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Assessing India's Carbon Credit Trading Scheme Targets

Context:

- The Indian government has set greenhouse gas emissions intensity targets for nine heavy industrial sectors under the Carbon Credit Trading Scheme (CCTS).
 - The eight sectors are aluminium, cement, paper and pulp, chlor-alkali, iron and steel, textile, Fertiliser, petrochemicals and petro refineries.
- To assess how ambitious these targets are, the analysis suggests that they should not be evaluated at the level of individual entities or sectors.
- Instead, ambition should be measured at the aggregate, economy-wide level.

Background: India's Emerging Role in Global Carbon Pricing

- India is positioning itself as a key player in global carbon pricing alongside Brazil and Türkiye.
- With the launch of the **Carbon Credit Trading Scheme (CCTS) in July 2024**, India is moving towards a **rate-based Emissions Trading System (ETS)** covering **nine energy-intensive industrial sectors**.
- The scheme targets **emissions intensity reduction** rather than absolute emissions caps.
- Facilities that perform better than benchmark emissions intensity levels earn **Credit Certificates**.
- CCTS has two components:
 - A **compliance mechanism** for obligated industrial entities.
 - An **offset mechanism** for voluntary participants.
- This initiative lays the groundwork for India's national carbon market by providing an institutional framework aimed at decarbonizing the economy through market-based incentives.

Aggregate Economy-Level Assessment Matters for Evaluating Emission Targets

- India's experience with the Perform, Achieve and Trade (PAT) scheme shows that while energy intensity may vary across individual entities or sectors, overall economy-wide energy efficiency can still improve.
- This highlights that the true measure of ambition in schemes like the Carbon Credit Trading Scheme (CCTS) lies at the aggregate, economy-wide level—not at the entity or sector level.
- Entity- or sector-level targets mainly determine financial transfers through market mechanisms but do not reflect overall emission intensity reduction.
- Historical sector-level performance under PAT is not a reliable benchmark for future ambition, as climate action needs to progressively align with India's **Nationally Determined Contributions (NDCs)** and its

2070 net-zero goal.

- Therefore, assessing CCTS targets requires comparing them against future economy-wide pathways rather than past industry-level outcomes.

Assessing the Ambition of India's Industrial Emissions Targets

- **Result of a recent modelling**

- Recent modelling shows that for India to meet its 2030 NDC, the carbon dioxide emissions intensity of the energy sector (emissions per unit of GDP) needs to decline at an average rate of 3.44% per year between 2025 and 2030.
- For the manufacturing sector, emissions intensity of value added (EIVA) is projected to decline by at least 2.53% annually over the same period.

- **Analysing India's new Carbon Credit Trading Scheme (CCTS) targets**

- When analysing India's new Carbon Credit Trading Scheme (CCTS) targets, the average annual EIVA reduction across the eight covered industrial sectors is estimated at **only 1.68% per year between 2023-24 and 2026-27**.
- This is notably slower than both the economy-wide target and the manufacturing sector projection, suggesting that **industrial targets under CCTS may not be ambitious enough**.
- Although the CCTS covers only a subset of India's manufacturing base, this estimate offers the closest available benchmark until more comprehensive sectoral modelling is done.

Conclusion

- Ultimately, the key measure of ambition lies in the overall aggregate emissions intensity decline, not just in isolated sectoral or entity-level targets.
 - This aggregate perspective is critical to judging whether India's industrial decarbonisation is keeping pace with its broader climate commitments.
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Bridging the Skills Gap - India's Employment Challenge and the Path to Workforce Readiness

Context:

- Despite being one of the largest producers of graduates globally, India faces **a persistent challenge of integrating its educated youth into the formal workforce**.
- Recent data from Employees' Provident Fund Organisation (**EPFO**) and key employment reports underline the **urgency of skilling, reskilling, and policy interventions** to make India's workforce future-ready.

Understanding the Formal Employment Landscape:

- **EPFO as an employment indicator:** A key indicator of formal employment trends in India, EPFO **manages retirement savings for over 7 crore workers**, making it **one of the largest global social security agencies**.
- **Post-pandemic recovery (March 2025 data):** Youth (18-25 years), especially the 18-21 age group, constitute 18%-22% of new subscribers, indicating a steady rise in net new EPFO enrollments and increased formalisation.

Youth Unemployment and Unemployability Crisis:

- **Findings from India Employment Report 2024:**
 - Published by the International Labour Organization (ILO) and the Institute for Human Development (IHD), the report highlights that **youth comprise 83% of India's unemployed population**.
 - Unemployment is **highest among the educated**, particularly those with secondary or higher education.
- **Economic Survey 2023-24:**
 - Unemployability among the educated is the core issue, **as only 50% of graduates are job-ready**.
 - There is a **high deficit in digital and professional skills**, and AI and automation threaten existing jobs, especially in the tech sector.

Skills Deficit in the Digital Age:

- **Alarming statistics on digital literacy (India Employment Report 2024):**
 - 75% struggle to send an email with attachments.
 - Over 60% cannot perform basic file operations.
 - 90% lack spreadsheet skills (e.g., using formulas).
 - **Highlights a severe skills mismatch** in a tech-driven job market.
- **Future of Jobs Report 2025 (World Economic Forum):**
 - By 2030, 170 million new jobs will be created (14% of total employment), and 92 million jobs to be displaced (8%).
 - **Net growth will be 78 million jobs (or a 7% increase in total employment).**
 - India must act urgently to close the skill gap and avoid losing this opportunity.

Structural and Policy Reforms Needed:

- **Educational reforms and industry collaboration:**
 - Mandatory **industry-academia partnerships** for all higher education institutions.
 - Educational institutions must be made **accountable** for **job placements**.
 - **Establish accreditation linked to placement outcomes.**
- **Curriculum and pedagogical reforms:**
 - Make **Idea Labs and Tinker Labs** mandatory in schools and colleges.
 - Ensure **compulsory training** in soft skills, foreign languages, and humanities.
- **Global perspective in skilling:**

- Train youth for international labour markets, especially ageing Western nations.
- **Example:** India-EU **Link4Skills** project via the International Institute of Migration and Development.
- **Institutional overhaul in education governance:**
 - Propose creation of **Indian Education Services** akin to IAS to attract top talent in education policy and management.
 - Encourage industry professionals to teach in academia, **bridging theory-practice gaps.**

Way Forward - From Degree to Deployment:

- India's demographic advantage risks becoming a liability unless it is matched by skill-readiness, job-linkages, and futuristic policy-making.
- **Coordinated action is needed** to strengthen education-employment linkages, expand digital and vocational training, promote cross-border employment readiness, and ensure accountability in both public and private education systems.

Bridging the Skills Gap - India's Employment Challenge and the Path to Workforce Readiness FAQs

Q1. How does EPFO data serve as a proxy for formal employment trends in India?

Ans. EPFO enrolment data reflects the scale and trajectory of formal workforce integration, especially among youth, and serves as a key indicator of post-pandemic employment recovery.

Q2. Why is the problem of unemployability more concerning than unemployment in India?

Ans. Unemployability highlights the mismatch between educational outcomes and industry demands, with nearly half of graduates lacking essential digital and professional skills.

Q3. What are the key structural reforms suggested to align India's education system with future job markets?

Ans. Mandatory industry-academia partnerships, accountability for placements, curriculum reforms, and the proposed Indian Education Services are critical structural reforms.

Q4. What is the significance of international labour mobility in India's skilling strategy?

Ans. Preparing Indian youth for global employment, especially in ageing Western economies, aligns with projects like Link4Skills and enhances India's human capital export potential.

Q5. What do recent employment reports suggest about the digital skills of Indian youth, and why is it alarming?

Ans. Reports indicate that a majority of Indian youth lack basic digital competencies, which is alarming in a rapidly digitising economy and amid impending AI-led job disruptions.

Source: **IE**

Secularism — Implicit from Day One, Explicit in 1976

Context

- **Nietzsche's provocative declaration of God's demise** serves not just as a philosophical provocation but also as a **metaphor for the transformation of societies from theocracy to secular democracies**.
- This **tension between the sacred and the secular**, between faith and rational governance, is **particularly visible in the Indian experiment with secularism**.
- Even though India is home to deeply entrenched religious traditions, **its modern Constitution chose the path of secular governance**.
- Yet, **secularism remains among the most contested political ideas in contemporary India**, caught in a crossfire between historical legacy, constitutional ideals, and majoritarian impulses.

Nehru, Organised Religion, and the Moral Foundations of Secularism and the Idea of Indian Secularism

- **Nehru, Organised Religion, and the Moral Foundations of Secularism**
 - Jawaharlal Nehru, a key architect of Indian secularism, was deeply critical of **organised religion**.
 - He regarded it **as a source of dogma, bigotry, and superstition**, sentiments he expressed candidly in his autobiography.
 - Unlike many modern politicians who mobilise religious identity for electoral gain, **Nehru envisioned a polity where religion remained outside the realm of statecraft**.
 - His vision of secularism was **not atheistic but rationalistic, grounded in Enlightenment values** and ethical governance.
- **Indian Secularism: Neither French nor American, But Distinctively Indian**
 - The Supreme Court of India has repeatedly clarified that **Indian secularism does not mirror the French model of laïcité (strict separation)** nor the American model of non-establishment.
 - Instead, **it has crafted a unique path accommodating religious pluralism** while maintaining state neutrality.
 - Contrary to some conservative narratives that see secularism as privileging minorities, **true secularism actually ensures the autonomy of all religions, including Hinduism**.
 - When a religion becomes state religion, it ceases to be autonomous.
 - Historical examples, **from the collapse of Islamic autonomy in medieval India to the political instrumentalization of Christianity in Europe**, attest to the dangers of state appropriation of religion.
 - Philosophers such as **John Locke and Roger Williams had already argued centuries ago that the state's jurisdiction lies in civil interests**, not the salvation of souls.
 - Secularism, **then, is not anti-religion but pro-religious freedom, a necessary precondition for the flourishing of diverse beliefs**.

India's Indigenous Model of Religious Pluralism and Constitutional Legacy

- **Ashokan Dhamma: India's Indigenous Model of Religious Pluralism**

- Indian secularism has **indigenous roots far deeper than often acknowledged**.
- Emperor Ashoka's edicts, **issued over two millennia ago, provide a philosophical template**.
- **Rock Edict 7 promoted equal respect for all religions**; Rock Edict 12 warned against glorifying one's religion while condemning others.
- Ashoka's **Dhamma was not a theology but an ethical code of governance rooted in compassion, tolerance, and civic coexistence**, what modern theorists would now call constitutional morality.
- **Political theorist Rajeev Bhargava has highlighted Ashoka's influence** on modern Indian secularism.
- Far from being a Western transplant, **the Indian model of secular governance is embedded in its ancient civilizational ethos**.

- **Constitutional Legacy**

- The assertion **that secularism entered Indian constitutionalism only in 1976** is not just misleading, it **is historically dishonest**.
- The **1928 Motilal Nehru Committee Report, the 1931 Karachi Resolution, and even the 1944 Hindu Mahasabha draft constitution all called for a secular state** with no official religion.
- The **Constituent Assembly debates further reinforce this trajectory**. When H.V. Kamath proposed starting the Preamble with in the name of God, the proposal was democratically defeated.
- While **the word secular was not included** in the original Constitution, **the ideal was embedded in its spirit**.

International Models: Comparative Constitutionalism

- The **United Kingdom** has an established church (Anglican) yet guarantees religious freedom and equality under law.
- **Ireland** and **Greece** mention God and Christianity in their preambles but constitutionally forbid religious discrimination.
- Even **Pakistan** and **Sri Lanka**, despite officially endorsing a state religion, constitutionally acknowledge minority rights and religious freedom.

The Path Forward: Between Identity and Ethics

- The **fundamental question India must face** is not whether it should retain secularism, but **what kind of secularism it wants to practice**.
- If modernity is fatiguing, as some cultural nationalists argue, **the alternative cannot be regression into theocratic nationalism**.
- Should India emulate Saudi Arabia or Iran, or build on its Ashokan heritage?
- **Even the BJP**, historically critical of Nehruvian secularism, **once spoke of positive secularism, not its abolition**.
- The **real danger lies not in critiquing past models, but in replacing them with majoritarian impositions** that violate both the Constitution and civilizational ethics.

Conclusion

- **Nietzsche's God may be dead, but his shadow, the desire for transcendence**, identity, and belonging, **looms over every secular state**.
- The **Indian Constitution did not deny religion but restrained it** within ethical and legal boundaries.
- The **silence of the Constitution on the word secular was never a silence on the spirit of secularism**.

Secularism — Implicit from Day One, Explicit in 1976 FAQs

Q1. Who played a key role in shaping India's secularism?

Ans. Jawaharlal Nehru played a key role in shaping India's secularism through his strong opposition to organized religion and his commitment to rational, inclusive governance.

Q2. Is Indian secularism the same as the Western model?

Ans. No, Indian secularism is distinct from the Western model as it does not enforce strict separation but instead promotes equal respect and autonomy for all religions.

Q3. Was secularism introduced only in 1976?

Ans. No, secularism was not introduced only in 1976; it was always an implicit part of the Constitution and was declared a basic feature by the Supreme Court in 1973.

Q4. What ancient ruler inspired India's idea of secularism?

Ans. Emperor Ashoka inspired India's idea of secularism through his edicts that emphasized religious tolerance, coexistence, and ethical governance.

Q5. Does secularism protect religions or suppress them?

Ans. Secularism protects religions by ensuring they remain free from state control and interference, thereby preserving their autonomy and diversity.

Source: **The Hindu**

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