P. L. RAJ MAINS Q & A – DAY 70

2025 - The Year of the "Reform Express" – Towards Viksit Bharat 2047

Introduction - The Paradigm Shift

The year 2025 marks a watershed moment in India's governance history. Prime Minister Narendra Modi has termed it the year India boarded the "Reform Express," driven by the energy of its youth and a decisive political will. Unlike sporadic policy tweaks, the reforms of 2025 are structural, cross-sectoral, and anchored in a long-term vision to transform India into a Viksit Bharat (Developed Nation) by 2047. For Civil Services aspirants, understanding this suite of reforms is crucial as it redefines the administrative, economic, and social architecture of the nation.

Key Reforms of 2025 - A Sectoral Analysis

Taxation and Fiscal Prudence -

GST Simplification - A historic shift to a clean two-slab GST structure (5% and 18%) has reduced disputes and eased the burden on MSMEs and labor-intensive sectors.

Income Tax Overhaul - The archaic Income-tax Act of 1961 has been replaced by the modern Income Tax Act, 2025. A major relief is the tax exemption for individuals earning up to ₹12 lakh, boosting disposable income and middle-class savings.

Economic Liberalization and Ease of Doing Business

Insurance Liberalization - 100% FDI is now permitted in insurance companies, a move set to deepen insurance penetration and capital inflow.

Jan Vishwas (Decriminalization) - The Repealing and Amendment Bill, 2025, scrapped 71 outdated Acts, continuing the mission to decriminalize minor business offenses and trust entrepreneurs.

MSME Boost - The definition of "small companies" now includes firms with turnovers up to ₹100 crore, drastically reducing their compliance burden.

Infrastructure and Trade

Maritime Reforms - Five landmark laws, including the Indian Ports Bill, 2025, were passed to modernize India's blue economy, replacing colonial-era acts from 1908.

Global Trade Integration - Free Trade Agreements (FTAs) with New Zealand, Oman, Britain, and the European Free Trade Association (EFTA) signal India's rise as a competitive global trading partner.

Social Security and Labor -

Labour Codes - 29 fragmented laws have been merged into four modern codes, ensuring fair wages, social security for unorganized/gig workers, and greater female workforce participation.

Rural Employment - The Viksit Bharat - GRAM G Act, 2025, has raised the MGNREGA employment guarantee from 100 to 125 days, turning rural work into asset creation.

Strategic Sectors (Education & Energy)

Unified Education Regulator - The Viksit Bharat Shiksha Adhishthan bill proposes to replace UGC, AICTE, and NCTE with a single regulator, fostering institutional autonomy.

Nuclear Energy (SHANTI Act) - This act creates a framework for the safe expansion of nuclear technology, crucial for powering AI data centers and green hydrogen projects.

Objectives and Nature of Reforms

The underlying philosophy of these reforms represents a shift from "Government Control" to "Governance Facilitation."

Objective - To remove friction from the economy, trust the citizen/wealth creator, and build state capacity for the AI era.

Nature - These are "Next-Generation" reforms. They are not just about deregulation but about creating modern regulatory architectures (like in nuclear energy and securities markets) that are technology-driven, transparent, and predictable.

Significance - Building Foundations for 2047

Trust-Based Governance - By decriminalizing laws and simplifying taxes, the state is signaling a new social contract based on trust.

Demographic Dividend - Reforms in education and labor specifically target India's youth, ensuring they are skilled and gainfully employed.

Global Competitiveness - Reducing logistics costs (maritime reforms) and opening markets (FTAs) positions India as a viable alternative in global supply chains.

Way Forward

While the legislative framework is robust, the challenge lies in implementation.

Cooperative Federalism - States must align their rules with central labor and education codes for uniform impact.

Capacity Building - The bureaucracy needs to be retrained to handle the new, simplified, tech-driven regulatory environment.

Monitoring - Continuous feedback loops are essential to ensure that the benefits of 125 days of rural employment or 100% FDI actually reach the intended beneficiaries.

Conclusion

The reforms of 2025 are not merely statutory changes; they are a declaration of intent. They modernize India's institutional framework, making it agile enough to handle the complexities of the 21st century. By prioritizing "Ease of Justice" alongside "Ease of Living," the government has laid a concrete path toward a self-reliant and prosperous India. The "Reform Express" has left the station; the task now is to ensure it reaches every citizen.

Practice Question for Mains

1. "The reforms of 2025 represent a paradigm shift from 'Control' to 'Facilitation' in Indian governance. Critically analyze this statement with reference to the changes in taxation, labor laws, and regulatory institutions." (35 words)

Answer Guidelines

1. Introduction - Contextualize with PM's "Reform Express" statement. Define the shift - Moving from inspection-raj to trust-based governance.

2. Body

1. Facilitation in Economy (Tax & Biz) -

Taxation - Mention the modern Income Tax Act, 2025, and the simplified GST slabs (5% & 18%). This facilitates compliance rather than enforcing through fear.

Jan Vishwas - Highlight the decriminalization of business laws as a move to trust entrepreneurs.

2. Institutional Modernization (Labor & Education) -

Labor - Discuss the 4 Labour Codes replacing 29 laws—facilitating ease of doing business while expanding social security to the unorganized sector.

Regulatory - Mention the single education regulator (Viksit Bharat Shiksha Adhishthan) replacing multiple bodies like UGC/AICTE to facilitate autonomy.

3. Conclusion - Conclude that while the legislative intent is facilitation, success depends on the "spirit of implementation" by the bureaucracy. This shift is foundational for Viksit Bharat 2047.