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Pradhan is only second minister to resign amid public pressure in a Modi government -Collective responsibility is the defining principle of India's parliamentary executive, ensuring that the Council of Ministers remains accountable to the Lok Sabha while individual ministerial exits may occur.

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India's policy on urea production : The National Investment Policy for Urea (NIPU)-2026 aims to strengthen India's self-reliance in urea production by encouraging new investments.

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Beyond compliance, India's road to cleaner mobility - CAFE III seeks to improve fuel efficiency in India's passenger vehicle fleet while promoting cleaner technologies and strengthening long-term energy security.

Editor's Note

As this edition of the Pala Civil Times reaches you, we bring together a diverse set of themes connected by a common thread—the role of public policy in addressing contemporary governance challenges. From education reforms and the functioning of the Cabinet system to transport regulation and fertiliser production, the edition examines how policy formulation and implementation seek to improve institutional efficiency and public outcomes.

Within the national pages, we explore the constitutional principle of collective responsibility through recent developments in the Union Council of Ministers, analyse the key features of the National Investment Policy for Urea (NIPU)-2026, and examine the emerging trends in youth unemployment and the widening gap between educational aspirations and meaningful employment. We also discuss the proposed CAFE III norms and their implications for fuel efficiency, clean mobility and energy security.

The decoded editorials examine the implications of the latest U.S. tariff measures on global trade and India's position, while also analysing the newly constituted Nilekani-led task force on examination reforms in the context of strengthening India's education and testing ecosystem.

We hope this edition enables readers to connect current affairs with broader themes of governance, economy and public policy, fostering a deeper and more integrated understanding of contemporary issues. Happy reading!

Editorials Decoded

The Indian EXPRESS

Nandan Nilekani Committee is welcome, its mandate must be expansive

Successive committees on examination reforms seek to strengthen the integrity, capacity and future-readiness of India's examination system through institutional and technological reforms.

THE HINDU

Forced labour farce

The United States has imposed tariffs on imports from several economies over concerns relating to forced labour, with implications for India's exports, bilateral trade negotiations and global trade policy.

Pradhan is only second minister to resign amid public pressure in a Modi government. Why this is significant

Collective responsibility is the foundation of India's parliamentary system. Under Article 75, the Council of Ministers functions as a single political executive that is collectively responsible to the Lok Sabha. Ministers operate as a unified team, sharing responsibility for government decisions and remaining in office only as long as they enjoy the confidence of the Lok Sabha. Individual ministerial resignations may occur due to political, administrative or ethical reasons, but the constitutional principle of collective responsibility governs the Council of Ministers as a whole.

Principle of Collective Responsibility

- Article 75 establishes the collective responsibility of the Council of Ministers to the Lok Sabha.
- Ministers function as one team and are expected to support decisions taken by the government.
- The Council of Ministers continues in office only while it retains the confidence of the Lok Sabha.
- A vote of no confidence passed by the Lok Sabha removes the entire Council of Ministers headed by the Prime Minister.
- The principle is often described as ministers "swim and sink together."

Ministerial Resignations under the Modi Governments

- While the Constitution provides for the collective responsibility of the Council of Ministers, individual ministers may resign because of political, administrative or ethical considerations.
- **Union Education Minister Dharmendra Pradhan resigned** following protests over the NEET-UG paper leak.
- Earlier, Minister of State for External Affairs M. J. Akbar resigned after allegations surfaced during the #MeToo movement.
- These resignations illustrate political accountability of individual ministers and do not amount to the resignation of the Council of Ministers as a whole.

Pattern of Ministerial Exits

- Ministerial changes have largely occurred through Cabinet reshuffles, resignations preceding reshuffles, or the formation of new governments.
- The July 2021 Cabinet reshuffle witnessed the resignation of twelve ministers, including Harsh Vardhan and Ramesh Pokhriyal "Nishank."
- Several ministers were not re-inducted after the formation of new governments in 2019 and 2024.
- In some instances, ministers continued in office despite opposition demands for resignation until a reshuffle or the constitution of a new Council of Ministers.
- Portfolio changes have also been undertaken without any official attribution to public controversies.

Collective responsibility ensures that the Council of Ministers remains politically accountable to the Lok Sabha as a unified executive. While individual ministers may resign or be reshuffled in response to political circumstances, administrative decisions or public pressure, the constitutional responsibility of the ministry as a whole continues to rest on maintaining the confidence of the Lok Sabha, reinforcing the principles of parliamentary government.

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.

PYQ COMPASS

Q. Out of the following statements, choose the one that brings out the principle underlying the Cabinet form of Government: (2017)
(a) An arrangement for minimising criticism against the Government whose responsibilities are complex and hard to carry out to the satisfaction of all.
(b) A mechanism for speeding up the activities of the Government whose responsibilities are increasing day by day.
(c) A mechanism of parliamentary democracy for ensuring collective responsibility of the Government to the people.
(d) A device for strengthening the hands of the head of the Government whose hold over the people is in a state of decline.

RELEVANCE

GS II - Parliament and State Legislatures

India's policy on urea production

The National Investment Policy for Urea (NIPU)-2026 is a policy approved by the Cabinet Committee on Economic Affairs to ***promote domestic investment in gas-based urea manufacturing.*** The policy seeks to address India's dependence on imported urea by expanding indigenous production capacity. It assumes significance in the context of concerns over fertiliser availability during the kharif season, rising demand, and the need for greater transparency and financial viability in urea manufacturing.

Key Features of NIPU-2026

- Encourages fresh investment for establishing gas-based urea manufacturing units in India.
- Separates fixed and variable costs to improve transparency in determining production costs.
- Introduces a **Return on Equity (RoE) band** with a minimum of 12% and a maximum of 16%.
- Mitigates foreign exchange risk by converting fixed costs into Indian Rupees after four years using prevailing exchange rates.
- Aims to enhance self-reliance by reducing dependence on imported urea.

Evolution of India's Urea Policy

- The Union Government introduced investment policies for the urea sector in 2012 and 2013, with amendments in 2014 to facilitate fresh investments.
- Six new urea manufacturing units were established under the 2012 policy, including four by Joint Venture Companies of nominated PSUs and two by private companies.
- **India currently has 33 operational urea manufacturing units with a reassessed installed capacity of 269.42 LMT.**
- Amendments made in 2015 for existing gas-based units increased annual urea production by 20–25 LMT over 2014-15 levels.
- Domestic production capacity increased from 207.54 LMT in 2014-15 to 269.42 LMT in 2026-27.

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.

Q. What are the different types of agriculture subsidies given to farmers at the national and at state levels? Critically analyse the agricultural subsidy regime with reference to the distortions created by it. (GS III – 2013)

RELEVANCE

GS III - Agriculture

Current Implementation

- Total fertiliser subsidy increased from ₹1,77,162.06 crore in 2024-25 to **₹2,17,281.10 crore in 2025-26.**
- **Urea subsidy accounted for ₹1,42,175.74 crore in 2025-26.**
- For the 2026 kharif season, urea requirement was estimated at 370.84 LMT, while total availability stood at 432.44 LMT.
- 381.59 LMT of available urea is proposed for sale through the Direct Benefit Transfer (DBT) system using Point of Sale devices linked to beneficiary identification.
- **The Government promotes Integrated Nutrient Management (INM) to encourage balanced use of organic, chemical and biological nutrient sources while maintaining long-term soil fertility.**

NIPU-2026 seeks to strengthen India's domestic urea manufacturing through investment-oriented reforms and a more transparent financial framework. Alongside continued subsidy support, enhanced production capacity and measures promoting balanced fertiliser use, the policy aims to improve fertiliser availability and reduce import dependence while supporting sustainable nutrient management in agriculture.

Why India's youth compete fiercely for government jobs

India has significantly expanded access to school and higher education while investing in skill development, apprenticeships and vocational training. However, the labour market has not generated sufficient quality employment to absorb the growing number of educated youth. As a result, both school leavers and graduates face different forms of employment distress, making the shortage of meaningful jobs a major economic and social challenge.

Employment Landscape Among Youth

- India has about 307 million people aged 15–29, of whom 141 million are in the labour force and 127 million are employed.
- Only about 15 million young people hold regular salaried jobs with contracts and social security.
- Nearly 39% of youth have not completed secondary education, while over half possess no qualification beyond Class 10.
- Young people with lower educational attainment are largely employed in informal, low-paid or subsistence work.
- Graduates constitute 17% of the youth population but account for 56% of unemployed youth.

CHART 1: Graduates in the age group of 15-29 face the highest unemployment rate at 22.7%, more than three times that of those who never completed school

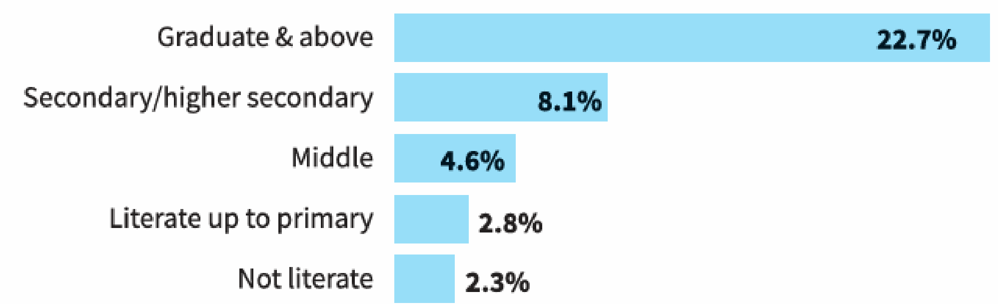

CHART 3: Only one in eight workers hold a 'good job'. The share of employed youth (aged 15-29) by status of employment

Structural Drivers of the Employment Crisis

- Graduates face the highest unemployment rate at 22.7%, compared with much lower unemployment among those who did not complete school.
- Only about 22% of the labour force earns more than ₹15,000 per month, while nearly 55% earns below ₹9,000.
- Entry-level wages often fall below the income expectations of graduates, particularly where migration is required.
- Many young people are unable to identify clear educational or occupational pathways leading to desired careers, resulting in greater dependence on competitive examinations.

Implications for Employment and Economic Growth

- Government recruitment examinations have become one of the few avenues offering secure employment, particularly for first-generation graduates.
- In 2024, around 30 lakh candidates competed for approximately 17,700 government posts, reflecting intense competition for limited vacancies.
- Economic growth has generated output more rapidly than meaningful employment, with recent employment gains increasingly concentrated in low-productivity agriculture.
- Public investment has risen substantially, but a larger share has been directed towards physical infrastructure than health and education systems.

Implications

India's employment challenge reflects a widening mismatch between expanding educational opportunities and the availability of quality jobs. While reforms in recruitment processes may improve accountability, they cannot address the underlying shortage of meaningful employment. Sustained economic growth must increasingly translate into productive and secure job creation so that rising educational attainment is matched by expanding opportunities for the country's youth.

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.

PYQ COMPASS

Disguised unemployment generally means (2013)

a) large number of people remain unemployed b) alternative employment is not available

c) marginal productivity of labour is zero

d) productivity of workers is low

RELEVANCE

GS III - Indian Economy and issues relating to planning, growth and employment

Forced labour farce (The Hindu : 28-07-2026)

The United States has imposed tariffs on imports from 60 economies under Section 301 of the Trade Act of 1974, citing inadequate prohibition or enforcement of restrictions on goods produced using forced labour. India is among the countries subject to a 10% tariff. The development assumes significance as it replaces an earlier temporary tariff regime and influences India's trade relations and ongoing bilateral trade negotiations with the United States.

Features of the Section 301 Forced Labour Tariffs

- The tariffs have been imposed under Section 301 of the Trade Act of 1974, which permits action against countries engaging in "unjustifiable", "unreasonable" or "discriminatory" trade practices.
- The measure replaces the temporary 10% worldwide tariff introduced after the U.S. Supreme Court struck down reciprocal tariffs imposed under emergency powers.
- The action targets 60 economies for failing to prohibit or effectively enforce restrictions on imports produced using forced labour.
- Two tariff slabs have been introduced: 10% for 17 economies, including India, and 12.5% for the remaining 43 economies.
- Certain products, including oil, natural gas, fertilisers and other specified categories, have been exempted from these tariffs.

India's Position and Policy Response

- India has been placed in the 10% tariff category after amending its Foreign Trade Policy on June 14 to prohibit imports of goods produced using forced labour.
- Earlier proposals had placed India in the 12.5% tariff category before the policy amendment was taken into account.
- India has challenged both Section 301 investigations and maintains that such issues should be resolved within the framework of the proposed bilateral trade agreement under negotiation with the United States.
- India's notification banning imports made using forced labour contributed to its movement into the lower tariff category.
- Uncertainty continues as another Section 301 investigation concerning excess production capacity remains pending.

Trade Implications

- Countries like Japan, South Korea and Switzerland with trade agreements or arrangements at different stages of formalisation with the United States have received relatively favourable tariff treatment in certain cases.
- ***The tariff framework includes product-specific exemptions and country-specific treatment rather than applying uniform duties across all affected economies.***
- The U.S government states that the measure addresses both forced labour and trade distortions arising from inadequate enforcement of import restrictions.
- The pending investigation into excess production capacity may result in additional trade measures, creating continued uncertainty for affected economies.

Way Forward

The Section 301 forced labour tariffs represent a shift towards a more durable U.S. tariff framework following the expiry of temporary worldwide tariffs. For India, the immediate tariff burden has been moderated through policy changes relating to forced labour imports, but uncertainty remains due to ongoing trade investigations. The development highlights the evolving nature of international trade measures and their implications for bilateral trade negotiations.

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.

Q. How would the recent phenomena of protectionism and currency manipulations in world trade affect macroeconomic stability of India? (GS III – 2018)

Refer The Pala Civil Times 25/07/2026 edition Economy page

RELEVANCE

GS III - Effects of Liberalisation on the Economy

Nandan Nilekani Committee is welcome, its mandate must be expansive (I.E : 28-07-2026)

Recent examination-related controversies have prompted renewed focus on reforming India's examination system. Following the resignation of the Union Education Minister, the Centre constituted a high-level task force chaired by Nandan Nilekani to examine reforms in the education and examination ecosystem. The initiative follows the K. Radhakrishnan Committee, constituted in 2024 after the NEET-UG paper leak controversy, whose recommendations sought comprehensive reforms in the functioning of the National Testing Agency (NTA).

Evolution of Examination Reform Initiatives

- The K. Radhakrishnan Committee was constituted in 2024 following concerns over the integrity of entrance examinations after the NEET-UG paper leak.
- Initially mandated to recommend reforms in examination processes, data security and the functioning of the NTA, its scope later expanded following directions of the Supreme Court in Vanshika Yadav v. Union of India.
- **The committee submitted 101 recommendations** based on consultations, including responses received from students and parents through the MyGov portal.
- Following renewed public protests, the Centre constituted a high-level task force chaired by Nandan Nilekani to undertake broader reforms in the education and examination system.

Major Reform Proposals

- The K. Radhakrishnan Committee identified weaknesses across the entire ***"Testing Life Cycle",*** covering ***question paper handling, candidate verification, examination centre management and grievance redressal.***
- It proposed **Computer-assisted Secure Pen-and-Paper Testing (CPPT)** to replace long-distance transportation of printed question papers with encrypted digital transmission to examination centres.
- It recommended **DIGI-EXAM**, a multi-stage **candidate authentication system using Aadhaar, biometrics and AI-based analytics.**
- **Institutional reforms proposed :** restructuring the NTA into an empowered apex body, reducing dependence on outsourced agencies, establishing 10 specialised verticals, and creating 1,000 Secure Testing Centres in phases.
- Recommendations also covered multi-session testing, Computer Adaptive Testing, AI-enabled grievance redressal, dedicated mental-health support and a high-powered steering committee to monitor implementation.

RELEVANCE

GS II - Government Policies and Interventions

Emerging Priorities for Exam Reforms

- The Nilekani-led task force reflects an effort to move beyond immediate examination failures towards broader reforms in education and workforce preparedness.
- The changing employment landscape, including the growing influence of artificial intelligence, automation and technological disruption, has increased the need for continuous learning and skill development.
- The task force is expected to consider technological innovation alongside institutional reforms while drawing upon expertise from government, industry and academia.
- The experience following the K. Radhakrishnan Committee highlights that effective implementation, clear timelines and measurable milestones are as important as policy recommendations themselves.

Way Forward

India's recent examination reform initiatives demonstrate a shift from addressing isolated examination failures towards strengthening the overall examination ecosystem. While the K. Radhakrishnan Committee provided a comprehensive blueprint for institutional and technological reforms, the Nilekani-led task force presents an opportunity to integrate examination reforms with the evolving demands of education, technology and employment. The effectiveness of these initiatives will ultimately depend on timely and sustained implementation.

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.

Q. The crucial aspect of development process has been the inadequate attention paid to Human Resource Development in India. Suggest measures that can address this inadequacy. (GS II – 2023)

Beyond compliance, India's road to cleaner mobility

The proposed Corporate Average Fuel Efficiency (CAFE) III norms represent the next stage of India's fuel-efficiency regulations for passenger vehicles. The framework seeks to reduce average emissions, improve fuel efficiency and encourage cleaner vehicle technologies. Its significance extends beyond environmental objectives, as the norms are expected to influence India's energy security, technological choices and long-term investment in the automobile sector.

Key Features of the CAFE III Framework

- **CAFE norms prescribe** annual sales-weighted average fuel-efficiency targets for **manufacturers' passenger vehicle fleets** rather than individual vehicle models.
- The draft proposes reducing average emissions from about **113 gCO_2/km to 77 gCO_2/km by FY2031-32**.
- The earlier proposal providing greater flexibility for lighter small cars has been withdrawn in the latest draft.
- The framework incorporates mechanisms such as the **Carbon Neutrality Factor, super credits, credit banking and trading, and multi-year compliance assessment.**
- The objective is to improve fleet-level fuel efficiency while accommodating different technological pathways.

Compliance Mechanisms under the Draft Norms

- **Carbon Neutrality Factor :** It provides compliance benefits for vehicles compatible with higher ethanol blends and other fuels.
- **Super credits** give additional weight to battery electric vehicles, plug-in hybrids, strong hybrids and flex-fuel vehicles in fleet calculations.
- Manufacturers exceeding prescribed targets can bank and trade compliance credits, while those with deficits may purchase credits from the **Bureau of Energy Efficiency (BEE)** at administratively determined prices.
- Compliance is evaluated over three-year blocks, later shifting to two-year blocks, allowing manufacturers to average performance across multiple years.

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.

Q. The adoption of electric vehicles is rapidly growing worldwide. How do electric vehicles contribute to reducing carbon emissions and what are the key benefits they offer compared to traditional combustion engine vehicles? (GS III-2023)

RELEVANCE

GS III - Environment and Climate Change

Policy Significance & Emerging Concerns

- **Multiple flexibility mechanisms may reduce the effective stringency of the proposed fuel-efficiency standards.**
- Credit purchases and compliance averaging may enable manufacturers to satisfy regulatory requirements without proportionate technological improvements.
- The experience of China's Dual Credit System demonstrates an approach that combines fuel-efficiency standards with dedicated incentives for new energy vehicles.
- India's experience with Compressed Natural Gas (CNG) illustrates how regulatory certainty can encourage manufacturers to adopt cleaner technologies.
- Stronger fuel-efficiency standards have implications for energy security by reducing dependence on imported crude oil while supporting the transition towards low-carbon mobility.

What lies ahead

The proposed CAFE III framework represents an important step in India's evolving automobile and energy policy. While it establishes more ambitious fuel-efficiency targets, the effectiveness of the framework will depend on whether its flexibility mechanisms support technological transformation without weakening regulatory objectives. A balanced regulatory framework can simultaneously strengthen energy security, promote cleaner mobility and support the long-term competitiveness of India's automobile industry.

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.

PYQ COMPASS

Q. Out of the following statements, choose the one that brings out the principle underlying the Cabinet form of Government: (2017)
(a) An arrangement for minimising criticism against the Government whose responsibilities are complex and hard to carry out to the satisfaction of all.
(b) A mechanism for speeding up the activities of the Government whose responsibilities are increasing day by day.
(c) A mechanism of parliamentary democracy for ensuring collective responsibility of the Government to the people.
(d) A device for strengthening the hands of the head of the Government whose hold over the people is in a state of decline.

Ans : C
The Cabinet form of Government is based on the principle of collective responsibility, which means:
1. The Council of Ministers, headed by the Prime Minister, functions as a team and is collectively responsible to the legislature, particularly the Lok Sabha in India.
2. Decisions are made collectively, and all ministers are expected to publicly support them, even if they disagree privately.
3. If the legislature expresses a vote of no confidence in the Council of Ministers, the entire Cabinet must resign.
This principle ensures accountability, strengthens parliamentary democracy, and emphasizes the Government's responsibility to the people.

Q. Disguised unemployment generally means (2013)
a) large number of people remain unemployed
b) alternative employment is not available
c) marginal productivity of labour is zero
d) productivity of workers is low

Ans : C
Disguised unemployment refers to a situation where more people are employed than required, especially in sectors like agriculture. In such cases:
1) Marginal Productivity of Labour is Zero: If some workers are removed from the work, total output remains unchanged because their contribution (marginal productivity) is effectively zero. This is a characteristic feature of disguised unemployment.
Large number of people remain unemployed: This refers open unemployment, not disguised unemployment. t
Alternative employment is not available: This describes structural unemployment rather than disguised unemployment.
Productivity of workers is low: While disguised unemployment may lead to low overall productivity, the key characteristic is zero marginal productivity, not just low productivity.

Practice Questions and answers

Q. With reference to the National Investment Policy for Urea (NIPU)-2026, consider the following statements:

1. The policy encourages investment in gas-based urea manufacturing units.
2. It separates fixed and variable costs to improve transparency.
3. It introduces a Return on Equity (RoE) band ranging from 12% to 16%.

Which of the statements given above are correct?
a) 1 and 2 only
b) 2 and 3 only
c) 1 and 3 only
d) 1, 2 and 3

Answer: d

- **Statement 1: Correct.** The policy promotes investment in new gas-based urea manufacturing units.
- **Statement 2: Correct.** Separation of fixed and variable costs is one of the major reforms introduced.
- **Statement 3: Correct.** NIPU-2026 provides for a Return on Equity band with a floor of 12% and a ceiling of 16%.

Q. With reference to the proposed Corporate Average Fuel Efficiency (CAFE) III norms, consider the following statements regarding the provision of "Super Credits":

1. Super credits assign a higher compliance value to certain cleaner vehicle technologies than their actual sales numbers.
2. Super credits enable manufacturers to achieve fleet-level fuel efficiency targets with comparatively fewer sales of eligible low-emission vehicles.
3. The objective of super credits is to reduce the incentive for manufacturers to adopt electric vehicles.

Which of the statements given above is/are correct?
a) 1 only
b) 1 and 2 only
c) 2 and 3 only
d) 1, 2 and 3

Answer: (b) 1 and 2 only
Statement 1 – Correct - Under the proposed CAFE III framework, battery electric vehicles, plug-in hybrids, strong hybrids and flex-fuel vehicles receive additional weight ("super credits") while calculating a manufacturer's fleet average.
Thus, one eligible vehicle counts as more than one vehicle for compliance purposes.
Statement 2 – Correct.
Because eligible vehicles receive extra weight,

- manufacturers need not sell the same number of low-emission vehicles that would otherwise have been required;
- a smaller number of EVs or other eligible vehicles can offset a larger number of higher-emission vehicles in the fleet-average calculation.

Consequently, actual adoption of cleaner vehicles may increase less than what the headline emission target suggests, reducing the effective stringency of the regulation.
Statement 3 – Incorrect
The intention behind super credits is not to discourage electric vehicles. Rather, they are introduced to encourage cleaner technologies by giving them additional compliance benefits.
However, the criticism is that if the credit multiplier is too generous, manufacturers may meet regulatory targets without proportionately increasing the actual number of cleaner vehicles sold.
Thus, while the objective is to promote cleaner technologies, the design may reduce the regulation's real-world effectiveness.