

GIST OF YOJANA THE REPUBLIC

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CHAPTER 1: GENDER BUDGETING AND LEGISLATIVE MEASURES FOR SOCIAL EQUALITY

- India, now the fourth-largest economy globally, demonstrates that economic growth and social justice are mutually reinforcing. Democracy sets the normative foundation for gender equality, as both are anchored in inclusion, representation and rights-based governance.
- Women constitute **over 48% of India's 145 crore population**, making their empowerment not merely a welfare concern but a **developmental necessity**.
- Achieving equality in **health, education, employment, political participation and decision-making** requires a robust **constitutional, legislative and fiscal framework**, which India has progressively strengthened since independence.

FROM REFORMS TO RESULTS: WOMEN AS DRIVERS OF GROWTH

What gender budgeting IS	What gender budgeting ISNT
<ul style="list-style-type: none"> • Use of fiscal policy to promote gender equality • Outcome oriented expenditure allocation • Tax based incentives for women and girls • Dissection of govt. budgets to establish gender differential impacts • Ensure that gender commitments are translated in to budgetary commitments through monitorable targets 	<ul style="list-style-type: none"> • not a separate budget for women • not about spending the same on men and women

- India's **GDP growth of 6.5% in 2024–25** reflects the increasing contribution of nearly **70 crore women** to the economy.
- **Economic development and social equality are inextricably linked**, with gender-inclusive growth yielding multidimensional outcomes such as:
 - Higher school enrolment and retention
 - Improved maternal health and life expectancy
 - Rising Female Labour Force Participation Rate (FLFPR)
 - Growth of women entrepreneurship
 - Enhanced political representation
- These trends indicate a **structural shift from welfare to empowerment**, reinforcing women as **agents of change rather than passive beneficiaries**.

CONSTITUTIONAL ARCHITECTURE FOR GENDER JUSTICE

- India adopted universal adult suffrage at inception, a landmark step compared to many democracies. The Constitution provides a strong affirmative action framework, including:
 - **Article 14** – Equality before law
 - **Article 15** – Prohibition of discrimination (enables special provisions for women)
 - **Article 16** – Equality in public employment
 - **Article 21** – Right to life and dignity
 - **Article 23** – Prohibition of trafficking and forced labour
 - **Article 39(d)** – Equal pay for equal work
 - **Article 42** – Just and humane working conditions
 - **Article 51A(e)** – Renunciation of practices derogatory to women's dignity
 - **Articles 243D & 243T** – Reservation for women in PRIs and ULBs
 - **Article 325** – Inclusion in electoral rolls

POLITICAL EMPOWERMENT THROUGH CONSTITUTIONAL AMENDMENTS

- 73rd & 74th Constitutional Amendments:
 - Mandate **minimum 33% reservation** for women in **Panchayati Raj Institutions and Urban Local Bodies**
 - Deepened **grassroots democracy** and **participatory governance**
- **106th Constitutional Amendment (Nari Shakti Vandan Adhiniyam):**
 - Reserves **33% seats for women** in **Lok Sabha, State Legislative Assemblies and NCT of Delhi**
 - Includes **SC/ST women within the quota**
 - Landmark step towards **substantive political equality**

LEGISLATIVE MEASURES FOR SAFETY, DIGNITY AND EQUALITY

- India has enacted gender-responsive legislations to address structural and social vulnerabilities:
- Sexual Harassment of Women at Workplace Act, 2013- Ensures safe, dignified and inclusive workplaces
 - **Revamped SHe-Box (2024)** enables **online grievance redressal**
- **Protection of Women from Domestic Violence Act, 2005**- Recognizes **domestic violence as a violation of human rights**
- **Dowry Prohibition Act, 1961**- Addresses entrenched **patriarchal social practices**
- **Indecent Representation of Women Act, 1986**- Regulates objectification in **media and advertisements**
- **Commission of Sati (Prevention) Act, 1987**- Criminalizes **Sati and its glorification**

Table-1 : Progress in Various Parameters Defining Gender Equality

Parameters	Earlier Time Period	Later Time Period
1. Life Expectancy of Women at Birth (in years)	70.0 (2011-15)	72.7 (2021-25*)
2. Sex Ratio (Number of females per 1,000 males)	943 (2011)	948 (2025*)
3. Maternal Mortality Rate (Number of maternal deaths per one lakh live births)	167 (2011-13)	97 (2018-20)
4. Female Literacy Rate (per cent)	64.6 (2011)	70.3 (2017)
5. Female Labour Force Participation Rate (per cent)	23.3 (2017-18)	41.7 (2023-24)
6. Women-owned Micro, Small and Medium Enterprises (Number)	4.86 lakh (1.4.2021)	2.49 crore (5.10.2025)
7. Women Electors (per cent of total Electors)	55.8 (2009)	65.8 (2024)
8. Women elected to Lok Sabha (Number)	59 (2009)	74 (2024)

* Projected by The Technical Group on Population Projections

Sources: 1. Women and Men in India, Ministry of Statistics and Programme Implementation, Government of India.

2. Udyam Registration Portal

LABOR LAW REFORMS AND GENDER INCLUSION

- The codification of 29 labour laws into 4 Labour Codes (effective 21 November 2025) marks a major governance reform:
 - Code on Wages, 2019
 - Industrial Relations Code, 2020
 - Code on Social Security, 2020
 - Occupational Safety, Health and Working Conditions Code, 2020

KEY GENDER-RELEVANT OUTCOMES:

- Simplified definitions and compliance
- Enhanced **formalization of women's work**

- Improved **social security and workplace safety**
- Greater **transparency and equal opportunity**
- Direct contribution to **inclusive growth and productivity**

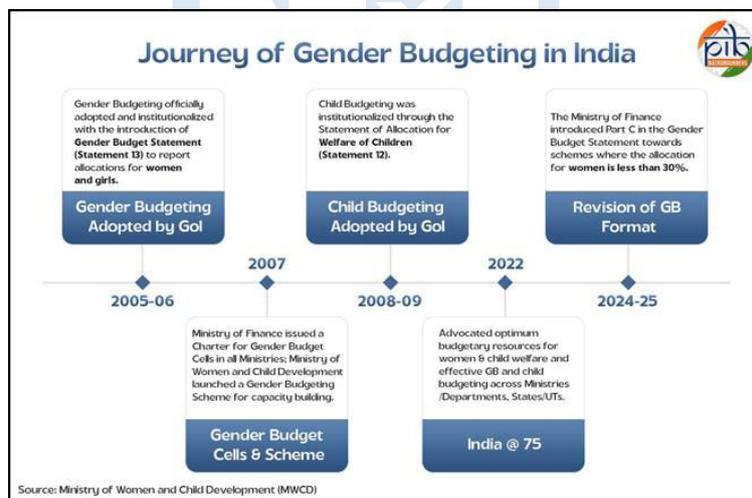
CRIMINAL JUSTICE REFORMS AND INSTITUTIONAL SUPPORT

- Bharatiya Nyaya Sanhita, Bharatiya Nagarik Suraksha Sanhita, Bharatiya Sakshya Adhiniyam (effective 1 July 2024)
 - Aim at a **modern, efficient and victim-centric criminal justice system**
- Nirbhaya Fund (2013)
 - Dedicated funding for **women's safety infrastructure**
- National Commission for Women (1992)
 - Statutory body for **rights protection and policy advocacy**

INTERNATIONAL COMMITMENTS

- India's domestic efforts are reinforced by global obligations, including:
 - CEDAW
 - UN Protocol on Trafficking in Persons
 - ILO Conventions on women's rights
- These commitments align India's gender agenda with international human rights norms.

GENDER BUDGETING: FISCAL COMMITMENT TO EQUALITY



- The **Gender Budget Statement (GBS)**, released with the Union Budget, institutionalizes **gender-responsive public finance**:
 - **Part A:** Schemes with **100% allocation for women**
 - **Part B:** Schemes with **30–99% allocation**
 - **Part C:** Schemes with **below 30% allocation**

KEY TRENDS (GBS 2025–26):

- **61 schemes** in Part A
- **19% increase** over Revised Estimates of 2024–25
- Gender Budget rose from **6.8% (2024–25) to 8.9% (2025–26)** of total budget

SIGNIFICANCE:

- Targeted resource allocation

- Improved **accountability and outcome monitoring**
- Catalyst for **long-term sustainable and inclusive growth**

The Output–Outcome Monitoring Framework by NITI Aayog enhances transparency and performance tracking.

THE WAY FORWARD: VIKSIT BHARAT @2047

- For India to realise the vision of Viksit Bharat by 2047, especially during Amrit Kaal (2025–2047), women’s empowerment must be social, economic and political.

Key imperatives:

- Higher **female literacy and skill development**
- Increased **workforce participation and leadership**
- Breaking **systemic and cultural stereotypes**
- Transition from **formal equality to substantive equality**

CONCLUSION

- Women are not merely beneficiaries of development but co-creators of national progress. A combination of constitutional morality, legislative safeguards, gender-responsive budgeting and democratic participation can transform India into a republic of equals, ensuring that growth is not just rapid, but just, inclusive and sustainable.

CHAPTER 2: CLIMATE FINANCE

- Addressing climate change is no longer limited to environmental ethics; it is fundamentally a question of finance, investment choices and economic governance.
 - Mobilizing **large-scale public and private climate finance**, aligned with developmental priorities, is essential to achieve **mitigation, adaptation and resilience goals**.

Climate 
Innovating for resilience

Climate Finance

Definition:
Climate finance refers to the mobilization, allocation, and utilization of financial resources to support activities aimed at mitigating climate change and adapting to its impacts. It encompasses a broad spectrum of financial mechanisms, instruments, and investments designed to facilitate the transition to a low-carbon, climate-resilient economy.

Key components of climate finance:

- 1. Mitigation Finance:**
Funding directed towards projects, programs, and policies aimed at reducing greenhouse gas emissions and limiting global warming. This includes investments in renewable energy infrastructure (such as solar, wind, hydro, and geothermal energy), energy efficiency measures (such as building retrofits and industrial process improvements), sustainable transportation systems (including electric vehicles and public transit), and initiatives to reduce emissions from deforestation and land use change.


- 2. Adaptation Finance:**
Financial support for activities that enhance the resilience of communities, ecosystems, and economies to the impacts of climate change. Adaptation finance may fund projects such as the construction of climate-resilient infrastructure (such as flood defenses, coastal protection measures, and drought-resistant agriculture), the implementation of early warning systems for extreme weather events, the development of climate-smart agricultural practices, and the preservation and restoration of natural habitats.


- 3. Capacity Building & Technical Assistance:**
Investments in building the institutional, human, and technical capacity of governments, civil society organizations, and private sector entities to effectively plan, implement, and monitor climate change mitigation and adaptation initiatives. This may include training programs, knowledge-sharing activities, technology transfer initiatives, and the development of regulatory frameworks and policies conducive to climate action.


- 4. Technology Transfer & Innovation Finance:**
Support for the transfer of environmentally sound technologies from developed to developing countries, as well as investments in research, development, and deployment of innovative solutions for climate change mitigation and adaptation. This may involve funding for the dissemination of proven technologies (such as renewable energy systems, energy-efficient appliances, and climate-resilient crop varieties), as well as support for research institutions, startups, and entrepreneurs working on cutting-edge climate solutions.


- 5. Financial Mechanisms & Instruments:**
The use of various financial mechanisms and instruments to mobilize and channel climate finance. This includes public sources of finance (such as government budgets, international aid, and multilateral climate funds), private sector investments (including venture capital, private equity, and impact investing), and innovative financial instruments (such as green bonds, carbon markets, and climate insurance). These mechanisms help leverage additional resources, attract private sector participation, and align financial flows with climate objectives.



- Ancient Indian wisdom reminds us that **nature operates on intrinsic principles**, and human excess disrupts ecological balance. In the contemporary context, this translates into the need for **sustainable development pathways**, integrating **SDG-13 (Climate Action)** with **SDG-2 (Food Security)** and **SDG-6 (Clean Water)**.

UNDERSTANDING CLIMATE FINANCE

- Climate finance refers to local, national and transnational financial flows—drawn from public, private and alternative sources—that support:
 - **Mitigation** (reducing greenhouse gas emissions)
 - **Adaptation** (coping with climate impacts)
 - **Resilience-building** (enhancing climate preparedness)

INSTRUMENTS INCLUDE:

- Grants and concessional loans
- Domestic budgetary allocations
- Green bonds and green deposits
- Blended finance and risk-sharing mechanisms

Climate finance operates on the principle of Common But Differentiated Responsibilities and Respective Capabilities (CBDR-RC).

GLOBAL CLIMATE FINANCE ARCHITECTURE

International Legal Framework

- UNFCCC
- Kyoto Protocol
- Paris Agreement (2015)
 - **Article 9:** Developed countries to take the lead in mobilising climate finance
 - Emphasis on **predictability, transparency and balance between mitigation and adaptation**
 - Alignment of **financial flows with low-carbon and climate-resilient development**

MAJOR INTERNATIONAL CLIMATE FUNDS

1. **Global Environment Facility (GEF)** – since 1992, financial mechanism for multiple environmental conventions
2. **Green Climate Fund (GCF)** – established in 2010, world's largest climate fund, country-driven approach
3. **Special Climate Change Fund (SCCF)** – supports adaptation in developing countries
4. **Least Developed Countries Fund (LDCF)** – adaptation support for LDCs
5. **Adaptation Fund (AF)** – finances concrete adaptation projects
6. **Loss and Damage Fund** – established at **COP-28 (2023)**, operationalized with World Bank support

STANDING COMMITTEE ON FINANCE (SCF)

- Enhances **coordination, coherence and assessment** of climate finance under UNFCCC

CLIMATE FINANCE AND INDIA'S DEVELOPMENTAL VISION

- India's vision of **Viksit Bharat@2047** integrates economic growth, social equity and environmental sustainability. However, climate finance gaps remain a major constraint.

INDIA'S CLIMATE COMMITMENTS

- Enhanced **2030 NDCs**

- **Net-zero emissions by 2070**
- Demand for **USD 1 trillion climate finance** over the next decade
- Estimated requirement of **USD 2.5 trillion by 2030** for mitigation alone
- Additional **USD 1 trillion for adaptation (2015–2030)**

Currently, **less than 25% of India's climate finance needs are met**, largely through **domestic public sources**.

NATIONAL CLIMATE FINANCE MECHANISMS IN INDIA

- **National Adaptation Fund for Climate Change (NAFCC)**- Established in **2015**, NAFCC focuses on **climate-vulnerable States and Union Territories** by supporting **adaptation-oriented projects**.
 - It is aligned with **State Action Plans on Climate Change (SAPCCs)** and **National Action Plan on Climate Change (NAPCC)** missions, with **NABARD as the implementing agency**, ensuring institutional coordination and effective fund utilisation.
- **Priority Sector Lending (PSL) for Renewable Energy**- Under PSL norms, **bank loans up to ₹35 crore** for renewable energy are classified as **priority sector credit**, improving **access to finance**.
 - It covers **solar, wind, biomass, micro-hydro and decentralised renewable energy**, thereby promoting **energy transition, financial inclusion and low-carbon growth**.
- **Green Bonds and Green Deposits**- **Green Bonds** are **debt instruments** used to finance **environmentally sustainable projects**, while **Green Deposits** channel household savings into **eco-friendly investments**.
 - India's **first green bond** was issued by **YES Bank (2015)**. The framework is regulated by **SEBI**, ensuring **transparency, standardization and prevention of greenwashing**.
- **Sovereign Green Bonds (SGrBs)**- Announced in the **Union Budget 2022–23**, Sovereign Green Bonds mobilize public funds for **renewable energy, waste management and sustainable agriculture**.
 - They enhance **India's climate credibility**, deepen **green capital markets** and attract **ESG-oriented global investors**.
- **Sustainable Finance Group (SFG) – RBI**- Established in **2021**, the **Sustainable Finance Group** within the **Reserve Bank of India** addresses **climate-related financial risks** and works towards integrating **sustainability considerations** into **monetary policy, banking regulation and financial supervision**.
- **Network for Greening the Financial System (NGFS)**- India, through the **RBI**, joined the **NGFS in 2021**, enabling participation in a **global network of central banks and regulators** focused on **climate risk management, scenario analysis and financial system resilience**.
- **Climate Risk Information System (RB-CRIS)**- RB-CRIS is a **standardised national database** providing information on **carbon emission factors, physical climate risks and transition risks**.
 - It supports **evidence-based financial decision-making, risk assessment and climate-aligned lending**.
- **Climate Change Finance Unit (CCFU)**- Established in **2011** under the **Ministry of Finance**, the CCFU serves as the **nodal agency for climate finance**.
 - It coordinates **domestic policies, international climate finance engagement**, and interactions with **multilateral climate funds and negotiations**.

CHALLENGES & WAY FORWARD IN CLIMATE FINANCE

Challenges	Way Forward
<ul style="list-style-type: none"> • Inadequate private sector mobilization • High cost of capital in developing countries • Limited adaptation finance • Data gaps and climate risk mispricing • Absence of a global enforcement mechanism 	<ul style="list-style-type: none"> • Blended finance models to crowd-in private capital • Strengthening green taxonomy and disclosure norms • Scaling up sovereign and municipal green bonds

- Aligning financial flows with low-carbon development
- Enhancing South-South cooperation
- Integrating climate finance with development planning

CONCLUSION

- Climate finance is the **backbone of global climate action**. For India, it is not merely about meeting international commitments but about ensuring **development without ecological collapse**. Instruments such as **sovereign green bonds, climate-risk regulation, adaptation funds and sustainable finance frameworks** are critical enablers.
- Achieving Viksit Bharat@2047 demands that climate finance be treated as a strategic investment in national resilience, not a peripheral environmental expense.

CHAPTER 3: MICROFINANCE IN INDIA

- Microfinance has emerged as a critical pillar of India's financial inclusion architecture, aimed at extending affordable credit to low-income households, small borrowers and vulnerable sections.
- Since the late 1990s, the recognition of microfinance by the **Reserve Bank of India (RBI)** as a new development paradigm has significantly transformed access to institutional credit among the financially excluded.
- The evolution of a **robust regulatory framework for NBFC–Microfinance Institutions (NBFC-MFIs)** has ensured that credit delivery to marginalized sections is **transparent, borrower-centric and prudentially regulated**, thereby supporting India's broader objective of **inclusive and sustainable growth**.

Microfinance- It refers to the provision of appropriate, affordable and transparent financial products and services to low-income and vulnerable groups by regulated institutional players.

EVOLUTION OF MICROFINANCE IN INDIA

- The roots of microfinance in India can be traced to the **Self-Help Group–Bank Linkage Programme (SHG-BLP)** launched as a pilot initiative by **NABARD in 1992**. The programme proved successful in:
 - Promoting **group-based lending**
 - Enhancing **financial and technological capabilities in rural areas**
 - Reducing dependence on informal moneylenders
- In the late 1990s, microfinance gained further momentum when the RBI recognised it as a **mainstream financial inclusion tool**.

ROLE OF RBI IN STRENGTHENING MICROFINANCE

Over the years, the RBI has undertaken multiple initiatives to deepen and strengthen the microfinance ecosystem:

- **Vision Document on Financial Inclusion (2015)**
 - Focus on universal access to basic financial services
 - Greater reliance on **technology-enabled delivery**
- **National Strategy for Financial Inclusion (NSFI) 2019–2024**
 - Measures financial inclusion across **three dimensions**:
 - Access
 - Usage
 - Quality

Despite rapid expansion, issues such as over-indebtedness, multiple lending and borrower protection necessitated regulatory intervention.

REGULATORY FRAMEWORK FOR MICROFINANCE

2011 RBI Regulatory Framework (Post Expert Committee)

Key features:

- Small, **collateral-free loans** to low-income households
- Emphasis on **borrower protection and fair lending practices**
- Measures against:
 - Coercive recovery
 - Excessive interest rates
 - Multiple lending and over-borrowing

This framework laid the **institutional foundation for inclusive credit delivery.**

REVISED REGULATORY FRAMEWORK (MARCH 2022)

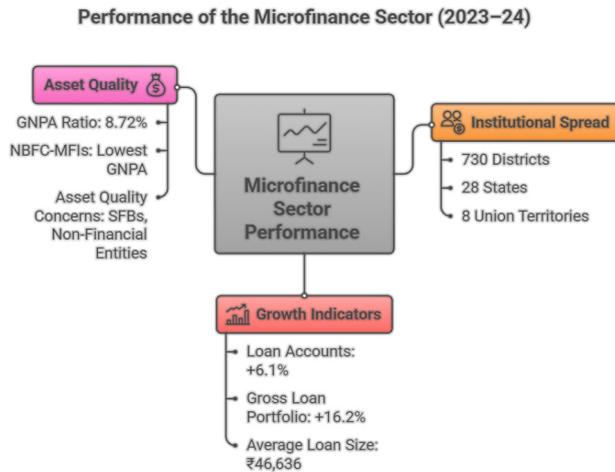
- **Uniform, Borrower-Centric Regulation:** Introduced by the **Reserve Bank of India**, the principle-based framework applies to **all regulated entities**, defines microfinance borrowers as households with **annual income \leq ₹3 lakh**, and mandates **grievance redressal** while prohibiting **harsh recovery practices**.
- **Prudential and Capital Norms:** Prescribes **Net Owned Funds of ₹5 crore** (₹2 crore for **North-Eastern Region**), a minimum **CAR of 15%**, and caps **Tier-II capital at 100% of Tier-I**, ensuring institutional stability.
- **Interest Rate and Borrower Protection Safeguards:** Imposes a **margin cap of 12%**, **maximum interest rate of 26% p.a. (reducing balance)**, and **processing fee cap of 1%**. To prevent over-indebtedness, **total loan repayment \leq 50% of household income**, with lending restricted to a **maximum of two NBFC-MFIs per borrower**.
- **Risk Weight Rationalization:** While **consumer credit risk weights were raised to 125% (Nov 2023)**, a **Feb 2025 review excluded microfinance loans**, reducing their **risk weight to 100%**, recognizing their distinct developmental role and lower systemic risk.

GOVERNMENT & INSTITUTIONAL INITIATIVES

- **Pradhan Mantri Jan Dhan Yojana (PMJDY)** – near universal bank account coverage
- **Banking Correspondents (BCs)** – last-mile credit delivery
- Expansion of **brick-and-mortar branches with digital support**
- Establishment of:
 - **Small Finance Banks (SFBs)**
 - New universal banks
- Bank lending to NBFCs for on-lending included under **Priority Sector Lending (PSL)**

PERFORMANCE OF THE MICROFINANCE SECTOR (2023–24)

Institutional Spread



- MFIs operating in:
 - 730 districts
 - 28 States and 8 UTs

GROWTH INDICATORS

- Loan accounts increased by **6.1%**
- Gross Loan Portfolio grew by **16.2%**
- Average loan size:
 - ₹46,636 (2023–24)
 - Up from ₹41,369 (2022–23)

ASSET QUALITY

- GNPA ratio declined:**
 - From **10.31% (2022–23)** to **8.72% (2023–24)**
- Lowest GNPA observed in **NBFC-MFIs**
- Asset quality concerns persist in:
 - SFBs and Non-Financial Entities (limited systemic impact)

KEY CHALLENGES & WAY FORWARD

Key Challenges	Way Forward & Policy Suggestions
<ul style="list-style-type: none"> Over-indebtedness and multiple borrowing High operating costs Inadequate financial literacy Regional concentration risk Weak grievance redressal in some institutions 	<ul style="list-style-type: none"> Strict adherence to RBI prudential norms Greater use of FinTech partnerships to: <ul style="list-style-type: none"> Reduce operational costs Improve service quality Strengthening risk management systems Enhanced borrower counselling at loan sanction stage Expansion of financial literacy initiatives: <ul style="list-style-type: none"> RBI’s Centres for Financial Literacy (CFLs) Financial education in school curriculum Community-level engagement through: Robust grievance redressal mechanisms

CONCLUSION

- Microfinance has evolved from a **social experiment to a regulated financial instrument**, playing a vital role in **inclusive growth, poverty alleviation and entrepreneurship development**. A balanced approach—combining **regulatory oversight, technology adoption, financial literacy and ethical lending practices**—is essential to ensure that microfinance remains **borrower-centric, sustainable and resilient**.
- In the journey towards **Viksit Bharat**, microfinance will continue to act as a **bridge between formal finance and the economically vulnerable**, provided its growth is guided by **prudence, transparency and social responsibility**.

CHAPTER 4: INNOVATION IN GOVERNANCE

21st-century governance is shaped by **technological disruption, socio-economic complexity, climate risks, and rising citizen expectations**. India's **living Constitution**, rooted in **justice, liberty, equality and fraternity**, and the **Fundamental Duties**—*scientific temper, inquiry, reform and excellence*—mandate **continuous innovation in governance**.

- This innovation is a **precondition for democratic deepening, efficient service delivery and social justice** on the path to **Viksit Bharat@2047**.

Why Innovation in Governance Is Imperative- Traditional efficiency-driven governance is inadequate in the face of **demographic change, digital disruption, climate risks and urbanization**.

- Contemporary challenges require **responsive, inclusive, data-driven and resilient governance systems**. Hence, innovation must go beyond technology to **reimagine institutions and citizen–state relations**, firmly anchored in **democratic values, accountability and the rule of law**.

DEMOCRATIZING POLICY FRAMEWORKS: FROM CENTRALIZATION TO COOPERATIVE FEDERALISM

The creation of **NITI Aayog** in 2015 marked a decisive shift from centralized planning to **cooperative and competitive federalism**, supported by **data analytics, performance benchmarking, and decentralized problem-solving**.

Aspirational Districts and Blocks

- **Aspirational Districts Programme (2018)**- Covers **112 underdeveloped districts**
 - Uses **49 Key Performance Indicators (KPIs)** across health, nutrition, education, agriculture, and infrastructure
 - Real-time dashboards and rankings incentivise performance
- **Aspirational Blocks Programme (2023)**- Extends the same model to **500 blocks across 329 districts**
 - Focus on **last-mile governance**

These programmes illustrate **outcome-based governance, peer learning, and reputational incentives** as tools of reform.

URBAN GOVERNANCE AND REFORM-ORIENTED POLICYMAKING

Smart Cities as Living Laboratories

The **Smart Cities Mission (2015–2025)** integrated:

- Citizen participation
- Data-driven decision-making
- Sustainability and resilience

Integrated Command and Control Centers (ICCCs) function as real-time urban “nervous systems”, integrating traffic, safety, water, waste, and emergency services. Studies indicate improved **women’s safety and service responsiveness** across smart cities.

STRUCTURAL ECONOMIC REFORMS

- Four Labor Codes (effective 21 November 2025)
 - Consolidated **29 labor laws**
 - Expanded **social security**, simplified compliance, and accelerated **formalization**
- GST, Startup India, PLI 2.0
 - Improved ease of doing business
 - DPIIT-recognized startups increased from **~500 (2016)** to **~1.6 lakh (January 2025)**

These reforms reflect **policy innovation aligned with growth, welfare, and enterprise development.**

DIGITAL GOVERNANCE AND DIGITAL PUBLIC INFRASTRUCTURE (DPI)

- India's Digital Public Infrastructure (DPI) has emerged as a global governance model, enhancing state capacity, inclusion and service delivery.
- Platforms such as **Aadhaar (~140 crore IDs)**, **UPI (20+ billion monthly transactions)**, **DigiLocker (54 crore users)**, **DIKSHA-SWAYAM**, and **Ayushman Bharat Digital Mission (79.9 crore ABHA IDs)** have transformed the **government-citizen interface** through **DBT, transparency and service portability.**
- India's DPI framework has gained **international recognition, including in G20 declarations**, shaping **global digital governance norms.**

CITIZEN PARTICIPATION AND FEEDBACK LOOPS

Citizen-centric innovation strengthens governance by transforming citizens into **co-creators of policy.** Platforms like **MyGov (2014)** and **UMANG (2300+ services)** enable participation and seamless service delivery, while **CPGRAMS** has reduced grievance redressal timelines to **21 days (2024)** through dashboard-based oversight.

- Tools such as **National e-Services Delivery Assessment (NeSDA)** institutionalize **performance benchmarking, transparency and reputational accountability**, improving state responsiveness.

INCENTIVIZING EXCELLENCE AND CAPACITY BUILDING

- Innovation in governance is reinforced by **incentive and capacity-building mechanisms.** The **Prime Minister's Awards for Excellence in Public Administration** promote experimentation and outcome-oriented solutions, while **Mission Karmayogi** shifts civil services from **rule-based to role-based, future-ready competencies**, emphasizing **technology, creativity and citizen-centric governance.**

FUTURE ROADMAP: GOVERNANCE 2.0

- **Governance 2.0** must be driven by **measurable outcomes and behavioral design.** Key priorities include **AI-enabled performance benchmarking** (e.g., 30% reduction in disease forecasting error or pendency), **default digital, time-bound services with auto-escalation**, and **design thinking with behavioral nudges.**
- Strengthening **collaborative federalism, risk-informed district planning**, and **institutionalized citizen feedback loops** will enable **disciplined learning, proactive course correction and scaling of best practices.**

CONCLUSION

As India advances towards **Viksit Bharat@2047**, innovation in governance has become **existential for democracy.** Trust—the bedrock of democratic governance—deepens when the state **listens, learns and delivers.** By integrating **technology, citizen participation, behavioural insights, cooperative federalism and outcome-oriented administration**, India is strengthening the constitutional ideals of **justice, liberty, equality and fraternity**, making transformative governance both **challenging and inevitable.**

UPSC MAINS PRACTICE QUESTIONS

- Q.1 Why is the traditional model of efficiency-driven governance inadequate in the 21st century? Discuss the imperatives for **responsive, inclusive and resilient governance** in contemporary India.
- Q.2 How has India's shift towards **cooperative and competitive federalism** strengthened innovation in governance? Illustrate with suitable examples.
- Q3. India's Digital Public Infrastructure has transformed the state–citizen relationship. Discuss its key components and examine its significance for **inclusive and transparent governance**.

