

THE PALA CIVIL TIMES



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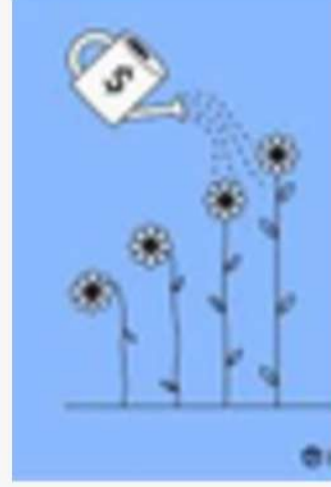
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THE PALA CIVIL TIMES SPECIAL FEATURE



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The BJP's path to victory in Assam undermined the health of India's polity



Amid disruptions, a timely lifeline



Worthy proposal

Brokerage net worth should be linked to number of clients

India, Vietnam eye \$25 billion bilateral trade target by 2030

The recent meeting between India and Vietnam marked a major upgrade in bilateral ties through the elevation of relations to an Enhanced Comprehensive Strategic Partnership. Both countries agreed to expand cooperation in trade, defence, maritime security, critical technologies, renewable energy, and supply-chain resilience, while setting a target of \$25 billion bilateral trade by 2030. India will export grapes to Vietnam, while Vietnam will export durians to India, with further discussions ongoing on pomegranates and pomelos. Defence and Indo-Pacific cooperation emerged as key pillars, with both sides supporting a free, open, and rules-based maritime order under the United Nations Convention on the Law of the Sea among other significant topics.

(Read the full report on Page 4)



Understanding inequality in India's growth story

Recent debates on economic policy and welfare reforms including the implementation of the new Labour Codes and the replacement of MGNREGA through the Viksit Bharat Guarantee for Rozgar and Ajeevika Mission (Gramin) Bill, 2025 have renewed concerns regarding inequality and livelihood insecurity in India. While India has experienced rapid economic growth and rising consumption over the past two decades, the benefits of growth have not been distributed evenly across regions and social groups.

Measuring the Gap

In India, inequality is commonly measured using the **Gini Index**, which assesses disparities in consumption or income levels across households. According to estimates based on the **Household Consumer Expenditure Survey (HCES) 2023-24** conducted by the National Sample Survey Office, overall consumption inequality in India remains significant. Urban areas continue to display higher inequality than rural areas, particularly in non-food expenditure such as education, healthcare, transport, housing, and lifestyle-related spending.

Sharp Differences in Consumption Patterns

The analysis highlights a widening gap between rural and urban India. The disparity becomes clearer when comparing expenditure groups:

- 1) The top 10% urban population accounts for a disproportionately large share of non-food consumption.
- 2) The average monthly per capita expenditure of the richest urban households is many times higher than that of the poorest rural households.

Urban inequality is sharper because high-income growth has been concentrated in sectors such as technology, finance, services, and urban industries. This indicates that economic expansion in India has remained largely urban-centric.



Growth Has Benefited Some Groups More Than Others

Studies on India's growth pattern show that professionals, managers, business owners, and skilled urban workers have benefited more from economic reforms and rising consumption trends. In contrast, informal workers, agricultural labourers, small farmers, and vulnerable rural groups have lagged behind. This suggests that inequality in India is not limited to income groups alone but is also linked to factors such as rural-urban location, occupation and class, access to formal employment, and Social and economic background. As a result, differences in education, healthcare access, employment security, and quality of life continue to widen across sections of society.

Balancing Access and Accountability

The discussion on inequality is also shaped by concerns regarding data accuracy and comparability. Surveys often fail to fully capture the income and wealth of the super-rich, meaning actual inequality may be higher than official estimates suggest. Persistent inequality can create long-term developmental challenges by weakening social mobility and limiting equal access to opportunities. India's experience shows that high economic growth does not automatically reduce inequality. While urbanisation, industrialisation, and expanding markets have increased national income, the gains have remained uneven across regions and social groups. Addressing inequality remains important not only for welfare and poverty reduction, but also for sustaining long-term economic and social stability in India.

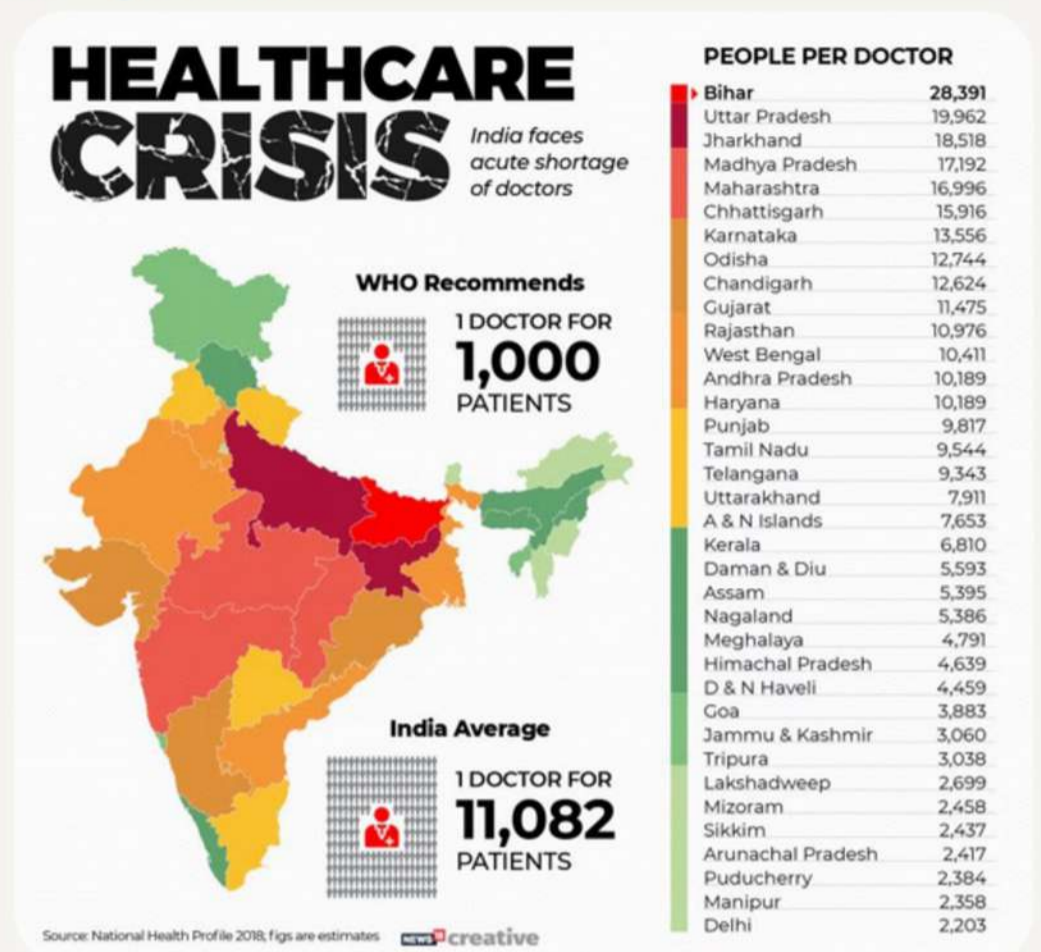
Fixing structural deficits in India's health system

The Union government's approval of 43 new medical colleges and nearly 20,000 additional seats (11,682 MBBS seats along with 8,967 postgraduate seats) for 2025-26 reflects India's continuing effort to strengthen healthcare infrastructure and medical education. However, concerns remain regarding whether increasing seats alone can solve the persistent shortage of doctors and specialists in the public health system, especially in rural, tribal, and underserved regions. A large share of the new colleges are in the private sector, where high training costs and the absence of mandatory public service obligations reduce the likelihood of specialists serving in government hospitals or remote areas.



Persistent Specialist Shortages in Rural India

Despite a significant increase in postgraduate medical seats over the last decade, rural healthcare institutions continue to face severe staff shortages. According to the Health Dynamics of India 2022-23 report, Community Health Centres (CHCs) face nearly an 80% shortage of specialists, with only around 4,400 specialists available against a requirement of nearly 22,000. CHCs, which function as referral centres for Primary Health Centres under Indian Public Health Standards (IPHS), are expected to provide specialist services such as surgery, obstetrics, paediatrics, and emergency care. However, inadequate facilities, poor housing, lack of equipment, limited schooling opportunities, and weak professional support discourage doctors from serving in difficult areas.



Infrastructure Alone Cannot Improve Health Outcomes

Merely constructing hospitals, medical colleges, and CHCs without matching investments in operational capacity may not substantially improve healthcare delivery. Many institutions continue to face shortages of faculty, drugs, diagnostics, ambulance services, emergency units, and trained personnel. Even several AIIMS institutions reportedly face large faculty vacancies, raising concerns about the quality of specialist training itself. This highlights the need for healthcare planning that focuses not on long-term human resource management and service delivery outcomes.

Need for Better Alignment Between Medical Education and Public Health

The discussion emphasizes that India's healthcare system requires stronger integration between medical education and public health needs. Suggestions include linking postgraduate seat allocation with compulsory service in CHCs or district hospitals, introducing incentives for service in difficult areas, improving staff quarters and working conditions, and ensuring team-based deployment of specialists instead of fragmented postings. Such measures could strengthen the National Health Mission's broader goal of improving healthcare access in underserved regions while ensuring that the expansion of medical education translates into better public health outcomes for poor and marginalised populations.

India, Vietnam eye \$25 billion bilateral trade target by 2030

India and Vietnam elevated their ties from a Comprehensive Strategic Partnership to an Enhanced Comprehensive Strategic Partnership, marking a major milestone in bilateral relations. The upgrade coincides with the 10th anniversary of the partnership framework and reflects growing strategic convergence in the Indo-Pacific region.

Both sides emphasized that stronger ties would support India's Viksit Bharat 2047 vision and Vietnam's Vision 2045.

Trade, Investment & Economic Cooperation

The two countries set an ambitious target of \$25 billion bilateral trade by 2030, up from around \$16 billion currently. Important agricultural market access decisions were also announced to improve bilateral trade in farm products. **India will now be able to export grapes to Vietnam, while Vietnam will gain access to the Indian market for durians.** Both countries are also working to resolve technical issues to allow the export of **Indian pomegranates to Vietnam and Vietnamese pomelos to India.**

The two sides additionally supported the upgradation of the India-ASEAN Trade Agreement, which is expected to improve market access, strengthen regional trade integration, and boost economic cooperation between India and Southeast Asian countries.

Investment and Emerging Sectors

India and Vietnam agreed to promote greater two-way investments in emerging and high-growth sectors such as high technology, renewable energy, electric vehicles, manufacturing, logistics, smart agriculture, healthcare, information technology, tourism, and hospitality. Both countries also decided to strengthen cooperation between their start-up ecosystems and innovation centres, reflecting a growing focus on technology-driven economic partnership and future-oriented industries.

The recent India-Vietnam leaders' meeting marks a significant expansion of bilateral relations from traditional diplomacy towards a multidimensional strategic partnership. Economic cooperation, defence ties, maritime security, critical technologies, and resilient supply chains are emerging as the core pillars of engagement. The partnership also reflects broader Indo-Pacific geopolitical shifts, where both countries seek to strengthen regional stability and build strategic autonomy.



Expanding Strategic and Security Ties

Both countries reaffirmed their commitment to the **Joint Vision Statement on Defence Partnership towards 2030** and agreed to deepen cooperation in areas such as joint military exercises, maritime security, naval cooperation, hydrography, defence technology, co-production, training, and search-and-rescue operations. India's defence Lines of Credit to Vietnam were also acknowledged as important for strengthening Vietnam's defence capabilities. Both countries reiterated their shared commitment to a free, open, inclusive, and rules-based Indo-Pacific region. Both sides emphasized the importance of freedom of navigation and overflight, peaceful dispute resolution, and adherence to the United Nations Convention on the Law of the Sea.

New Frontiers

The partnership also focuses on semiconductors, rare earth minerals, AI, digital payments, and renewable energy, reflecting growing strategic convergence amid global supply-chain concerns. Alongside economic and strategic ties, both countries emphasized cultural exchanges, Buddhist civilizational links, educational cooperation, and multilateral coordination through ASEAN, BRICS, and the United Nations, highlighting Vietnam's increasing importance in India's Act East and Indo-Pacific strategies.

The Indian EXPRESS

Amid disruptions, a timely lifeline

Centre recently launched the Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 to cushion businesses from the economic disruptions caused by the ongoing West Asia conflict. Modelled on the Covid-era ECLGS introduced in 2020, the scheme seeks to provide additional collateral-free credit support, particularly to MSMEs and the aviation sector, both of which are highly vulnerable to rising fuel prices, supply-chain disruptions, and liquidity stress. Under the scheme, MSMEs and eligible firms can access additional working capital linked to previous utilisation levels, while airlines receive more extensive support due to the severe impact of higher aviation fuel costs and global disruptions in air travel. The editorial argues that MSMEs are especially exposed because they lack sufficient financial buffers to absorb prolonged cost shocks, unlike larger firms. By providing moratoriums and government-backed guarantees, the scheme aims to prevent liquidity problems from turning into large-scale business failures and employment losses.

Editorial to Exam - Most probable question from this editorial

External geopolitical conflicts increasingly transmit economic shocks to domestic economies through energy prices, trade disruptions, and financial stress.

Discuss the significance of targeted credit support schemes such as ECLGS in protecting vulnerable sectors like MSMEs during periods of economic disruption.



Cost of success

BJP's renewed victory in Assam under the leadership of Himanta Biswa Sarma has wider political implications. as it trails Mr. Sarma's transformation from a senior Indian National Congress leader to a central figure in Bharatiya Janata Party politics in the Northeast, marked by strong organisational skills, welfare-oriented governance, and assertive political strategies. Initiatives such as Mission Basundhara and the Orunodoi cash transfer scheme. Combined with infrastructure development, these measures has helped the BJP consolidate support and expand its social base. Furthermore, the 2023 delimitation exercise and the weakening of regional parties significantly reshaped Assam's political landscape, allowing the BJP to emerge as the dominant force in the State.

At the same time, concerns regarding increasing communal polarisation and the long-term implications of identity-based politics in a sensitive border State remain. While the BJP has successfully consolidated fragmented social groups, it has diluted older linguistic and ethnic politics.

Editorial to Exam - Most probable question from this editorial

Welfare politics, electoral consolidation, and identity mobilisation are increasingly reshaping regional political landscapes in India.

Discuss their implications for democratic representation, social cohesion, and cooperative federalism, with suitable examples

thehindu**businessline.**

TUESDAY - MARCH 31, 2026

Worthy proposal

The rapid rise in retail participation in India's stock markets since the pandemic has increased financial risks for investors, brokers, and the broader market ecosystem. In response, the Securities and Exchange Board of India (SEBI) has proposed stricter net worth requirements for stockbrokers to improve market stability and investor protection. Under existing rules, brokers maintain reserves based mainly on client cash balances, but SEBI believes this no longer reflects actual operational risks. The regulator now proposes linking reserve requirements to brokers' client credit balances and the number of clients they handle, especially those acquired through authorised persons (APs), who face relatively weaker oversight. The move aims to discourage reckless expansion of client bases and reduce excessive speculation in equity and derivatives trading. While large brokers may easily comply, smaller firms could face liquidity pressure. these reforms as necessary to cool market "froth" and strengthen financial discipline, even if they slow the rapid growth of new retail investors.

Editorial to Exam - Most probable question from this editorial

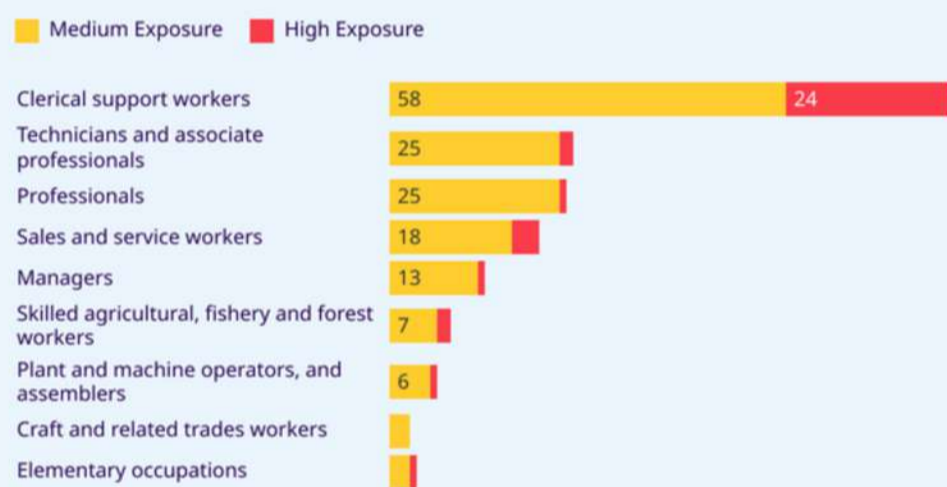
The rapid growth of retail participation in financial markets has increased both opportunities and systemic risks in India.

Discuss the role of financial regulators such as SEBI in ensuring market stability, investor protection, and responsible financial inclusion.

AI, Jobs and the Future of Work: Why Lifelong Learning Matters

Technological change has historically displaced jobs while also creating new opportunities. Earlier industrial and digital revolutions replaced many traditional occupations, yet expanding economies were usually able to absorb displaced workers. However, the current wave of Artificial Intelligence (AI) is increasingly being viewed as different in both speed and scale. This is unfolding alongside geopolitical instabilities and growing economic uncertainty, making labour market transitions more difficult.

► Number of tasks with medium to high exposure to generative AI, by occupational group



Source: ILO Working paper 96

White-Collar and Mid-Skill Jobs Under Pressure

AI systems are increasingly automating tasks in sectors such as coding, finance, law, customer support, administration, and translation. Major companies including Salesforce, IBM, Cognizant, Freshworks, and Duolingo have already announced AI-linked workforce reductions. Industry leaders have warned that AI could significantly reduce entry-level white-collar employment, particularly in knowledge-based sectors. Such jobs traditionally functioned as gateways for the middle class.

For India, the challenge is especially significant because sectors such as IT services, outsourcing, and back-office operations have historically generated large-scale employment for mid-skill workers. If AI increasingly performs these functions, companies may hire fewer workers while demanding more advanced technical skills.

While AI offers enormous gains in productivity and efficiency, it also poses serious challenges related to employment, inequality, and skills disruption. In this context, the ILO's emphasis on lifelong learning highlights the need for governments, industries, and educational institutions to invest in continuous skill development.

India's Particular Vulnerability

With AI takeover, Indian job market is facing a dual problem :

- A large-scale reduction in entry-level opportunities
- A widening skills mismatch between labour supply and market demand

There is also concern that India's role as a global outsourcing hub could weaken if multinational firms automate processes within their own countries instead of outsourcing them overseas.

AI Beyond the Traditional Workplace

The impact of AI is extending beyond conventional workplaces into areas such as defence, security, and governance. The increasing use of drones, autonomous systems, and AI-assisted military technologies in conflicts reflects how rapidly technological systems are reshaping warfare itself. India has also begun adapting to this shift through drone laboratories, collaborations with IITs, and military training programmes focused on operating and countering autonomous technologies.

The International Labour Organization's Response

In response to rapidly changing labour markets, the International Labour Organization (ILO) has emphasized that lifelong learning must become a central pillar of economic and social policy. According to the ILO, trends such as digitalisation, AI, green transition, and demographic change are fundamentally reshaping employment patterns worldwide. The ILO argues that lifelong learning should not be viewed merely as a tool for improving productivity. Instead, it should be treated as a broader strategy for decent work and employability, Social inclusion and equity, Innovation and active citizenship and overall sustainable economic growth.

PRELIMS CORNER :

1) Consider the following statements:
Statement I: Article 6 of the Paris Agreement on climate change is frequently discussed in global discussions on sustainable development and climate change.

Statement II: Article 6 of the Paris Agreement on climate change sets out the principles of carbon markets.

Statement III: Article 6 of the Paris Agreement on climate change intends to promote inter-country non-market strategies to reach their climate targets. Which one of the following is correct in respect of the above statements?

(a) Both Statement II and Statement III are correct and both of them explain Statement I

(b) Both Statement II and Statement III are correct but only one of them explains Statement I

(c) Only one of the Statements II and III is correct and that explains Statement I

(d) Neither Statement II nor Statement III is correct

2) Which organization has enacted the Nature Restoration Law (NRL) to tackle climate change and biodiversity loss?

(a) The European Union

(b) The World Bank

(c) The Organization for Economic Cooperation and Development

(d) The Food and Organization Agriculture



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**Laxmi Vilas Palace (Gujarat)**

The Laxmi Vilas Palace is one of the grandest royal residences in India and a remarkable example of Indo-Saracenic architecture. Built between 1878 and 1890 by Maharaja Sayajirao Gaekwad III, the palace reflects the wealth, artistic vision, and modern outlook of the Gaekwad dynasty. Spread across nearly 500 acres, it is considered the largest private residence ever built and is said to be four times the size of Buckingham Palace. The palace continues to serve as the residence of Vadodara's royal family.

Designed initially by British architect Major Charles Mant and later completed by Robert Fellowes Chisholm, the structure beautifully combines Indian, Islamic, and European architectural styles. Its lavish interiors feature ornate mosaics, stained glass, chandeliers, carved arches, and impressive collections of weaponry and artworks. Particularly significant are the paintings of Raja Ravi Varma, specially commissioned for the palace, symbolising ideals such as education, duty, and prosperity.

The palace complex also includes museums, banquet halls, gardens, a golf course, and the historic Navlakhi stepwell, highlighting Gujarat's traditional water management systems. More than just a royal residence, Laxmi Vilas Palace represents the cultural confidence and architectural experimentation of princely India during the colonial era.



Prelims Corner: Explanations

1) The correct answer is (a) Both Statement II and Statement III are correct and both of them explain Statement I

Article 6 of the Paris Agreement is a major framework for international cooperation on climate action and is therefore frequently discussed in global debates on sustainable development, carbon trading, and climate finance.

Statement II is correct because Article 6 lays down the operational framework for international carbon markets. Under Article 6.2, countries can exchange **internationally transferred mitigation outcomes (ITMOs)** to help meet their **Nationally Determined Contributions (NDCs)**. Article 6.4 establishes a UN-supervised carbon market mechanism for trading high-quality carbon credits, similar to but more advanced than the earlier **Clean Development Mechanism (CDM)** under the Kyoto Protocol. These provisions collectively form the basis of global carbon market principles.

Statement III is also correct. Article 6.8 specifically promotes non-market approaches to climate cooperation. These include technology transfer, capacity building, policy coordination, adaptation support, and sustainable development partnerships that do not rely on carbon trading mechanisms. Its objective is to help countries collaborate in achieving climate targets through cooperative strategies beyond markets.

Thus, both Statements II and III correctly explain why Article 6 occupies an important place in international climate discussions.



2) The correct answer is (a) - The European Union

The European Union has enacted the Nature Restoration Regulation, also called the Nature Restoration Law (NRL), which is the first continent-wide legally binding framework aimed at restoring degraded ecosystems and tackling biodiversity loss alongside climate change. The regulation forms a key pillar of the EU Biodiversity Strategy and reflects Europe's broader climate and sustainability agenda.

The law was introduced because more than 80% of Europe's natural habitats are currently considered to be in poor condition. It seeks to restore wetlands, forests, rivers, grasslands, marine ecosystems, and agricultural landscapes in order to improve biodiversity, enhance carbon sequestration, reduce disaster risks, and strengthen climate resilience.



The regulation establishes binding restoration targets covering at least 20% of the EU's land and sea areas by 2030, with the long-term objective of restoring all ecosystems in need of recovery by 2050. It includes specific measures for pollinator recovery, forest ecosystems, urban green spaces, agricultural landscapes, marine habitats, and river connectivity. One major target is restoring at least 25,000 km of rivers into free-flowing systems by 2030.

The NRL highlights the growing integration of biodiversity conservation with climate mitigation and adaptation policies in global environmental governance.