expected in 2026
- Festive season 2025: **120% surge in orders** (Blinkit, Zepto)

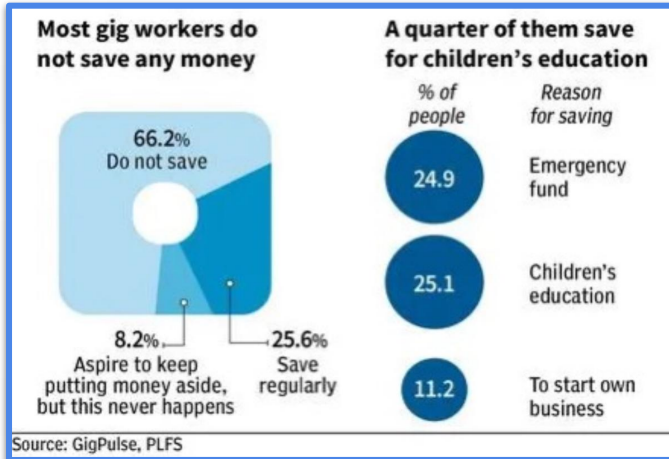
### 7. Formalisation Bridge : Digital tracking of income, skills, work history

- Enables targeted welfare design
- **e-Shram:** 31.2 crore workers registered (Dec 2025)
- EPFO net addition: **20.06 lakh members (May 2025)**



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## Average salary of gig workers lower than regular urban male workers: Report

The survey showed that the mean salary of a gig worker in the country is ₹18,611 whereas a salaried urban male earned somewhere between ₹21,500 and ₹22,800 in FY22 on average

## Key Issues in India's Gig Economy

**1. Income Instability & Insecurity :** Earnings fluctuate with demand & platform policies. Long hours, low net income

- **"Prisoners on Wheels" report:**
  - 55% work 10–12 hrs/day
  - ~20% work 12–14 hrs/day
  - 1/3 earn < ₹10,000/month (post expenses)

## 2. Occupational Health & Safety Risks

- "10-minute delivery" pressure → accidents & burnout
- 99% report physical/mental health issues
- No compensation if accident occurs during "off-duty" time

**3. Weak Legal Protection :** Treated as **independent contractors**, not employees. Minimum wages, work-hour limits, grievance systems absent

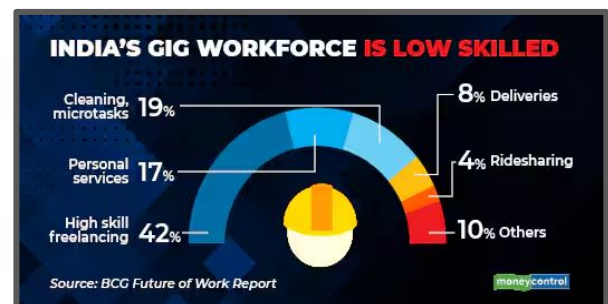
- **82% remain informal** despite legal recognition.

## 4. Algorithmic Management & Opacity

- Pay, ratings, incentives decided by opaque algorithms
- No explanation or appeal for penalties or deactivation
- Leads to "algorithmic anxiety" and arbitrary exclusions

## 5. Gender & Social Inequalities

- **30% gender wage gap** in gig work (WEF)
- Women face safety concerns, lower mobility, limited growth
- Caste/class silently shape access to better-paid gigs



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## State Initiatives for Gig Workers' Welfare

### Rajasthan – Pioneer Gig Worker Law

- **Rajasthan Platform-Based Gig Workers (Registration & Welfare) Act, 2023**
  - First state-level law in India specifically for gig & platform workers.
  - Mandates **registration, unique ID, welfare board, social security fund**.
  - Welfare cess (typically 1–2% of platform transaction) funds social security benefits.
  - Board represents workers, aggregators, government & civil society.

### Karnataka – Platform-Based Gig Workers Law & Welfare Framework

- **Karnataka Platform-Based Gig Workers (Social Security & Welfare) Act, 2025**
  - Establishes **Welfare Board & Fund** for gig workers statewide.
  - Registration of workers and platforms mandatory.
  - Welfare Fund financed via contributions by platforms, workers & govt.
  - Grievance redressal and transparency (e.g., algorithmic decisions).
  - Broad coverage beyond food delivery to ride-sharing, logistics, etc

## **GIG WORKERS IN WELFARE BOARD**

- Bill mandates all aggregators to register with proposed Gig Workers' Welfare Board within 45 days of Act's commencement
  - Aggregators to be required to contribute 1% to 5% of transaction payouts to welfare fund
  - Failure to comply may result in penalties, including fines up to Rs2L, up to 1 year jail, or both
  - 20-member board comprises 9 govt officials, 4 aggregator representatives, 4 gig workers & 3 civil society members
  - Act to apply to all platforms & workers registered & operating within state
- 

## Measures to Strengthen India's Gig Economy

### 1. Implement Social Security Code

- Notify and operationalise health, accident, maternity & pension schemes
- Activate aggregator contributions
- Use **e-Shram + Aadhaar** for portability across states/platforms

### 2. Create a Minimum Pay Floor

- Earnings based on **time + distance + waiting time**
- Index pay to inflation & fuel costs
- Global example: New York City's app-worker pay floor

### 3. Due Process Before Deactivation

- Treat ID deactivation as termination
- Mandatory notice, written reasons, right to appeal
- Prevent "log-out unemployment"



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## MAINS PRACTICE QUESTION

**Discuss the key challenges faced by gig workers in India and suggest suitable measures to address them.(10 Marks, 150 words)**



# A lesson from Beed in raising farmers' Income

**CONTEXT:** A write-up has appeared focusing on lessons for agriculture from progressive farmers in the Beed district of Maharashtra.

## A Grassroots Success Story: Krishikul

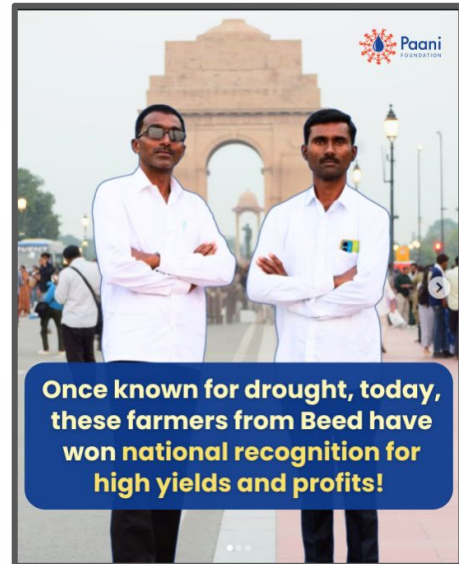
- Drought-prone **Beed district** - **Mayank Gandhi** initiated **Krishikul** under the **Global Vikas Trust (GVT)**.
- Strategy: Shift from **traditional crops (soybean, cotton)** to **high-value fruit crops** (papaya, pomegranate, guava, sweet lime, banana, mulberry, etc.).

### Impact

- **TISS evaluation (2024):**
  - **Per-acre income rose over 10 times:** from ₹38,700 to ₹3.93 lakh.
- Scale achieved so far:
  - **6.7 crore fruit trees planted (cumulative)**
  - **43,000 acres covered**
  - **~30,000 farm families** across **5,000 villages**

## Another Success Story: Gandhanwadi






- **Ramesh & Satish Pathade (Gandhanwadi, Ashti)** invited to PM's launch of **Dhan-Dhanya Krishi Yojana & Aatmanirbharta in Pulses** for excellence in **tur-urad farming**.
- **2023:** Paani Foundation training → **Mauli Farmer Group**; collective, chemical-free farming.
- **Tur yield: 5 → 14 quintals/acre in 1 year.**
- **Urad seed production: 200 quintals on 40 acres.**
- **Direct tie-ups:** Two Brothers Organic Farms, Mahabeej.
- **Profit: ₹42 lakh (2023-24).**
- **From drought-hit to national role model.**



## Another Case Study

- **Hiware Village** - Ahmednagar District: turned itself into prosperous village
- **Used Funds from Government Schemes**- regenerate Natural Forests, water and soil management led by strong village body-Sarpanch

Parameters speaks about success of Hiware Bazar

	Due to water availability by watershed development, Cultivable land increased from 70 ha in 1993 to 260 ha in 2006.
	In 2006 income from agriculture alone was 24784000. Grass production increased from 100 MT in 2000 to 1000 MT in 2004.
	Due to high increase in fodder cultivation milk production increased from 150 lpd in 1990 to 4000 lpd in 2006
	In 1995 year 168 out of 182 families were BPL. In 2010 only 3 families are BPL. By 2010 village income increased twenty fold. 50 families become <b>Millionaires</b>
	Hiware Bazar was awarded 'National water award' by GOI in 2007. Hiware Bazar continues to inspire other villages and people.



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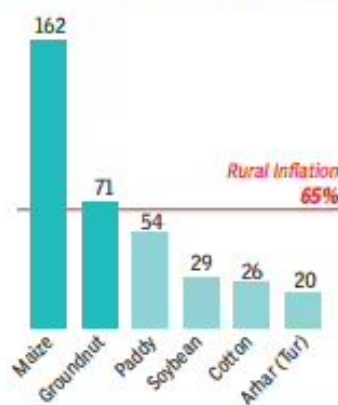
## Major Challenges Hindering Agriculture

1. **Small Holdings:** 86% farmers <2 ha → low productivity & tech adoption.
2. **Irrigation Gaps:** 43.6% unirrigated → climate vulnerability, yield volatility.
3. **Limited Finance:** Low credit & insurance → weak investment, modernization gap.
4. **Poor Markets:** Fragmented chains, middlemen → 40% post-harvest losses, low income.
5. **Environmental Risks:** Soil decline, water stress, erratic weather → productivity loss.
6. **Weak Value Addition:** Agri-processing <10% → limited jobs, stagnant rural incomes.

## Inflation Rate Exceeded Income Growth For 7 Of 10 Crops

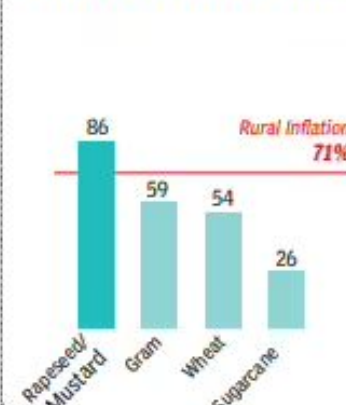
### Kharif Crops

% increase in income vis-a-vis inflation over 2013-14 and 2023-24

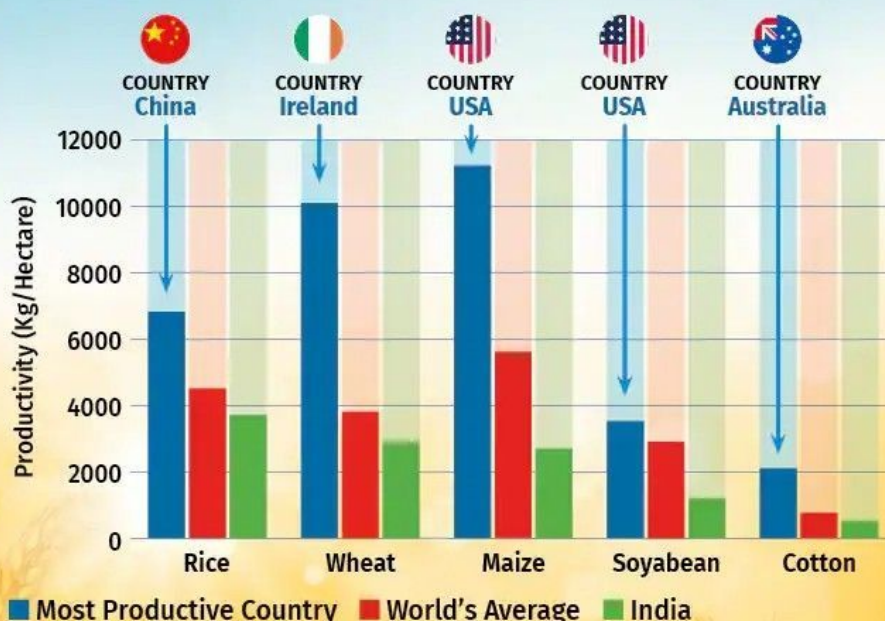


### Rabi Crops, Sugarcane

% increase in income vis-a-vis inflation over 2013-14 and 2023-24



## PRODUCTIVITY COMPARISON



Source: Ministry of Agriculture, Government of India, FAO, USDA, ABARES, and Index Mundi



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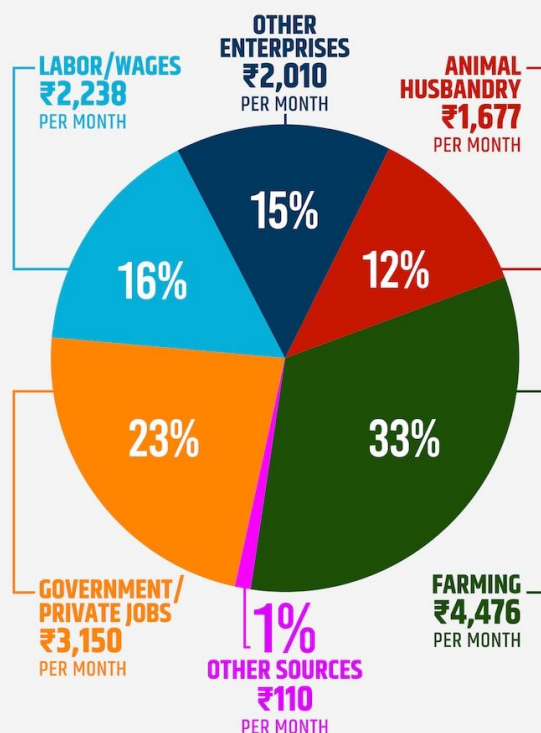
## How We Calculated It, Using Two Major Crops As Examples

Wheat	2012-13	2022-23	% Change (2022-23 over 2012-13)
Input and family labour	₹23,914	₹43,760	83
Value of product	₹53,356	₹88,939	67
Income (value minus input)	₹29,442	₹45,179	54
CPI Rural Index	103	176	71
Paddy	2013-14	2022-24	% Change
Input and family labour	₹33,631	₹61,314	82
Value of product	₹53,242	₹91,530	72
Income (value minus input)	₹19,611	₹30,216	54
CPI Rural Index	113	186	65

Figures in ₹ per cropping season

## BREAKDOWN OF AVERAGE MONTHLY INCOME

FOR FARMING HOUSEHOLDS IN INDIA (2021-22)

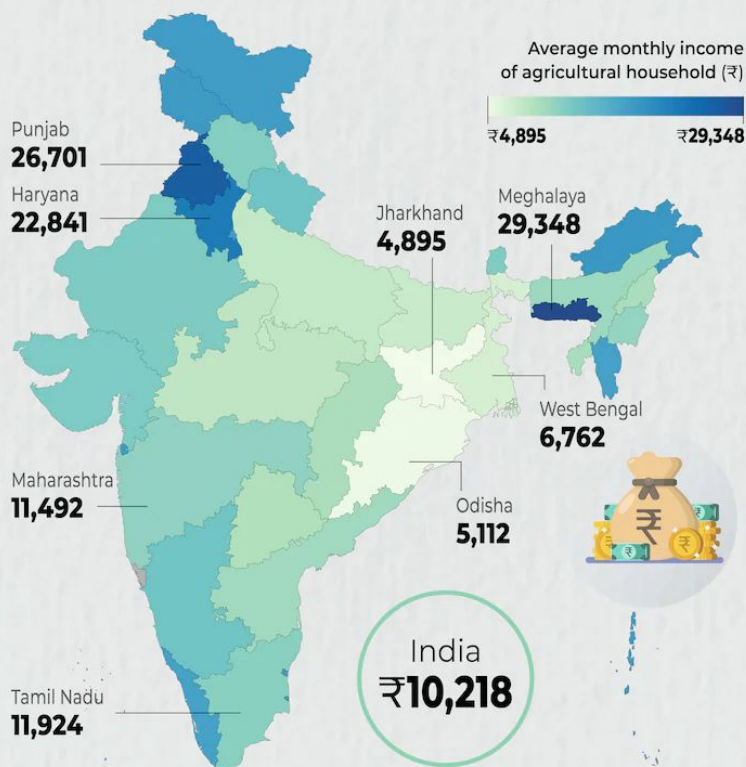


TOTAL - ₹13,661 PER MONTH (100%)

Designed By: Vipul Kumar (INDIA TODAY DIGITAL)

Source: NABARD 2021-22

## How Much does a Farmer's Family Earn?



● Data not available

Source: Situation Assessment of Agricultural Households 2019, MoSPI

Graphic: Samrat Sharma & Jaipal Sharma

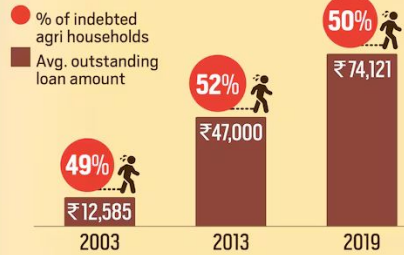


# A lesson from Beed in raising farmers' Income

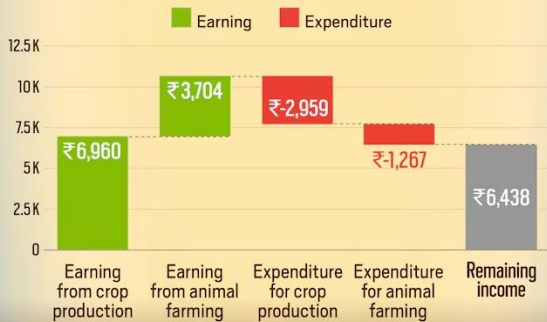
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## Cloud of Debt Looms Over Farm Households

### Indebtedness of agricultural households

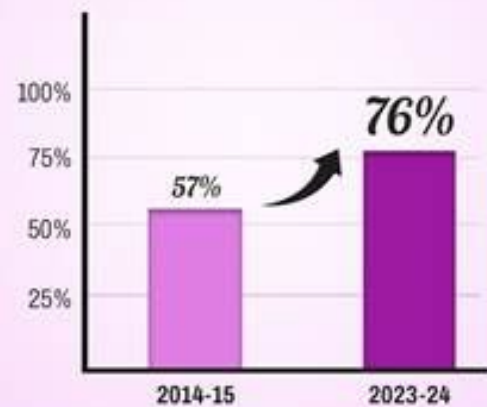


### How an Indian agricultural household runs



Source: Situation Assessment of Agricultural Households 2019, MoSPI  
Graphics: Sanjay Sharma & Mudita Singh

## Small and Marginal Farmers Accessing Agriculture Loans

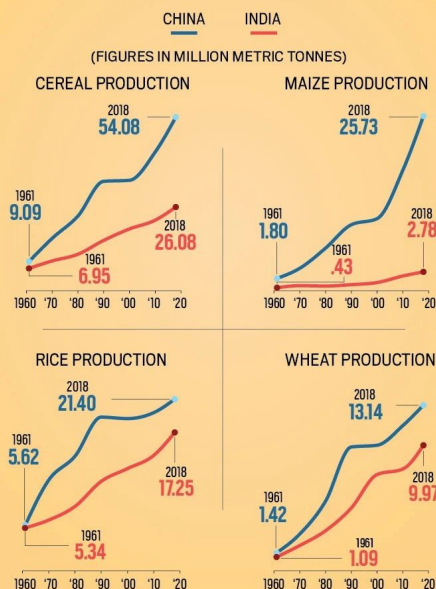


## Key Lessons from Krishikul (Editorial)

- **Trust-building first:** Listening to farmers' socio-economic problems with empathy.
- **Science-led farming:** Adoption of **high-density plantation** and modern practices.
- **Quality inputs at scale:**
  - Bulk procurement of saplings at **₹30 (vs retail ~₹60)**.
  - Supplied to farmers at **₹15 per sapling** through **CSR subsidies**.
- **Institutional & CSR support:**
  - **Motilal Oswal Foundation** contributed **₹25 crore**.
  - Developed a **25-acre Krishikul campus** for:
    - Crop experiments
    - Hands-on farmer training
    - Capacity building for new horticulture systems.

## CROP PRODUCTION IN INDIA & CHINA

OVER THE LAST SIX DECADES, CHINA HAS WIDENED THE GAP WITH INDIA IN PRODUCTION OF RICE, WHEAT, MAIZE AND CEREALS



Source: Food and Agriculture Organisation



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**India Leads the Agri-Tech Revolution**

Releases genome edited rice Kamala (DRR Dhan-100) and Pusa DST Rice 1

The varieties to boost yields by up to 30%

Designed to thrive with less water

Great for drought prone regions and a step toward sustainable farming

आत्मनिर्भर भारत  
आत्मनिर्भर किसान  
भारतीय जनता पार्टी किसान मोर्चा @BJPKM4KISAN

## Measures to address above issues

1. **Land Consolidation:** Leasing & consolidation → larger farms, better tech & credit access, higher productivity.
2. **Irrigation Expansion:** Micro-irrigation & rainwater harvesting → efficient water use, less monsoon dependence.
3. **Research & Extension:** Climate-resilient, high-yield crops → knowledge transfer, productivity boost.
4. **Credit & Insurance:** Affordable loans & wider coverage → financial security, sustainable investment.
5. **Infrastructure & Market Access:** Cold storage, processing units, rural roads, e-NAM, FPOs → reduced post-harvest losses, higher incomes.

## 6. Climate-Smart Practices:

Agroforestry, organic farming, conservation tillage → sustainable resource use, climate resilience.

- Ashok Dalwai Committee
- Swaminathan Committee
- Shanta Kumar Committee

## MAINS PRACTICE QUESTION

**What are the major challenges faced by Agriculture in India? Suggest some measures to address the issues comprehensively. (10 Marks, 150 words)**



# India loses 0.4% of its GDP every year to Natural Disasters

**Syllabus: GS Paper 3: DISASTER MANAGEMENT**  
**Newspaper: The Hindu, Page No. 7**

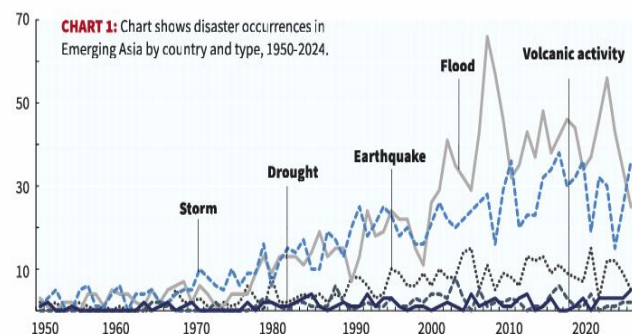
**E**merging Asian economies that comprise India, China, and the ASEAN-11, face an escalating threat from natural disasters that are growing in both frequency and intensity (Chart 1). Over the past decade, the region has had an average of 100 disasters annually, impacting approximately 80 million people. The nature of these threats varies by geography: while floods and storms are the primary drivers of risk in India, tropical cyclones frequently batter the Philippines and Vietnam. Meanwhile, China and Indonesia contend with significantly higher seismic risks (Chart 2). The human and economic toll of this vulnerability has been punctuated by several landmark catastrophes.

As the scale of economic loss escalates (Chart 3), disaster risk finance has moved to the forefront of regional policy. To design an effective response, governments must first establish a data-driven foundation. From 1990 to 2024, India sustained average annual disaster-related losses equivalent to 0.4% of GDP (Chart 4). The composition of these losses is geographically distinct. India's vulnerability is primarily hydrological (non-storm-related floods and landslides), whereas Myanmar's losses are predominantly meteorological (extreme temperatures and cyclonic storms).

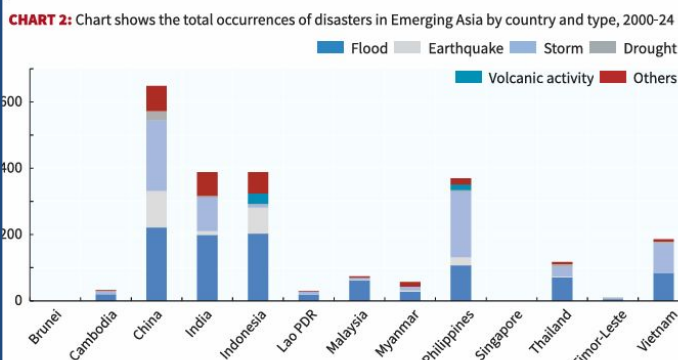
The regional risk framework also includes climatological factors (drought and wildfire), and geophysical hazards (seismic activity and volcanic eruptions) too. Among the Asian economies analysed, India ranks second only to the Philippines in the World Risk Index (Chart 5). The index calculates risk as the geometric mean of exposure (population burden) and vulnerability (a combination of structural susceptibility, coping capacity, and long-term adaptation).

## Asia's climate bill is rising

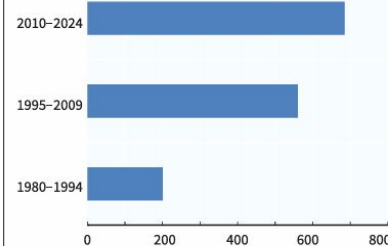
The charts were sourced from the OECD development centre's "Economic Outlook for Southeast Asia, China and India 2025: Enhancing Disaster Risk Financing" report released in December 2025



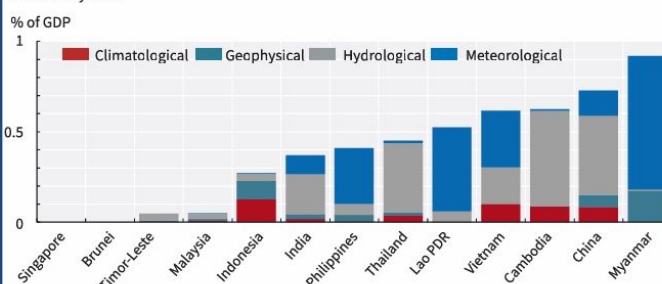
**Counting losses:** A convenience shop owner assesses the damage after floods in southern Thailand in November 2025. AP



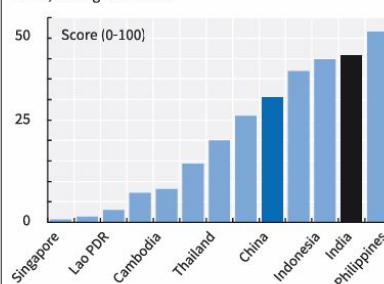
**CHART 3:** Total disaster-related damage among Emerging Asian countries (1980-2024). The data are depicted in \$ billion



**CHART 4:** Average annual loss due to disasters, 1990-2024. The data are depicted as the percentage of a country's GDP



**CHART 5:** World Risk Index, by country, 2025. The higher the score, the higher the risk



# India loses 0.4% of its GDP every year to Natural Disasters



**Syllabus: GS Paper 3: DISASTER MANAGEMENT**

**Newspaper: The Hindu, Page No. 7**

Prelims Pointers		Global Efforts to Tackle Disasters
Global Framework / Initiative	Institution	Contribution
<b>Sendai Framework for Disaster Risk Reduction (2015–2030)</b>	United Nations Office for Disaster Risk Reduction	Global blueprint shifting approach from <b>post-disaster relief to prevention &amp; resilience</b>
<b>Early Warnings for All (EW4All)</b>	United Nations	Universal access to <b>multi-hazard, people-centred early warning systems</b>
<b>Global Platform for Disaster Risk Reduction</b>	United Nations	Biennial forum to <b>review progress, share best practices, align DRR policies</b>
<b>WHO Health Emergency Framework</b>	World Health Organization	Strengthens <b>pandemic preparedness, surveillance &amp; emergency response</b>
<b>Global Facility for Disaster Reduction and Recovery (GFDRR)</b>	Global Facility for Disaster Reduction and Recovery	Promotes <b>risk-informed development &amp; resilient infrastructure</b>
<b>World Bank Catastrophe Risk Financing</b>	World Bank	Provides <b>insurance, contingency funds &amp; catastrophe bonds</b>
<b>Sustainable Development Goals (SDGs 11 &amp; 13)</b>	United Nations	Integrates <b>disaster risk reduction with sustainable development</b>



5th January 2026

**Syllabus: GS Paper 3: GROWTH AND DEVELOPMENT**  
**Newspaper: INDIAN EXPRESS, Page No. 10**

**T**WO QUESTIONS we have heard repeatedly in recent months are: How did some states incur a fiscal deficit higher than 3 per cent of GSDP in recent years, and have welfare schemes curtailed the space for state-led capital spending?

The answer to the first question is fairly straightforward. During FY2021-FY2025, states were permitted additional borrowings over and above their base borrowing limits, allowing them to incur a higher fiscal deficit. Their base borrowing limit was set between 3-4 per cent of the GSDP and an estimated additional borrowing of 0.5-1.1 per cent was allowed by the Union government and/or the 15th Finance Commission. This additional borrowing included loans by the Centre to the states (GST compensation loans and the 50-year interest-free capex loans), and reforms-linked additional borrowings.

During FY2021-FY2022, the Centre disbursed GST compensation loans of Rs 2.6 trillion to states. It also transferred Rs 3.7 trillion during FY2021-FY2025 under the 50-year interest-free capex loans. Such loans were availed by all except for a few states in some of the years. These loans are over and above the normal borrowing limit of the states. The surge in states' capital spending in recent years benefited from the expansion in capex loans to around Rs 1.5 trillion in FY2025 from Rs 0.1 trillion in FY2021.

Alongside, several states had completed one or more reforms prescribed by the Centre in FY2021 and availed total additional borrowings of Rs 1.1 trillion. The 15th FC had recommended additional borrowing flexibility of 0.5 per cent of GSDP for power sector reforms. Some states including Andhra Pradesh, Himachal Pradesh, Kerala, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal completed the power sector-related reforms and availed a total of Rs 1.3 trillion between FY2022-FY2025.

Interestingly, the Government of India had allowed states to carry forward any unutilised borrowing from FY2021 to FY2022 to support growth amid fragile economic conditions due to the pandemic.

The 15th FC had also given states the flexibility to carry forward any unutilised borrowings from previous years to the following years of the 15th FC's award period (FY2022-FY2026). The carry-forward provision softened the fiscal deficit constraint of the states in recent years.

To the second question. Spending by state governments plays a vital role in the economic growth of the country. Their spending ability is influenced not only by their revenue position but the borrowing limit fixed by the Union government.

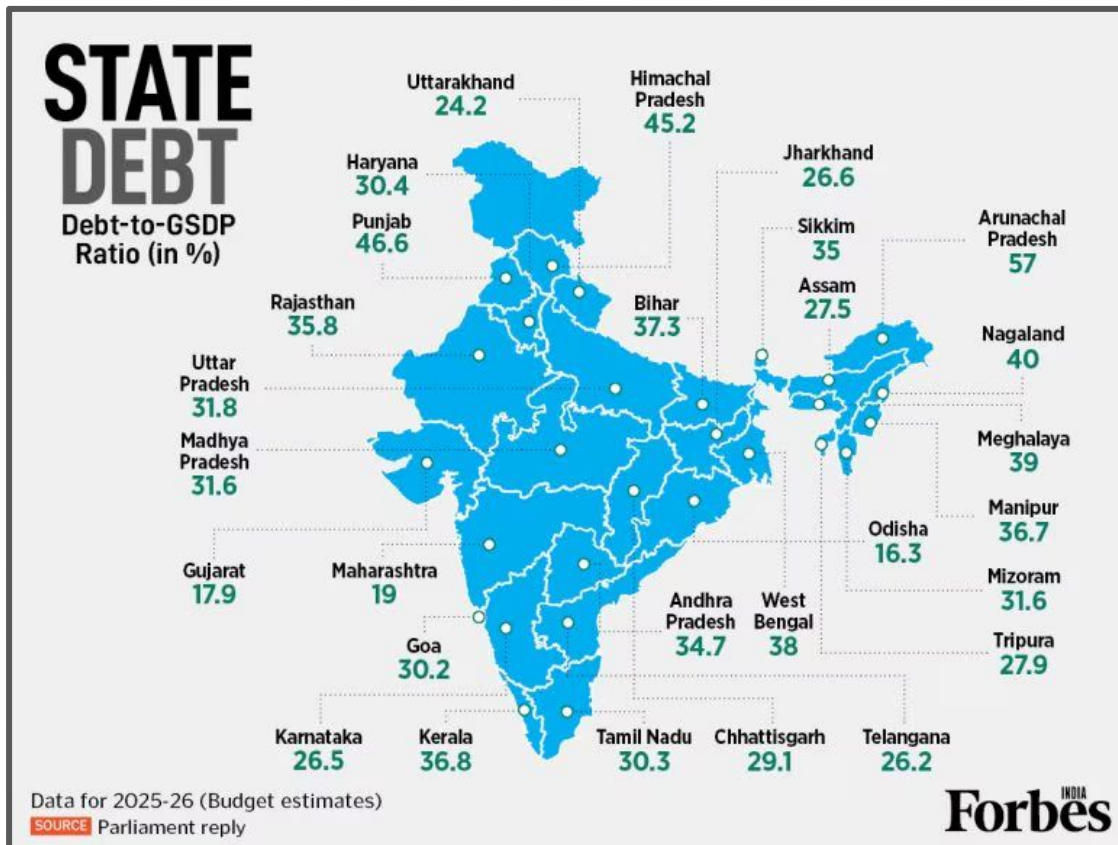
In recent years, several states have enhanced their social welfare spending, which includes items such as social security pensions, transfers to low-income households, cash transfers to women, etc. The combined cash transfers to women across 11 states added up to around Rs 1.5 trillion or a sizeable 0.8 per cent of GSDP in FY2026, up from Rs 120 billion or 0.1 per cent in FY2023.

But, despite this, their revenue deficit widened only slightly. An analysis of the components of their revenue spending reveals that to accommodate these cash transfers, some states are curtailing spending under other heads or trimming the outgo in older schemes to keep the total spending under limits. But it is possible that states with reasonable fiscal space available may opt not to squeeze spending under other heads.

It is encouraging that several states have also ramped up their capital expenditure during FY2021-FY2025. The combined capital expenditure and loans and advances of 28 states reported a healthy 18.5 per cent CAGR during this period, doubling to Rs 8.4 trillion.

We now keenly await the recommendations of the 16th Finance Commission. The recommendations, related to the sharing of resources during the commission's award period, the base borrowing limits of states, additional borrowing limits and/or a continuation of carry-forward provisions, will be key to the spending space available to states in the coming years.

*The writer is chief economist, head-Research & Outreach, ICRA*



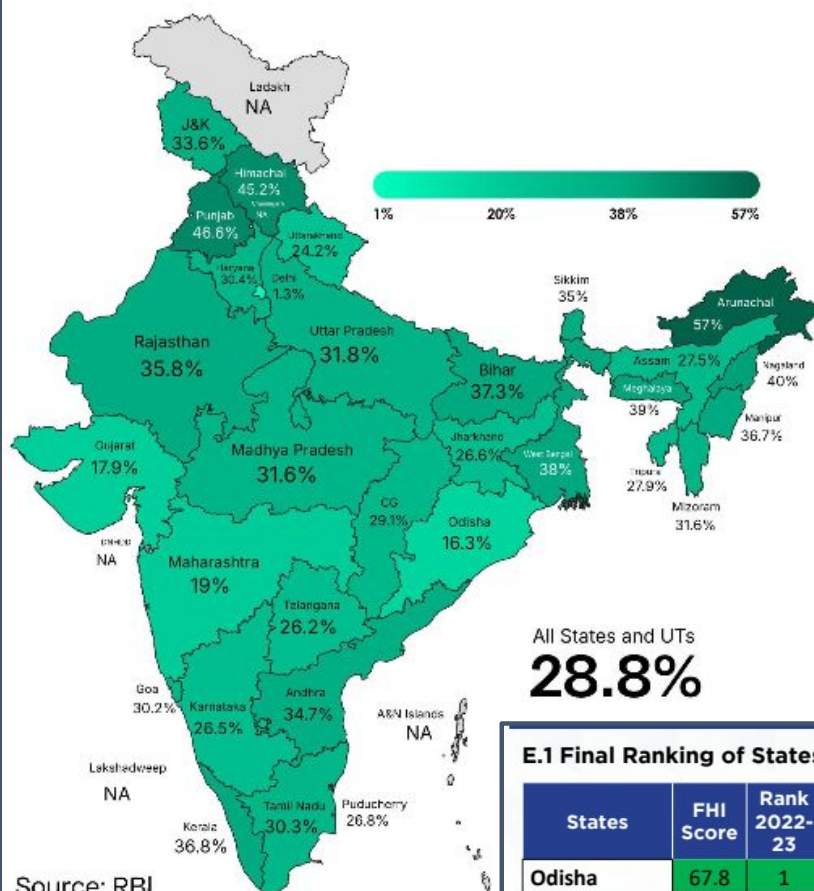
5th January 2026

**Syllabus: GS Paper 3: GROWTH AND DEVELOPMENT**

**Newspaper: INDIAN EXPRESS, Page No. 10**



## State-wise Debt as % of State GDP



### E.1 Final Ranking of States for 2022-23

States	FHI Score	Rank 2022-23	Quality of Expenditure	Revenue Mobilization	Fiscal Prudence	Debt Index	Debt Sustainability
Odisha	67.8	1	52.0	69.9	54.0	99.0	64.0
Chhattisgarh	55.2	2	55.1	56.5	56.0	79.6	29.0
Goa	53.6	3	45.5	87.1	59.4	51.0	25.2
Jharkhand	51.6	4	47.3	45.7	62.4	66.9	35.7
Gujarat	50.5	5	40.0	48.7	52.7	69.0	42.0
Maharashtra	50.3	6	37.1	59.1	41.8	76.4	36.8
Uttar Pradesh	45.9	7	45.8	34.6	44.7	59.9	44.5
Telangana	43.6	8	36.9	75.2	40.8	53.3	11.7
Madhya Pradesh	42.2	9	59.7	27.6	35.6	61.0	27.2
Karnataka	40.8	10	47.4	43.9	43.9	62.2	6.7
Tamil Nadu	29.2	11	32.0	41.2	25.8	36.0	11.1
Rajasthan	28.6	12	38.3	35.4	19.9	32.3	16.8
Bihar	27.8	13	56.1	5.3	11.5	47.2	18.8
Haryana	27.4	14	24.8	47.8	26.1	24.1	14.3
Kerala	25.4	15	4.2	54.2	34.0	23.1	11.3
West Bengal	21.8	16	32.3	12.4	25.4	18.3	20.6
Andhra Pradesh	20.9	17	31.4	22.1	13.3	37.8	0.0
Punjab	10.7	18	4.7	28.1	5.6	0.0	15.2

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NITI Aayog

## FISCAL HEALTH INDEX

2025

For the Financial Year 2023

Achiever	Front Runner	Performer	Aspirational
Odisha (1)	Maharashtra (6)	Tamil Nadu (11)	Kerala (15)
Chhattisgarh (2)	Uttar Pradesh (7)	Rajasthan (12)	West Bengal (16)
Goa (3)	Telangana (8)	Bihar (13)	Andhra Pradesh (17)
Jharkhand (4)	Madhya Pradesh (9)	Haryana (14)	Punjab (18)
Gujarat (5)	Karnataka (10)		

Major Sub-Index	Minor Sub-Index / Indicator
Quality of Expenditure	Total Developmental Expenditure / Total Expenditure
	Total Capital Outlay / GSDP*
Revenue Mobilization	State Own Revenue / GSDP*
	State Own Revenue / Total Expenditure
Fiscal Prudence	Gross Fiscal Deficit / GSDP*
	Revenue Deficit / GSDP*
Debt Index	Interest Payments / Revenue Receipts
	Outstanding Liabilities / GSDP*
Debt Sustainability	Growth Rate of GSDP* - Growth Rate of Interest Payments



# OPEC+ keeps oil output steady amid turmoil

**Syllabus: GS Paper 3: GROWTH AND DEVELOPMENT**  
**Newspaper: INDIAN EXPRESS, Page No. 10**

Reuters  
Dubai/London, January 4

OPEC+ KEPT oil output unchanged on Sunday after avoiding discussions of the multiple political crises affecting the producer group's members, from the Middle East as well as Russia, Iran and Venezuela.

Sunday's meeting of eight members of OPEC+, which pumps about half the world's oil, came after oil prices fell more than 18 per cent in 2025 — their steepest yearly drop since 2020 — amid growing oversupply concerns.

Tensions between Saudi Arabia and the UAE flared last month over a decade-long conflict in Yemen, when a UAE-

aligned group seized territory from the Saudi-backed government. The crisis triggered the biggest split in decades between the former close allies.

And on Saturday, the United States captured Venezuelan President Nicolas Maduro, and US President Donald Trump said Washington would take control of the country until a transition to a new administration becomes possible, without saying how this would be achieved.

"Right now, oil markets are being driven less by supply-demand fundamentals and more by political uncertainty," said Jorge Leon, head of geopolitical analysis at Rystad Energy and a former OPEC official. "And



Drilling rigs at an oil well operated by Venezuela's state oil company PDVSA. Venezuela has the world's largest oil reserves and the biggest rigs. On Saturday, the US captured Venezuelan President Nicolás Maduro, and said it would take control of the country until a transition to a new administration is possible.

REUTERS FILE

OPEC+ is clearly prioritising stability over action."

The eight OPEC+ members — Saudi Arabia, Russia, the UAE, Kazakhstan, Kuwait, Iraq, Algeria and Oman — raised oil output targets by around 2.9 million barrels per day in 2025, equal to almost 3 per cent of world oil demand, to regain market share.

The eight members agreed in November to pause output hikes for January, February and March due to relatively low demand in the northern hemisphere winter. Sunday's brief online meeting affirmed that policy and did not discuss Venezuela, one OPEC+ delegate said.

The eight countries will next meet on February 1, OPEC+ said. OPEC has in the past man-

aged to overcome many internal rifts, such as over the Iran-Iraq War, by prioritising market management over political disputes.

Yet the group is facing other crises, with Russian oil exports falling due to US sanctions over its war in Ukraine, and Iran facing protests and US threats of intervention. Venezuela has the world's largest oil reserves, bigger even than those of OPEC's leader Saudi Arabia, but its oil production has plummeted due to years of mismanagement and sanctions.

Analysts said it is unlikely to see any meaningful boost to crude output for years, even if US oil majors do invest the billions of dollars in the country that Trump promised.

## About Organization of the Petroleum Exporting Countries (OPEC)

- **Nature:** Permanent intergovernmental organization of **12 oil-exporting developing countries**
- **India: Not a member**
- **Genesis (1960):** Founded at the **Baghdad Conference** by **Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela**
- **Objective:** Coordinate and unify petroleum policies to ensure **fair and stable prices** for producers
- **Headquarters:** **Vienna, Austria**
- **OPEC+ (2016):** Formed with **10 additional oil-producing countries** to address falling oil prices amid rising **U.S. shale oil output**



# Mis-selling in Insurance a concern : IRDAI



**Syllabus: GS Paper 3: GROWTH AND DEVELOPMENT**  
**Newspaper: INDIAN EXPRESS, Page No. 13**

Press Trust of India  
New Delhi, January 4

MIS-SELLING IS a significant concern in the insurance sector, and insurers need to conduct a root cause analysis to identify the underlying causes, the regulator IRDAI said in its latest annual report.

The total number of grievances registered against life insurers has remained almost the same at 1,20,429 in 2024-25 against 1,20,726 in 2023-24, whereas the total number of grievances registered under UFBP (Unfair Business Practices) has increased from 23,335 in 2023-24 to 26,667 in 2024-25, according to the report.

Thus, the share of UFBP grievances to total grievances

**The total number of grievances registered against life insurers has remained almost the same at 1,20,429 in 2024-25 against 1,20,726 in 2023-24**

has increased to 22.14 per cent in FY25 compared to 19.33 per cent in the previous fiscal.

Mis-selling involves the sale of insurance products to consumers without proper disclosure of terms, conditions or suitability.

"To prevent or reduce mis-selling, insurers have been advised to implement strategies, such as assessing product suitability, implementing distribution channel-specific controls and developing a plan to ad-

dress mis-selling grievances, including carrying out a root cause analysis on a periodic basis," Insurance Regulatory and Development Authority of India (IRDAI) said in its annual report 2024-25.

The Finance Ministry has repeatedly cautioned banks and insurance companies against the mis-selling of insurance policies to customers, emphasising the importance of upholding corporate governance best practices.

Mis-selling often leads to higher premiums for customers, and as a result, policyholders don't renew their policy, resulting in a rise in lapse cases.

About insurance penetration, the report said it remained static at 3.7 per cent in FY25. This is much below the world's average of 7.3 per cent.

The insurance penetration for the life insurance industry declined from 2.8 per cent in the previous year to 2.7 per cent during 2024-25.

The penetration with respect to the non-life insurance industry remained the same at 1 per cent during 2024-25 compared to 2023-24, it said.

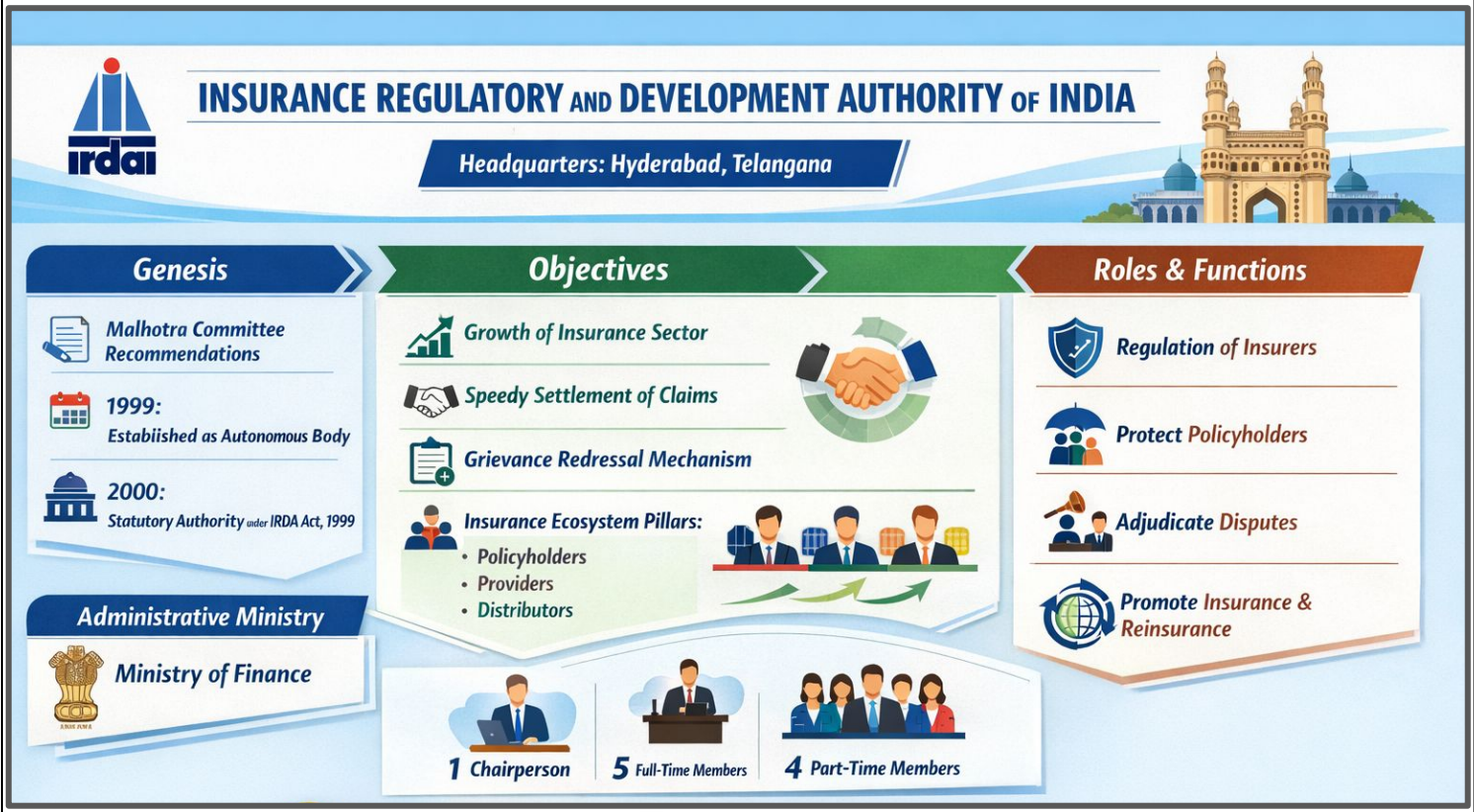
In 2024-25, the insurance

density in India showed a modest rise, increasing from \$95 in 2023-24 to \$97 in 2024-25. Specifically, life insurance density increased from \$70 to \$72, while non-life insurance density remained stable at \$25.

This upward trend in insurance density has been consistent since 2016-17, the report said.

Insurance penetration and density are two metrics often used to assess the level of development of the insurance sector in a country.

While insurance penetration is measured as the percentage of insurance premiums to GDP, insurance density is calculated as the ratio of premiums to population (per capita premium).



# India is now World's Largest Rice Producer

**Syllabus: GS Paper 3: AGRICULTURE**  
**Newspaper: INDIAN EXPRESS, Page No. 7**

INDIA HAS become the world's largest rice producer, surpassing China, with a total output of 150.18 million tonnes during 2024-25, Union Agriculture Minister Shivraj Singh Chouhan said on Sunday.

Speaking at an event, Chouhan said, "India has surpassed China in rice production and has become the world's largest producer."

India's rice production has reached 150.18 million tonnes, compared to China's 145.28 million tonnes, Chouhan said, describing it as an "extraordinary achievement."

On this occasion, Chouhan released 184 new varieties of 25 crops. These include 122 of cereals, 24 of cotton (including 22 Bt cotton), 13 of oilseeds, 11 fodder crops, six each of pulses and sugarcane, and one each of jute and tobacco.

These new high-yielding seed varieties would boost crop production and enhance farmers' income, Chouhan said.

He asked the officials to ensure that these new varieties reach farmers quickly.

On the occasion, the Chairman and Managing Director (CMD) of the National Seeds Corporation (NSC), Dr Maninder Kaur Dwivedi, presented a cheque of the NSC dividend to the Union Minister.

The NSC, a Public Sector Undertaking under the Ministry of Agriculture and Farmers' Welfare, has announced the declaration of a final dividend of Rs. 33.26 crore for the Financial Year 2024-25, representing 30% of its Profit After Tax.

On this occasion, Agriculture Secretary Devesh Chaturvedi and other senior officials of the Agriculture Ministry were also present.

## Rice

- **Temp: High Temp > 25 C**
- **Rainfall : Well distributed – >100 cm**
- **Soil :** Alluvial –flood plains, delta and river valley, coastal plain soils; High clay content preferred
- **Kharif, Water Intensive Crop (Methane Pollution)**
- **Eastern coast of India produces more rice than the western coast.**
- **International Rice Research Institute (IRRI)** in the Philippines.
- **Myanmar** is known as the **Rice bowl of the Far East.** **Thailand** is known as the '**Rice Bowl of South-East Asia**'.
- **Telangana>Uttar Pradesh>West Bengal** (Eco Survey 2024-25)
- **Aus, Aman and Boro** are a type of rice grown in Assam, WB.



**Q1. Regarding the gig economy in India, consider the following statements:**

1. Gig workers are classified as employees under existing Indian labour laws.
2. The Code on Social Security, 2020, recognises gig and platform workers as a distinct category.
3. Gig economy platforms typically provide task-based or short-term work arrangements.
4. Gig workers are mandatorily entitled to minimum wages and provident fund benefits.

**How many of the statements given above is/are correct?**

- a) Only One
- b) Only Two
- c) All Three
- d) None

**Answer: b**

**Q2. With reference to global disaster risk reduction (DRR) initiatives, consider the following statements:**

1. The Sendai Framework for Disaster Risk Reduction (2015–2030) emphasises a shift from post-disaster relief to prevention and resilience-building.
2. The Early Warnings for All (EW4All) initiative aims to ensure universal access to multi-hazard early warning systems.
3. The Global Platform for Disaster Risk Reduction is a financing mechanism providing catastrophe bonds and insurance support.
4. The WHO Health Emergency Framework focuses on strengthening pandemic preparedness, surveillance and emergency response.

**Which of the statements given above are correct?**

- a) 1, 2 and 4 only
- b) 1 and 3 only
- c) 2, 3 and 4 only
- d) 1, 2, 3 and 4

**Answer: a**

**Q3. With reference to the Organisation of the Petroleum Exporting Countries (OPEC), consider the following statements:**

1. OPEC is a permanent intergovernmental organisation comprising oil-exporting developing countries.
2. India is a founding member of OPEC.
3. OPEC was established at the Baghdad Conference in 1960.
4. OPEC+ was formed to respond to falling oil prices caused partly by rising shale oil production in the United States.

**How many of the statements given above is/are correct?**

- a) Only One
- b) Only Two
- c) Only Three
- d) All Four

**Answer: c**

**Q4. With reference to the Insurance Regulatory and Development Authority of India (IRDAI), consider the following statements:**

1. IRDAI is a statutory body established under an Act of Parliament.
2. It regulates insurance companies, reinsurers and insurance intermediaries operating in India.
3. The Chairperson and Members of IRDAI are appointed by the Reserve Bank of India.

**Which of the statements given above are correct?**

- a) 1 and 2 only
- b) 1 and 3 only
- c) 2 and 3 only
- d) 1, 2, and 3

**Answer: a**

**Q5. With reference to National Seeds Corporation Limited (NSC), consider the following statements:**

1. It is a government-owned Miniratna public sector enterprise under the Ministry of Agriculture and Farmers' Welfare.
2. Its primary function is to produce and supply certified seeds of diverse crops to farmers.
3. NSC plays a key role in implementing national agricultural missions such as the National Food Security Mission.

**Which of the statements given above are correct?**

- a) 1 and 2 only
- b) 1 and 3 only
- c) 2 and 3 only
- d) 1, 2 and 3

**Answer: d**





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## **Institute for IAS Examination**

A unit of Vajiram & Ravi IAS Study Centre LLP

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9-B, Bada Bazar Marg, Old Rajinder Nagar,  
New Delhi - 110060 • Ph.: 41007400, 41007500

New No. 62, P Block, 6th Avenue, Anna Nagar,  
Chennai - 600040 • Ph.: 044-4330-2121

Visit us at : [www.vajiramandravi.com](http://www.vajiramandravi.com)