

# MONTHLY CURRENT AFFAIRS MAGAZINE



September 2025 (MAINS)

YOUR SIMPLIFIED GUIDE TO CURRENT AFFAIRS



# A Note to Our Readers

Dear Readers,

Welcome to **Simply Current Affairs Magazine** – your **trusted companion** in the ever-evolving journey of UPSC preparation. With UPSC preparation becoming more dynamic each year, the need for a **clear**, **exam-focused resource** is greater than ever. Our magazine has been designed with this very purpose – to **give you clarity from complexity**.

Each month, we present **two focused editions** – one dedicated **exclusively to Prelims** and the other exclusively to Mains. The content for the Mains Magazine is carefully curated from authentic and diverse sources such as **The Hindu, Indian Express, Business Standard, Economic Times, Economic and Political Weekly, Down To Earth, Press Information Bureau & lot more ensuring coverage that is both relevant and reliable**.

What makes this magazine stand apart is the **integration of Previous Year Questions (PYQs)** and model questions for each topic for your practice.

Our goal is simple – to provide a **concise**, **self-preparation-friendly comprehensive resource** that empowers aspirants, particularly those preparing independently, to **approach current affairs with confidence and clarity**.

We hope this magazine serves you well in your preparation journey.

With best wishes, Team Simply Current Affairs





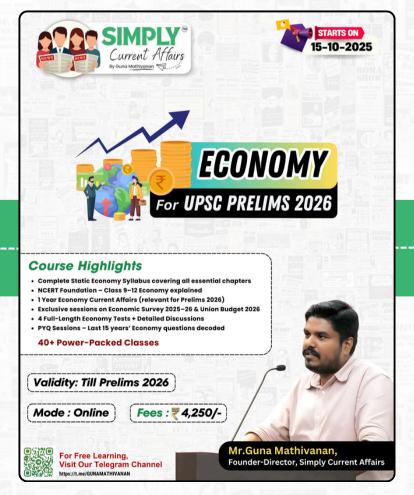






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We look forward to your continued support.

## **Team Simply Current Affairs**













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# GS-1

## 1) India's Urban Definition Dilemma

**Source: The Hindu** | Syllabus: GS I: Role of Women and Women's Organization, Population and Associated Issues, Poverty and Developmental issues, Urbanization, their problems and their remedies.

## **Background:**

- The Registrar General of India (RGI) and Census Commissioner, Mrityunjay Kumar Narayan, has proposed to retain the 2011 Census definition of "urban areas" for the upcoming 2027 Census.
- The stated aim is to ensure **comparability with previous data** and facilitate the analysis of national urbanisation trends.
- However, this decision has drawn scrutiny due to the significant limitations of the existing framework in capturing the complex, evolving reality of India's settlements.

#### **Current Definition of 'Urban':**

- The **2011 Census** classified an area as urban based on two categories:
- **Statutory Towns:** Areas formally notified as urban by the State government with their own **urban local bodies** (like municipal corporations).
- **Census Towns:** Areas that remain **administratively rural** but function like urban centres. To qualify, a settlement must meet three criteria:
  - A minimum population of **5,000**.
  - o A population density of at least **400 persons per sq. km**.
  - At least 75% of the male main working population must be engaged in nonagricultural activities.

#### **Limitations of the Existing Framework**

- The current binary definition is criticised for failing to recognise settlements that fall on the spectrum between rural and urban, creating a significant gap between *functional urbanisation* and *formal recognition*.
- Lagging Governance and Infrastructure: Urban status grants areas greater autonomy, financial control, and resources.
  - However, Census Towns and peri-urban regions often have dense populations and urban livelihoods but remain under rural governance.
  - This failure to 'municipalise' them, evidenced by cases like **West Bengal**, leaves them **illequipped** to manage urban-level infrastructure, services, and planning.
- Outdated and Narrow Criteria: The 75% Male Workforce Rule is outdated. It fails to account for the spread of service jobs and the gig economy into semi-urban areas, individuals who engage in dual agricultural and non-agricultural work, and the informal or unpaid work of women.
- **Undercounting Urbanisation:** Research suggests that relying on the current criteria may **substantially undercount** the urban population.
  - One study indicated the urban population percentage in 2011 could have been as high as **57%**, compared to the official estimate of 31%.
- The method often **misses larger, informal urban clusters** that fall outside municipal limits, failing to capture the full extent of urban spread.

#### Conclusion

- Retaining the outdated definition for the 2027 Census carries the significant risk of **misclassifying millions of citizens** and **undercounting genuinely urbanised areas**.
- A rigid, binary framework no longer reflects India's rapidly evolving settlement patterns.





• By failing to revise the definition, the Census risks **widening existing gaps** in planning, infrastructure, and services for areas that are urban in function but rural on paper.

## 2) Causes for Floods in Punjab

Source: Indian Express | Syllabus: GS I: Important Geophysical Phenomena such as earthquakes, Tsunami, Volcanic activity, cyclone etc., geographical features and their location-changes in critical geographical features (including water-bodies and ice-caps) and in flora and fauna and the effects of such changes.

#### **Background:**

- Punjab faced one of its worst floods in recent memory, which affected all 23 districts.
- The calamity has inundated 1,902 villages, affected over 3.8 lakh people, and destroyed more than 11.7 lakh hectares of farmland, resulting in at least 43 fatalities.
- The flooding is attributed to both the region's naturally flood-prone geography (the land of five rivers) and significant human factors, including excessive rainfall and controversial management of upstream dams.

#### Natural Causes:

- Exceptional and Excessive Rainfall: Heavy and above-seasonal normal rainfall (over 45% excess this year) in Punjab and the upstream catchment areas of Himachal Pradesh and Jammu & Kashmir (J&K) caused rivers to swell significantly and their inflows to exceed carrying capacity.
- **Flood-Prone Geography:** Punjab, the "land of the five rivers" (**Ravi, Beas, and Sutlej**), is naturally vulnerable to flooding. Agriculture has historically thrived on these **floodplains**, which are inherently susceptible to inundation when the rivers swell during the monsoon.

#### Manmade Causes:

- Inadequate Dam Management (Lack of 'Flood Cushion'): Dam operators, particularly the Bhakra Beas Management Board (BBMB), are accused of maintaining reservoir levels too high in July and August (prioritizing winter irrigation/power). This leaves insufficient "flood cushion" to absorb sudden heavy monsoon inflows.
- **Sudden and Massive Water Releases:** The practice of holding water until the last moment, followed by **sudden, massive controlled releases** from upstream dams (Bhakra, Pong, and Thein), causes immediate, severe flooding downstream.
- Governance and Communication Failures:
  - Delayed Warnings: Dam authorities (BBMB) allegedly failed to provide timely warnings regarding water releases, blindsiding state officials downstream.
  - Lack of Coordination: There was a failure in communication and coordination between upstream and downstream officials (even within Punjab's Irrigation Department, such as with the Madhopur Barrage/Thein Dam), preventing timely opening of gates.
  - Prioritization Mandate: The BBMB's mandate is seen as prioritizing irrigation and power over flood management, compounding Punjab's vulnerability.
- **Structural Neglect (Silting):** Experts suggest a lack of investment in **desilting bottlenecks** on rivers, which impedes the free flow of water and worsens waterlogging and flooding.

## Way Forward:

- **Reform Rule Curves:** Revise the "rule curves" (target reservoir levels) for the Bhakra and Pong dams to ensure a dedicated **"flood cushion"** is maintained during the monsoon months (July to September), prioritizing flood moderation over maximizing water storage for winter power/irrigation.
- Improve Governance and Transparency: Formalize and strengthen inter-state agreements (with Himachal Pradesh and J&K) and force the BBMB to adopt transparent, real-time





**communication** of daily inflows, outflows, and operational decisions to Punjab authorities to prevent sudden, unannounced water releases.

- **Reinforce Embankments and Desilt Rivers:** Launch a major, funded program (estimated at Rs 4,000–5,000 crore) for the year-round **desilting of rivers and drainage bottlenecks** to restore the rivers' carrying capacity. Simultaneously, **strengthen and raise the Dhussi bundhs** (earthen embankments) with modern, resilient materials.
- **Curb Illegal Activities:** Strictly enforce the ban on **illegal mining** along riverbeds and embankments, which has been cited as a primary reason for their structural weakening.
- **Integrated Forecasting:** Develop and implement an integrated early warning system that seamlessly links real-time data from the **Indian Meteorological Department (IMD)**, dam operators, and state irrigation departments for accurate, village-level flood forecasting.
- **Prevent Encroachment:** Enforce **Floodplain Zoning Regulations** to prohibit and remove **encroachments and illegal construction** on riverbeds and natural drainage channels, allowing rivers and streams (choes) to naturally carry floodwater without obstruction.

## 3) Regionalism and Sub-regionalism

Source: Economic and Political Weekly | Syllabus: GS I: Social Empowerment, Communalism, Regionalism & Secularism.

#### **Definition:**

- **Regionalism** is an ideology and movement driven by a strong sense of pride and loyalty to a specific region.
- A region is often defined by a common ethnic, linguistic, cultural, social, and historical identity.
  - The formation of **Nagaland** as the 16th state of India is given as an example of a regional movement fulfilling the aspirations of the Naga people.
- **Sub-regionalism** is a more specific form of regionalism, representing the demands and aspirations of communities within a particular region.
- These arise as **a response to real or perceived feelings of deprivation**, marginalization, and humiliation.
  - Contemporary examples include the **Bodos** demanding **Bodoland** in Assam, the **Dimasa** people's demand for **Dimaraji** or **Dimaland**, the **Tipra Motha Party** in Tripura demanding **Tipraland**, and the **Kukis** in Manipur seeking a separate state.
- The movement for **Frontier Nagaland** highlights the issues of sub-regionalism in the state of Nagaland. The demand, led by the **Eastern Naga People's Organisation (ENPO)**, stems from a feeling of neglect by the "advanced" Western Naga tribes.

## Causes of Regionalism:

- **Developmental inequality** is a major factor that strengthens regionalism. A region may feel it's being left out of the development process or dominated by other, more advanced regions. This can lead to a sense of exploitation and a push for greater autonomy or even a separate state.
  - The demand for a separate state for the **Vidarbha** region **of Maharashtra** is mainly due to developmental disparities.
  - The movement for Frontier Nagaland is also an example, where the Eastern Naga tribes feel that the more advanced Western Nagas have disproportionately benefited from political power and state resources, leading to a lack of infrastructure, education, and economic opportunities in their region.
- **Inadequate political representation** is a key cause of regionalism, as it leads to feelings of marginalization and powerlessness. When a region's **population is not proportionally represented** in government, its interests and concerns are often overlooked in policymaking and resource allocation.





- **Linguistic Causes:** The presence of **multiple languages** within a state or the forced imposition of one language over another can lead to linguistic regionalism.
  - The former Madras State included people speaking Tamil, Telugu, Malayalam, and Kannada. This led to agitation and the creation of a separate Telugu-speaking state, Andhra Pradesh, in 1953.
- Ethnic and Tribal Causes: Ethnic causes for regionalism can be divided into two main aspects:
  - The presence of a mainstream population and a tribal population within the same state.
    - Regional demands like Bodoland in Assam and Gorkhaland in Bengal highlight the tensions between mainstream and tribal populations.
  - The **existence of different tribal** groups within a state.
    - The creation of states like Nagaland, Mizoram, and Meghalaya from the former state of Assam was a direct result of different tribal groups demanding their own states.
- **Geographical Causes:** Regionalistic tendencies can arise when a region's geography is distinctly different from the rest of the state, leading to unique needs and practices.
  - The state of Uttarakhand was carved out of Uttar Pradesh due to the unique geographical and developmental needs of its hilly terrain, which were different from those of the plains of Uttar Pradesh.

## **Different Forms of Regionalism:**

- **Demand** of the people of certain states for secession from the Indian Union.
  - The Khalistan movement in Punjab was most active in the 1970s and 1980s.
  - Currently, the demand for Greater Nagalim, which seeks to unite all Naga-inhabited areas across multiple states and parts of Myanmar, is being pursued by groups like the National Socialist Council of Nagaland (NSCN).
- Demand for separate states within the Indian Union.
  - Telangana was carved out of Andhra Pradesh in 2014.
  - Uttarakhand was created from Uttar Pradesh in 2000.
- Demand of certain Union territories for full statehood.
  - Manipur and Tripura were granted statehood in 1972.
  - Goa became a full state in 1987.
- **Conflict between states:** This form of regionalism manifests as disputes between states, primarily over resources or territory.
  - The Cauvery river dispute between Karnataka and Tamil Nadu has been ongoing for decades.
  - o The **Sutlej-Yamuna Link canal dispute** involves Punjab and Haryana.
  - The **Maharashtra-Karnataka border dispute** over Belagavi (Belgaum) is a long-standing issue.
- "Sons of Soil" Movements: These movements are based on the theory that only the people native to a state or region have the right to its resources and opportunities.
  - The Shiv Sena in Maharashtra, particularly since the 1980s, has been a prominent example of an organization propagating this theory, creating an unfriendly environment for migrants from other states.

#### **Positive Implications:**

- **Equitable Socio-Economic Development:** Regionalism helps to spread socio-economic development more evenly across a nation. By **drawing attention to regional inequalities**, it compels policymakers to invest in neglected areas.
- **Bottom-Up Planning Approach:** When regions voice their specific needs and concerns, it **moves governance away from a top-down**, one-size-fits-all approach. Regionalism gives a platform for local issues, such as a lack of resources, to be addressed directly.





- Competitive Federalism: The rise of strong regional identities can fuel competitive federalism, where different states compete to attract investment, improve governance, and deliver better services.
- **Prevents Centralization:** The emergence of regional parties and political movements acts as a **check on the power of the central government.** This decentralization of authority ensures that no single party or group can dominate the political landscape, making the system more democratic and responsive to local interests.

#### **Negative Implications:**

- **Violence and Conflict:** Regionalist demonstrations and agitations can **escalate into civil unrest** and lead to the loss of life and property.
  - For instance, the **Anti-Hindi agitations of 1965** turned violent, resulting in number of deaths.
  - On a more extreme level, regionalist demands have given rise to militant and insurgency movements, such as the Khalistani terrorism in Punjab, the National Socialist Council of Nagaland (NSCN), and the United Liberation Front of Assam (ULFA).
- **Slows Development:** Regionalist movements can disrupt the developmental process by creating **law and order issues** and developing hostility towards people from other regions.
  - This can lead to a decline in new businesses, a loss of employment opportunities for youth, and a deterioration in the quality of education.
- **Affects International Diplomacy:** Regionalism can complicate a nation's foreign policy and international relations.
  - When a central government is negotiating a treaty, opposition from a specific region can derail the process.
  - For example, the Teesta river water sharing agreement with Bangladesh has been on hold due to opposition from the state of West Bengal.

## **Government Measures to Reduce Negative Implications:**

- **Inter-State Council (Article 263):** This constitutional body was set up to promote coordination and resolve disputes between states and the Centre.
- **Finance Commission (Article 280):** It is responsible for making recommendations on the equitable distribution of funds among different states, ensuring fair resource allocation.
- Zonal Councils: Created under the States Reorganisation Act, 1956, these councils foster cooperation and coordination among states, especially in areas like economic planning and border disputes.
- **NITI Aayog:** This institution was established to promote competitive and cooperative federalism, encouraging collaboration among states and Union Territories.
- **Autonomous District Councils (ADCs)** function as a form of local self-governance with a degree of legislative, executive, and judicial autonomy.
  - ADCs are primarily established under the Sixth Schedule of the Indian Constitution (Articles 244(2) and 275(1)).
  - This schedule applies to the tribal areas in the states of Assam, Meghalaya, Mizoram, and Tripura.
- Incentives for Backward Areas: The Union Government provides tax concessions and other benefits to industries to encourage investment and development in economically disadvantaged regions.

#### Way Forward:

- Local institutions like Autonomous District Councils (ADCs) should be empowered with greater financial and administrative powers to address regional grievances without the need for state bifurcation.
- A targeted, data-driven development strategy should be developed and implemented to bridge the socio-economic gaps between regions and prevent feelings of neglect.





• Reformation of political systems to ensure adequate and proportional representation for all ethnic and linguistic groups, giving them a meaningful voice in governance.





# GS-2

## 1) United Nations Organization (UNO)

Source: Indian Express | Syllabus: GS II: Important International Institutions, agencies and fora their Structure, Mandate.

#### **Background:**

- The UN was born out of the ashes of World War II, **succeeding** the **ineffective League of Nations** which had failed to prevent the war.
- The framework for the UN was established at the **Dumbarton Oaks Conference** in 1944.
- The **UN Charter** was officially drafted and signed at the **San Francisco Conference** on 26 June 1945 by 50 founding member countries.
- The organization **officially came into existence on 24 October 1945,** after the Charter was ratified by China, France, the Soviet Union, the United Kingdom, the United States, and a majority of other signatories.

#### The United Nations has six principal organs:

- The General Assembly (GA) is the UN's main deliberative, policymaking, and representative organ. All Member States (now 193) are represented here, making it the only UN body with universal representation. Each member has one vote.
- The Security Council (SC) has the primary responsibility for maintaining international peace and security. It can impose sanctions or even authorize the use of force to maintain or restore international peace. It has 15 members:
  - o **5 permanent members with veto power:** China, France, Russia, the United Kingdom, and the United States.
  - o **10 non-permanent members** elected by the General Assembly for two-year terms.
- The Economic and Social Council (ECOSOC) is the principal body for the coordination, policy review, and recommendations on economic, social, and environmental issues, as well as the implementation of internationally agreed development goals.
- The Trusteeship Council's role was to supervise the administration of former colonies to ensure they achieved self-governance or independence. It is **inactive** now.
- The International Court of Justice (ICJ) is the principal judicial organ of the UN. It settles legal disputes submitted to it by states in accordance with international law and gives advisory opinions on legal questions referred to it by authorized UN
- The Secretariat comprises the Secretary-General and tens of thousands of international UN staff
  members who carry out the day-to-day work of the UN as mandated by the other principal
  organs.
  - The Secretary-General is the chief administrative officer of the Organization, appointed by the General Assembly on the recommendation of the Security Council for a five-year, renewable term.

#### **Achievements of United Nations:**

- Maintaining Peace and Security: The UN has successfully negotiated peaceful resolutions to numerous conflicts and deployed over 70 peacekeeping missions to separate warring factions and stabilize post-conflict zones.
  - UN Peacekeeping Forces were awarded the Nobel Peace Prize in 1988 for their efforts in reducing tensions worldwide..
- Humanitarian Aid: Through its agencies like the World Food Programme (WFP), United
   Nations Children's Fund (UNICEF), and the High Commissioner for Refugees (UNHCR), the





UN provides **food**, **shelter**, **medical care**, and other vital assistance to tens of millions of people affected by **famine**, **war**, **and natural disasters** each year.

- The WFP alone provides food aid to over 100 million people annually.
- **Human Rights: Universal Declaration of Human Rights in 1948** adopted under the aegis of the UN serves as a common standard for all nations.
- Global Health: The World Health Organization (WHO), a UN agency, led the global effort that resulted in the complete eradication of smallpox in 1980, one of the greatest achievements in public health history.
  - The UN has also been instrumental in the near-eradication of polio and has led global campaigns against diseases like HIV/AIDS, malaria, and tuberculosis.
- **Development and Poverty:** The UN's **Millennium Development Goals (2000-2015)** are widely recognized for successfully mobilizing global efforts that helped cut extreme poverty by more than half. This work continues with the **Sustainable Development Goals (SDGs)**, a comprehensive agenda to end poverty, protect the planet, and ensure prosperity for all by 2030.

#### **Shortcoming in UN Functioning:**

- **Peace and security failure:** The UN has not been able to stop wars in Gaza, Ukraine, Sudan, or Haiti. In many places, it has been sidelined by regional powers and local agreements. This makes the UN look powerless in its most important role.
- **Security Council paralysis:** The permanent members often block each other's decisions. This prevents the UN from taking strong action during crises. As a result, the Council fails to protect peace and security.
- **Great power dominance:** The UN is heavily influenced by powerful countries like the US, China, and others. These countries use the UN only for what benefits them. This weakens multilateral cooperation.
- **Declining legitimacy:** Many countries and people see the UN as weak. Its authority does **not turn into real results on the ground.** This gap between promises and action reduces trust in the UN.
- **Funding crisis:** The UN does not have steady and reliable money. **Big countries give less, delay payments, or fund only what suits their interests.** This leaves many UN programs without enough resources.
  - The UN has cut budgets by 15 percent and reduced staff by one-fifth. These steps are meant to save money, but they also weaken its work.
- Humanitarian weakness: UN agencies like UNRWA cannot provide enough aid to people in need.
   They face political attacks, funding cuts, and shrinking capacity. In many crises, the UN offers only limited relief.
- **Neglect of vulnerable states:** African countries do not get proper support for peacekeeping missions. Small island states keep waiting for promised climate funds and disaster relief. Their urgent needs remain unmet.
- **Slow reforms:** Promised reforms are too slow and too limited. The Security Council has not been updated to reflect today's world. Without deeper changes, the UN cannot stay effective.

#### **Future Relevance of UN:**

- The UN turns 80 this year. This event can be celebrated only when the UN shows results by overcoming its shortcomings.
- For that the UN should improve its work and stay relevant in many areas.
- **Future peace role:** In Ukraine, even though the Security Council is blocked from taking any decision, if a ceasefire comes, the UN may be asked to take up the maintenance of peace. It remains the only body with the legitimacy to handle peace operations after fighting stops.
- **Global platform:** The UN General Assembly remains the only stage where 193 countries can gather and speak on equal terms. Even if speeches do not solve wars, the platform provides **visibility and legitimacy.**





- **Legitimacy beyond power politics:** The UN can give legitimacy to agreements and actions that powerful states alone cannot. This role is unique and cannot be fully replaced by coalitions or blocs.
- The UN mechanism should take up **quick reforms**, ensure **steady funding**, **and strong leadership**, without which, the UN could further weaken and **leave the world to regional groups** and temporary alliances to deal with global problems.

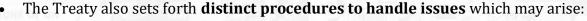
## 2) Indus Water Treaty (IWT)

Source: Indian Express | Syllabus: GS II: India and its Neighborhood- Relations.

## **Background:**

- The Indus Waters Treaty was signed in **1960** between **India and Pakistan** with the help of the **World Bank**, which is also a signatory.
- It is one of the most successful international treaties and has survived frequent tensions, including conflict, and has provided a framework for irrigation and hydropower development for more than half a century.
- The Treaty allocates the Western Rivers (Indus, Jhelum, Chenab) to Pakistan and the Eastern Rivers (Ravi, Beas, Sutlej) to India. At the same time, the Treaty allows each country certain uses on the rivers allocated to the other.
- The Treaty sets out a mechanism for cooperation and information exchange between the two countries regarding their use of the rivers, known as the Permanent

**Indus Commission,** which has a Commissioner from each country.



- o "questions" are handled by the Commission;
- o "differences" are to be resolved by a Neutral Expert; and
- o "disputes" are to be referred to an ad hoc arbitral tribunal called the "Court of Arbitration."
- After the April 2025 Pahalgam terrorist attack, India placed the IWT in abeyance, ending its structured participation in treaty mechanisms.
- India's move signals **not an intent to cut flows**, but to **free itself to use its rights on the western rivers**, which it has historically underutilized.

#### Challenges for India in handling the Treaty:

- **Terrorism and Political Hostility:** India faces ongoing cross-border terrorism and tensions with Pakistan, which complicate cooperation on water-sharing.
  - Pakistan is nervous about the possibility of India disrupting the river flows that it is reliant
    on. Its desire to annex Kashmir stems not just from its territorial ambitions and religious
    motivations, but also from deep insecurity about water.
  - Security concerns have forced India to put the treaty in suspension.
- **Underutilization of Western Rivers:** India historically underused its rights on the western rivers (Indus, Jhelum, Chenab).







- Projects in Ladakh and Jammu and Kashmir were delayed due to Pakistan using treaty provisions to stall development. This limits India's ability to fully harness its allocated water for hydropower and irrigation.
- **Dispute Resolution Limitations:** The treaty's **neutral expert and arbitration** mechanisms are **slow and often used strategically by Pakistan** to slow down India's projects.
  - o India finds it difficult to push through projects efficiently under these procedural constraints. Resolving conflicts through existing mechanisms has become impossible.
- **Infrastructure Development:** Building new dams, barrages, and canals in Ladakh and Jammu and Kashmir has become problematic as Pakistan objects, claiming downstream flows may be affected.
- **Climate Change: Glacial melt, erratic monsoons**, and unpredictable river flows are increasing floods and make planning and allocation more difficult.
  - India must now account for these changing patterns while using its water rights.
- **Siltation:** Reservoirs and canals are **being blocked with silt, reducing storage capacity** and affecting irrigation efficiency. Floods worsen silt deposition, damaging farmland and infrastructure. India needs long-term strategies to manage sediment and maintain water infrastructure.
- **Ecological and Environmental Concerns:** The IWT does **not mandate Environmental Flows** to maintain river health. Pollution from urban areas threatens water quality, biodiversity, and human health.
- **Data Sharing:** With the treaty in suspension, structured information exchange through Permanent Indus Commissioners has slowed.
  - India must decide how much hydrological data to share while safeguarding strategic interests.

#### **Way Forward:**

- Strategic use of Upper Riparian rights: India should fully utilize its rights on the western rivers (Indus, Jhelum, Chenab) for hydropower, irrigation, and development projects in Ladakh and Jammu and Kashmir.
  - This approach also reduces dependence on the eastern rivers and strengthens India's negotiating position.
- **Data Sharing and Monitoring:** India should maintain structured, timely sharing of hydrological and weather data with Pakistan, even if treaty mechanisms are in abeyance. This **builds credibility** while retaining operational flexibility.
- **Climate and Ecological Measures:** India should prioritize **Environmental Flows (EFs)**, silt management, and **climate adaptation strategies** in river management.
  - o This modernizes India's water management and strengthens international credibility.
- Revise Dispute Resolution Mechanisms: India can push for a bilateral amendment to make dispute resolution faster and more effective, reducing procedural exploitation by Pakistan.
  - Streamlined mechanisms will help India implement projects without prolonged delays.
     This also shifts focus from conflict to technical problem-solving.

## 3) India's FTA with EFTA

Source: Indian Express | Syllabus: GS II: Bilateral, Regional and Global Groupings and Agreements involving India and/or affecting India's interests.

#### **Definition:**

• Free Trade Agreements (FTAs) are **arrangements between two or more countries** or groups of countries that primarily agree **to reduce or eliminate customs tariff** and non tariff barriers on trade between them.





- FTAs normally cover **trade in goods** (such as agricultural or industrial products) or **trade in services** (such as banking, construction, trading etc).
- FTAs can also cover other areas such as intellectual property rights (IPRs), investment, government procurement and competition policy, etc.

#### Similar Agreements:

#### **Preferential Trade Agreement (PTA):**

- In a PTA, two or more partners agree to reduce tariffs on an agreed number of products.
- The **list of products** on which the partners agree to reduce duty is called **a positive list.** In general PTAs do not cover substantially all trade.
- India-MERCOSUR PTA is such an example.
- The key difference between an FTA and a PTA is that while in a PTA there is a positive list of products on which duty is to be reduced; **in an FTA there is a negative list** on which duty is not reduced or eliminated.
- Thus, compared to a PTA, FTAs are generally more ambitious in coverage of products on which duty is to be reduced.

# Comprehensive Economic Cooperation Agreement (CECA) and Comprehensive Economic Partnership Agreement (CEPA):

- These terms describe agreements which consist of an integrated package on goods, services and investment along with other areas including IPR, competition etc.
- The **India Korea CEPA** is one such example and it covers a broad range of other areas like trade facilitation and customs cooperation, investment, competition, IPR etc.

#### **Custom Union:**

- In a Customs union, partner countries may decide to trade at zero duty among themselves, however they maintain common tariffs against the rest of the world.
- An example is **Southern African Customs Union (SACU)** amongst South Africa, Lesotho, Namibia, Botswana and Swaziland.

#### **Common Market:**

- Integration provided by a Common market is one step deeper than that by a Customs Union. A
  common market is a Customs Union with provisions to facilitate free movements of labour
  and capital, harmonize technical standards across members etc.
- The **European Common Market** is an example.

#### **Economic Union:**

- Economic Union is a Common Market extended through further **harmonisation of fiscal/monetary policies and shared executive, judicial & legislative** institutions.
- The **European Union (EU)** is an example.

#### **India- EFTA Trade deal:**

- India signed a historic trade deal namely Trade and Economic Partnership Agreement (TEPA), in March 2024, with the European Free Trade Association (EFTA), comprising Iceland, Liechtenstein, Norway and Switzerland.
- It marks India's first major trade deal with developed European economies.

#### **Opportunities for India from this Deal:**

 Market Access: India will gain duty-free or reducedtariff access for 99.6% of its exports by value. This creates new opportunities for exporters in textiles, gems and jewellery, organic chemicals, and industrial goods.







- Investment & Job Creation: EFTA countries have committed to increasing FDI in India by \$100 billion over 15 years. This investment is expected to help create one million direct jobs in India.
- **Technology & Strategic Collaborations:** TEPA enables partnerships in precision engineering, pharmaceuticals, health sciences, renewable energy, and frontier technologies.
  - o These collaborations will strengthen **India's Make in India and Atmanirbhar Bharat** strategies by combining domestic talent with advanced global technologies.
- Clean Energy & Climate Action: The agreement supports India's Net Zero 2070 and 500 GW renewable energy capacity target by 2030.
  - o It can ensure the **availability of European green finance**, research, and innovation to scale solar, wind, hydro, and green hydrogen projects.
- Nuclear Energy & Thorium Advantage: TEPA can help India access European sustainable finance for thorium-based nuclear energy.
  - o **Collaboration with Norway's thorium research** ecosystem may accelerate India's nuclear programme and secure future energy stability.
- Labour & Environment Commitments: For the first time, India has agreed to include environment and labour provisions in an FTA. This enhances India's credibility and aligns it with global sustainability standards.

#### **India and FTAs:**

- At present, India has the following FTAs.
  - o India-ASEAN FTA, also CECAs with Singapore and Malaysia
  - India-Japan CEPA
  - o India-S. Korea CEPA
  - SAFTA of all SAARC countries- along with separate FTAs with Sri Lanka, Nepal, Bhutan
  - India-Mauritius CECPA
  - o India-UAE CEPA, implemented in 2022
  - India-EFTA FTA, expected to be implemented in 2025.
  - India-UK FTA.
- Negotiations to sign FTAs are going on with many countries.

#### **Challenges in India's FTA Negotiations:**

- Agricultural Protectionism: India's agricultural sector employs a large share of its population and is politically sensitive, so the government maintains high tariffs and subsidies to protect farmers.
  - This protective stance complicates FTA negotiations, as most partner countries push for greater market access, but India often excludes agriculture entirely to safeguard food security and rural livelihoods.
- **Chinese Goods Concern:** India's concerns about Chinese goods flooding its markets via FTAs with third countries necessitate strong **Rules of Origin clauses**, adding complexity to negotiations.
- **Intellectual Property Rights:** India faces growing international pressure to adopt stricter intellectual property (IP) rules. This is particularly **sensitive in the pharmaceutical sector**, where India's generic drug industry plays a vital role in providing affordable medicines domestically and globally.
  - Stronger patent regimes could raise drug costs and restrict India's ability to produce generics.
- **Make In India Policy:** India's focus on promoting domestic manufacturing and self-reliance (Atmanirbhar Bharat) goes against the principles of free trade without subsidies.
- **Democratic Freedoms and Human Rights:** Perceived issues related to democratic freedoms, human rights, and transnational operations are becoming significant in negotiations with countries like the EU, EFTA, and Canada.





#### Way Forward:

- Free Trade Agreements are not just about tariff reductions and transactional approaches of give and take on market access.
- These are an outcome of mutual trust between two countries or regions, and a commitment to give each other's businesses and investments domestic-like treatment.
- At this juncture, TEPA is an economic and diplomatic asset. It also gives a framework for India to take up FTA negotiations with other developed countries.

## 4) Shanghai Cooperation Organisation

Source: Business Standard | Syllabus: GS II: Bilateral, Regional and Global Groupings and Agreements involving India and/or affecting India's interests.

#### **Context:**

- The Shanghai Cooperation Organization (SCO) is a permanent intergovernmental international organisation established in 2001.
- It was built on the **Shanghai Five** grouping of **Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan,** which had come together in the post Soviet era in 1996, in order to work
- on regional security, reduction of border troops, and terrorism. In 2001, the **Shanghai Five** inducted Uzbekistan into the group and named it the SCO.
- India (Member since 2017), Iran, Kazakhstan, China, Kyrgyzstan, Pakistan, Russia, Tajikistan, Uzbekistan and Belarus.
- In September, 2025, the 25th meeting of the **SCO Council of Heads of State** in China. The Indian Prime Minister attended the Summit.

## **Opportunities for India through SCO:**

- **Strategic Signaling:** India can display its **strategic autonomy** by being part of the SCO. It also sends a message to the United States that India has other platforms to engage with.
- Regional Engagement: The SCO connects India with Central Asian states that are rich in resources. It allows India to strengthen political and economic ties with this important region.
  - Membership ensures India is part of regional security and economic debates. It also prevents China and Pakistan from fully controlling the SCO's agenda.
- Counter-terrorism Cooperation: India can use Regional Anti Terrorist Structure (RATS) to share intelligence and security information with other members. It also provides a stage to highlight India's concerns about cross-border terrorism.
- **Energy Diplomacy:** The grouping gives India opportunities to expand its energy ties with Russia and Iran. It also helps India diversify its energy imports beyond the Gulf region.
- **Dialogue with Adversaries:** SCO meetings provide India **a forum to interact with China and Pakistan.** This helps India avoid isolation and **keep communication channels open.**
- **Soft Power Projection:** India can use the SCO to present itself as a responsible and cooperative power. It can also promote global issues such as inclusive development and fighting terrorism.

#### **Challenges for India in SCO:**

- **Presence of Adversaries:** China and Pakistan are both members of the SCO. Their influence makes it difficult for India to address security issues like border disputes or terrorism.
- China's Dominance: China is the most powerful member in the group. This means India's concerns, such as Pakistan's terror activities will never get real support within the SCO.
- **Symbolism Over Substance:** SCO statements, like those on terrorism, **balance Indian and Pakistani concerns.** This makes the outcomes politically symbolic but **strategically weak.**





- **Economic Limitations:** Except for **China and Russia**, SCO members are not major trade partners for India. The grouping cannot provide India with the markets, technology, or capital it needs for growth.
- **Anti-West Posturing:** SCO has roots in **opposing American dominance.** India is not anti-West, so its worldview does not naturally align with China, Russia, or Iran.
- **Restricted Significance:** The SCO shows that India's political room **depends on its real power.** Without stronger economic and military capability, India cannot shape outcomes in the grouping.

#### Way Ahead:

- **Balance with the West:** India should continue to engage deeply with the U.S., Europe, and East Asia. These partners provide the capital, technology, and markets that SCO members cannot.
- **Economic Power:** Building economic strength will give India real influence in global politics. **Domestic reforms and free trade agreements** with major economies are essential.
- **SCO for Signaling Only:** India can participate in **SCO summits for optics and messaging.** But it should avoid placing strategic bets on the forum for security or economic gains.
- **Countering Terrorism:** India must keep **raising the issue of cross-border terrorism at** SCO. Even symbolic mentions help keep the issue alive in multilateral forums.
- Manage China Relations Carefully: India should continue dialogue with China on trade, border issues, and confidence-building. At the same time, it must stay cautious of China's attempts to affect Indian interests.

## 5) Personality Rights in India

Source: The Hindu | Syllabus: GS II: Indian Constitution—Historical Underpinnings, Evolution, Features, Amendments, Significant Provisions and Basic Structure.

## **Definition and Background:**

- Personality rights protect an individual's distinctive traits such as their name, likeness, image, voice, and signature from unauthorized commercial exploitation.
- The Delhi High Court has recently taken strong action to protect the personality rights of prominent Bollywood celebrities, including Aishwarya Rai Bachchan, Abhishek Bachchan, and Karan Johar.
- These rulings grant relief against the unauthorized commercial use of their images, voices, and personas, particularly through emerging threats like AI-generated content, deepfakes, and digital merchandise.

#### **Legal Foundation for Personality Rights**

- Common Law Basis: These rights are **not based on a single law** but are grounded in established common law doctrines:
  - Privacy and Autonomy (Article 21): The core protection is rooted in the constitutional right to privacy, which grants individuals control over their public identity and prevents the compromise of their dignity.
  - Publicity Rights and Defamation: If someone uses a celebrity's name or image without permission in a way that suggests the celebrity supports or endorses a product, or if the misuse damages the celebrity's reputation, the common law allows the celebrity to get court orders to stop the misuse (injunctions) and demand compensation for the harm done (damages).
  - Passing Off: This strong legal rule, which is part of the Trade Marks Act, 1999, protects a
    celebrity's value and reputation, even if they haven't officially registered their name or
    look as a trademark. It prevents others from making the public think a celebrity is





connected to or approves of a product when they aren't, thereby **stopping false endorsement and public confusion**.

## Statutory Support:

- Copyright Act, 1957: Grants performers exclusive rights (Section 38A) and moral rights (Section 38B) to control the use and prevent the distortion of their performances.
- o **Trade Marks Act, 1999:** Allows celebrities to **register** distinctive elements of their persona (names, signatures, catchphrases) as trademarks.

#### **Balancing Personality Rights with Free Expression**

- **Constitutional Guarantee: Article 19(1)(a)** guarantees freedom of speech, which includes the **creative freedom to criticize,** parody, and satirize public figures.
- Indian courts affirm that the right to free speech is **not absolute** and must be balanced against dignity.
- Permissible Uses: Courts have consistently cautioned that caricatures, lampooning, satire, parodies, art, and genuine criticism are legitimate exercises of free speech and do not ordinarily infringe publicity rights.
  - The use of celebrity images for such purposes is protected, especially when the
    material is already in the public domain and does not mislead the public into believing an
    endorsement exists.
- **Impermissible Uses:** The protection ceases when such use "crosses the line" into **commercial exploitation** or results in the blackening or tarnishing of the individual's personality.

#### The Path Forward

- **Need for Legislation:** Legal experts argue that the reliance on fragmented **piecemeal judicial precedents** creates gaps, necessitating a **comprehensive legislative framework**.
- **Defining Boundaries:** Clear laws are needed to define boundaries and ensure that **exceptions** (like parody and satire) are firmly respected without chilling legitimate free expression.
- Universal Protection: This issue is not limited to celebrities; ordinary citizens, particularly women targeted by deepfakes and revenge pornography, also require tailored laws and effective mechanisms to address the unauthorized misuse of their identities.
- A combination of **constitutional privacy rights, common law remedies, and targeted intellectual property statutes** currently gives protection to personality rights in India.
- A **comprehensive**, **clear legislative framework** is crucial to ensure equitable enforcement for all citizens and to properly balance these rights against guaranteed free expression.

## 6) Issues with the Office of Governor:

Source: The Hindu | Syllabus: GS II: Functions and Responsibilities of the Union and the States, Issues and Challenges Pertaining to the Federal Structure, Devolution of Powers and Finances up to Local Levels and Challenges Therein.

#### **Background:**

- The state executive consists of the governor, the chief minister, the council of ministers and the advocate general of the state.
- The **Governor** is the chief executive head of the state. But, like the president, he is a **nominal** executive head (titular or constitutional head).
- The Governor also acts as the **constitutional representative of the central government** at the state level. Therefore, the office of governor has a dual role.
- Usually, there is a governor for each state, but the 7th Constitutional Amendment Act of 1956 facilitated the appointment of the same person as a governor for two or more states.





#### Issues with the Office:

- Political Bias: Governors, being appointed by the central government, are often accused of functioning as agents of the Central Government rather than neutral constitutional heads.
  - This raises doubts about their impartiality, especially in States ruled by parties opposed to the Centre.
  - This weakens the spirit of cooperative federalism and reduces the trust between the State government and Governor.
- Approving Bills: A recurring problem has been Governors delaying assent to Bills (Article 200) duly passed by State legislatures.
  - This not only stalls the law-making process but also creates legislative deadlock and hampers governance.
  - In several cases, Governors have also referred a large number of Bills to the President (Article 201), even when such assent is not ordinarily required, which has led to friction between State and Centre and raised concerns of deliberate obstruction.
- **Interference in Day-to-Day Administration:** The Constitution envisages the Governor as a constitutional head **bound by the aid and advice of the Council of Ministers.** 
  - However, instances of Governors involving themselves in routine administrative matters such as dictating official protocols, influencing appointments, or opposing government policies have been reported.
  - Such actions exceed their constitutional mandate and disturb the balance between elected representatives and the Governor.
- **Dismissal of State Governments:** There have been instances where Governors have recommended the dismissal of State governments and **imposition of President's Rule.** 
  - o These recommendations have sometimes been **seen as politically motivated** rather than based on genuine constitutional breakdown.
- Lack of Accountability: Article 361 of the Constitution provides wide immunity to Governors from being answerable in courts for actions performed in office.
  - This was meant to protect constitutional authority but in reality it protects even when Governors obstruct governance or act in a partisan manner.
- **Interference in State Universities:** From the British period, Governors function as Chancellors at State universities. This has continued in most states after Independence.
  - Governors wield significant administrative power and in opposition ruled states, their decision comes into conflict with the elected State Governments. This creates confusion and affects university governance in the long run.
- **Appointment without State Consultation:** Governors are appointed by the President (the Union government), without any mandatory consultation with State governments. This centralised process often results in mistrust, as **Governors are seen as outsiders imposed on the State**.

#### **Recent Issue and the Supreme Court Verdict:**

• The Supreme Court had given a judgement with respect to Governor/President role in State legislation in the case of *State of Tamil Nadu Vs Governor of Tamil Nadu*.

#### On Governor's Role:

- The Court has clarified that there is **no 'absolute veto' for the Governor** i.e., a bill cannot be rejected without stating reasons by the Governor.
- The Supreme Court has interpreted that the main part of Article 200 uses the word 'Governor shall' and hence it is **not** a **discretionary power to exercise 'pocket veto'**.
- It has prescribed timelines for the Governor to take action on bills presented to him/her after
  passage by the State legislature. Any delay more than these specified timelines, can result in judicial
  review of such inaction.





- In case of withholding assent (not providing assent) or reservation of bills for consideration of the President – Both based on advice of the State Council of Ministers – Within a maximum period of 1 month.
- In case of withholding assent (not providing assent), contrary to the advice of the State Council of Ministers, the Governor should return the bill together with a message on reasons for the same within a maximum period of 3 months.
  - If the State legislature again passes the bill and presents it to the Governor, he/she must provide assent within 1 month.
- In case of **reservation of Bill for consideration of the President,** contrary to the advice of the State Council of Ministers, the Governor must do so **within 3 months**.
  - This action is subject to judicial review on the grounds of mala-fide, irrelevant, arbitrary or extraneous considerations.

#### On the President's Role:

- **No 'absolute veto' for the President** with respect to **State bills reserved,** which means the President cannot reject a bill without stating reasons.
- No 'pocket veto' for the President with respect to State bills reserved and the court has provided **timelines for action** by the President (based on advice of the Union Council of Ministers).
- The Court has prescribed a timeline of 3 months for the President to decide on State Bills reserved for his/her consideration.
- Judicial Review is available against the inaction of the President.
- Where the **President does not take action within 3 months,** it shall be open for the **State Government** to seek a **writ of Mandamus** from the Supreme Court.

## Way Forward:

- In May 2025, the President sought the **Supreme Court's opinion under Article 143(1)** to know whether the **actions of the Governors and President are justiciable** and whether such **timelines can be imposed** on them in the **absence** of any such provision **in the Constitution**.
- Various Commissions like the **Sarkaria Commission (1988) and the Punchhi Commission (2010)** have recommended various measures to reduce the conflicts between the Governor and the State Council of Ministers.
  - Consultation in Appointment of Governors: The Governor should be appointed after consulting the Chief Minister of the State, to ensure acceptability and reduce mistrust. The appointee should be an eminent person, not too closely connected with active politics, and not a resident of the same State.
  - Fixed Tenure and Removal Process: The Governor should have a secure tenure of five years and should not be removed before the completion of term, except under rare and compelling circumstances. This can make the Governor work independent of the Central Government.
  - Clear Limits on Discretionary Powers: The discretionary powers of the Governor should be clearly defined and limited. The Governor should act strictly on the aid and advice of the Council of Ministers in all but exceptional cases (such as breakdown of constitutional machinery under Article 356).
- An Amendment to **Article 155** of the Constitution, on the following lines, regarding the appointment of Governor can help to reduce the conflicts.
  - To consult the Chief Minister in the appointment of the Governor.
  - To create an independent body for selecting the Governor with a reasonably significant role for the Chief Justice of India.
  - To legally prohibit further rehabilitation of Governors in any official capacity.
- The onus for taking up this amendment lies with the Union Government and the different State Governments should come together to persuade it.





## 7) Trans People in India

Source: The Hindu | Syllabus: GS II: Welfare Schemes for Vulnerable Sections of the population by the Centre and States and the Performance of these Schemes; Mechanisms, Laws, Institutions and Bodies constituted for the Protection and Betterment of these Vulnerable Sections.

#### **Background:**

- Trans people, or transgender people, are individuals whose **gender identity differs from the sex they were assigned at birth**.
  - This means that their personal understanding and experience of their gender is not aligned with the biological or anatomical sex assigned to them (male or female) when they were born.
- Trans people may identify as:
  - o Transgender women (assigned male at birth, but identifying and living as women)
  - o Transgender men (assigned female at birth, but identifying and living as men)
  - Non-binary or genderqueer individuals (who do not exclusively identify as either male or female)
- The Supreme Court, in April 2014, legally recognized transgenders or eunuchs as 'the third gender,' in the National Legal Services Authority (NALSA) judgement.
- The Court directed the Centre as well as the states to treat them as socially and educationally backward classes and extend reservations in admission in educational institutions and for public appointments.
- Within the judgement, the apex court directed governments to take steps to remove problems faced by them such as fear, shame, social pressure, depression, and social stigma.
- The court affirmed the constitutional **rights of transgender persons under Articles 14, 15, 19** and 21 of the Constitution.
- In 2018, the Supreme Court widened the ambit of individual autonomy and decisional privacy by **decriminalising homosexuality.**
- The provisions of **Section 377** of the Indian Penal Code that criminalised same-sex relationships was **scrapped** as it violated the fundamental rights of citizens.
- The court noted that the above Section was used as a weapon to harass the members of the LGBTQ community, resulting in discrimination.
- The **Transgender Persons (Protection of Rights) Act, 2019** provides for protection of rights and welfare of transgender persons.

#### **Problems faced by Trans people in India:**

- **Family Rejection and Eviction:** Many trans individuals, especially teenagers, face harsh behaviour and expulsion from their families. This leaves them **homeless and vulnerable** at a very young age and they may be misguided by wrong persons.
- Violence and Persecution: Trans people, particularly from rural and working-class backgrounds, are subjected to violence and persecution in public spaces. They face physical and emotional harm from both society and the authorities.
- **Mental Health Struggles:** The trauma of being rejected by their families, coupled with social rejection and violence, pushes trans individuals to attempt suicide.
- **Discrimination:** Society frequently **treats trans identities as illegitimate** or unnatural due to the harmful cultural and political narratives that dismiss their existence.
- **Limited Legal Recognition:** Although there have been some **progressive legal judgments** in India, trans persons still face significant barriers to having their gender identities legally recognized. This impedes access to education, employment, and healthcare.





- **Institutional Exclusion:** Trans persons are often barred from full participation in societal institutions like schools, workplaces, sports, and healthcare facilities.
  - For example, gendered spaces like bathrooms are sites of exclusion and fear for many trans individuals.
- **Policy vs. Reality**: There is a gap between government promises, such as quotas for employment and education, and the **reality of selective dispersal, corruption, and bureaucratic hurdles** that make it difficult for trans people to access these benefits.
- **Medical Discrimination and Intrusion:** Trans persons face scrutiny over their bodies. Medical procedures and examinations often treat their gender identity with suspicion or outright disbelief, **violating their bodily autonomy and dignity.**
- **Economic Marginalization:** Trans people are often **denied employment opportunities** due to widespread discrimination, forcing many into precarious forms of livelihood such as begging or sex work.
- **Public Spaces and Safety Concerns:** Trans persons face harassment and violence in public spaces like streets, bathrooms, and transport. They are often portrayed as a danger to others, particularly women and children, perpetuating harmful myths and stereotypes.
- Limited Representation and Voice: Trans people rarely get platforms to voice their concerns. Their experiences are often overshadowed by debates led by people who do not experience their reality. Policy should not be "done for" trans people but "done with" them.

#### **Government Schemes for Welfare of Trans persons:**

- **SMILE Scheme:** Ministry of **Social Justice and Empowerment** formulated "SMILE Support for Marginalized Individuals for Livelihood and Enterprise" with **a sub-scheme for** comprehensive rehabilitation of **transgender persons.**
- **Skill Development Programs:** Transgender beneficiaries receive training through **PM-DAKSH**, a skill development scheme of the Social Justice and Empowerment Ministry.
- **The National Council for Transgender Persons** was constituted to advise the government on policies, programs, legislation, and projects for transgender welfare.
- The National Portal for Transgender Persons was launched allowing applicants to obtain a Certificate of Identity and Identity Card without physical office visits. These certificates allow changing first names in birth certificates and other official documents.
- **Shelter Homes Garima Greh:** 12 pilot shelter homes set up in Maharashtra, Gujarat, Delhi, West Bengal, Rajasthan, Bihar, Chhattisgarh, Tamil Nadu, and Odisha to provide safe housing, basic amenities, medical care, and skill development..

#### Measures to improve the lives of Trans People:

- **Full Legal Recognition of Gender Identity:** Ensure that transgender individuals have the legal right to self-identify their gender without invasive medical or bureaucratic requirements.
  - Updating identification documents like Aadhaar cards, passports, and voter IDs to reflect their affirmed gender should be made easy.
- **Enforce Anti-Discrimination Laws:** Strengthen and enforce anti-discrimination laws to protect trans persons from discrimination in employment, education, healthcare, and public services.
- **Gender-Affirming Healthcare Services:** Provide access to affordable and non-judgmental healthcare, including hormone therapy, gender-affirming surgeries, and mental health services.
  - Ensure healthcare professionals are trained to understand and respect trans-specific health needs.
- Mental Health Support: Increase access to counselling and mental health services specifically
  tailored to address the trauma, mental health struggles, and societal pressures faced by transgender
  people, especially in the wake of family rejection and violence.
- Inclusive Education Policies: Introduce policies to ensure that schools and universities are inclusive of transgender students, including safe, non-discriminatory environments. Implement





anti-bullying programs and provide gender-neutral bathrooms and facilities in educational institutions.

- **Employment Opportunities:** Government and private employers should be encouraged to hire transgender individuals, and vocational training programs should be developed to enhance their employability.
- **Combat Social Stigma:** Launching **nationwide campaigns** to raise awareness about the rights and dignity of trans persons can help. Also, media, schools, and public forums can be used to challenge harmful stereotypes and myths surrounding transgender identities.
- **Shelters and Housing Support:** Create more and more government-funded shelters and housing schemes for trans persons, especially those facing homelessness due to family rejection. These shelters should offer safety, medical care, and legal assistance.

#### **Conclusion:**

Government Policy is not just paperwork but creates the lives of crores of people. Until gender
minorities are included into its process and its political debates with sincerity, our nation will
remain a patchwork of promises.

## 8) Success of India's Immunisation Programme:

Source: The Hindu | Syllabus: GS II: Issues Relating to Development and Management of Social Sector/Services relating to Health, Education, Human Resources.

#### **Background:**

- Vaccination is one of the most effective and cost-efficient public health measures, saving millions of lives.
- **India's Universal Immunisation Programme (UIP)** is the **world's largest,** and annually vaccinates 2.6 crore infants and 2.9 crore pregnant women.
- The UIP offers free immunisation against 12 diseases.
- In the last decade, six vaccines namely Tetanus and Adult Diphtheria, Inactivated Poliovirus, Measles-Rubella, Rotavirus, Pneumococcal Conjugate, and Japanese Encephalitis were added to the UIP across age groups.
- India launched **Mission Indradhanush** (MI) in 2014 and in 2017 the Intensified MI (IMI) programme was launched to strategically **target low-coverage areas and missed populations**.
- By 2023, 12 phases of the MI and IMI had been completed, vaccinating 5.46 crore children and 1.32 crore pregnant women.
- The MI and IMI phases were **integrated into** campaigns such as the **Gram Swaraj Abhiyan** and the Extended Gram Swaraj Abhiyan to further the outreach.

#### **Success of India's Vaccination Programme:**

- **Significant Reduction in Child Mortality:** According to the Sample Registration System 2021, the under-5 mortality rate **fell from 45 per 1,000 live births in 2014 to 31 per 1,000 live births in 2021,** a clear indicator of the program's life-saving impact.
- **Elimination of Major Vaccine-Preventable Diseases:** India has maintained its polio-free status since 2011 through stringent surveillance.
  - Elimination of maternal and neonatal tetanus was achieved in 2015 and the country was officially declared Yaws-free in 2016.
- **Massive Measles-Rubella Control Campaign:** Between 2017 and 2019, the country executed a massive nationwide Measles-Rubella catch-up campaign.
  - This ambitious drive successfully vaccinated an estimated 34.8 crore children between the ages of 9 months and 15 years.





- **Digital Vaccination Tracking System:** Based on the success of the CO-WIN portal, India developed and implemented the **U-WIN platform**.
  - o This system provides **end-to-end digital record-keeping** and tracking of vaccinations for pregnant women and children up to 16 years old.
  - This enables nationwide, anytime-anywhere access to vaccination services, which is particularly **beneficial for migratory populations.**
- Vaccine Supply Chain and Logistics: The UIP's success is supported by a robust technological backbone for logistics.
  - This includes the electronic Vaccine Intelligence Network (e-VIN) for managing vaccine stocks in real-time and the National Cold Chain Management Information System, which ensures proper cold chain network from storage to delivery.
- **COVID-19 Vaccination Drive:** During the pandemic, India had administered over 220 crore doses, covering 97% of its citizens with at least one dose and 90% with both doses, a globally recognized **achievement in public health management.**
- **Global Vaccine Manufacturing Hub:** Driven by the 'Make in India' strategy and proactive public-private partnerships, India has transformed into the world's largest vaccine manufacturing hub.
- Global Health Diplomacy: Through the Vaccine Maitri initiative India supplied vaccines to many low and middle-income countries.
  - o India not only met its national needs but also supported the global community, reflecting the **spirit of** *Vasudhaiva Kutumbakam* (the world is one family).

## Challenges to be addressed:

- **Reaching Difficult Populations:** There are persistent challenges in reaching **remote and migratory populations**, making it difficult to ensure consistent vaccine coverage for everyone.
- **Social Barriers:** The programs face hurdles in areas with **low public awareness** about the importance of vaccination and among populations that exhibit **vaccine hesitancy**.
- Service Disruption from the Pandemic: The COVID-19 pandemic disrupted routine immunisation services. This caused significant setbacks to the progress and gains that had been made under the Universal Immunisation Programme.
- **Immunity Gaps:** A direct consequence of the pandemic-related disruptions was the emergence of **immunity gaps**. These gaps were highlighted by disruptive **measles outbreaks** between 2022 and 2024, affecting large groups of unimmunised children.
- **Anti-Vaccine Narratives:** There is an ongoing need to actively **monitor anti-vaccine narratives** to counter misinformation that can undermine public trust and vaccine uptake.
- Integrating Surveillance with Immunisation: A systemic challenge remains in the need to more closely link high-quality and sensitive disease surveillance with immunisation efforts to ensure that vaccination strategies are responsive to on-the-ground realities.

#### **Way Forward:**

- India has made remarkable achievements in expanding vaccine coverage, strengthening supply chains, enhancing surveillance, and building public trust.
- The value of these achievements could be made less valuable by the challenges mentioned above. The Government should take all stakeholders together to address these challenges.
- For taking the country's pandemic/epidemic preparedness to the next level, the immunisation and vaccine-preventable disease surveillance has to have a ONE-HEALTH lens. This would mean nurturing existing platforms and integrating joint surveillance of human, animal, and environmental systems.





## 9) Importance of Federalism in India

Source: The Hindu | Syllabus: GS II: Functions and Responsibilities of the Union and the States, Issues and Challenges Pertaining to the Federal Structure, Devolution of Powers and Finances up to Local Levels and Challenges Therein.

#### **Definition and Background:**

- Federalism is a system of government that divides power between a central authority and constituent political units, such as states or provinces.
- Both the central government and the regional units have their own jurisdictions and powers, as defined by a written constitution.
- In India, new states can be created through three ways, namely
  - Admission: A new State can be admitted into the territory of India if it has its own organized political unit. Example: Jammu and Kashmir's accession in 1947 through the Instrument of Accession.
  - Establishment: A new State can be created by acquiring territory in accordance with international law. Example: Goa was acquired from Portugal and established as a State.
  - Formation (Reorganisation): A new State can be formed by reorganizing existing States under Article 3 of the Constitution. Example: Reorganizations from 1956 have increased the number of states in India from 14 to 28.
- India is described as a "Union of States" (Article 1 of Indian Constitution) and not a federation in the conventional sense.
- It is described so to highlight that States have no right to secede and the country India is indivisible.
- On the other hand, the Constitution has many features which make the political setup federalistic. Features like a written constitution, independent judiciary and permanent upper house are federal.
- This combination names India as an **unitary federation** having a strong Centre, but with federal features.

#### **Importance of Federalism in India:**

- **Unity in Diversity:** Federalism gives recognition to India's cultural, linguistic, and regional diversity through State autonomy, and ensures that multiple identities coexist within the broader Indian identity.
- **Balanced Power Sharing:** The Constitution divides powers between the Union and States through Union, State, and Concurrent Lists. This prevents over-centralization and allows both levels of government to function effectively.
- **Protection of Democracy:** States elect representatives to the Rajya Sabha, ensuring their voice in Union decision-making. Federalism decentralizes power by bringing governance closer to the people through State governments.
- **Welfare and Development:** States can design welfare policies suited to their **local needs**, such as in education, health, and rural schemes. **Sharing of resources** between Union and States promotes **inclusive regional growth**.
- **Basic Structure of the Constitution:** Federalism has been declared part of the **Basic Structure** by the Supreme Court in the *Kesavananda Bharati case (1973)*, making it unalterable and ensuring stability in India's political framework.

#### **Challenges to Federalism in India:**

Centralization of Power: The Union government often extends its influence into State subjects
through laws, schemes, and emergency provisions. This reduces the autonomy of States and
weakens the spirit of federalism.





- When one party dominates at the Union level, it can marginalize opposition-ruled States and centralize decision-making. This weakens the role of States in shaping national policies.
- **Unequal Fiscal Powers:** Most major sources of revenue are controlled by the Centre, leaving **States dependent on Union grants** and Finance Commission transfers. This imbalance restricts States from exercising real financial autonomy.
- **Governor's Role:** The Governor, appointed by the President, is sometimes used as a tool by the Union to interfere in State politics. Misuse of powers like **withholding assent to bills or influencing government formation** challenges federal principles.
- Inter-State Disputes: States frequently clash over river water sharing, boundaries, and resource allocation. Examples include the Cauvery water dispute between Karnataka and Tamil Nadu and boundary disputes in the Northeast.
- **Regional Imbalances:** Economic and developmental disparities between richer and poorer States create **tensions in revenue-sharing mechanisms.** This weakens the sense of equality and fairness that federalism seeks to promote.
- **Downgrading of Statehood:** The conversion of **Jammu and Kashmir** from a State into a Union Territory through the **Reorganisation Act, 2019** undermines the federal structure, since the Constitution allows reorganisation but not permanent loss of statehood.
  - Despite Supreme Court directions, the Central government is reluctant to restore Jammu and Kashmir's statehood. This affects the federal balance between Union and States.

#### **Way Forward:**

- Cooperative Federalism: Institutions like the Inter-State Council, Zonal Council and NITI Aayog should be made more active in promoting dialogue between the Union and States. Regular consultations will help build trust and reduce friction in policy implementation.
- Fiscal Autonomy: States should be given greater powers over revenue collection to reduce
  dependence on the Centre. Reform of Goods and Services Tax (GST) using GST Council will
  ensure smoother functioning of State governments.
- Governor's Role: The discretionary powers of Governors must be limited to prevent misuse
  for political advantage by the Union. Governors should be made to act as neutral constitutional
  heads, respecting the mandate of elected State governments.
- **Dispute Resolution:** Inter-State water and boundary disputes should be resolved through **fast-track tribunals** and active involvement of the **Inter-State Council and Zonal Councils.** Quick and fair resolutions will prevent prolonged conflicts and **maintain harmony among States.**
- **Political Culture:** The Union government must respect the autonomy of opposition-ruled States and avoid using central agencies to interfere in their governance.

## 10) Women in Indian Judiciary

Source: The Hindu | Syllabus: GS II: Structure, Organization and Functioning of the Executive and the Judiciary—Ministries and Departments of the Government; Pressure Groups and Formal/Informal Associations and their Role in the Polity.

#### **Background:**

- The Supreme Court of India's "State of the Judiciary" report (2023) showed 36.3% of women in the district judiciary.
- At the higher levels, as of January 2024, only **13.4% of judges in the High Court and 9.3% judges in the Supreme Court** are women.





- Further, the representation of women is uneven across High Courts, with States which include Bihar, Chhattisgarh, Jharkhand, Manipur, Meghalaya, Odisha, Tripura and Uttarakhand having either no women judges or just one woman judge.
- Data published by the Department of Legal Affairs in 2022 show that approximately **15.31% of all enrolled advocates are women.**
- With Justice Sudhanshu Dhulia's retirement in August 2025, the Supreme Court of India had two vacancies, but no women were appointed, leaving Justice B.V. Nagarathna as the only woman judge among 34.
- Since 1950, only 11 women (3.8% of 287 judges) have served on the Supreme Court, with the last batch of three women appointed in 2021.
- There has been **no representation from SC/ST women**, and only one woman (Justice Indu Malhotra) has ever been directly elevated from the Bar.

## Need for higher women representation in India:

- **Gender Imbalance:** Only 11 women (3.8% of judges since 1950) have ever served in the Supreme Court, highlighting the urgent need for better representation.
- **Diverse Perspectives:** Women judges bring distinct professional and personal experiences that enrich judicial reasoning and decision-making.
- **Public Trust:** A more representative Judiciary ensures inclusivity, credibility, and greater faith in the justice system.
- **Equality in Practice:** The Court's rulings on equality gain legitimacy only if women are adequately represented within its own ranks.

#### **Reasons for low representation of Women:**

- Funnel Effect: Women are drastically under-represented as senior advocates, advocates-on-record, and Bar Council representatives. This results in a funnel effect, creating a smaller pool of candidates who may be able to establish themselves in the system and be considered for elevation as judge.
- Retention and Career Growth Challenges: Women face a discouraging work environment and
  restrictive policies that impact career growth, such as transfer policies that do not consider their
  familial responsibilities.
- **Inadequate Infrastructure**: Many courts lack basic facilities like dedicated washrooms, sanitary waste disposal, feeding rooms, and crèches, which are essential for women's daily functioning and comfort in judicial settings.
- **Barriers from Judicial Service Rules**: Policies requiring a minimum period of continuous practice create obstacles for women, especially due to lack of maternity benefits and stipends, making it difficult for women with familial responsibilities to meet these requirements.
- Lack of Female-Centric Policy and Decision-Making: The absence of women in key decision-making roles means gendered issues are insufficiently addressed which limits the implementation of gender-sensitive infrastructure and recruitment policies.

#### Way Forward:

- **Gender Criteria:** Gender must be made a formal parameter in Collegium recommendations for judicial appointments. **Every round of appointments** should **include at least one woman** candidate to ensure consistent representation.
- **Direct Elevation from Bar:** Senior women advocates should be actively elevated to the Supreme Court and High Courts. A transparent pathway must be created to help women lawyers transition into judgeships.
- Early Career Appointments: Women should be appointed at younger ages so they can serve longer on the Bench. This will also increase their chances of reaching the Collegium and the position of Chief Justice of India.





- Inclusive Diversity Policy: A written policy must be framed to mandate gender, caste, and regional diversity in appointments. Women from marginalized groups, including SCs, STs, and minorities, should be given priority.
- **A Female Gaze in Judicial Policy**: The female gaze in implementation means the employment of a feminist lens to recognise the differential needs of women.
- This should be followed to **course-correct the unintended impacts of neutral-yet indirectly discriminatory** policies and infrastructural mandates.
- The employment of a female gaze **breaks the male standard view** employed by an all-male administrative committee of judges or all-male Bar Councils, particularly in cases where there is no women representation.
- This approach emphasises a structural change to policies and infrastructure, aligning them with the lived experiences of women to promote inclusivity and support career advancement within the judiciary.

## 11) Reservation Beyond 50% Cap

Source: The Hindu | Syllabus: GS II: Indian Constitution—Historical Underpinnings, Evolution, Features, Amendments, Significant Provisions and Basic Structure.

#### Context:

- Few **Opposition parties** have declared that if voted to power, their **alliance would increase reservation to 85%.**
- **Articles 15 and 16 guarantee equality** to all citizens in any action by the state (including admissions to educational institutions) and public employment respectively.
- In order to achieve social justice, these Articles also enable the state to make special provisions
  for the advancement of socially and educationally backward classes or Other Backward
  Classes (OBCs), SCs and STs.
- The Supreme Court in *Balaji versus State of Mysore (1962)* noted that reservations under Articles 15 and 16 for backward classes **should be 'within reasonable limits'** and should be adjusted with the interests of the community as a whole.
- The court further ruled that such special provisions for reservation should not exceed 50%.
- Based on the recommendations of the **Mandal Commission**, **27% reservation for OBCs** was given in Central Employment in 1990.
- In the *Indra Sawhney case (1992)*, a nine-judge Bench **upheld the 27% reservation for OBCs**.
  - In order to uphold the equality of opportunity, it reaffirmed the cap of 50% for reservation as held in the *Balaji case*, unless there are exceptional circumstances.
- The reservation in the Centre at present stands as follows OBCs (27%), SCs (15%), STs (7.5%) and for the Economically Weaker Section (EWS), 10%, resulting in a total reservation of 59.5%.
- The reservation percentages vary from State to State according to their demographic profile and policies.

#### **Need for Removing the 50% Cap in Reservation:**

- **Mismatch with Demographics:** Backward classes form a much larger share of the population than 50%. The current cap prevents reservations from matching their real proportion.
- **Demand for Caste Census:** The 50% ceiling is based on old estimates **without precise data.** A caste census could justify revising the limit upward.
- **Historical Inequalities:** Formal equality cannot balance the centuries of discrimination. Substantive equality requires stronger measures beyond the cap.





- **High Levels of Underrepresentation:** Backward communities remain severely underrepresented in jobs and education. Raising the cap can help address this gap.
- **Unfilled Quotas:** Around 40–50% of reserved posts remain **vacant in central services.** The cap limits corrective action needed to fill these seats.
- **Concentration of Benefits:** A few dominant groups capture most of the reservation benefits. Expanding and restructuring quotas can spread them **more fairly.**

## Way Forward:

- **Balance equality and affirmative action:** Raising reservations to 85% may infringe on the right to equality. However, substantive equality through affirmative action remains necessary to uplift the underprivileged.
- **Use 2027 Census data:** Based on empirical data of the ensuing Census in 2027, which will also enumerate backward castes, there must be wide ranging discussions with all stakeholders to arrive at a suitable level of reservation.
- **Implement OBC sub-categorisation:** The **Rohini Commission's** recommendations highlight uneven benefit distribution. Sub-categorisation should be implemented to ensure fairness among OBCs.
- **SC/ST Reservation Reform:** A 'two tier' system under which priority would be given to more marginalised sections before extending it to those who are relatively well-off within those communities.

#### Conclusion:

- It must also be understood that considering the opportunities available in the public sector
  and the young population of our country, any scheme of reservation would not meet the job
  demands of large sections of the society.
- There must be **sincere efforts to provide suitable skill development mechanisms** that would enable our youth to be gainfully employed.

## 12) Strategic Autonomy

Source: The Hindu | Syllabus: GS II: Effect of Policies and Politics of Developed and Developing Countries on India's interests, Indian Diaspora.

#### **Definition and Background:**

- Strategic autonomy refers to **a nation's ability to make sovereign decisions** in foreign policy and defence without being constrained by external pressures or alliance obligations.
- It is not isolationism or neutrality but it implies flexibility, independence and the capacity to engage with multiple powers on one's own terms.
- From Jawaharlal Nehru's non-alignment during the Cold War to the current government's "multi-alignment" in the current era, successive governments have tried to preserve India's freedom of action while adapting to changing geopolitical realities.

## Significance of Strategic Autonomy for India:

- **Safeguarding Sovereignty:** It allows India to make foreign policy choices based on its own priorities. It prevents external powers or alliances from dictating India's decisions.
- **Balancing Powers:** India engages with the U.S., China, and Russia on its own terms. This balance keeps India from being trapped in rigid blocs.
  - o It enables India to handle friction with the U.S. and tensions with China. At the same time, it sustains ties with Russia despite western criticism.
- **Core Interests:** It secures India's borders and territorial integrity in a volatile region. It also supports economic growth, technology gains, and regional stability.





- **Global Leadership Role:** It helps India act as an independent pole in a multipolar world. It strengthens India's position as the voice of the Global South.
  - o It builds India's credibility as a balanced global actor. It prevents India from being seen as a client state of bigger powers.
- **Resilience in Interdependence:** It redefines autonomy as adaptability in a connected global order. It extends independence to areas like digital systems and supply chains.
- **Domestic Empowerment:** It requires strong economic foundations to support independent choices. Political stability and technological growth are key to sustaining it.

#### **Challenges before India in Maintaining Strategic Autonomy:**

- **US Pressure:** The USA demands India to reduce defence and energy ties with Russia. It also forces India for a closer alignment with western foreign policy positions.
- **China Tensions:** The 2020 border clashes broke the trust of peaceful coexistence and reduced India's trust on China.
  - o India must balance deterrence with continued trade and diplomatic engagement as China is one of the largest trading partners and a supplier of many critical components for India.
- **Russia's Isolation:** Russia is India's major strategic partner but it is going into China's sphere increasingly **due to Western sanctions.** 
  - This puts India in a tough situation as it must preserve its historic defence and energy ties with Russia while avoiding overdependence on a partner that is itself **becoming isolated** and aligned with India's main rival, China.
- **Economic & Technological Dependence:** The global economy is highly interdependent, with supply chains controlled by a few dominant powers. This reduces India's freedom to act independently, as disruptions or pressure from these powers can impact trade, energy, or technology access.
- **Domestic Constraints:** Political polarisation within India can weaken the **coherence of its foreign policy**, as consensus on strategic priorities becomes harder to maintain.
  - Economic vulnerabilities (like dependence on energy imports) reduce India's ability to take independent decisions confidently in global affairs.

#### Way Forward:

- **Self-Reliance:** India should invest and develop indigenous defence production, digital infrastructure, and supply chain resilience. This can help reduce dependence on external powers for critical needs.
  - o India should work to build a strong economy, technological base, and political coherence. A stable and capable domestic foundation is key to sustaining true autonomy.
- India should position itself as an independent voice for developing nations. This enhances legitimacy and projects India as a sovereign pole in a multipolar world.
- Strategic autonomy is not just a slogan. It is a strategy. As the global order shifts, India must continue steadily to balance its interests
  - o engaging with the U.S. without becoming a subordinate,
  - o deterring China without provoking war, and
  - o partnering with Russia without inheriting its isolation.
- By doing this, India is not turning away from the world but it is taking back its own role and voice within it.





## 13) India-Nepal Relations

Source: The Hindu | Syllabus: GS II: India and its Neighborhood- Relations.

#### **Background:**

- As close neighbours, India and Nepal share unique ties of friendship and cooperation characterised by an open border and deep-rooted people-to-people contacts of kinship and culture.
- There has been a long tradition of free movement of people across the border. Nepal shares a border
  of over 1850 km with five Indian states Sikkim, West Bengal, Bihar, Uttar Pradesh and
  Uttarakhand.

#### Factors leading to strong bond between India and Nepal:

- Shared Heritage: India and Nepal share a rich cultural heritage rooted in Hinduism and Buddhism, with significant religious sites such as Lumbini (Buddha's birthplace in Nepal) and Varanasi (a major Hindu pilgrimage site in India).
- **Treaty of Peace and Friendship (1950):** The India-Nepal Treaty of Peace and Friendship of 1950 forms the bedrock of the special relations that exist between India and Nepal.
  - Nepalese citizens avail facilities and opportunities on par with Indian citizens in accordance with the provisions of the Treaty.
  - Nearly 8 million Nepalese citizens live and work in India.
  - Scholarships, educational exchanges, and cultural programs enhance mutual understanding and strengthen social ties
- **Trade and Investment:** India comprises about 64.1% of total trade of Nepal, equating to \$7.87 billion USD (Indian FY 23-24)).
  - This includes \$7.041 billion USD of exports from India to Nepal and \$829.71 million USD of exports from Nepal to India.
- **Development Aid:** India has been a significant contributor to Nepal's development, providing aid for infrastructure projects, education, healthcare, and capacity building.
  - Since 2003, India has taken up over 550 High Impact Community Development Projects (HICDPs) in Nepal and has completed 488 projects in the areas of health, education, drinking water, connectivity, sanitation, and the creation of other public utilities across all 7 provinces of Nepal at the grassroots level.
- **Border Security:** With an **open border**, both countries cooperate closely on border management to combat cross-border crime and ensure mutual security.
- **Power sector Development:** Nepal's vast hydropower potential presents opportunities for both countries. The countries also have a long term power purchase agreement.
- Defence Cooperation: The strong relations between the two armies are exemplified through the Gorkha Regiment of the Indian Army which comprises around 32,000 Gorkha soldiers from Nepal.
  - The joint military exercise between India and Nepal, Surya Kiran, seeks to enhance interoperability in jungle warfare, counter terrorism operations in mountainous terrain and humanitarian assistance and disaster relief between the two sides.

#### **Challenges in India's relations with Nepal:**

- **Kalapani-Lipulekh-Limpiadhura Border Dispute:** This region, covering about 372 square kilometres, is claimed by both India and Nepal. In 2024, Nepal released a new political map incorporating this territory, which escalated tensions.
  - In 2024, Nepal had decided to come out with a Rs-100 currency note that depicts the country's map with the areas under Indian control, leading to fresh tensions.





- China's Growing Presence: Nepal's increasing engagement with China, including significant investments and infrastructure projects under the Belt and Road Initiative (BRI), is a concern for India. China pledged \$500 million in aid to Nepal in 2019, highlighting its growing influence.
- **Trade Deficit:** Nepal's trade deficit with India is substantial. In 2024, Nepal imported goods worth about \$7.041 billion from India while exporting only about \$0.8 billion, leading to a trade deficit of nearly \$6.1 billion.
- **Border Blockades:** In 2015, an unofficial blockade along the India-Nepal border caused **severe shortages of essential goods** like fuel and medicine **in Nepal.** Nepal accused India of supporting the blockade due to political disagreements, significantly straining bilateral relations.
- Political Instability: Frequent political instability in Nepal, marked by shifting coalitions and leadership changes, impacts its engagement with India. This instability leads to policy uncertainty and can slow down bilateral cooperation on trade, connectivity, and development projects.
- **Perceived Interference:** Many in Nepal perceive India's involvement in its internal affairs as excessive. A 2020 survey indicated that around 43% of Nepalis viewed India's influence in Nepal's politics as negative.
- **Cross-Border Terrorism and Crime**: The 1,751-kilometre-long open border is sometimes exploited for **smuggling**, **human trafficking**, **and movement of insurgents**, posing security challenges for both countries.
- Water Sharing Issues: Disputes over water-sharing agreements and the construction of dams and barrages on shared rivers have been contentious. For example, the Mahakali Treaty (1996) for sharing the Mahakali River's waters has faced implementation issues.
- Hydropower Projects: Joint hydropower projects, such as the Pancheshwar Multipurpose
  Project, often face delays and disputes over investment, revenue sharing, and environmental
  impact, affecting progress and trust.

## **Recent Internal Issues in Nepal:**

- **Youth-led Protests:** The government banned 26 platforms, including Facebook, WhatsApp, Instagram, and X.
  - In opposition to this measure, protests erupted across all 77 districts, **expressing frustration over corruption, nepotism, and unresponsive governance.** As it was dominated by youths, it came to be known as Gen-Z protests.
  - The crackdown by the Government left at least 19 dead and 200+ injured, escalating anger.
  - This further increased the violence, leading to attacks on many political leaders by the violent mobs.
- **Chronic Political Instability:** Since 1990, Nepal has seen **30 leadership changes**; no Prime Minister has completed a full term.
  - o Coalition politics is dominated by elite power games, preventing structural reforms.
  - These frequent changes have undermined the promise of stable, democratic, federal governance as envisioned by Nepal's two People Movements (1989-90 and 2005-2008).
- **Inequality in the Society:** Political instability has also meant that **long-standing inequalities**, between rich and poor, rural and urban, educated and less-educated **still remain**.
  - These divides are most pronounced among youth, the main group that led the demonstrations against political elites in protests described as "Gen Z vs Nepo kids"
- **Economic Hardship and Unemployment:** Overall **unemployment stands at 12.5%** and disproportionately hurts youths between 15 and 24 years(22.7%).
  - 82% of the workforce is in informal employment, far above regional and global averages.
  - Inequality is also severe with rural areas, less-educated individuals, and poorer households face higher unemployment.





- **Dependence on Remittances:** Over 400,000 young Nepalis leave annually for work abroad reflecting both a lack of domestic opportunities and erosion of trust in the state.
  - Remittances now account for ~33% of GDP, sustaining families and the economy.

## **Impacts on India:**

- **Cross-Border Instability:** Political unrest in Nepal can spill over into Indian border states like Bihar, Uttar Pradesh, Sikkim, and Uttarakhand due to porous borders.
  - o Protests and **weakened state capacity** in Nepal may heighten risks of cross-border smuggling, terrorism, and other security threats.
- Migration Pressure: Increased youth exodus from Nepal may lead to higher migration into India. This can lead to greater strain on labor markets and social infrastructure of India.
- **Diplomatic Sensitivity:** If India intervenes overtly or appears to dictate Nepal's internal affairs, it could be perceived as overbearing by the Nepali public.
  - Such perceptions can fuel anti-India sentiment and reduce trust between the two nations.
  - Over time, this could reduce decades of goodwill and complicate cooperation on trade, security, and cultural initiatives.

#### Way Forward:

- **Respect Nepal's Sovereignty:** India should avoid interfering in Nepal's internal politics. Its support for stability and development should be through **quiet, non-intrusive measures.** This approach builds long-term trust and mutual respect.
- **Economic and Skill Cooperation:** India can strengthen trade, investment, and infrastructure links and also **help by developing programs like "Skill India" and vocational training** to address youth unemployment.
- **Cultural and Educational Ties:** India should expand scholarships, cultural exchanges, festivals, and tourism collaboration to **strengthen people-to-people connections** and shared heritage. This improves goodwill and mutual understanding.





# GS-3

## 1) Plastic Pollution

Source: The Hindu | Syllabus: GS III: Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

#### **Definition:**

- Plastic pollution is the **accumulation of plastic waste in the environment**, where it persists for centuries without decomposing.
- It harms **ecosystems**, **human health**, **and the climate** by breaking into microplastics and releasing greenhouse gases.
- With this realization, this year's World Environment Day (June 5) focused on "Ending Plastic Pollution" and encouraging worldwide awareness and action against it.

#### Seriousness of the Issue:

- **Rapid growth in production and waste**: Plastic production doubled between 2000 and 2019, reaching 460 million tonnes, while waste generation rose to 353 million tonnes.
  - o If current trends continue, global plastic waste could almost triple by 2060, reaching around 1.2 billion tonnes.
- **Low recycling rates**: Only **9% of plastic waste is recycled,** while 19% is incinerated, 50% ends up in landfills, and 22% escapes waste management systems, often polluting the environment.
- **Marine pollution**: Each year, 11 million tonnes of plastic enter the oceans, adding to the estimated 200 million tonnes already circulating in marine ecosystems.
  - The United Nations warns that if the current rate of production continues, there could be more plastic in the ocean than fish by mid-century (2050).
- **Persistence in nature**: Plastics **do not biodegrade but break down** into micro- and nanoplastics, contaminating even the most remote places on Earth, from mountain peaks to ocean depths.
- **Climate impact**: Plastics are responsible for **3.4% of global greenhouse gas emissions** and could account for as much as 19% of the world's total carbon budget by 2040.

#### **Issues in Plastic Waste Management in India:**

- **Inaccurate Data**: Official plastic waste figures are **underestimated**, as they often exclude **rural areas**, **open burning**, and **informal sector recycling**. There's also a lack of standardized methods for data collection across states.
- Weak Infrastructure: Most waste goes to uncontrolled dumpsites, which outnumber sanitary landfills 10:1. Rural areas, governed by panchayats, often lack any formal waste collection or processing infrastructure.
- Poor Integration with Infrastructure: Urban and rural local governments are not consistently linked with key facilities like Material Recovery Facilities (MRFs), recyclers, or EPR (Extended Producer Responsibility) kiosks, which reduces efficiency in collection and segregation.
- **Non-compliance and Lack of Enforcement**: Environmental laws and waste management rules are **frequently violated** or remain on paper, with **no real enforcement** or follow-up.
- Limited Accountability: The polluter pays principle is not fully implemented. Many producers, importers, and brand owners (PIBOs) do not fulfill their EPR obligations, and informal and illegal practices like open burning persist unchecked.





#### **Government Measures for Plastic Waste Management:**

- Ban on Single-Use Plastics (SUPs): The Government of India banned the manufacture, import, stocking, distribution, sale, and use of identified SUP items with low utility and high littering potential, effective from July 1, 2022.
- Extended Producer Responsibility (EPR) Guidelines: Under the Plastic Waste Management (Amendment) Rules, 2022, mandatory targets for plastic packaging recycling and use of recycled plastic content have been introduced for Producers, Importers, and Brand Owners (PIBOs).
- Plastic Waste Management Rules (2016 and Amendments): These rules enhance regulatory
  mechanisms by increasing plastic carry bag thickness standards, phasing out multilayered plastics,
  and ensuring proper labelling and registration of plastic production units.
- Swachh Bharat Mission Urban (SBM-U) 2.0 Initiatives: Government has promoted source segregation, set up Material Recovery Facilities (MRFs), and aligned cleanliness protocols with plastic waste rules to encourage sustainable city-level plastic waste management.
- Monitoring and Enforcement Mechanisms: Online platforms like the National Dashboard for SUP elimination, Central Pollution Control Board (CPCB) Monitoring Module, and the CPCB Grievance Redressal App have been developed for tracking compliance and facilitating enforcement.

# **Way Forward:**

- Legally binding global agreement: At the fifth session of the UN Environment Assembly (2022), all 193 UN member states agreed to end plastic pollution through a legally binding international agreement.
  - This is critical to achieving the UN Sustainable Development Goals, including climate
    action, sustainable consumption and production, protection of oceans, and the restoration
    of ecosystems and biodiversity.
  - UNEP's ambitious goal of reducing plastic waste by 80% within two decades requires serious action and international cooperation, innovation, better product design, and environment-friendly alternatives, as well as efforts to improve waste management and increase recycling.
- **Reduction in production**: Limiting plastic production and eliminating unnecessary items, especially single-use plastics, is much needed to reduce pollution. Governments should **permit production only within existing legal frameworks**.
- **Support Recycling**: Most plastics used today are **virgin (primary) plastics**, while global production of **recycled (secondary) plastics is only 6%**.
  - o Improving recycling technologies and building profitable markets for recycled plastics are crucial.
- Economic incentives: Imposing landfill and incineration taxes can promote recycling.
   Extended Producer Responsibility schemes, landfill taxes, deposit refunds, and pay-as-you-throw systems need to be introduced.
- **Awareness and behavior change**: Encourage people to adopt sustainable consumption habits, while media plays a key role in raising awareness and shaping public opinion.

# 2) Marginalised Role of Northeast in India's Trade

Source: The Hindu | Syllabus: GS III: Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

# **Background:**

The North Eastern Region (NER) comprises eight States viz. Arunachal Pradesh, Assam,
 Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.





- This region is culturally and ethnically diverse having more than 200 ethnic groups which have distinct languages, dialects and socio-cultural identities.
- The Region covers **7.97% of the country's geographical area and 3.78% of its population.** It has 5,484 km of international border viz. Bangladesh (1,880 km), Myanmar (1,643 km), China (1,346 km), Bhutan (516 km) and Nepal (99 km).
- All Northeast states, with over 5,400 kilometres of international borders, account for just 0.13% of national exports.
- India's export economy is heavily dependent on certain states. The four states of Gujarat, Maharashtra, Tamil Nadu, and Karnataka account for more than 70% of all merchandise exports.
- This concentration is due to the alignment of infrastructure, incentives, and political continuity in these zones for decades.

## Reasons for Low Exports Trade from Northeast Region:

- Lack of Infrastructure and Logistics: The region has no operational trade corridors to foreign markets and lacks the necessary logistical infrastructure (like warehouses or cold-chain facilities) to support trade volumes.
  - Existing infrastructure is often symbolic, with roads only on paper and understaffed customs offices.
- Policy and Institutional Neglect: The Northeast is structurally unrepresented in national
  institutions that shape economic policy, such as the Prime Minister's Economic Advisory
  Council and the Board of Trade. Major export schemes and strategic plans often completely
  omit the region.
- **Security-Focused Approach:** The government's approach to the region is dominated by a security apparatus focused on **counterinsurgency and surveillance** rather than on promoting commerce. Trade is not considered part of the state's mandate for the area.
- **Scrapping of the Free Movement Regime (FMR):** The decision to end the FMR in 2024 was a blow not only severing not just trade but also the deeply connected local economies and kinship ties across the border.
- Political Instability in Neighboring Regions: The 2021 military coup in Myanmar has caused trade across the frontier to significantly decrease, turning trade hubs into "skeletal outposts."

#### **Neglected Potential of Northeast Region:**

- A Bridge to ASEAN: The region's potential to be India's "bridge to the Association of Southeast Asian Nations (ASEAN)" and the core of the "Act East" policy has not been realized and "never left the drawing board."
- **International Trade Hub:** Its vast **5,400 kilometers of international borders** are a neglected asset. Instead of being developed into bustling trade corridors, they are treated just as "secured zones."
- An Anchor for the National Economy: The region's geography could anchor India's global trade, providing diversification and resilience against shocks that affect the few coastal states currently dominating exports. This potential is ignored.
- **Regional Connectivity:** Key infrastructure projects that would realize the region's potential, like the **India-Myanmar-Thailand Trilateral Highway**, have been allowed to languish and effectively "vanish into the jungle."
- Value-Addition in Local Industries: The potential of existing industries, like Assam's tea
  economy, is underdeveloped. The focus remains on producing low-value bulk goods rather than
  capturing more profit through high-value packaging and branding.

## **Measures Required for Northeast Region:**

• **Shift from Rhetoric to Action:** The immediate priority must be to move beyond rhetoric and focus on **basic state functions**. Trade runs on tangible infrastructure, not on policy papers or





joint statements. The government needs to stop treating the region as a symbolic frontier and start integrating it with concrete, on-the-ground development.

- **Building Functional Infrastructure:** Prioritize building and operationalizing roads that connect the region's production centers to both domestic and international markets. Develop the necessary logistics, such as warehouses and cold-chain facilities, to support trade volumes.
- Reviving Key Projects: Fast-track and complete stalled projects like the India-Myanmar-Thailand Trilateral Highway to create a functional land bridge to Southeast Asia.
- **Integrate Geography into Economic Policy:** Policymakers in New Delhi must fundamentally change their perspective.
  - Economic and trade policies must be designed with the Northeast's unique geography in mind, seeing its international borders as an asset for trade, not a liability for security.
- **Decentralizing the Export Economy:** Actively work to end the "spatially lopsided" dependence on a few coastal states. By developing the Northeast as an export hub, India can build a more resilient and distributed national economy capable of absorbing global shocks.

#### **Conclusion:**

- Competitors like China are building new corridors through the entire Asian region and positioning themselves.
- India's strategic claims are weakened by its disconnected eastern frontier as Northeast lacks the basic infrastructure for trade.
- Any single tariff by countries like the US may not affect India but the limited focus on few regions and the neglect of other regions will affect India.
- India can grow with true resilience only if it focuses and develops all regions with real infrastructure.

# 3) AI-Induced Engels' Pause

Source: The Hindu | Syllabus: GS III: Inclusive Growth and issues arising from it.

## **Definition and Background:**

- Artificial Intelligence (AI) expert Geoffrey Hinton recently warned that AI could make a few people wealthy while leaving most poorer.
- This concern reflects the **historical concept of an Engels' pause**, first explained by Oxford economist Robert Allen.
- It was a period in 19th-century Britain when industrial productivity surged, but wages and living standards for most workers stagnated.
- There are concerns whether the world is entering a modern Engels' pause in the age of Artificial Intelligence.
- AI is a general-purpose technology (GPT) like steam power, electricity, or the Internet, with potential to transform multiple industries.
- However, history shows that GPTs often generate early productivity gains for big companies before benefits spread broadly.
- Broad based benefits are possible only if complementary innovations, institutional reforms, and new skills are imparted. Without these, AI can deepen inequality and delay welfare gains for most workers.

#### Possible Markers of a Modern Engels' Pause:

- **Wage Stagnation:** Al boosts productivity in sectors like call centres and offices, yet **wages for workers remain largely unchanged.** 
  - Rising workloads and living costs mean that, despite higher output, the majority see **little improvement in their financial well-being** or quality of life.





- Rising Skill Costs: Workers must invest heavily in retraining, certifications, and coding bootcamps to stay relevant.
  - These expenses act like hidden taxes on income, similar to 19th-century households whose wage gains were offset by rising food prices, limiting real economic benefits from technological advances.
- Unequal Global Gains: Al's economic benefits are concentrated in advanced economies and a few large firms controlling foundational models.
  - PricewaterhouseCoopers estimates that AI could add \$15.7 trillion to global GDP by 2030.
     But the benefits will be concentrated in the U.S., China, and a handful of firms controlling foundational models.
- **Job Displacement:** AI transforms or replaces tasks across multiple industries, from healthcare to airports.
  - Early adopters gain efficiency, but workers face uncertainty and possible unemployment.
  - Task shifts require reskilling, leaving many employees temporarily or permanently displaced if support systems are inadequate.

## **Steps for Broad Based Benefits:**

- **Skills and Education:** Large-scale reskilling programs like Singapore's **SkillsFuture** and specialized institutions such as Abu Dhabi's **AI University** show the importance of continuous learning for workers to adapt to AI-driven transformations.
- **Redistribution of Gains:** Mechanisms like **robot taxes, Universal Basic Income (UBI)**, or philanthropic initiatives can help distribute Al's economic benefits more equitably across society.
- Public AI Infrastructure: Computing resources, data access, and open AI models should be treated as public goods.
  - This broad access can prevent concentration of power and allows smaller firms and individuals to benefit from AI productivity gains.
- **Institutional Reforms:** Strengthening unions, welfare systems, and regulatory oversight ensures AI-driven productivity develops with adequate social welfare. Policies must facilitate inclusive growth, preventing long-term inequality and labor market dislocations.

#### Conclusion

- History shows that productivity revolutions can leave societies unequal and unstable without proactive reforms.
- The Engels' pause is not a permanent one, it can be shortened or avoided if political will, governance, and innovation come together.
- The challenge is to make AI not only a productivity revolution, but also a human welfare revolution.

# 4) The Challenge of Food Loss in India

Source: The Hindu | Syllabus: GS III: Major Crops - Cropping Patterns in various parts of the country, - Different Types of Irrigation and Irrigation Systems; Storage, Transport and Marketing of Agricultural Produce and Issues and Related Constraints; E-technology in the aid of farmers.

## **Background:**

- On September 29, the world observes the **International Day of Awareness of Food Loss and Waste (IDAFLW)**, which will draw attention to a silent crisis that undermines both food and climate security.
- Globally, nearly one-third of all food produced is either lost or wasted.
  - o **Food Loss:** The reduction in edible food quantity or quality during production, post-harvest handling, storage, and transportation before it reaches the market.





- o **Food Waste:** The discarding or spoilage of edible food at the retail or consumer level, often due to over-purchasing, expiration, or poor storage.
- India, as a major food producer, faces substantial post-harvest losses across its agricultural sectors.
- Unlike in high-income countries where waste is mostly consumer-driven, **in India**, the majority of food loss occurs **early in the supply chain**.
- This is primarily caused by **weak infrastructure**, limited use of technology, and fragmented supply chains during handling, processing, and distribution.

## **Economic Impact in India**

- **Economic Toll:** Food losses cost India an estimated **₹1.5 trillion annually**, equivalent to about 3.7% of its agricultural GDP.
- **Crop-Specific Losses:** Fruits and vegetables are the most affected (10-15% loss), but staples like paddy (4.8%) and wheat (4.2%) also see significant wastage.
- Resource Wastage: Every tonne of lost food represents wasted water, energy, and labor, straining natural resources.

## **Environmental Impact in India:**

- Food loss contributes to greenhouse gas (GHG) emissions: A recent collaborative study by the Food and Agriculture Organization (FAO) and the National Institute of Food Technology Entrepreneurship and Management (NIFTEM), with support from the Green Climate Fund (GCF), provides the first detailed sector-, state-, and operation-wise estimates of greenhouse gas (GHG) emissions from post-harvest loss and retail waste in India
  - Wasted Production Resources: When food is lost, all the inputs used to produce it, water, fertilizers, energy, and labour, have been expended without delivering nutrition.
     The energy and fertilizers used often result in CO2, methane, and nitrous oxide emissions.
  - Decomposition of Wasted Food: Food that spoils or is discarded, especially in landfills, decomposes anaerobically and releases methane (CH4), a potent greenhouse gas much stronger than CO2.
  - Livestock and Methane: Losses in livestock products (milk, meat) also contribute to GHG
    emissions because raising animals involves feed production, enteric fermentation
    (methane from digestion), and transport, all of which generate emissions.
  - Cereal-Specific Emissions: In India, losses of paddy (rice) are particularly impactful because flooded rice fields produce methane, so losing even a small percentage of rice indirectly adds significant methane emissions.
- **High emissions from specific commodities:** Even modest losses in cereals like paddy (rice) lead to over **10 million tonnes of CO2-equivalent** annually due to methane emissions.
- **Total climate burden:** Food loss from **30 key crops and livestock** products generates more than **33 million tonnes of CO2**-equivalent each year.

#### **Measures Required to Control Food Loss:**

- **Strengthening Infrastructure:** This includes improving everything from pre-cooling facilities to refrigerated transport and modern storage units, which is vital for perishable goods like fruits, vegetables, and dairy.
  - Programmes such as Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) are already working to modernise this backbone of food logistics.
- **Affordable Technologies:** Low-cost solutions such as solar cold storage, cooling chambers, crates, and silos help small and marginal farmers cut losses effectively.
- Digital Innovation: Digital tools such as IoT sensors and Artificial Intelligence (AI)-driven forecasting can improve storage, transport and distribution, removing bottlenecks and cutting losses.





- The Food and Agriculture Organisation (FAO) Food Loss App (FLAPP), launched in 2023, allows farmers, organisations and governments to track losses across the value chain.
- Community Kitchens: Surplus food can be redirected to food banks or community kitchens.
- **Circular Solutions:** Unavoidable waste can be converted into compost, feed, or bioenergy. Developing these circular solutions requires strong policy support, including subsidies, credit guarantees and low-interest loans.
- Policy and Financial Support: Subsidies, credit guarantees, and low-interest loans help scale
  interventions, and integrating food loss reduction into climate strategies ensures long-term
  impact.

#### **Conclusion:**

- Governments must integrate solutions into climate strategies and invest in infrastructure, businesses should adopt circular models.
- **Civil society and Academia** can **drive research and awareness**, while consumers play a role through **mindful consumption** and support for redistribution efforts.
- Reducing food loss in India is not only about protecting farmer incomes and ensuring food security but also about advancing climate commitments.
- By conserving food, the nation conserves ecosystems, strengthens livelihoods, and contributes to global sustainability. An empty plate should reflect a meal enjoyed, not wasted resources.

# 5) Increasing competitiveness of Indian Businesses

Source: Business Standard | Syllabus: GS III: Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

#### **Context:**

- Recent tariff hikes, such as the **50% imposed by the US**, are expected to hit India's most efficient exporting firms. These measures threaten revenues, jobs, and competitiveness.
- The problems due to tariffs is a symptom of a deeper underlying issue that is India's farms and
  firms are simply not productive enough, and the cost of business is not low enough for
  global markets.
- Global agreements or tariff negotiations will become irrelevant if productivity and competitiveness are not addressed.
- Productivity and Competitiveness can be improved by taking up a three pronged strategy.
  - Short Term and Immediate Measures.
  - o Medium Term Measures.
  - Long Term Measures.

#### **Short Term Measures:**

- Many **efficient**, **export-oriented firms** will face falling orders, paused production, closures, and tighter credit.
- These firms **need urgent relief** since they are **globally competitive** but disproportionately hit by tariffs.
- These firms should be given immediate help through,
  - o Lower or zero tariffs on imported goods used by these sectors for their products.
  - Loan repayment holidays.
  - o Government absorbing US tariffs temporarily with necessary upper limit and time frame.
- These measures can give top firms breathing space to remain globally competitive.





#### **Medium Term Measures:**

- In the medium term, the Government should **prioritise a few sectors where early gains are possible,** especially **labour-intensive industries** like Apparels, jewellery, fisheries, footwear, light engineering, furniture, handicrafts.
- These sectors could be helped through measures like,
  - Lower or zero tariffs on imported goods used by these sectors for their products.
  - Targeted subsidies or incentives with appropriate limits.
- In the medium term, **imports can be strategically allowed in trade negotiations**. Sectors in which **Indian goods are not competitive globally** can be opened with less or no tariffs for global players.

# **Long-Term Structural Reforms:**

- Many measures were taken for Ease of Doing Business improvements but the cost of doing business remains high. This should be addressed through the following reforms.
  - Labour: Restrictive labour laws such as the Industrial Development and Regulation Act constrain firms from managing their workforce effectively. These should be replaced with unemployment insurance that protects workers' consumption rather than rigidly preserving jobs.
  - Land: Industrial land is expensive, fragmented, and lacks supportive infrastructure. The
    government should absorb land costs through competitive industrial parks located near
    demand and service hubs.
  - Legal Delays: Court backlogs and frequent adjournments significantly increase the cost of doing business. Expanding judicial capacity and curbing frivolous cases can sharply reduce delays.
  - Electricity: Industries face inflated power costs because they subsidise households and other sectors. A fair system should charge manufacturing units the actual cost of electricity.
  - Capital: Interest rates in the banking sector are high thus increasing the cost of doing business. This should be reduced to ensure affordable capital for businesses.

#### **Conclusion:**

- On the whole, India needs to focus on a few things and clean up the hurdles that stand in the way
  of productive low-cost farms and firms.
- If the country cannot do it, then high costs will eventually negate all the good that ease of doing business or international trade agreements can potentially bring.

# 6) Flexible Inflation Targeting Framework

Source: Business Standard | Syllabus: GS III: Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

# Context and Background:

- The Reserve Bank of India's (RBI) explicit mandate is to conduct monetary policy.
- The primary objective of monetary policy is to **maintain price stability while keeping in mind the objective of growth.** Price stability is a necessary precondition to sustainable growth.
- **Legal Basis:** In 2016, the **RBI Act, 1934** was amended to provide a **statutory basis** for the **Flexible Inflation Targeting (FIT) framework**. Under this, the Central Government and RBI set the inflation target for a 5-year period.
- **Current Target:** Since April 1, 2021 March 31, 2026, the target is:
  - **4% CPI-Combined inflation**, with a tolerance **band of ±2%** (i.e., 2% to 6%).





- Accountability (Section 45ZN of RBI Act, 1934): If inflation remains outside the band for 3
  consecutive quarters, it constitutes a failure of monetary policy. RBI must submit a report to the
  Central Government explaining:
  - Reasons for the failure,
  - Remedial actions to be taken,
  - Timeframe for returning inflation to the target.
- The Reserve Bank of India (RBI) has initiated the **second statutory review** of the flexible inflation targeting (FIT) framework.
- In the process, RBI has released a discussion paper with 4 questions on FIT.
  - o Should the RBI target headline or core inflation, given food's large weight in consumption?
  - o Is the 4% target with a ±2% band still appropriate?
  - Should the tolerance band be adjusted or removed?
  - Should the point target be replaced by a range?

### **Analysis of FIT's Performance:**

- **Stabilisation of Inflation Trends:** Since the adoption of FIT in 2016, headline inflation has **averaged around 4.8%**. This marks the end of India's long cycle of inflation surges and frequent monetary policy changes.
- **Anchoring of Expectations:** Inflation expectations, once volatile, have become more stable under FIT.
  - The **median one-year-ahead expectation** (RBI's Inflation Expectations Survey of Households (IESH)) has fallen from double-digit peaks to a narrower 8–10% range.
- **Relevance of Headline Inflation:** Headline inflation reflects the lived experience of most households, as food and fuel form nearly half their consumption basket.
  - Targeting core inflation instead would risk de-anchoring expectations and weakening RBI's legitimacy.
  - Headline inflation measures the total inflation in the economy including all items (food, fuel, etc.), while core inflation excludes volatile items like food and fuel to show underlying price trends.
- **Credibility of the 4% Target:** The 4% target roughly **coincides with a zero-output gap,** balancing stability with growth. Over nine years, it has become a focal point around which markets, politics, and expectations converge.
  - A zero-output gap occurs when an economy's actual output is equal to its potential output, meaning resources are fully employed without causing inflationary or deflationary pressures.
- **Significance of the Tolerance Band:** The ±2% band allows RBI to accommodate temporary supply shocks **without overreacting.** A narrower band risks pro-cyclical tightening, while a wider one could dilute accountability.
  - Pro-cyclical tightening is a monetary policy action where interest rates are raised during an economic slowdown, amplifying the slowdown instead of stabilizing it.
- Improved Policy Effectiveness: Research shows that under FIT, monetary policy transmits more effectively to prices. The interest-rate and credit channels restrain inflation with less collateral damage to growth.

#### **Way Forward:**

- Transparency and Accountability: RBI can adopt the Bank of England's "open letter" system for giving reports under Section 45ZN. These reports should explain inflation breaches to the public with clear explanations, corrective steps, and timelines.
- **Improve Policy Communication:** RBI should publish **policy-consistent inflation projections** and a clear timeframe for returning to the 4% target, improving predictability and trust.





- **Strengthen Signal Extraction:** RBI can keep headline CPI as the main target but also publish core measures to separate short-term price spikes from lasting inflation trends.
  - o The **Bank of Canada** publishes measures like **CPI-trim and CPI-median** to filter out temporary price spikes and give a **clearer picture of underlying inflation**.
  - o **CPI-trim** is a measure of inflation that **excludes the most extreme price changes** in the consumer basket to show **underlying**, **persistent trends**.
- With fiscal pressures rising worldwide and monetary independence under strain, the current mechanism and target must remain as it is not broken.
- The goal should be to **make flexibility predictable and accountability visible**. That is how the RBI can continue to preserve its hard-won credibility.

# 7) Common But Differentiated Responsibility

Source: Business Standard | Syllabus: GS III: Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

### **Background:**

- In the **UN Conference on Environment and Development, 1992** at Rio de Janeiro, Brazil (Earth Summit), three conventions were proposed namely,
  - UNFCCC (United Nations Framework Convention on Climate Change)
  - CBD (Convention on Biological Diversity)
  - UNCCD (United Nations Convention to Combat Desertification)
- The United Nations Framework Convention on Climate Change (UNFCCC) was open for signing from 1992.
- Its **ultimate objective** is to **stabilize greenhouse gas concentrations** at levels that prevent dangerous human-induced interference with the climate system.
  - It also states that "such a level should be achieved within a time-frame sufficient to allow
    ecosystems to adapt naturally to climate change, to ensure that food production is not
    threatened, and to enable sustainable economic development.
- The Conference of the Parties (COP) of the UNFCCC is the **annual global forum where countries** meet to negotiate, review, and advance international climate action.
- In November 2025, 30th Conference of the Parties (COP 30) is to be held at Belém, Brazil.

#### **Definition:**

- UNFCCC was built on the principle of common but differentiated responsibilities (CBDR).
- The CBDR principle acknowledged that while all nations share responsibility for addressing climate change, developed countries bear greater obligations because of their historical role in emissions (from the Industrial Revolution period).
- Under the **Kyoto Protocol (1997)**, binding emission reduction commitments were applied only to **Annex I countries (mainly developed nations,** including members of the OECD and Economies in Transition in Eastern and Central Europe), while **Non-Annex I countries (largely developing nations)** had **no such mandatory reduction obligations**.
- This difference is based on the principle of CBDR.

## **Challenges in Working of CBDR:**

- **Erosion of Original Commitment:** Developed countries are no longer supporting CBDR in practice. They prefer **voluntary commitments from all nations.** This weakens the original balance built into the UNFCCC.
- **Dilution of Historical Responsibility:** Developed nations often stress today's emission growth in developing countries. They avoid taking responsibility for their much larger share of **cumulative**





- **emissions (from the start of the Industrial Revolution).** This weakens the fairness CBDR was meant to protect.
- Rise of Major Developing Emitters: China's emissions have grown sharply over the years. Its per capita emissions rose from 2.9 tonnes of Carbon dioxide (tCO<sub>2</sub>) in 1995 to 8.4 tCO<sub>2</sub> in 2023. Developed countries use this rise to question CBDR.
- **Changing Economic Categories:** The Non-Annex I group was once made up only of developing countries. Today, about 20 of them are classified as high-income economies. This makes the old developed versus developing divide less clear.
- Total Emissions Vs Per Capita Emissions: Climate debates often highlight the large total emissions of China and India. But this ignores the fact that per capita emissions are much lower in countries like India. For example, India was at 2.1 tCO<sub>2</sub> in 2023, while the U.S. was at 14.3.
- Lack of Binding Commitments: The Kyoto Protocol had binding targets for developed countries. After it ended, such binding commitments were dropped.

### **Evolution from Kyoto Protocol to Paris Agreement:**

- The Kyoto Protocol was never ratified by the US (largest emitter at that time) Canada withdrew from the protocol; Japan and Russia opted out of it.
- Due to these withdrawals, the protocol was not successful. This led to the **Paris Agreement** (2015).
- This agreement applies to all countries, developed and developing alike. Each nation submits Nationally Determined Contributions (NDCs), voluntary pledges tailored to national circumstances.
- It only had a long-term goal to keep global warming "well below 2°C," with efforts to limit it to 1.5°C above pre-industrial levels.
- As of 2024, **emissions have not deviated substantially** from the high end emissions scenario of the Intergovernmental Panel on Climate Change (IPCC).
  - The **high-end scenario** assumes **very little or no effective global action** and so emissions keep rising sharply.
- On this basis, a recent Asian Development Bank report states that climate change could reduce developing Asia and the Pacific's gross domestic product (GDP) by 17 per cent by 2070, and **India's GDP could fall by 24.7 per cent if the high end scenario** is not avoided.

#### **Inadequacies of Current Climate Commitments:**

- **Failure to Meet Paris Goals:** The Paris Agreement aimed to keep warming well below 2°C and pursue 1.5°C, but actual actions have made even the 2°C limit unlikely.
  - o **UNEP Emissions Gap Report 2024 Findings** show that current commitments would result in 2.6–2.8°C warming, far above the Paris targets. Without new action, warming could reach 3.1°C.
- **Policies Lagging Behind Pledges:** Many countries are not on track to meet even their existing commitments. **Implemented policies are weaker** than the stated targets.
- Shortfall in U.S. Commitment: Under Trump, the U.S. cut its 2030 emission reduction pledge from 40% to just 3%. This may lead to an increase of about 2 billion tonnes of CO<sub>2</sub> in 2030 relative to the original pledge.
- **Absence of Clear Time Paths:** Only few countries have specified a detailed plan for reaching their emission reduction commitments.
- **Overemphasis on Total Emissions:** Current global discourse **emphasizes total emissions** of countries like China and India, **ignoring per capita** fairness and cumulative responsibility.
- Weak Enforcement Mechanisms: Unlike Kyoto, the Paris Agreement relies on voluntary Nationally Determined Contributions (NDCs) without binding enforcement, making commitments less credible.





#### Way Forward:

- **Back to CBDR Principle:** COP 30 must strongly reassert CBDR, ensuring that countries with higher historical and per capita emissions take on greater immediate action.
- **Updated Differentiation Criteria:** Instead of the outdated Annex I/Non-Annex I divide, the benchmark should be **per capita emissions**, with **3 tCO<sub>2</sub> per capita per year** as the dividing line.
- **Credible NDCs and Plans for implementation:** All countries should not only announce their **net-zero target year**, but also outline a **time-bound emissions pathway** consistent with the 3 tCO<sub>2</sub> per capita average.
  - Countries must move beyond vague pledges and commit to clear, decade-by-decade reductions that can be tracked and compared.
- Form a Coalition of Low-Emitters: Nations like India (2.1 tCO<sub>2</sub> per capita in 2023) and Brazil (2.3), along with Indonesia, Egypt, and others, should lead a coalition to press developed countries for faster and more credible action.
- Reduce U.S. Disruption Risks: Negotiations should be shielded from U.S. policy swings by
  rooting goals firmly in the Paris Agreement framework and ensuring progress even if U.S.
  cooperation weakens.
- The world is still on a dangerous, high-emission path that threatens to push global warming beyond safe limits. COP30 in Belem must reassert the CBDR principle and press developed nations for faster, fairer, and more credible climate action.

# 8) Goods and Services Tax (GST) 2.0

Source: Indian Express | Syllabus: GS III: Government Budgeting.

## **Background:**

- On July 1, 2017, GST laws were implemented, replacing a complex web of Central and State taxes. This implementation was brought through the **101st Constitutional Amendment Act (CAA)**.
- Under the GST regime, goods and services are **categorised into different tax slabs**, **including 5%**, **12%**, **18%**, **and 28%**.
  - o Gold, diamonds and precious metals attract a lower rate of taxation(3% and 0.25%).
- Eight years after its launch, the GST regime is undergoing its most significant overhaul with **GST** 2.0, which prioritises structural simplification over immediate revenue maximisation.

#### **Reforms:**

- Simplified rate structure: Four slabs (5%, 12%, 18%, 28%) replaced with two main rates 5% and 18%.
  - Special rates (0.25%, 3%) will remain and a new 40% rate introduced for luxury/sin goods.
- Establishment of **Goods and Services Tax Appellate Tribunal (GSTAT)** for faster dispute resolution.
- Simplified registration scheme for small, low-risk businesses.
- **Easier refunds** for exporters and removal of export consignment thresholds.
- Out of 506 goods listed in the GST Council's recommendations, **90 per cent of categories** have seen rate **reductions**. **52 items** have been granted **complete tax exemptions**.

#### **Benefits from these Reforms:**

- **Consumers:** Most **essentials like food and clothing** have been moved from 12% to 5% thus reducing retail prices. **Inflation** (Consumer Price Index) is expected to **reduce by more than 1%**.
- **Economy:** The ₹48,000 crore revenue foregone translates into a **positive disposable income** effect. This is estimated to create **a** ₹**1.1 trillion consumption boost**, nearly 0.3% of GDP.





- Revenue foregone means the government's estimated loss of tax income because of reduced tax rates, exemptions, or concessions.
- Disposable income is the amount of money a household has left for spending or saving after paying taxes
- **Businesses:** Simplified tax structure reduces disputes over product classification and the risk of prolonged litigation. This predictability lowers compliance costs for companies, especially in sectors like FMCG and manufacturing, where multiple rates previously created confusion.
  - At the same time, reforms in refund mechanisms and improvements in input tax credit flows ease pressure on working capital.
- **Fiscal Stability:** On the fiscal front, the **impact on the fiscal deficit will be minima**l. The broadening of the base, removal of distortions, and higher compliance will reduce the impact of the tax cuts.
- **Financial Sector:** Rationalisation lowers non-interest operating expenses for banks and insurers. **Insurance affordability** improves and can lead to increased life and health policy penetration.
- **Public Policy Goals:** The 40% demerit rate applies to luxury and sin goods, **reinforcing progressive taxation.** Deterrent rates on tobacco, aerated drinks, and the "**deadly troika**" **of junk food, social media, and online gaming target harmful consumption.**

#### Possible Issues in GST 2.0:

- **Revenue Concerns:** GST 2.0's rationalisation reduces the **effective weighted average tax** rate to around **9.5%**, **down from 14.4% in 2017**.
  - While the Centre says that higher compliance and consumption will address the shortage, several opposition-ruled states estimate their combined losses could be four times higher than Centre's projections.
  - These states are pressing for compensation and warn that their fiscal stability could be affected.
- **State Finances:** The GST compensation cess, which has so far cushioned states against revenue shortfalls, is scheduled to end in March 2026.
  - Many states, particularly those with weaker tax bases or higher spending commitments, remain dependent on this mechanism to balance their budgets.
- **Business Liquidity:** Automobile dealers and Fast Moving Consumer Goods (FMCG) distributors risk losing **accumulated cess credits and face inverted duty structures.** This can create cash flow pressures for these firms.
- Stock & Packaging Issues: FMCG firms could face over ₹2,000 crore in packaging waste unless allowed to sell stock with old GST rate labels.
- **Classification Disputes:** Despite simplification, ambiguity in categorising goods and services may still trigger disputes and litigation.

#### **Way Forward:**

- Successful implementation of GST 2.0 will require meticulous coordination across the entire value chain.
- The government should ensure that the benefits of simplification aren't reduced by implementation challenges.
- This would require robust training for tax officials (including at the state-level), clear communication to businesses, and quick resolution of technical issues that inevitably arise during such systemic changes.
- Studies by global organisations show that countries that successfully simplify their tax systems
  typically see initial revenue drops, followed by sustained growth as compliance improves and
  economic activity expands.
- India's GST 2.0 also aims at this goal and represents **not just tax reform, but a strategic investment** in the country's economic future.





# 9) Focused Research Organizations

Source: Indian Express | Syllabus: GS III: Achievements of Indians in Science & Technology; Indigenization of Technology and Developing New Technology.

#### **Definition:**

- Focused Research Organisations (FROs) are **permanent**, **mission-driven research entities** strategically embedded within India's Institutes of National Importance (IITs, IISc, etc.) in **frontier technology domains** (semiconductors, synthetic biology, advanced propulsion, etc.), where sovereign capability is critical.
- Example: Quantum Communication FRO at IIT Delhi
  - o **Anchor Institution:** IIT Delhi (with proven expertise and collaboration with DRDO).
  - o **Achievement:** It demonstrated **quantum entanglement-**based free-space secure communication over 1 km distance. This is a milestone in strategic quantum technologies.

#### Need for FROs in India:

- India lags: India contributes only 2.5 per cent of the world's most highly cited papers and just 2 per cent of the top-cited researchers.
  - India ranks in the top five in 29 technologies but lacks the ecosystem to deliver consistent global breakthroughs.
- **Uncompetitive Compensation:** Fellowship schemes in India do not offer salaries or benefits that are on par with global benchmarks.
  - As a result, many top researchers either move abroad or do not consider India a viable long-term option for pursuing cutting-edge science.
- **Infrastructure Deficiency:** World-class laboratories and sustained research grants are inadequate in India.
  - Even when funding is available, it tends to be short-term and unpredictable, making it difficult for researchers to undertake ambitious, high-risk projects.
- **Unclear Career Pathways:** Recruitment of researchers is not tied to mission-oriented goals, and there are **few clear opportunities for long-term absorption or progression.** 
  - This leaves efforts scattered across institutions without building the suitable amount of knowledge needed for global breakthroughs.
- Global dynamics: The United States has cut budgets for major science funding agencies.
   Academic career opportunities are shrinking, and visa restrictions have increased in that country.
  - As a result, many highly trained Indian-origin researchers are stranded abroad and looking for opportunities.
- China's precedent: Through its Young Thousand Talents Program (2011–17), it recruited 3,500 early-career scientists with substantial incentives.
  - In advanced aircraft engines, including hypersonics, China now produces four times more high-impact research than the US.
  - It now has seven of the world's top 10 institutes.
- **Aggressive Europe:** The "Choose Europe for Science" conference at the Sorbonne showed Europe's intent to attract global researchers mainly from the US.
  - French President Emmanuel Macron has announced a €100 million France 2030 fund for supporting this goal.

#### **Desirable Features in FROs:**

Public-Private-Academic Partnership: FROs should be established as Section 8
 companies (under Companies Act 2013) with at least 51% industry participation, ensuring that
 government, academia, and industry collaborate effectively in building sovereign technological
 capabilities.





- o A Section 8 Company is a type of non-profit organization under the Companies Act, 2013.
- o The main objective of these companies is to **promote charitable or not-for-profit** causes, such as science, education, research, social welfare, arts, culture, environment, or sports.
- Section 8 Companies: Do not distribute profits/dividends to members or shareholders.
- Section 8 Companies: Must reinvest any income, surplus, or profit into achieving their stated objectives.
- **Globally Competitive:** FROs should provide internationally benchmarked salaries and incentives, making them attractive destinations for top global and Indian researchers.
- Sustained Career Pathways: FROs should guarantee long-term, predictable funding and clear opportunities for career progression, moving beyond short-term or fragmented fellowship models.
- **Strategic Focus:** FROs should channel resources into a small number of frontier technology domains, allowing India to achieve depth and breakthroughs rather than spreading efforts across different sectors.
- Hybrid Knowledge Ecosystem: FROs should bring together global expertise, indigenous knowledge, and industry resources, creating a unique ecosystem where research excellence translates into deployable technologies.
- **Permanent Institutional Structures:** FROs are to be designed as enduring, mission-driven entities with continuity and stability, ensuring that they deliver both cutting-edge scientific advances and translational outcomes critical for national sovereignty.

#### Way Forward:

- The Anusandhan National Research Foundation (ANRF) and the ₹1 lakh crore Research and Development Innovation (RDI) Fund provide India with greater resources for mission-oriented science. These funds should be strategically channeled to anchor FROs in select frontier technology areas.
- Delays in building such institutional mechanisms can cause irreversible damage to India's research ecosystem.
- State investment in such an initiative will be very less but lead to outsized impact.
- Only a timely intervention can ensure India to have a hold in domains that will shape future strategic autonomy and economic competitiveness.

# 10) Foreign Direct Investment

Source: **Indian Express** | Syllabus: GS III: Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

#### **Definition:**

- Foreign direct investment (FDI) is defined as an investment involving a long-term relationship
  and control by an entity present in one economy (foreign direct investor or parent enterprise)
  in an enterprise present in an economy other than that of the foreign direct investor (FDI
  enterprise or affiliate enterprise or foreign affiliate).
- FDI implies that the **investor exerts a significant degree of influence on the management of the enterprise** in the other economy.
- It involves **both the initial transaction** between the two entities and **all subsequent transactions** between them and among foreign affiliates.
- Gross FDI inflows into **India** reached **\$81 billion in FY 2024-25**, up 13.7% from the previous vear.





## **Importance of FDI for Developing Countries:**

- **Employment Generation:** FDI creates jobs in manufacturing and services, reducing unemployment among skilled and unskilled workers. Increased employment raises incomes, boosts buying power, and strengthens the overall economy.
- **Human Resource Development:** FDI enhances the skills and competence of the workforce through training and experience. Developed human capital spreads knowledge to other firms, creating a ripple effect.
- **Regional Development:** FDI transforms backward areas into industrial centres, raising their social and economic profile. The Hyundai plant in Sriperumbudur, Tamil Nadu is a clear example.
- **Finance & Technology Transfer:** FDI brings modern financing tools, technologies, and global operational practices. Over time, these diffuse into the local economy, improving efficiency and competitiveness.
  - o FDI provides **capital for countries with limited domestic resources.** It offers financing options when access to global capital markets is restricted.
- **Boost to Exports:** Many FDI-backed goods are produced for international markets, not just domestic consumption. Export-oriented units and economic zones have further expanded global trade opportunities.
- **Exchange Rate Stability:** Continuous FDI inflows ensure a steady supply of foreign exchange reserves. This helps central banks maintain stable exchange rates.
- **Stimulation of Economic Development:** FDI projects generate demand for local labour, materials, and services during and after construction. They also create tax revenue that governments can use to build infrastructure.
- **Creation of a Competitive Market:** FDI introduces foreign firms into domestic markets, breaking monopolies. This competition pushes innovation and ensures consumers benefit from better products at fair prices.

#### **Recent Challenges for India in FDI Sector:**

- **High Disinvestments and Repatriations:** Foreign investors are increasingly pulling out profits and capital instead of reinvesting. This reduces net FDI inflows and limits long-term developmental impact.
  - o In the four years after the COVID-19 pandemic, gross inflows recovered at an annual rate of 0.3%, while disinvestments and repatriations by foreign investors grew at 18.9% annually.
- **Short-Term Profit Orientation:** Many recent FDI inflows are aimed at quick financial gains. Such investments neglect manufacturing and technology-driven sectors that support sustained growth.
- **Share of Manufacturing:** Manufacturing's share in total FDI has dropped to around 12%. This shift reduces industrial growth, job creation, and innovation opportunities.
- **Rising Outward FDI by Indian Firms:** Indian companies are investing more abroad due to regulatory inefficiencies and policy unpredictability in India. This capital flight weakens domestic industry and job creation.
- Regulatory and Policy Barriers: Regulatory delays, legal unpredictability, and inconsistent
  governance discourage foreign investors. These barriers undermine investor confidence in the
  Indian economy.
  - Regulatory Delay means any problems or delays in obtaining governmental or regulatory authorizations, orders, certificates, licenses, permits and approvals required or desirable for starting a new company.
- **Tax-Driven and Route-Based Investments:** A large share of FDI comes from financial centres like Singapore and Mauritius.
  - Much of this capital is used to exploit favourable tax treaties and regulatory loopholes rather than to build productive assets.





- As a result, inflows often serve profit-shifting and tax arbitrage strategies, limiting their contribution to industrial development and long-term growth.
- Tax arbitrage and profit-shifting are techniques used to evade taxes.
- **Shift Toward Services:** Recent FDI is moving into financial services, energy distribution, and hospitality. These sectors add less to industrial capacity or long-term benefits like employment.
- Balance of Payments and Currency Risks: Declining net FDI inflows reduce foreign exchange stability. This weakens external account management and limits monetary policy flexibility.

#### Way Forward:

- Simplify Regulations: Complex and unpredictable rules slow down both foreign and domestic investors. Streamlined procedures, transparent governance, and policy consistency can rebuild investor confidence.
- **Strengthen Institutional Trust:** Investors need confidence in India's legal and regulatory institutions. Predictable dispute resolution and contract enforcement are critical for long-term commitments.
- **Infrastructure:** Modern infrastructure is essential to attract and retain investment. **Improved logistics, transport, power supply, and digital networks** make India more competitive.
- **Human Capital:** Developing a skilled workforce is crucial for attracting high-value sectors. Investment in **education, vocational training, and upskilling** prepares labour for advanced industries.
- Retention of Capital: India must design policies that incentivise reinvestment of profits
  instead of repatriation. Tax benefits and sectoral support can encourage foreign firms to expand
  operations domestically.
- **Export-Oriented Manufacturing:** Export-focused FDI projects enhance integration with global markets. **Special Economic Zones and targeted incentives** can attract global manufacturers.

# 11) Theatre Commands

Source: Indian Express | Syllabus: GS III: Security Challenges and their Management in Border Areas - Linkages of Organized Crime with Terrorism Various Security Forces and Agencies and their Mandate.

#### **Definition:**

- The plan seeks to **integrate the Army, Navy, Air Force, and their resources** into specific 'theatre' commands.
- Each command will be under a **single, unified command structure**.
- Each command will be assigned a **specific geographical region**, combining the resources of the three services for operational roles.
- The creation of theatre commands would involve carving out integrated commands from the 17 existing service-specific military commands.

#### Need for Theatre Commands for India:

- **Higher Defence Reforms:** Being pursued as part of higher defence reforms in line with the changing nature of modern warfare.
- **Ensuring Integration and Jointness:** The primary goal is to ensure integration and 'jointness' among the three services.
- **Fighting Future Wars Jointly:** Will pave the way for the services to fight future wars jointly, instead of individually without adequate coordination.
- **Addressing Multi-Domain Warfare:** Essential for modern, multi-domain warfare (land, sea, air, cyber, space) to coordinate assets like UAVs and high-precision strike weapons.





• **Improving Command and Control:** A single command structure allows for coordinated planning and integration of assets, critical in a conflict involving missile attacks, cyber attacks, and land wars.

# **Challenges in Creating Theatre Commands:**

- **Dismantling Existing Structures:** This plan calls for dismantling existing service-specific commands that have been functioning for more than seven decades.
- **Air Force Concerns on Asset Division:** The IAF has expressed reservations, primarily concerned that the plan would further divide its scarce combat assets.
- **Doctrinal and Structural Compromise:** The reform must ensure that the doctrinal aspects of the Air Force are not compromised and should not increase decision-making chains.
- **Differing Views on Integration Methods:** There are differing views on whether creating theatre commands is the only way to achieve integration.
- **Risk of Rushing and Mimicking Other Militaries:** There is a risk of rushing the plan or blindly following the example of militaries like that of the US.
- **Addressing Internal Dissonance:** Lingering differences of opinion within the defence services leadership need to be resolved by the CDS.

### **Way Forward:**

- Chief of Defence Staff (CDS) General Anil Chauhan pledged to address any "dissonance" within the services on the creation of theatre commands.
- The plan has undergone multiple iterations, with the latest structure proposing **adversary-based joint theatre commands** (for China, Pakistan, and a maritime command).
- Air Chief Marshal A P Singh suggested an alternative/initial step: creating a joint planning and coordination centre in Delhi under the Chiefs of Staff Committee to bolster jointness before rushing the full plan.
- The services are currently involved in **multiple deliberations**, **studies**, **and tabletop exercises** to examine various aspects, including:
  - The structure of the commands.
  - o Their operational areas.
  - Location of headquarters.
  - The lead service for each command.
  - o The reporting structure of the theatre commanders.
  - Whether the Andaman and Nicobar Command and SFC can be subsumed.
- The final structure of the proposed theatre commands is yet to be decided by the government. The final structure should consider the concerns of all services to ensure maximum efficiency.

# 12) Smallness Bias in India

Source: Economic Times | Syllabus: GS III: Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

#### **Background:**

- French philosopher **Montesquieu** observed that **laws 'shape the spirit of nations'.** These laws create rules, rules influence how people act, and over time those actions become hard to change.
- Thus, a society's future is not only about its ambitions but also about limits it mentions in its law.
   When those limits systematically promote and praise 'small', it promotes the society to remain small.
- The result of this **glorification of smallness** is a country **satisfied with adequacy and mediocrity** rather than ambition and excellence.





- **India's laws and policies** in many fields can be shown as an example for **glorifying smallness**. This situation has led to a problem called "Smallness Bias", where anything which is small in scale gets government benefit and support. Once it grows into a large thing, Government support vanishes and the Government starts interfering in every process.
- The root cause of this problem is **India's Socialist Past**. In the **period before 1991 Liberalisation, Privatisation and Globalisation (LPG) reforms**, smallness meant moral and political legitimacy and **bigness was equated with capitalist exploitation and elitism**.
- In that period, **economies of scale** were not seen as an agent for increasing productivity or global competitiveness, but **as a sign of inequality.**

#### **Evidences of Smallness Bias in India:**

- Automobile Sector: Since 2006, cars under 4 meters with capped engine sizes have enjoyed
  lower excise duties, while larger cars faced much higher rates. This pushed automakers to
  design "compact sedans" and truncated models tailored to tax codes rather than comfort, safety,
  or global competitiveness.
  - Even in the **latest GST rate revisions**, small cars received the sharpest cut, from 28% to 18%, while larger cars have a 40% tax.
- Industrial Sector: It is dominated by "dwarf" firms (those over 10 years old but employing fewer than 100 workers). These dwarfs make up more than half of all organised firms, but contribute only 14% of employment and just 8% of productivity.
  - In contrast, fewer larger firms generate nearly three-quarters of jobs and close to 90% of productivity.
- Land Use Regulation: In many Indian states, land-use rules limit how tall or dense factories can be by keeping the floor-area ratio (FAR) very low. This means factories can't build upwards, so they spread out thus wasting land and raising infrastructure costs.

#### **Problems due to Smallness Bias:**

- **Mediocrity over excellence:** By rewarding firms for staying small, policies reduce ambition, making businesses settle for adequacy instead of striving for global standards or innovation.
- **Misallocation of resources:** Loans, subsidies, and government help go to "dwarf" firms that stay small and never grow. At the same time, new and promising firms that could expand are left without enough support to succeed.
- Weak innovation: Innovation needs scale, investment, and risk-taking, but when firms
  deliberately stay below compliance thresholds, they lack the capacity to fund research or adopt
  new technologies.
- **Misallocation of resources:** A lot of loans, subsidies, and government help go to "dwarf" firms that stay small and never grow. At the same time, new and promising firms that could expand are left without enough support to succeed.
- **Path dependence:** When rules and incentives keep firms small, they get used to working within those limits instead of trying to grow. Over time, this habit becomes difficult to break, and changing the system becomes harder for both businesses and the government.

#### Recommendations to Overcome this Bias:

- **Focus on outcomes, not size:** Instead of giving benefits based on whether a firm is small or large, **policies should reward performance.** This can be things like higher productivity, lower emissions, or better safety.
- **Make support temporary:** Government help should be given only for a limited time. This way, small firms can grow in the beginning, but they **cannot depend on subsidies forever.**
- **Use flexible rules, not rigid laws:** Limits should be decided through rules that are easy to update. This makes it **possible to quickly change** them when industries or technologies **evolve.**
- Redefine equity: Being big should not be seen as unfair or harmful. Larger scale can actually
  create more formal jobs, reduce costs, and make growth more inclusive.





• **Reward innovation:** Policies should encourage firms to try new ideas and take risks. Companies should be **motivated to reach the frontier,** not just to stay small and meet minimum requirements.





# **RELATED PYQS**

- 1. What changes has the Union Government recently introduced in the domain of Centre-State relations? Suggest measures to be adopted to build the trust between the Centre and the States and for strengthening federalism. (2024)
- 2. Discuss the essential conditions for exercise of the legislative powers by the Governor. Discuss the legality of re-promulgation of ordinances by the Governor without placing them before the Legislature. (2022)
- 3. Elaborate the scope and significance of the food processing industry in India. (2022)
- 4. Discuss the various social problems that originated out of the speedy process of urbanization in India. (2013)
- 5. What are the causes of persistent high food inflation in India? Comment on the effectiveness of the monetary policy of RBI to control this type of inflation. (2024)
- 6. Write a review on India's climate commitments under the Paris Agreement (2015) and mention how these have been further strengthened in COP26 (2021). In this direction, how has the first Nationally Determined Contribution intended by India been updated in 2022? (2025)
- 7. Discuss global warming and mention its effects on the global climate. Explain the control measures to bring down the level of greenhouse gases which cause global warming, in the light of the Kyoto Protocol, 1997. (2022)
- 8. Explain the significance of the 101st Constitutional Amendment Act. To what extent does it reflect the accommodative spirit of federalism? (2023)
- 9. Present an account of the Indus Water Treaty and examine its ecological, economic, and political implications in the context of changing bilateral relations. (2016)
- 10. Foreign Direct Investment (FDI) in the defence sector is now set to be liberalized. What influence is this expected to have on Indian defence and economy in the short and long run? (2014)
- 11. The reform process in the United Nations remains unresolved, because of the delicate imbalance of East and West and entanglement of the USA vs. Russo-Chinese alliance." Examine and critically evaluate the East-West policy confrontations in this regard. (2025)
- 12. Do you agree that regionalism in India appears to be a consequence of rising cultural assertiveness? Argue. (2020)
- 13. What is the basis of regionalism? Is it that unequal distribution of benefits of development on a regional basis eventually promotes regionalism? Substantiate your answer. (2016)





# **PRACTICE QUESTIONS**

- 1. Federalism is recognised as a 'Basic Structure' of the Constitution but is hurdled by various factors. Examine.
- 2. Despite being a pioneer in laying down principles of gender equality, the Supreme Court of India itself suffers from severe under-representation of women. Critically Analyse.
- 3. The 50% ceiling on reservations, as upheld in the Indra Sawhney case, is increasingly being questioned in light of demands for greater social justice and equitable representation. Elaborate.
- 4. Discuss the significance of strategic autonomy for India's pragmatic engagement with the multipolar world.
- 5. Despite India's deep historical, cultural, and economic ties with Nepal, certain challenges hinder bilateral relations. In light of the recent Gen Z protests in Nepal, suggest practical measures for India to strengthen ties while respecting Nepal's sovereignty.
- 6. Plastic pollution has emerged as one of the most pressing environmental challenges of the 21st century. Discuss the causes and consequences of plastic pollution globally and in India.
- 7. Discuss the challenges in the functioning of the Governor and their impact on state governance.
- 8. Examine how policy measures and social realities intersect in shaping the lives of transgender persons in India.
- 9. Analyze the role of technological integration and targeted missions in transforming India's Universal Immunisation Programme from a 62% coverage to a globally recognized model.
- 10. What do you understand about the 'spatial lopsidedness' of India's export economy? Discuss in the context of India's Northeast region.
- 11. What is meant by an 'Engels' pause'? Critically analyze the arguments suggesting that the ongoing Artificial Intelligence (AI) revolution may be initiating a 'modern Engels' pause.
- 12. Food loss and waste in India represent not only a significant economic drain but also a major, often overlooked, contributor to climate change. Critically examine.
- 13. Critically examine the limitations of the current urban classification criteria and how this definitional rigidity affects urban governance, planning, and service delivery in India.
- 14. Personality rights in India are currently protected through a complex interplay of common law, judicial precedents, and fragmented statutes rather than a single codified law. Explain.
- 15. Critically analyze the limitations of a growth model overly reliant on domestic consumption and suggest fundamental reforms needed to boost private investment and global competitiveness for India's long-term growth ambitions.





- 16. India's active role in the Shanghai Cooperation Organisation (SCO) offers opportunities for strategic signaling and regional engagement, but also brings significant challenges. Analyse.
- 17. What do you understand by the Flexible Inflation Targeting (FIT) framework in India? Evaluate its efficacy in maintaining macroeconomic stability in the country.
- 18. Explain the principle of 'climate justice'. Discuss the relevance and contemporary challenges of adopting the Common But Differentiated Responsibilities (CBDR) framework in global climate negotiations.
- 19. Comment on the revenue implications of the Goods and Services Tax (GST) introduced in India since July 2017. What key reforms are required to strengthen the GST regime?
- 20. "India's ongoing Free trade Agreement (FTA) negotiations should balance trade liberalization with practical safeguards". Discuss the statement with special focus on the agricultural sector.
- 21. Focused Research Organisations (FROs) have been proposed as a means to strengthen India's sovereign capabilities in frontier technologies. Analyse.
- 22. The Indus Waters Treaty (1960) between India and Pakistan has survived wars and conflicts for over six decades. However, changing geopolitical, environmental, and hydrological realities have posed new challenges to its implementation. Examine.
- 23. Foreign Direct Investment has the ability to enhance the economic growth of a nation. Elucidate.
- 24. The United Nations was born from the ashes of war to maintain international peace, yet it appears increasingly sidelined and ineffective in contemporary conflicts. Analyse.
- 25. Theaterisation is envisioned as the biggest reform in operations and administration in the history of the Indian Armed Forces. In light of this statement, analyze the proposal of creating integrated Theatre Commands critically.
- 26. Policies that favor smallness can limit growth and innovation.' Discuss in the Indian context.
- 27. Analyze the primary causes, particularly the role of 'developmental deficit' and 'internal colonialism,' that fuel the rise of regionalism and sub-regionalism in India, citing examples from the Northeast.
- 28. Recurrent flood disasters in Punjab are often described as a 'man-made catastrophe' rather than a purely natural calamity. Examine this statement and suggest practical solutions.

