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Economic Survey 2025-26 — Growth, Gig Economy, and the Disciplined Swadeshi Vision

30 January 2026

SUBJECTS COVERED**ECONOMY****SOCIAL ISSUES****CURATED & WRITTEN BY****Bharat Choudhary**

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Economic Survey 2025-26 — Growth, Gig Economy, and the Disciplined Swadeshi Vision

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WHY IN NEWS

Finance Minister Nirmala Sitharaman tabled the Economic Survey 2025-26 in Parliament on January 30, 2026 — the day before the Union Budget 2026-27. Authored by Chief Economic Adviser (CEA) V. Anantha Nageswaran, the Survey projects 7.4% real GDP growth for FY26 and introduces a new policy framework called “Disciplined Swadeshi” for India’s engagement with global trade.

WHAT THE ECONOMIC SURVEY IS — AND WHY UPSC TESTS IT

The **Economic Survey** is an annual document presented by the Ministry of Finance the day before the Union Budget. It is not a policy announcement — it is an **analysis** of the economy’s performance and a **roadmap** for what priorities need attention.

Constitutional/Institutional context:

Prepared by the **Office of the Chief Economic Adviser (CEA)** under the Ministry of Finance

Not a constitutional requirement — a convention dating to 1950-51

Originally one volume; expanded to two volumes from 1957; can have thematic chapters

Provides data on GDP, inflation, trade, external sector, agriculture, social indicators

UPSC uses it extensively: Mains GS-3 questions on India’s economy frequently draw from Economic Survey data and themes

CEA V. Anantha Nageswaran:

6th Chief Economic Adviser; appointed February 2022

Previously served as academic and financial economist; significant commentary on India’s growth model

GDP AND GROWTH — THE NUMBERS

FY2025-26 (current year):

Real GDP growth: **7.4%** (National Statistics Office — First Advance Estimate)

GVA growth: **7.3%**

India is the **fastest-growing major economy** for the **4th consecutive year**

Manufacturing GVA: **8.4%** (H1 FY26)

Services GVA: **9.3%** (H1 FY26)

FY2026-27 (projection):

Real GDP growth: **6.8%–7.2%** range

Medium-term potential growth rate: revised upward to **7% per annum**

Why 7.4% is impressive context:

Global growth (IMF WEO): ~3.2%–3.3% in 2025

China: ~4.5%; USA: ~2.7%; EU: ~1.5%

India's demographic dividend, domestic consumption base, and capital expenditure cycle sustain this advantage

Consumption — PFCE at a 12-Year High: The most significant macro signal: **Private Final Consumption Expenditure (PFCE)** rose to **61.5% of GDP** — the highest since 2012. PFCE = household spending = the bedrock of India's growth model. When PFCE is high, it signals:

Falling inflation increasing real purchasing power

Rising employment reducing precautionary savings

Consumer confidence returning after COVID and global uncertainty

Investment — GFCF: Gross Fixed Capital Formation (GFCF) grew **7.8%**, sustaining approximately **30% of GDP**. This reflects both government capex (infrastructure) and private sector investment beginning to pick up in manufacturing-heavy sectors.

INFLATION — HISTORIC LOW

Headline CPI (April–December 2025): 1.7% — the lowest sustained inflation reading since India's CPI series was rebased in 2012

Food inflation (December 2025): -2.71% — deflation in food driven by:

Bumper kharif crop (good monsoon 2025)

Falling pulse and vegetable prices

Government interventions (price caps on tomatoes, onions, potatoes in key seasons)

Core inflation: Subdued — indicates the low headline inflation is not purely food-driven; demand-side pressure is muted

Implications for monetary policy: With inflation below the RBI’s 4% target (and below the 2% lower bound of the 2%–6% band in some months), RBI had space to cut the repo rate. The Survey notes that RBI cumulatively cut rates by **125 basis points**, which has begun transmitting into lower borrowing costs for households and firms.

EMPLOYMENT — GIG ECONOMY AND LABOUR CODES

Aggregate employment: India’s total employment reached **56.2 crore** as of Q2 FY2025-26 (PLFS quarterly data).

The Gig Worker Problem — A Survey Focus Area: The 2025-26 Survey gave special attention to **gig workers** — a growing but precarious segment of the workforce:

Metric	Value
Gig workers FY21	7.7 million
Gig workers FY25	12 million (+55%)
Share of workforce by 2029-30 (projected)	6.7%
GDP contribution projected	Rs 2.35 lakh crore
Workers earning <Rs 15,000/month	~40%

Why gig workers lack protection:

Classified as “independent contractors” — not employees under the Contract Labour Act or ESI Act
 No employer-employee relationship → no PF, ESI, minimum wage, or paid leave entitlement

Dependent but not employed: Gig platforms have outsized power over earnings, ratings, and access — but zero obligation

Code on Social Security, 2020 (one of the Four Labour Codes): Recognises gig workers for the first time; enables access to social security schemes; BUT the Code is not yet notified in most states

Survey Recommendation: A **minimum wage policy specific to gig workers** — floor earnings that must be guaranteed regardless of “ratings” or “dynamic pricing.”

Four Labour Codes (notified November 2025): The central government notified all four codes simultaneously:

Code on Wages, 2019

Code on Industrial Relations, 2020

Code on Social Security, 2020 (includes gig workers)

Code on Occupational Safety, Health and Working Conditions, 2020

Together, they consolidate **29 pre-existing labour laws**. The codes introduced portable social security (Portable UAN), enable freedom to hire and fire in smaller establishments with 300+ worker establishments (up from 100), and standardise definitions.

AGRICULTURE — A HISTORIC THRESHOLD

Horticulture overtakes foodgrains for the first time:

Foodgrain production (AY 2024-25): **3,577.3 LMT** (lakh metric tonnes)

Horticulture production: **362.08 million tonnes (MT) = 3,620.8 LMT**

This means horticulture production volumes exceeded foodgrain production for the **first time in independent India's agricultural history**. The significance:

India is already the **world's 2nd largest producer** of fruits and vegetables (after China)

Horticulture generates **~2.5x more revenue per hectare** than cereals

Feeds into nutritional security (vitamins, minerals) beyond caloric security (carbohydrates)

Challenges: Post-harvest losses (~30%); cold chain gaps; price volatility (tomato/onion cycles)

Agricultural credit:

Ground-level agricultural credit (FY25): **Rs 28.69 lakh crore**

Kisan Credit Card (KCC) coverage: **7.72 crore accounts** with Rs 10.20 lakh crore outstanding

KEY POLICY THEMES IN THE SURVEY

“Disciplined Swadeshi” — A New Trade Framework

The Survey introduces a new concept: **Disciplined Swadeshi** — arguing that India must move beyond the binary of protectionism vs. free trade.

The framework advocates:

Selectively reduce input import duties: On raw materials and intermediate goods where India has no domestic capacity — this reduces manufacturing costs

Maintain protection on finished goods: Where India can build domestic capacity and global competitiveness

Integrate into global supply chains strategically — especially in electronics, pharmaceuticals, and defence components

Avoid QE Infinity Trap: The Survey warns against excessive monetary stimulus (Quantitative Easing); notes that countries that flooded economies with money post-COVID face structural inflation

This is a departure from both extreme protectionism (high tariffs on all goods = “Make in India through walls”) and naive free trade (open everything = destroy domestic manufacturing).

Deregulation — Ease of Doing Business 2.0

Replace **inspection-based** enforcement with **trust-based compliance**

State-level deregulation compacts: Centre-State agreements to streamline approvals

MSMEs bear disproportionately high compliance costs relative to revenue; deregulation is identified as the single most cost-effective productivity intervention

“**Regulatory MSME exemptions**”: Smaller firms should have simplified compliance tiers

Digital Addiction as a Public Health Crisis

The Survey for the first time flags **digital addiction and screen time** as a significant public health and productivity concern

Rising incidence of anxiety, depression, and attention deficit linked to excessive social media use, especially among 15–25 age group

Recommendations: Digital literacy curriculum in schools; screen time guidelines; platform accountability under proposed Digital India Act framework

Climate — Adaptation-Led Development

India’s adaptation challenge is more urgent than mitigation (India emits ~3% of global CO₂)

Survey advocates **Mission LiFE (Lifestyle for Environment)**: Change consumption patterns before industrialisation

Dispatchable power (coal, hydro, gas) essential to back intermittent renewables (wind, solar) — India cannot phase out thermal abruptly

N:P:K nutrient imbalance in Indian agriculture: Current ratio **10.9:4.1:1** vs. ideal **4:2:1** — reflects excessive urea use (subsidised) relative to phosphatic and potassic fertilisers; degrades soil health

UPSC RELEVANCE

Economic Survey 2025-26 (tabled January 30, 2026; CEA V. Anantha Nageswaran); GDP FY26: 7.4%; FY27 projection: 6.8-7.2%; PFCE 61.5% (12-year high); gig workers 12 mn (FY25); gig workforce share 6.7% by 2030; CPI Apr-Dec 2025: 1.7% (lowest since CPI series); food inflation Dec 2025: -2.71%; foodgrain 3,577.3 LMT; horticulture 362.08 MT (first time exceeds foodgrain); agricultural credit Rs 28.69 lakh crore; KCC 7.72 crore; PMJDY 55.02 crore; PMMY 55.45 crore loans; Four Labour Codes (notified Nov 2025; consolidate 29 laws); Code on Social Security 2020 (includes gig workers); Disciplined Swadeshi; N:P:K ideal ratio 4:2:1; actual 10.9:4.1:1.

*Economic Survey 2025-26 — gig economy and social security; horticulture surpassing foodgrain significance; CPI new series and inflation measurement; Disciplined Swadeshi as a trade policy framework; N:P:K imbalance and soil health; climate adaptation vs mitigation for India; Four Labour Codes — implications for labour market flexibility. **GS-4:** Digital addiction as an ethical concern; platform accountability.*

★ FACTS CORNER — KNOWLEDGEPEDIA

ECONOMIC SURVEY 2025-26 — CORE DATA:

Tabled: January 30, 2026; FM Nirmala Sitharaman

Chief Economic Adviser: **V. Anantha Nageswaran** (appointed February 2022; 6th CEA)

Real GDP FY26: **7.4%** (NSO First Advance Estimate); GVA: 7.3%

FY27 projection: **6.8%–7.2%** real growth

India = fastest-growing major economy for **4th consecutive year**

PFCE (Private Consumption): **61.5% of GDP** — 12-year high

GFCF growth: **7.8%** (capital formation)

Manufacturing GVA H1 FY26: **8.4%**; Services GVA: **9.3%**

INFLATION DATA:

Headline CPI Apr–Dec 2025: **1.7%** — lowest since CPI series (2012)

Food inflation Dec 2025: **-2.71%** (deflation)

RBI repo rate cuts (cumulative): **125 basis points**

EMPLOYMENT:

Total employment Q2 FY26: **56.2 crore**

Gig workers FY25: **12 million** (from 7.7 mn FY21; +55%)

Gig share of workforce by 2029-30: **6.7%**; GDP contribution: Rs 2.35 lakh crore

~40% gig workers earn less than Rs 15,000/month

AGRICULTURE:

Foodgrain AY 2024-25: **3,577.3 LMT**

Horticulture: **362.08 MT** — **first time surpassed foodgrain in India's history**

Agricultural credit FY25: Rs 28.69 lakh crore; KCC: **7.72 crore** accounts

N:P:K ratio (actual): **10.9:4.1:1** vs ideal **4:2:1** (urea over-use distortion)

FINANCIAL INCLUSION:

PMJDY: **55.02 crore** accounts

PMMY (Mudra): **55.45 crore** loan accounts; Rs 36.18 lakh crore disbursed

Demat accounts: **21.6 crore+**; 12 crore unique investors; 25% women

POLICY THEMES:

Disciplined Swadeshi: Selective tariff reduction on inputs; protection on finished goods; GVC integration

Deregulation 2.0: Trust-based compliance; MSME exemptions; state deregulation compacts

Four Labour Codes (notified Nov 2025): 29 laws consolidated; gig workers included

Climate: Mission LiFE; adaptation-led development; dispatchable backup power

Digital addiction flagged as public health concern

ABOUT THE ECONOMIC SURVEY:

Presented the day before Union Budget (convention since 1950-51)

Not constitutionally mandated; Ministry of Finance convention

Prepared by: Office of the Chief Economic Adviser (CEA)

Can have two volumes (analytical + data)

Sources: PRS India, Vajiram & Ravi, Drishti IAS, PIB

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