VAJIRAM & RAVI
Institute for IAS Examination

The Analyst

CURRENT AFFAIRS Handout

21st November 2026



The Analyst Handout

21st November 2026

Record Profits, Stagnant Wages

CONTEXT: On 20 November 2026, at a FICCI event, PM Modi criticised India Inc. He said that despite tax cuts and ease-of-doing-business reforms, industry is not creating enough jobs, not paying good salaries, not innovating, and not using the trade agreements the government has signed.

Trigger data

- **ASI 2024-25:** nominal factory wages rose 5.3%, but household inflation was 4.6%, so **real wage growth was only 0.7%. Corporate profits/GDP is at a record 5.2% (FY26)**
- **Real wage growth for factory workers was below 1% in five of the last six years.**
- **Supervisor-to-worker pay ratio: 5.87x (2008-09) → 6.36x (2024-25).**
- **Nifty 500 profits are growing about three times faster than GDP.**
- **The corporate tax cut of September 2019 (30% → 22%)**
- **The Economic Survey 2024-25 had flagged "disproportionate rise in corporate profits".**

Reasons for record profits

- **Tax cut:** Corporate tax fell from 30% to 22% (new manufacturing units 15%), which directly raised post-tax profits.
- **Cost-cutting:** Lower input and interest costs after Covid, plus operational efficiency.
- **Market concentration:** Large firms gained market share after Covid, since MSMEs and the informal sector were hit hard.
    - From all the listed companies, **five firms account for 25% of the quarterly profit (Q2 FY27).**
- **Capital-intensive and automated production:** Output rises without proportionate hiring.
- **PSU contribution:** Three of the top five profit-makers are government-owned (Indian Oil, SBI, ONGC), so profit is not purely a private phenomenon.

Reasons for stagnant pay

- **Labour surplus:** Weak job creation outside agriculture and high informality keep bargaining power low.
- **Contractualisation:** Factories use contract labour, which weakens collective bargaining and wage floors.
- **Weak unionisation:** Trade union density is low, so wages are not pushed up.
- **Low productivity and skills:** Many workers sit in low-value-added segments.
- **Profit retention over distribution:** Firms prefer dividends and buybacks to raising wages.
- **Uncertainty:** Global trade and tariff uncertainty, and **weak demand**, make firms cautious about fixed wage commitments.

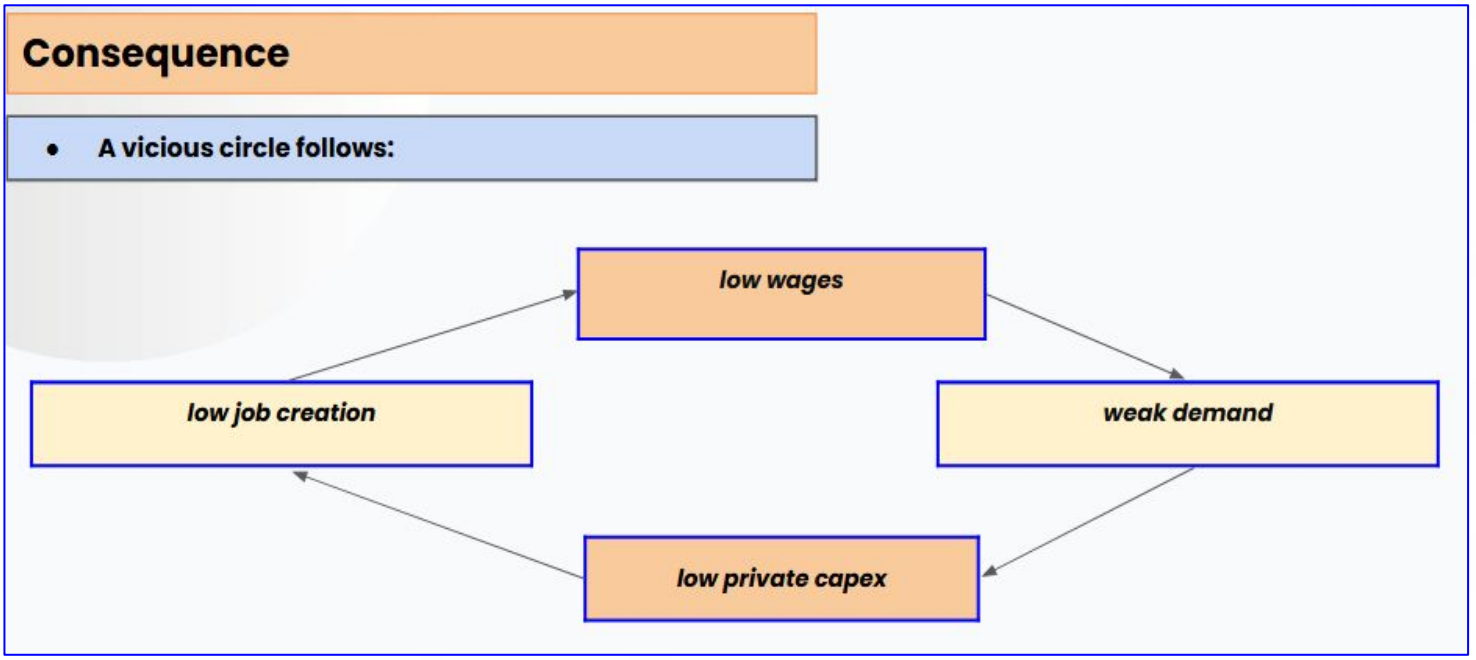


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Not the complete picture

- **Salaried jobs boomed:**
  - **Salaried workers: 67.9 million (2004-05) → 85.2 million (2011-12) → 147.6 million (2025).**
  - **Salaried jobs are now a quarter of all jobs, against a sixth in 2004.**
- **Supply effect: Employed graduates rose from 42 million to 97 million (2011-12 to 2025).** When supply more than doubles, the price (wage) does not rise. The average salary of a graduate fell from Rs 41,782 to Rs 35,046 for this reason.
- **Global pattern: ILO data show real wage growth fell from 2.5% a year (2000-11) to 0.7% (post-2019).** India is in the middle of the pack, so this is not uniquely an India Inc problem



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Not the complete picture

- **Inequality narrowing at the bottom:**
  - **Casual labourers' daily real wage grew 3.4% a year since 2011.**
  - **A salaried worker earned 4.4x a casual worker in 1999-2000, against 2.4x in 2024.**
- **Tax cut as correction, not a favour:**
  - **Even after the cut, India's tax-to-GDP burden is above that of China, Vietnam and Indonesia.**
  - India taxes about 3.3 percentage points of GDP more than expected for its income level.

- **Policy-induced constraints on firms:**
  - Rising import tariffs since 2018 and Quality Control Orders (QCOs) raise input costs and protect domestic suppliers.
  - Non-tariff barriers and a restrictive 2015 model Bilateral Investment Treaty put off investors (net FDI fell to under US$0.5 bn in 2024-25).
  - Protection reduces competition, so firms have no incentive to innovate.

What the government is doing

- **Employment-linked incentives:** ELI scheme / PM Viksit Bharat Rozgar Yojana to incentivise formal job creation.
- **Production Linked Incentive (PLI) schemes**
- **Labour Codes:** Consolidation of 29 laws into four codes (wages, industrial relations, social security, OSH) for a statutory wage floor, formalisation and gig-worker coverage.
- **Deregulation push:** The government has recently started to focus on deregulation, reducing compliance burden.
- **Trade agreements:** Deals with the UK and EU to open markets and tie industry into global value chains.
- **Household Income Survey:** First-ever survey underway to give reliable income and wage data.
- **MSME and skilling support:** Credit guarantee schemes, Skill India, to raise productivity and employability.



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Way forward

- **Fix incentives:** Rationalise tariffs, review QCOs and promote competition, so that firms innovate and hire.
- **Complete trade deals and use them:** Reduce input costs, integrate MSMEs into global value chains, and review the BIT model to attract FDI.
- **Labour-intensive manufacturing:** Focus on textiles, footwear, toys and electronics assembly, where a wage-employment link is stronger.
- **Skilling and productivity:** Link wages to productivity through industry-aligned skilling to absorb the rising graduate supply.
- Encourage disclosure of pay ratios, worker-manager pay gaps and wage-growth reporting.
- **Better data:** Complete the Household Income Survey, use a robust wage deflator, and publish regular wage statistics.
- **Demand support:** Rural wages, VB-G RAM G effectiveness and income support to revive consumption, which triggers private capex.
- **Support MSMEs and the formal shift:** Credit, tech and compliance simplification, to spread profits beyond a few large firms.

MAINS PRACTISE QUESTION

Question: Rising corporate profits have not translated into higher wages in India. Critically examine and suggest measures.

(15 Marks, 250 words)



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Cultural Connect in IR

CONTEXT: India is hosting the first SCO Civilisational Dialogue Forum at Purana Qila, New Delhi, from 20 to 22 November 2026

Modi's key messages

- **Cultural connect is the "biggest guarantee" of global peace, and India is holding a dialogue on shared civilisations while war and unrest dominate the world.**
- **Empires changed the world's map, but civilisational dialogues changed how the world thinks.**
- **He proposed that SCO countries collaborate on digitisation and translation of ancient texts.**

Importance of cultural ties in IR

- **Soft power (Joseph Nye):** attraction through culture, values and policies, not coercion. It builds legitimacy at low cost.
- **Trust-building:** shared heritage creates familiarity and goodwill that survive political shocks, and it supports Track-II and people-to-people channels when official talks stall.
- **Conflict prevention:** cultural ties build interdependence and reduce stereotyping. This reflects the constructivist view that identities and perceptions shape state behaviour.
- **Counter-narrative:** civilisational dialogue offers an alternative to the "clash of civilisations" (Huntington) thesis.
- **Economic spin-offs:** tourism, creative industries, education and diaspora networks.
- **Strategic access:** culture opens doors in regions where hard-power or economic leverage is limited.
- **Legitimacy in multilateral forums:** it projects a country as a responsible, value-based power, which is useful for the Global South leadership claim.
- **Civilisational continuity as policy:** Vasudhaiva Kutumbakam and the G20 theme "One Earth, One Family, One Future" frame India as a values-based voice.

Shortcomings of the strategy

- **Culture alone does not deter.**
  - **Pakistan-based terrorism, border transgressions and coercion respond to credible military and intelligence capability.**
  - **Kautilya's Mandala theory also treats power and interest as the basis of statecraft.**
- **Cultural affinity does not prevent conflict.**
  - **Russia-Ukraine, which are culturally close societies.**
- **Perception gap:** soft power can be dismissed as "ceremonial" when it is not backed by delivery, such as the Indus Waters Treaty being in abeyance and the border situation with China.



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Shortcomings of the strategy

- **Risk of instrumentalisation:** "civilisational" claims can be read as cultural hegemony.
- **Capacity constraints:** India's cultural diplomacy budget and the ICCR's reach are limited compared with its aspirations.
- **Smart power is the real test:**
  - Nye's own view is that soft power works best when combined with hard power.
  - Soft power cannot substitute for defence modernisation or economic heft.
  - Confucius Institutes and the BRI pair culture with deep financing

What India is doing

Culture and Heritage

- **Institutions:**
  - **ICCR, Indian Cultural Centres abroad**
  - **the Ministry of Culture, and MEA's Public Diplomacy Division.**
- **Yoga and Ayush: International Day of Yoga (UNGA, 2014), traditional medicine**
- **Buddhist diplomacy: Buddhist circuit and Kushinagar airport, Nalanda University revival, relic exhibitions, the International Buddhist Confederation, and links with Southeast and Central Asia.**
- **Heritage and manuscripts: Gyan Bharatam Mission for manuscript digitisation, and Project Mausam (maritime cultural landscapes).**

Diplomatic and Multilateral

- **SCO-specific steps:**
  - **Civilisational Dialogue in Delhi (2026)**
  - **Varanasi was designated first SCO Tourism and Cultural Capital (2022-23)**
  - **India proposed joint digitisation and translation of ancient texts.**
- **Multilateral hosting:**
  - **G20 Culture Working Group (2023)**
  - **World Heritage Committee session in New Delhi (2024)**



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Strategic and Hard Power

- **Diaspora outreach: Pravasi Bharatiya Divas and OCI/PIO engagement.**
- **Soft-power outputs: film, cuisine, Hindi/Sanskrit promotion, and education scholarships (ITEC, ICCR).**
- **Parallel hard-power track:**
  - **India focuses on defence modernisation**
  - **counter-terror action**
  - **SCO-RATS engagement running alongside the cultural track**

Way forward

- **Adopt a smart-power doctrine:** pair cultural outreach with credible deterrence, economic offers and strategic communication.
- **Back culture with delivery:** connect cultural initiatives to connectivity (INSTC, Chabahar), education, tourism, digital public goods and capacity building.
- **Strengthen institutions:** raise the ICCR's resources, professionalise cultural attachés and create impact-measurement frameworks.
- **Keep the narrative inclusive and plural:** emphasise shared and syncretic heritage, avoid majoritarian framing, and use Vasudhaiva Kutumbakam as an open invitation, not a claim of primacy.
- **Leverage technology:** AI-enabled translation of manuscripts, open digital archives and virtual museums.
- **Engage Track-II and civil society:** think-tanks, universities, artists and media.

MAINS PRACTISE QUESTION

Question:

"Cultural connect is the biggest guarantee of global peace." In light of this statement, critically examine the role of cultural diplomacy in India's engagement with the SCO. Why is soft power not a substitute for hard power in India's neighbourhood?

(15 Marks, 250 words)



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Mains Value Addition

Newspaper : The Hindu **Page Number : 7**



Infant Mortality Beyond Healthcare

Causes, by dimension

- **Health system:**
  - **Lack of neonatologist or super-specialists in tribal regions.**
  - **No inter-state referral arrangement.**
  - **Antenatal registration is delayed, and pre-conception counselling and folic acid intake are weak.**
- **Nutrition and genetics: malnutrition is no longer the main driver, but anaemia, sickle cell and possible consanguinity remain.**
- **Economic:**
  - **land alienation, decline of millets (once about 60 types of spinach, now few),**
  - **shift to a rice-based diet,**
  - **poor farm returns, and**
  - **alcoholism.**
- **WASH: contamination in water, shortages**
- **Socio-cultural:**
  - **fear that referral outside Attappady means death;**
  - **belief that the soul stays where a person dies;**
  - **a cultural preference against boiling water.**
- **Governance:**
  - **low tribal representation in hospital management committees,**
  - **awareness campaigns not run in tribal languages.**

Way forward

- **Neonatal and specialist care at or near the hamlets.**
- **A formal inter-state referral arrangement.**
- **Health communication in tribal languages**
- **Land restoration and viable markets alongside millet promotion.**
- **Tribal representation in hospital management committees.**
- **Genetic screening and counselling (sickle cell, congenital anomalies).**
- **Enforcement against illicit liquor.**
- **Safe water supply with culturally acceptable awareness messaging.**



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Gold scam

SYLLABUS : PRELIMS : Science and Economy
Newspaper : The Hindu **Page Number : 11**

- **Alleged adulteration: Rhenium- and Iridium-based alloys are reportedly used to raise the weight of gold without a proportional rise in purity.**
- **Reported mechanism: 20-carat gold mixed with adulterants tests as 22-carat on established testing methods, so the testing methods fail to detect it.**

Body	Key Facts
All India Gem and Jewellery Council	Apex domestic trade body for gems and jewellery; a trade association, not a regulator
Bureau of Indian Standards	National Standards Body under the Bureau of Indian Standards Act, 2016; statutory body under the Ministry of Consumer Affairs, Food & Public Distribution; HQ New Delhi
BIS Care App	Verifies hallmark/licence details and registers complaints
CCPA	Central Consumer Protection Authority under the Consumer Protection Act, 2019; handles unfair trade practices and misleading claims

Gold Hallmarking in India

- **Gold hallmarking in India was first introduced on a voluntary basis in April 2000 (April 11, 2000) by the Bureau of Indian Standards (BIS).**
- **Mandatory hallmarking for gold jewellery was later introduced in June 2021 in 256 districts, and coverage has since expanded to 392 districts.**
- **Hallmark elements are now: BIS logo, purity grade (e.g. 22K916), and the 6-digit alphanumeric HUID (Hallmark Unique Identification).**
- **Hallmarking is carried out by BIS-recognised Assaying & Hallmarking (A&H) Centres, and jewellers must hold BIS registration.**
- **Mandatory purity grades: 9K, 14K, 18K, 20K, 22K, 23K and 24KS**
- **Carat is the measure of purity (parts of gold in 24).**
  - **Do not confuse it with carat as a unit of gem mass (1 carat = 200 mg).**
- **Fineness is parts per 1000.**



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Gold scam

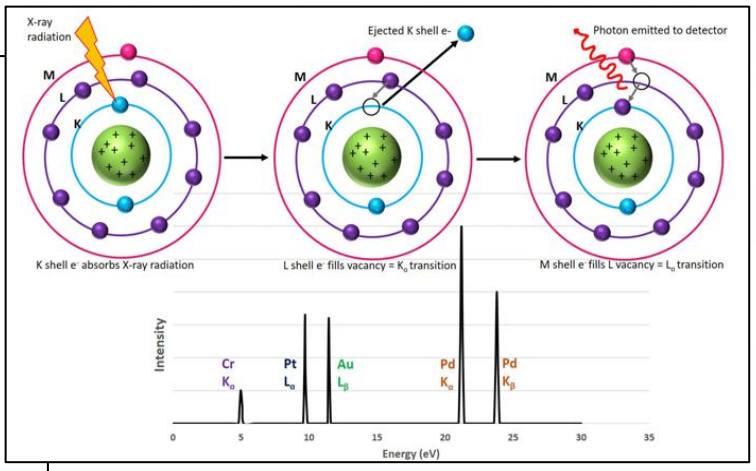
SYLLABUS : PRELIMS : Science and Economy
Newspaper : The Hindu **Page Number : 11**



Testing Methods

- **Fire assay: A destructive test that accurately determines overall gold purity by taking a small sample (typically around 300–500 mg via scraping, drilling, or cutting)**

- **XRF (X-ray fluorescence): A non-destructive test that measures surface gold content and checks for restricted or prohibited elements (such as cadmium, iridium, ruthenium, and osmium)**



Note: Gold density (~19.3 g/cm³) is close to that of Re (~21) and Ir (~22.6), so these metals can add weight without changing apparent size.



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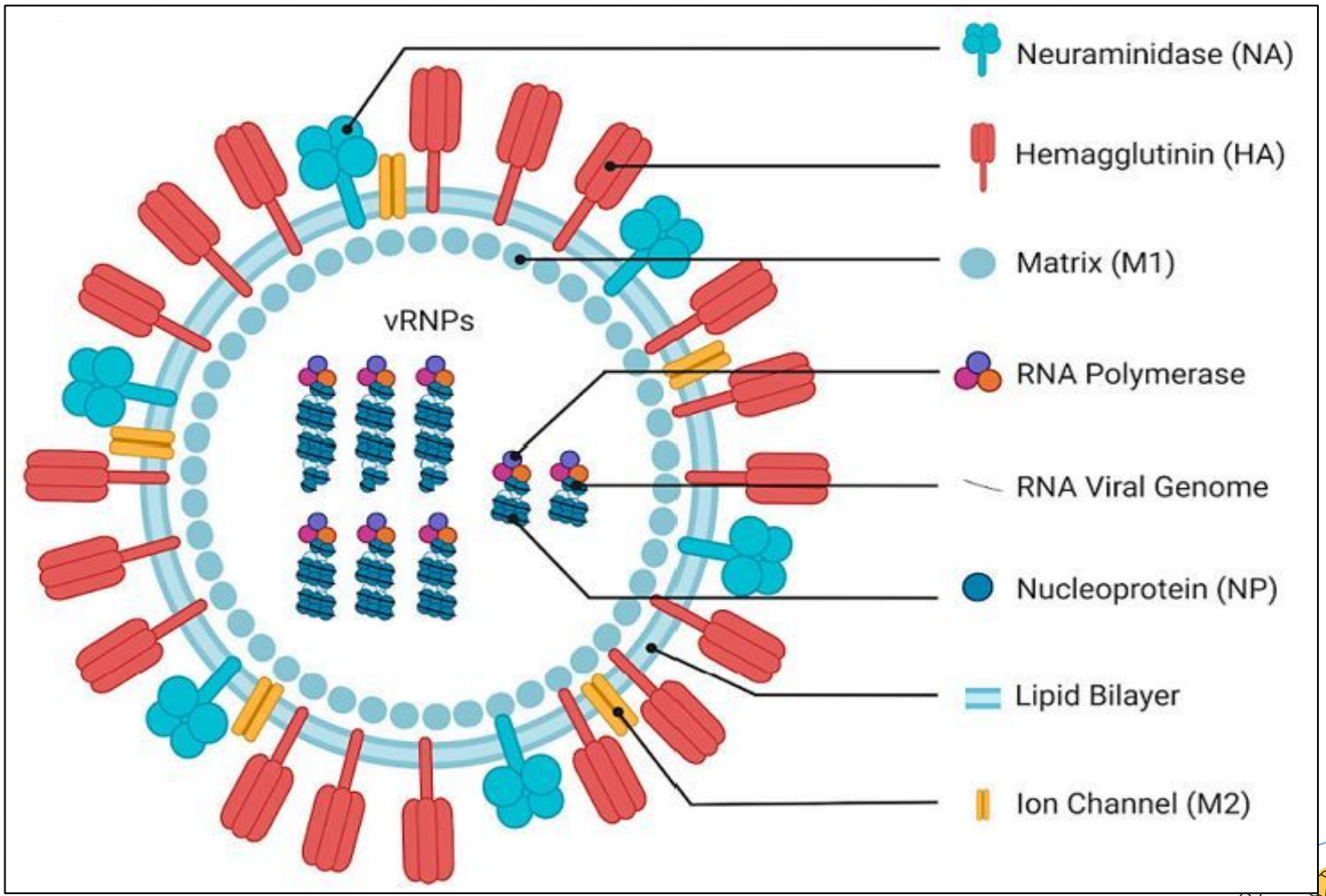
Indigenous H5N1 vaccine

SYLLABUS : PRELIMS : Science
Newspaper : Indian Express **Page Number : 6**

- **Developed by ICAR-NIHSAD (National Institute of High Security Animal Diseases), Bhopal**
- **Priced at about Rs 1–2 per dose**

H5N1 / Avian Influenza

- **Causative agent: Influenza A virus (family Orthomyxoviridae); an RNA virus with a segmented genome**
- **Subtyping: by surface proteins H (haemagglutinin) and N (neuraminidase)**
- **HPAI: Highly Pathogenic Avian Influenza; H5N1 is its most notorious strain**
- **Reservoir: wild aquatic birds (waterfowl, migratory birds)**
- **Zoonotic: it can spread to humans through close contact with infected birds**
- **First reported: 1996 in China (Guangdong goose); first human cases in Hong Kong in 1997**
- **India: first outbreak in 2006 (Navapur, Maharashtra)**
- **Control strategy in India: culling and stamping out, not vaccination of poultry**



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UAPA

SYLLABUS : PRELIMS : Security
Newspaper : Indian Express **Page Number : 10**

Point	Detail
Enacted	1967, on the recommendation of the National Integration Council
Constitutional basis	Art. 19(2) and 19(3) restrictions on speech, assembly and association in the interest of sovereignty and integrity of India
Original aim	Curb secessionist and unlawful associations
Nature	Special preventive and penal law, with no Magistrate-level checks on designation
Agency	NIA (under NIA Act 2008) investigates scheduled offences; state police can also investigate
Sanction	Required under S.45 before a court takes cognisance (Central Govt for central cases; State Govt otherwise)

Year	Key change
1972	Added the power to ban associations with secessionist aims
2004	After POTA repeal: "terrorist act" and terrorist organisations added (Ch. IV and VI); POTA provisions merged in
2008	Post-26/11: expanded definition of terrorist act; bail restrictions (S.43D(5)); detention up to 180 days
2012	Economic security and funding of terror brought in; "terrorist act" widened (counterfeit currency, etc.)
2019	Individuals can be designated terrorists; NIA DG can approve seizure of property; investigation by NIA officers of Inspector rank and above



UAPA

SYLLABUS : PRELIMS : Security
Newspaper : Indian Express **Page Number : 10**

Procedure

- **Declaration of an unlawful association:** The Centre notifies it, and a Tribunal (one High Court judge) confirms within 6 months.
- **Terrorist organisation:** Listed in the First Schedule; a review committee can be approached
- **Individual designation:** Review is by the Centre; the person can approach the Review Committee headed by a retired High Court judge
- **Special Courts:** NIA Act 2008 provides Special Courts for scheduled offences

Note: Default bail is available if the chargesheet is not filed within 90 days (extendable to 180 days) under S.43D(2)



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Missing data on Stubble Burning

SYLLABUS : PRELIMS : Environment
Newspaper : Indian Express **Page Number : 17**

Background

- **Window: 10–20 days between paddy harvest and wheat sowing (Oct to mid-Nov)**
- **Stubble burning can contribute 30% or more of Delhi's PM2.5 in peak season (IITM data)**
- **There is no standardised method yet to measure the total area affected.**
- **Inter-ministerial review (October):** the Centre acknowledged gaps in satellite monitoring and directed District Collectors to do ground patrols and enforcement after 3 pm.

How Fires Are Tracked (Active-Fire Detection)

- **Method: thermal-anomaly detection, meaning significant deviation from the area's average temperature.**
- **Detection happens only during fixed overpass windows, mainly 10:30 am to 1:30 pm. (polar-orbiting satellites)**

What Satellites Miss

- **Late-afternoon and evening fires fall outside the overpass windows.**
- **Nov 2025 ISRO Space Applications Centre (Ahmedabad) study: peak farm-burning activity has shifted to late afternoon and evening in Punjab and Haryana.**
- **Partial burning (common in Haryana) gives weaker thermal signals.**
- **Cloud cover and haze obstruct observation. The Indian Agricultural Research Institute (IARI) has flagged this.**



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Missing data on Stubble Burning

SYLLABUS : PRELIMS : Environment
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Burnt-Area (BA) Mapping

- **Active-fire detection records thermal anomalies at the moment of observation.**
- **BA mapping detects changes in the land surface left after a fire (change in how the ground reflects sunlight). It compares satellite images from before and after a suspected fire.**
- **The BA signal is weaker but lasts longer.**
- **Sentinel-2 (European Space Agency, ESA) is currently used in BA mapping exercises in India, with a revisit time of 5 days.**
- **Challenges in BA mapping:**
  - **Crop-residue fires are smaller and less intense than wildfires.**
  - **Harvesting changes the land in ways that make it hard to separate from burnt patches.**
  - **Burn scars are quickly cleared, ploughed or prepared for the next crop.**
  - **Cloud cover and haze reduce the availability of usable images.**



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Daily Quiz

Q1. With reference to H5N1 avian influenza and India's indigenous vaccine development, consider the following statements:

1. H5N1 belongs to Influenza A viruses, which possess a segmented DNA genome.
2. Wild aquatic birds are important natural reservoirs of avian influenza viruses.
3. India's indigenous H5N1 vaccine was developed by ICAR–NIHSAD.

Which of the statements given above are correct?

a) 1 and 2 only
b) 2 and 3 only
c) 1 and 3 only
d) All of the above

Answer: b

Q2. Which of the following statements regarding the Unlawful Activities (Prevention) Act (UAPA), 1967 is Not correct?

a) Declaration of an unlawful association by the Centre requires confirmation by a Tribunal headed by a High Court judge within six months.
b) Terrorist organisations are listed in the Second Schedule of the Act.
c) An individual designated as a terrorist can approach a Review Committee headed by a retired High Court judge.
d) Special Courts for offences under UAPA are provided under the National Investigation Agency (NIA) Act, 2008.

Answer : b

Q3. With reference to gold hallmarking in India, consider the following statements:

1. Gold hallmarking was first introduced in India on a voluntary basis in April 2000 by the Bureau of Indian Standards (BIS).
2. Hallmark Unique Identification (HUID) is a ten-digit alphanumeric code used to identify hallmarked jewellery.
3. BIS hallmarking certification is carried out by jewellers themselves without the involvement of recognised Assaying and Hallmarking Centres.

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

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

Answer: a

Q4. Consider the following statements regarding below given organisations and their functions:

1. All India Gem and Jewellery Council is the apex domestic trade body for gems and jewellery.
2. Central Consumer Protection Authority (CCPA) regulates the verification of hallmark/licence details and complaint registration.
3. Bureau of Indian Standards (BIS) regulates and handles consumer protection issues, including misleading advertisements.

Which of the statements given above is/are correct?

a) 1 and 3 only
b) 1 only
c) 2 and 3 only
d) 1 and 2 inly

Answer: b

Q5. With reference to recent government initiatives aimed at employment generation and economic reforms, consider the following statements:

1. Employment-Linked Incentive (ELI) scheme aims to incentivise formal job creation.
2. Production Linked Incentive (PLI) schemes seek to promote domestic manufacturing.

Which of the statements given above is/are correct?

a) 1 only
b) 2 only
c) Both 1 and 2
d) Neither 1 nor 2

Answer: c





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