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Bihar's Dark Side — The Hub of Girl Child Trafficking

Context

- The **harrowing journey of a 14-year-old girl**, trafficked from Chhattisgarh to Bihar under false promises of a better future, **is not just a singular tragedy**.
- It stands as a **grim testament to a widespread and deeply rooted crisis**.
- Her story, **marked by unimaginable violence and loss of dignity, mirrors the experience of countless girls across India, particularly in Bihar**, where human trafficking has evolved into a sophisticated and brutal industry.

The Stark Reality: Statistics and Suffering

- **Until June this year alone, 271 girls were rescued** from trafficking in Bihar, more than half having been forced into exploitative orchestra work, the rest into the flesh trade.
- **Saran district, notorious for such operations, saw the rescue of 162 girls** since January, while partner organisations like Just Rights for Children aided in saving 116 more between March and June.
- Behind these numbers lie horrors: **girls as young as 12 sold for as little as ₹10,000**, forced into sexual slavery, and subjected to violence in squalid, overcrowded quarters.

Why Bihar? The Roots of Vulnerability

- **Pervasive Poverty:** Years of deprivation drive families to take perilous risks.
- **Geographical Factors:** Porous borders with Nepal and railway links to trafficking-prone states (West Bengal, Jharkhand, Chhattisgarh, and others) ease the movement of traffickers and their victims.
- **Cultural Manipulation:** In arts-focused states, **aspirations for a better life** or artistic stardom are cynically manipulated by traffickers.

Systemic Failures: Where Protection Breaks Down

- **Low Conviction Rates:** Most cases are misfiled as kidnappings; **prosecutions lag, and convictions remain rare**.
- **Under-Resourced Agencies:** Anti-Human Trafficking Units (AHTUs) **lack manpower and expertise**, and jurisdictional disputes thwart cross-state investigations.
- **Inadequate Rehabilitation:** Rescued girls **often return to the same conditions, and families**, that enabled their exploitation in the first place.

The Orchestra Belt: A Facade of Performance

- In Bihar's orchestra belt, **districts like Saran, Gopalganj, Muzaffarpur, Rohtas**, and West Champaran, the supposed dance troupes and orchestras **are often fronts for trafficking rings**.
- Girls are **forced into dehumanising performances before drunken crowds**, punished or raped for resistance, and stripped of any possibility for escape.

The Way Forward

• Legal and Institutional Responses

- Encouragingly, there are **signs of institutional recognition and action**.
- Following advocacy by groups such as Just Rights for Children, **the Patna High Court directed the state government to urgently address the trafficking** and exploitation of girls in orchestras.
- However, such acknowledgments require transformation into concrete actions:
 - **Strict Enforcement:** Immediate prohibition and mapping of minors in orchestras, prosecution of perpetrators, and the sealing of exploitative premises.
 - **Comprehensive Oversight:** Institutions, from law enforcement to local panchayats, must be involved in not just rescue but in monitoring, prosecution, and long-term rehabilitation.

• Prevention at the Core

- **School and Community Vigilance:** Monitoring attendance and reporting prolonged absences must become routine. Migratory registers in villages should trigger action when children disappear.
- **Transport Surveillance:** Authorities like the Railway Protection Force must extend vigilance to all transport networks and train staff to recognize trafficking signs.
- **Strengthening AHTUs:** Specialized, full-time officers with clear mandates and cross-border authority are critical for tracking and prosecuting traffickers.
- **Victim-Centric Rehabilitation:** State-supervised, long-term support and victim compensation must be non-negotiable.

• Prosecution as Prevention

- A recent report by the Centre for Legal Action and Behaviour Change (C-Lab) reinforces the pivotal role of prosecution.
- Data from 24 states demonstrate that when every case is pursued and legal action taken, justice is not only delivered, but child labour and trafficking are also effectively deterred.

• The PICKET Strategy: A Blueprint for Zero Tolerance

- **Policy:** Clear, enforced policies prohibiting child labour and exploitation.
- **Institutions:** Strong, accountable monitoring, prosecution, and rehabilitation systems.
- **Convergence:** Collaboration among agencies, digital databases, and survivor-led intelligence.
- **Knowledge:** Community awareness and the strategic use of survivor insights.

- **Economic Disincentives:** Making trafficking financially riskier than any perceived benefit.
- **Technology:** Databases, predictive analytics, and heat mapping to preempt trafficking routes.

Conclusion

- **India possesses the laws, the institutions, and the knowledge to end child trafficking and exploitation.**
- What is desperately needed now is **the political will and public resolve to transform systemic acknowledgment into systemic action.**
- Prevention, **vigilance, and an uncompromising pursuit of justice hold the key to breaking the cycle of trafficking and ensuring that no girl's dreams are shattered** on the promise of a better tomorrow.

Bihar's Dark Side — The Hub of Girl Child Trafficking FAQs

Q1. What are the primary forms of exploitation faced by trafficked girls in Bihar?

Ans. They are trafficked mainly into orchestras for forced performances and into the commercial sex trade.

Q2. Why is Bihar a significant destination for human trafficking?

Ans. Due to poverty, porous borders with Nepal, and strong transport links to other trafficking-prone states.

Q3. What are some key systemic failures contributing to the persistence of trafficking in Bihar?

Ans. Low conviction rates, under-resourced Anti-Human Trafficking Units, jurisdictional confusion, and inadequate rehabilitation efforts.

Q4. What is the PICKET strategy proposed for combating child trafficking?

Ans. A multi-pronged approach focusing on Policy, Institutions, Convergence, Knowledge, Economics, and Technology.

Q5. How can prosecution help in preventing child trafficking and labour?

Ans. Effective prosecution deters traffickers and secures justice, making trafficking financially and legally unviable.

Source: [The Hindu](#)

Adopt Formalisation to Power Productivity Growth

Context

- In recent decades, **India's formal manufacturing sector has experienced a profound shift in its employment structure**, marked by a significant rise in contract labour.
- Data from the Annual Surveys of Industries (ASI) shows that **the share of contract labour in manufacturing employment doubled from 20% in 1999-2000 to 40.7% in 2022-23**, cutting across various industries.
- This **growing trend towards informalisation within the formal sector has raised considerable concerns** regarding its implications for worker welfare and productivity growth.

Plight of Contract Workers

• Employment Outside Core Labour Protections

- The rise of contract labour is **often rationalised as a means to enhance operational flexibility by allowing firms to access specialised skills** and adjust labour force size according to market needs.
- However, **evidence suggests that cost avoidance, rather than true labour flexibility** or skill acquisition, is the predominant driver behind this trend.
- Contract workers are **usually hired through third-party contractors** and remain outside core labour protections under the Industrial Disputes Act 1947.
- Their **exclusion from laws governing layoffs, retrenchments, and protection from arbitrary dismissals severely weakens their bargaining power**, leaving them vulnerable to exploitation.

• Wage Disparities

- This **exploitation is reflected in wage disparities**: in 2018-19, contract workers earned **47% less than regular workers** on average.
- Large enterprises exhibited the greatest wage gaps at 31%, followed by medium (23%) and small enterprises (12%).
- **Employer cost savings are even more striking**, the average daily labour cost for contract workers was 24% lower than for regular workers.
- In certain industries, **the labour cost for contract workers was less than 50% that of regular staff**, with gaps as high as 78-85% indicating deep exploitation levels.

Impact of Contract Labour on Productivity

• Workforce Stability

- Contract labour **can contribute beneficially by bringing job-specific expertise** and offering firms a buffer to rapidly respond to market fluctuations.
- Nevertheless, **when contractualization is mediated through third-party agencies on short-term contracts, it can create principal-agent problems**.
- Contracting firms may misalign incentives with subcontractors, **increasing risks of shirking and reducing workforce stability**.

• Overall Low Productivity

- High labour turnover and insecurity discourage investment in on-the-job training and innovation, crucial factors for sustained productivity growth.
- The study's analysis reveals **that contract labour-intensive (CLI) enterprises show 31% lower labour productivity** compared to regular labour-intensive (RLI) enterprises on average.

- This **disparity is more pronounced in smaller firms with fewer than 100 workers (36%)** and medium-sized firms (23%), and is the worst in labour-intensive industries (42%).
- These **gaps persist even after controlling for other firm and regional factors**, underscoring the detrimental productivity effects of contractualization primarily driven by cost-cutting and regulation circumvention.
- However, **a small subset of enterprises**, approximately 20% of formal manufacturing, demonstrate **productivity gains from contractualization**.
- **High-skill CLI enterprises enjoy a 5% productivity advantage** over their low-skill counterparts, rising to 20% in large high-skill firms.
- Similarly, large capital-intensive CLI firms show a 17% productivity gain.
- **Despite these exceptions, the overwhelming majority of firms experience adverse outcomes** due to excessive reliance on contract labour.

Policy Recommendations

• Timely Implementation of Industrial Relations Code

- In response to these challenges, the Indian government introduced the Industrial Relations Code in 2020.
- The **code aims to grant firms greater flexibility through direct fixed-term contracts with non-regular workers**, eliminating third-party intermediaries, while ensuring baseline statutory benefits to reduce worker exploitation.
- However, **implementation delays and union apprehensions** highlight risks that increased hiring flexibility **might accelerate informalisation** and degrade job quality further.

• Incentivise Firms for Long-Term Contracts

- To reconcile flexibility with security, policymakers should **incentivise firms to adopt longer fixed-term contracts by offering social security** contribution discounts or subsidised access to government skilling programmes.
- This **would improve workforce stability, skill formation**, and allay labour union concerns about precarious employment proliferation.

• Resurrecting Initiatives Like the Pradhan Mantri Rojgar Protsahan Yojana (PMRPY)

- These initiatives encouraged formal job creation by subsidising employer contributions to pension and provident funds, **could significantly curb contract labour misuse and promote formalisation**.
- Despite benefiting over one crore workers, **the PMRPY was discontinued in March 2022**.
- **Reviving it could be pivotal** in strengthening secure employment in manufacturing.

Conclusion

- **While contractualization may offer operational flexibility** and skill-access advantages in some high-skill or capital-intensive enterprises, for most firms, especially small, medium, and labour-intensive ones, **it results in exploitation and inefficiency.**
- **Addressing these issues demands a balanced regulatory approach that safeguards worker rights, incentivises formalisation,** and fosters skill development, thereby ensuring the sector's sustainable growth and equitable employment landscape.

Adopt Formalisation to Power Productivity Growth FAQs

Q1. What has been the trend in contract labour's share in India's formal manufacturing sector from 1999-2000 to 2022-23?

Ans. The share of contract labour doubled from 20% to 40.7% across all manufacturing industries.

Q2. Why are contract workers vulnerable in India's manufacturing sector?

Ans. Because they are hired through third-party contractors and excluded from core labour laws, leaving them with weak bargaining power and prone to exploitation.

Q3. How does contract labour affect productivity in manufacturing firms?

Ans. Firms reliant on contract labour typically show 31% lower labour productivity than those with a regular workforce, especially in small and labour-intensive enterprises.

Q4. What are some positive productivity outcomes seen with contract labour?

Ans. High-skill and large capital-intensive contract labour enterprises can experience productivity gains of 5% to 20%, but these constitute only about 20% of the sector.

Q5. What policy measures are recommended to address the challenges of contract labour?

Ans. Implementing longer fixed-term contracts with social security incentives, reviving programmes like Pradhan Mantri Rojgar Protsahan Yojana (PMRPY), and enforcing labour codes to protect workers while ensuring flexibility.

Source: [The Hindu](#)

Fiscal Health of Indian States in FY2025 - Trends, Concerns, and Outlook

Context:

- Understanding the fiscal position of states is essential for gauging India's overall macroeconomic health.
- Therefore, **analysing provisional actuals (PA) for FY2025 of 17 major Indian states** (covering approximately 90% of India's GDP) and highlighting trends in fiscal deficit, revenue deficit, and capital expenditure, **offers insights** into the evolving fiscal dynamics and implications for FY2026 and beyond.

Fiscal Trends in FY2025 (Provisional Actuals):

- **Widening fiscal deficit:**

- **Fiscal deficit** is the excess of total expenditure of the Government over its non- debt receipts (revenue receipts, miscellaneous capital receipts and recovery of loans and advances).
- It normally **represents the net incremental liabilities** of the Government or its additional borrowings.
- FY2025 fiscal deficit of 17 states rose to ₹9.5 trillion (3.2% of GSDP) from ₹7.8 trillion (2.9% of GSDP) in FY2024.
- The deterioration was largely driven by **an increase in revenue deficit**, with a smaller contribution from capital spending.

- **Surge in revenue deficit:**

- **Revenue deficit** is the excess of revenue expenditure of the Government over its revenue receipts. It leads to increase in borrowings without corresponding capital/asset formation.
- Revenue deficit **nearly doubled** to ₹2.1 trillion (0.7% of GSDP) in FY2025 from ₹1.1 trillion (0.4% of GSDP) in FY2024.
- This resulted from –
 - **Slower growth in revenue receipts** (6.3% in FY2025 vs 7.9% in FY2024).
 - **Stable revenue expenditure growth** at 9% year-on-year (YoY).
- **Negative implications of rising revenue deficit:**
 - In contrast to the Centre's fiscal compression, states witnessed revenue pressure.
 - Higher share of revenue deficit in total fiscal deficit indicates **less room for productive capital expenditure**.
 - Capex share in fiscal deficit declined to 78% in FY2025, below the 80-90% trend in FY2022-24.

Capital Expenditure Dynamics:

- **Overall capex performance:**

- **Total capital spending** – ₹7.4 trillion in FY2025 PA, ₹678 billion higher than the amount spent in FY2024.
- However, the **incremental capex** of the states in FY2025 PA was sharply lower than the incremental spending of Rs 910-1,120 billion during FY2022-FY2024.
- Capex fell short of Revised Estimates by ₹1.1 trillion.

- **March 2025 capex surge:**

- In March 2025, **the states' capex surged by 42% YoY** to Rs 2.2 trillion from Rs 1.5 trillion in March 2024, led by a pick-up in spending by UP, Andhra Pradesh, MP, Maharashtra, Tamil Nadu and

Karnataka.

- **30% of annual capex was incurred in March alone**—indicative of back-loaded spending and corresponding spike in state government securities borrowing.

- **Role of Centre's Capex Loan Scheme: Capex loan disbursement -**

- ₹1.5 trillion in FY2025 (up from ₹1.1 trillion in FY2024).
- 17 states' share - estimated at ₹1.13 trillion (up from ₹0.8 trillion).
- Funded over 40% of FY2025's incremental capex for these states.

Budgeted Projections for FY2026 and Future Outlook:

- **FY2026 capex targets:**

- For the budget estimates of FY2026, 17 states have indicated capital spending of Rs 9.5 trillion, 29.2% higher on a YoY basis or an incremental spending of Rs 2.1 trillion in FY2026, relative to the FY2025 PA.
- This seems **a little unrealistic** given that it is double the average incremental capital expenditure of Rs 1 trillion during FY2022-FY2024.

- **Long-term challenges and reforms:**

- Recommendations of **Finance Commission, Pay Commission**, and changes in GST compensation cess will significantly impact state finances.
- **Policies** incentivising capex over revenue expenditure within the fiscal space are crucial.

Fiscal Health of Indian States in FY2025 FAQs

Q1. Why did states' fiscal deficit widen in FY2025 despite higher capex?

Ans. Due to a sharp rise in revenue deficit from sluggish revenue growth and rising expenditure.

Q2. How does rising revenue deficit impact state finances?

Ans. It reduces fiscal quality by diverting borrowings toward less productive revenue spending.

Q3. What role did the Centre's capex loan scheme play in FY2025?

Ans. It funded over 40% of states' incremental capital expenditure, easing fiscal pressure.

Q4. Why is back-ended capex in March a concern?

Ans. It leads to inefficient spending patterns and borrowing spikes at the year-end.

Q5. Are the FY2026 capex targets by states realistic?

Ans. Unlikely, as past trends show consistent undershooting of capital spending estimates.

Source: **IE**

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