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1. India, EU close in on FTAs negotiations conclude

Why in the News?

India and the European Union are set to announce the conclusion of negotiations for the India–EU Free Trade Agreement (FTA), coinciding with a high-level India–EU summit in New Delhi. The announcement comes during the visit of EU leaders, including Ursula von der Leyen and European Council President Antonio Costa, who attended India’s 77th Republic Day celebrations alongside Prime Minister Narendra Modi.



Background

- India–EU FTA negotiations were first launched in 2007.
- Talks stalled multiple times due to differences over:
 - Agricultural and dairy market access
 - Environmental and labour standards
 - Investment protection
 - Mobility and immigration issues
- Negotiations were formally frozen between 2014 and 2022.
- Talks were relaunched in 2022 with a pragmatic, modular approach, allowing both sides to temporarily set aside highly contentious sectors.
- The current agreement marks the end of a nearly two-decade-long negotiation process.

Features

- Conclusion of negotiations at the official level; final text to be prepared after legal scrubbing

The deal is part of a broader strategic package, including:

- Security and defence partnership
- Energy cooperation

- Mobility and talent partnership

Once finalised:

- The agreement will be translated into EU languages
- Sent to all 27 EU member states
- Ratified by the European Parliament

- The FTA reflects a “new global order” narrative, emphasising democratic partnerships and supply-chain resilience.

Challenges

Market Access Sensitivities

- EU demands greater access for agricultural and dairy products, a politically sensitive issue for India.
- Concerns over the impact on Indian farmers and MSMEs.

Environmental & Regulatory Standards

- The EU’s strict carbon, sustainability, and labour norms may increase compliance costs for Indian exporters.
- Possible spillover effects from EU regulations like CBAM.

Contradictions

- India’s defence inventory remains heavily Russian-origin, despite EU sanctions on Russia.
- Strategic autonomy vs alignment with Western blocs remains a balancing act.

Ratification Risks

- Approval by 27 EU national governments and the European Parliament could delay implementation.
- Domestic political changes in EU states may affect consensus.

Way Forward

- Phased implementation to protect sensitive Indian sectors.
- Capacity-building support for Indian exporters to meet EU regulatory standards.
- Use the FTA as a base to strengthen cooperation in:
 - Clean energy
 - Digital trade
 - Critical minerals and technology

Align the FTA with India’s broader strategies, such as:

- Make in India
- Atmanirbhar Bharat
- Supply-chain diversification away from China

- Institutionalise regular India–EU strategic and trade dialogues to resolve future disputes.

Conclusion

The conclusion of the India–EU FTA negotiations marks a historic reset in bilateral economic relations, signalling India’s growing role as a trusted global partner amid geopolitical churn. While challenges related to market access, standards, and geopolitics persist, the agreement reflects a mature, interest-based partnership rather than an idealistic one. If implemented carefully, the FTA can enhance India’s integration into global value chains while reinforcing a multipolar and rules-based global order.

2. Canadian PM denies FTA plans with China, after Trump’s tariff warning

Why in the News?

Canadian Prime Minister Mark Carney has categorically denied plans for a Free Trade Agreement (FTA) with China, following a sharp warning from U.S. President Donald Trump. Mr. Trump threatened to impose 100% tariffs on Canadian imports if Ottawa pursued a trade deal with Beijing, alleging that Canada could become a “drop-off port” for Chinese goods entering the U.S.

Background

- Canada is part of the United States–Mexico–Canada Agreement (USMCA).
- Under USMCA provisions, member countries must notify partners before negotiating FTAs with “non-market economies”.
- China is widely classified by Western economies as a non-market economy.

In 2024:

- Canada imposed 100% tariffs on Chinese electric vehicles
- 25% tariffs on Chinese steel and aluminium

China retaliated with:

- 100% tariffs on Canadian canola oil and meal
- 25% tariffs on pork and seafood
- During a recent visit to China, Canada partially rolled back EV tariffs in exchange for reduced Chinese duties on Canadian agricultural exports.

Features

Canada clarified that:

- It has no intention of negotiating an FTA with China
- The recent understanding with China was a sector-specific tariff adjustment, not a comprehensive trade agreement

The U.S. administration argues:

- Any easing of China-related tariffs threatens U.S. manufacturing and supply-chain security

- Canada could become a conduit for cheap Chinese exports into the U.S.
- The issue has emerged ahead of the USMCA renegotiation scheduled for summer 2026.



Challenges

Strategic Autonomy vs Trade Dependence

- Canada's economy, particularly the automobile sector, is deeply dependent on U.S. market access.
- Diversifying trade towards China risks U.S. retaliation.

Supply Chain and Industrial Vulnerability

- Canadian auto manufacturers have warned that large-scale manufacturing is unviable without U.S. access.
- The domestic Canadian market is too small to substitute U.S. demand.

Intensifying U.S.–China Rivalry

- Trade with China is increasingly viewed through a national security lens.
- Middle powers like Canada face shrinking policy space.

Geopolitical Spillovers

- The dispute coincides with tensions within the North Atlantic Treaty Organisation (NATO), especially over U.S. positions on Greenland and alliance burden-sharing.

Way Forward

- Clear compliance with USMCA rules, including transparency on trade negotiations with non-market economies.
- Focus on limited, rules-based tariff adjustments rather than comprehensive trade deals with China.
- Strengthen North American industrial integration, particularly in:
 - Electric vehicles
 - Critical minerals
 - Semiconductors
- Pursue diversified trade partnerships with trusted economies in Europe and the Indo-Pacific.
- Use multilateral platforms like the World Trade Organisation to manage trade disputes.

Conclusion

Canada's denial of FTA plans with China highlights the tight strategic constraints faced by middle powers in an era of economic nationalism and great-power rivalry. The episode underscores how trade policy is no longer purely economic, but deeply intertwined with security alliances, supply chains, and geopolitical trust.

3. Uproar intensifies against new UGC equity regulations

Why in the News?

The University Grants Commission notified the Promotion of Equity in Higher Education Institutions Regulations, 2026, on January 13, 2026, replacing the 2012 framework.

The regulations have triggered nationwide opposition from student bodies, political leaders, and academics, culminating in a writ petition in the Supreme Court challenging their constitutionality and fairness.

Background

- The UGC first issued Equity Regulations in 2012 to curb caste-based discrimination on campuses.

In 2025, a draft revision was circulated, which included:

- A provision for penalties for false complaints
- Broader language on discrimination

The final 2026 regulations, however:

- Narrowed the definition of caste-based discrimination
- Removed punishment clauses for false or malicious complaints

- The new rules mandate Equity Committees and grievance redressal mechanisms in higher education institutions.

Features

Narrow Definition of Discrimination

- Caste-based discrimination is defined as discrimination “only based on caste or tribe”
- Protection was explicitly extended only to SC, ST, and OBC students

Removal of False Complaint Provision

- No penalties for malicious or unfounded complaints, despite being present in the 2025 draft

Institution-Level Equity Committees

- Creation of omnibus equity bodies instead of process-specific safeguards

Updated Regulatory Framework

- Supersedes the 2012 regulations to align with contemporary campus realities



Challenges

Alleged Bias Against General Category Students

Critics argue:

- Exclusion of non-SC/ST/OBC students creates a presumption of guilt
- Absence of safeguards violates principles of natural justice

Student unions (e.g., Kumaun University) warn of:

- Atmosphere of fear, distrust, and misuse

Inadequate Protection for Marginalised Groups

- Anti-caste activists highlight:
 - Missing recognition of process-specific discrimination (admissions, interviews, viva voce)
 - Equity committees may lack contextual sensitivity
- IRS officer Nethrapal notes:
 - Regulations ignore the lived realities of caste bias in evaluation systems

Legal and Constitutional Questions

- A writ petition filed by a researcher from Banaras Hindu University
- Raises concerns under:
 - Article 14 (Equality before law)
 - Article 15 (Non-discrimination)
 - Article 21 (Due process and dignity)

Political Opposition

- Leaders across parties, including members of the Rajya Sabha, have demanded withdrawal or amendment.
- BJP leaders themselves have flagged concerns, indicating intra-party unease.

Way Forward

Broaden the Definition of Discrimination

- Include discrimination based on perception, association, and academic processes
- Cover intersectional vulnerabilities (caste + gender + region)

Restore Safeguards Against Misuse

- Reintroduce due-process checks for false or malicious complaints
- Ensure balance between victim protection and natural justice

Process-Specific Redressal Mechanisms

- Separate grievance cells for:
 - Admissions
 - Faculty evaluation
 - Oral examinations and interviews

Capacity Building & Sensitisation

- Mandatory anti-discrimination training for faculty and administrators
- Regular audits of equity outcomes on campuses

Stakeholder Consultation

- Structured dialogue with:
- Student unions
- Social justice scholars
- Marginalised community representatives

Conclusion

The uproar over the UGC Equity Regulations, 2026, reflects a deeper tension in Indian higher education: balancing social justice, procedural fairness, and campus harmony. While the intent to combat caste-based discrimination is constitutionally sound, ambiguities in definition, lack of safeguards, and one-size-fits-all mechanisms risk undermining both trust and effectiveness.

4. Playing hide and seek on employment guarantee

Why in the News?

The proposed Viksit Bharat – Guarantee for Rozgar and Ajeevika Mission (Gramin) Act (VB–G RAM G Act) has triggered intense debate after the Union government projected it as a replacement for MGNREGA, 2005. Critics, including noted development economist Jean Drèze, argue that the new law dilutes the very idea of an employment guarantee while retaining the rhetoric of welfare expansion.

Background

- MGNREGA (2005) is a landmark rights-based legislation guaranteeing 100 days of wage employment to rural households on demand.
- It is demand-driven, legally enforceable, and backed by provisions such as unemployment allowance, social audits, and transparency norms.
- The VB–G RAM G Act has been introduced as part of the “Viksit Bharat” vision, claiming to modernise and expand rural employment guarantees.
- Government proponents argue that it improves efficiency, funding discipline, and equity across States.

Features of the VB–G RAM G Act Enhanced Entitlement

- Promises 125 days of employment per household per year (instead of 100 days under MGNREGA).

Normative Funding

- Replaces demand-driven financing with norm-based allocations determined by the Centre.

Digital-First Implementation

- Heavy reliance on advanced digital platforms for attendance, payments, and monitoring.

Omission of “Disentitlement” Clause

- Removes a little-used clause from MGNREGA related to the temporary loss of unemployment allowance after refusal of work.



Challenges

Dilution of Employment Guarantee

- Section 5(1) of the new Act allows the Centre to notify where the guarantee applies, making employment contingent on executive discretion.
- This undermines the core principle of a legal right to work.
- Effectively, it is a guarantee without universality.

Normative Funding vs Demand-Driven Logic

- An employment guarantee must be demand-driven by definition.
- Normative allocations are likely to become de facto budget caps, restricting access in times of distress.
- Poorer States like Bihar and Jharkhand are unlikely to benefit, given their weaker fiscal and administrative capacity.

Misleading Claims on “Disentitlement”

- The removed disentitlement clause under MGNREGA was never used in practice.

- Framing its removal as pro-worker reform is largely symbolic and misleading.

Questionable Equity Argument

- No clear empirical correlation exists between State poverty levels and MGNREGA expenditure.
- Both poor and relatively better-off States show high and low utilisation patterns.
- Budget caps may worsen, not correct, regional inequality.

Blind Faith in Digital Technology

- Digital systems under MGNREGA have already shown:
 - Payment delays
 - Exclusion due to biometric and technical failures
 - New avenues for corruption
- VB–G RAM G ignores these lessons and deepens techno-centric control.

Cosmetic Changes, Substantive Retreat

- Many provisions on wage payments and social audits are copied verbatim from MGNREGA.
- Yet the narrative credits the new Act for reforms that already exist.

Way Forward

Retain and Strengthen Demand-Driven Funding

- Any employment guarantee must respond automatically to rural distress.

Raise Wage Rates in Poorer States

- Linking wages more closely to local minimum wages can improve uptake and equity.

Improve Governance, Not Dilute Rights

- Focus on administrative capacity, transparency, and grievance redressal rather than budget ceilings.

Use Technology as an Enabler, Not a Gatekeeper

- Ensure digital tools are optional, worker-friendly, and backed by human oversight.

Federal Sensitivity

- Allow States flexibility rather than centralised normative controls.

Conclusion

The VB–G RAM G Act represents a shift from rights-based welfare to discretion-based governance, while retaining the language of expansion. As Jean Drèze argues, the proposed law appears less about improving rural employment security and more about centralising control and rebranding credit.

At a time when rural distress, climate shocks, and informalisation of labour persist, weakening a globally admired employment guarantee framework risks placing workers' rights on the back burner.

5. India's biggest climate gap could be language

Why in the News?

Climate experts and policy practitioners are increasingly flagging a communication gap in India's climate governance, arguing that despite advances in climate science, weak translation into local language, administrative vocabulary, and lived realities is undermining effective climate action. This concern has gained traction amid global debates on Loss and Damage at UN climate negotiations.

Background

- India has significantly strengthened its climate science capacity:
 - District-level heat projections
 - Flood modelling and crop simulations
 - Extreme-event attribution studies
- Simultaneously, global climate discourse—particularly under the United Nations Environment Programme and UN climate negotiations—has expanded concepts such as Loss and Damage, slow-onset events, and non-economic losses.
- However, policy uptake and community response remain uneven, revealing a disconnect between scientific knowledge and governance practice.

Features

Language as a Climate Governance Gap

- Climate terms like Loss and Damage lose meaning as they move from:
 - Global negotiations → national policy → local administration

In India:

- Loss becomes nuksaan aaklan (damage assessment)
- Damage becomes haani purti (compensation)
- Climate impacts are framed as aapda / disaster relief
- This reframing reduces climate change to post-disaster compensation, ignoring irreversible losses.

Narrowing of 'Loss and Damage'

Globally: Includes

- Loss of ecosystems, livelihoods, culture, land, and identity

Locally: Reduced to

- What can be counted, compensated, and closed

Result: Governance blind spots for slow-onset and non-economic losses.

Science–Policy–People Disconnect

- Climate data is often:
 - Index-heavy
 - Technically dense
 - Detached from daily administrative decisions
 - Information overload does not automatically translate into action.

Communication as Infrastructure

- Effective climate response depends not just on sensors or models, but on:
- Trust
- Relevance
- Credibility
- Example: Odisha's cyclone preparedness success stems from trusted communication, not technology alone.

Challenges

Semantic Dilution

- Climate concepts lose nuance when absorbed into disaster-management language.
- Long-term climate risks are treated as episodic emergencies.

Exclusionary Assumptions

- Advisories assume:
- Literacy
- Smartphone access
- Ability to stop work
- This marginalises informal workers, women, and vulnerable communities.

Under-utilisation of Climate Data

- Risk dashboards and assessments remain unused because:
 - They are not decision-centric
 - They do not match the real-time pressures faced by officials

Weak Institutional Communication Capacity

- Climate communication is treated as a "soft" add-on, not as a core governance function.

Way Forward

Localise Climate Language

- Translate climate risks into:
- Local languages
- Administrative logic
- Everyday consequences (school closures, hospital load, crop loss)

Shift from Information to Use

- Focus on:
- What decisions must be made tomorrow?
- Who takes them
- Under what constraints

Co-create Communication

- Involve:
- Panchayat leaders
- Frontline workers

- Farmers, fisherfolk
- Local journalists

Institutionalise Climate Communication

- Build dedicated communication capacity within:
- District administrations
- Disaster management authorities
- Urban local bodies

Strengthen Media Partnerships

- Enable consistent, trusted, and actionable climate narratives.

Conclusion

India's climate challenge is no longer limited to data scarcity, but increasingly defined by meaning scarcity. When climate science fails to connect with language, context, and lived experience, even the most advanced projections remain trapped in reports.

As the article underscores, communication is not peripheral to climate action-it is foundational.

6.Venezuela's oil collapse is plunging Cuba into crisis

Why in the News?

Cuba is facing deepening economic and energy crises as its principal source of subsidised oil, Venezuela, has sharply reduced exports following U.S. military and sanction actions, including seizures of Venezuelan oil tankers and pressure on Caracas. These moves have cut off most of the island's lifeline fuel supplies, triggering power outages, fuel scarcity and food supply disruptions.

Background

- Venezuela–Cuba oil ties: Since the early 2000s under Hugo Chávez's Bolivarian government, Venezuela provided Cuba with subsidised oil in exchange for doctors, technicians and security assistance a cornerstone of bilateral relations.
- U.S. embargo: Cuba has long been subject to a comprehensive U.S. embargo, labelled a "blockade" by Havana, restricting trade and dollar-based finance since 1962.
- 2025–26 U.S. pressure campaign: In late 2025 and early 2026, the United States intensified its campaign against Venezuela by blockading oil exports and seizing tankers, actions that also severed Cuba's oil imports.

Features

Heavy Oil Dependence

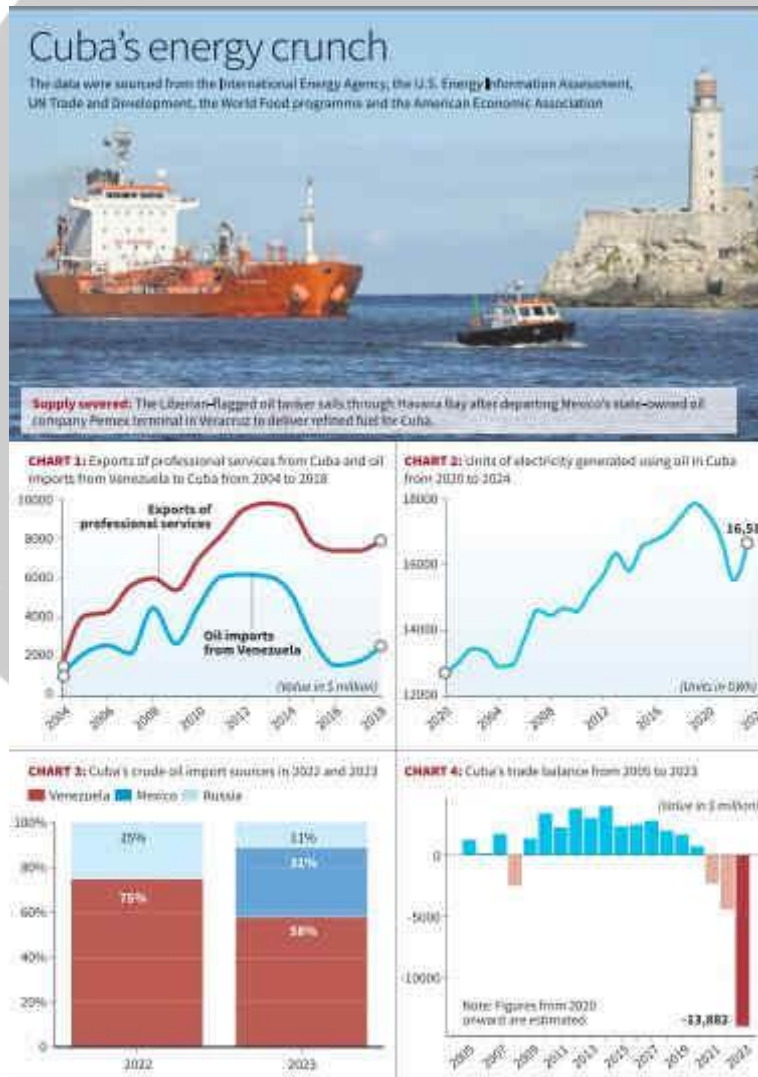
- Cuba's economy has been structurally reliant on oil for energy generation, transportation, industry and agriculture.
- Venezuelan crude once supplied about a third to half of Cuba's oil needs, with Mexico and Russia filling smaller shares, but shipments from Caracas have virtually stopped.

Energy Shortages and Blackouts

- The loss of Venezuelan oil has already caused prolonged power cuts and fuel shortages across the island, national media and residents report.

Secondary Economic Impact

- Cuba imports a large share of its food and relies on refrigeration and transport systems powered by fuel, so the energy crisis has compounded food supply disruptions. Independent assessments underscore how blackouts and acute shortages strain key



sectors like agriculture and tourism.

Broader Political Tension

- U.S.–Cuban tensions have escalated: Cuba denounced the U.S. seizure of Venezuelan tankers as “piracy” and part of a policy of “economic suffocation”, while U.S. policymakers have floated even more aggressive measures, including a potential naval blockade on Cuban oil imports to force political change.

Challenges

Lack of Alternative Supply

- Mexico, Cuba’s next largest supplier, has not significantly increased shipments and is reportedly cautious due to fear of U.S. retaliation, curbing Cuba’s ability to replace Venezuelan oil.

Financial Isolation

- Cuba remains financially cut off from global markets by the U.S. embargo: most dollar transactions must route through U.S. banks, discouraging many foreign financial institutions from engaging with Havana. This limits Cuba’s ability to import oil commercially, even if supplies were available.

Economic Strain

- Persistent trade deficits and restricted foreign exchange further weaken Cuba’s capacity to stabilise the economy amid the energy crunch, according to trade data. Independent reporting also describes Cuba’s economic and political strains as among the worst since the post-Soviet “Special Period”.

Way Forward

Diversify Energy Sources

- Cuba might seek to expand imports from alternative partners or invest in renewable and distributed energy sources to reduce oil dependency.

Diplomatic Engagement

- Diplomatic negotiations with the U.S. and other countries to ease sanctions and restore at least partial energy trade.

Strengthen Resilience

- Measures to strengthen internal energy infrastructure and food systems, including local production and efficient allocation, can mitigate shocks.

Regional Cooperation

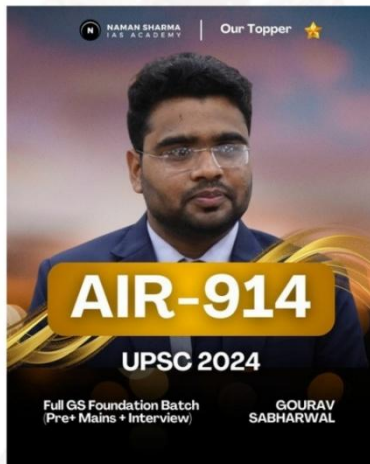
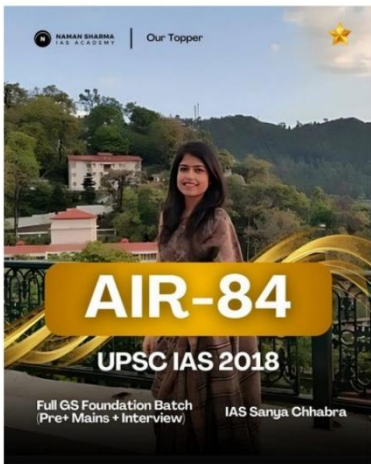
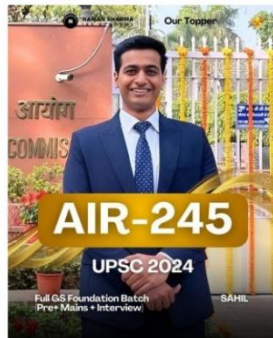
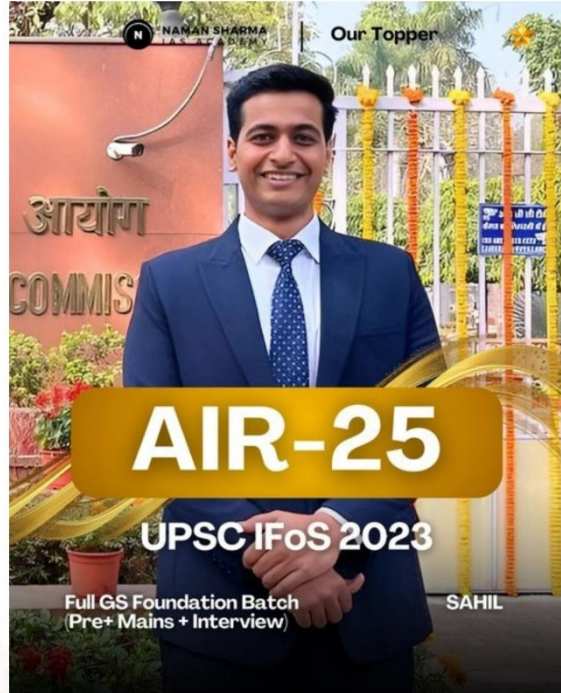
- Engagement with Latin American and Caribbean neighbours to secure energy and humanitarian support.

Conclusion

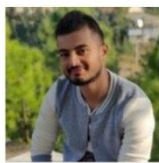
Cuba's current crisis illustrates how geopolitical conflict over Venezuela's oil has cascading domestic consequences for Havana. Long-standing Cuban reliance on subsidised Venezuelan fuel, compounded by U.S. pressure through tanker seizures and sanctions, has precipitated severe shortages that extend beyond energy to essential services like food supply and logistics.



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