

# 9 PM Current Affairs Weekly Compilation

For UPSC CSE mains examination



**1<sup>st</sup> Week**

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**Features :**

Arranged as per syllabus Topics  
Most complete coverage of major  
News Papers editorials

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### India must rethink neutrality amid rising global tensions

**Source:** The post India must rethink neutrality amid rising global tensions has been created, based on the article “In a perilous world, India must read the tea leaves well” published in “The Hindu” on 1st July 2025

**UPSC Syllabus Topic:** GS Paper2- Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

**Context:** India's foreign policy is undergoing an **existential crisis** due to shifting global alignments. The rise of the **China-Pakistan nexus**, tensions in **West Asia**, and the unpredictability of the **U.S. under Trump's second term** have challenged India's stance of neutrality and demand urgent strategic reassessment.

#### Challenges to India's Neutrality

- 1. Pressure from the Israel-Iran Conflict:** India's **neutral stance** on the Israel-Iran war is proving ineffective. The U.S. used **GBU-57 bunker buster bombs** on Iran's nuclear sites at **Fordow and Natanz**, raising the threat level. Despite a ceasefire, an **all-out war remains likely**.
- 2. Nuclear Threat Becoming Real:** The conflict has brought the ‘N word’—**nuclear weapons**—back into open discourse. India must reconsider whether it can still afford neutrality in such a volatile environment.
- 3. Limited Support from Traditional Allies:** India's leadership of the **Global South** and ties with **West Asian nations** yielded no support during its conflict with Pakistan. It now faces **two hostile nuclear neighbors**, both willing to use nuclear weapons if necessary. This shows that **India's current policies are not producing strategic dividends**.

#### U.S. Policy Shifts and Strategic Isolation

- 1. Trump's MAGA Impact on India:** Donald Trump's ‘**Make America Great Again**’ agenda now hurts India beyond trade. His **claim of brokering peace between India and Pakistan**—publicly endorsed by **Pakistan's Field Marshal Asim Munir** but denied by India—created diplomatic tensions.
- 2. Diplomatic Snubs and Global Perceptions:** Trump's **lunch with Munir** and **Modi's refusal to visit Washington** after the G-7 are seen as symbolic of worsening ties. These gestures may **embolden pro-Pakistan lobbies** in the U.S. and elsewhere.
- 3. India's Diplomatic Misalignment:** India's **tilt towards Israel** has become a **liability**. Its **policy of equidistance between Israel and Iran** has failed to convince either side. **Calls for restraint** carry little influence when India does not **clearly support victims** of aggression.

#### Rising Global Emphasis on Hard Power

- 1. Hard Power Over Dialogue:** At the **Shangri-La Dialogue in Singapore**, the emphasis was on **military power**, not diplomacy. U.S. Defence Secretary **Pete Hegseth** stressed that a ‘**free and open Indo-Pacific**’ is essential and condemned **Chinese hegemony**.
- 2. Worsening U.S.-China Tensions:** China reacted sharply to U.S. warnings about **Taiwan and the South China Sea**. A Chinese spokesperson warned that the **U.S. must not play with fire**, indicating **growing geopolitical instability**.

#### India's Required Strategic Reorientation

- 1. China-Pakistan Military Ties:** India must study the **deep integration of Chinese military tech** in Pakistan, including **J-10C and JF-17 jets**. The recent India-Pakistan conflict shows that **Chinese weaponry now plays a vital role in Pakistan's defense**.

2. **Preparedness for Long Wars:** India must assess its **long-term war preparedness**. The U.K.'s defense audit revealed gaps in stockpiles and command systems. India needs to develop **electronic warfare units**, **AI capabilities**, and **ammunition reserves**.

3. **Modern Warfare Lessons:** India should learn from the **Russia-Ukraine war**, where **drones**, **loitering munitions**, and **glide bombs** proved decisive. These systems must be prioritized in India's defense planning.

### Understanding China's Strategic Intent

1. **China's Security White Paper:** China's white paper defines **development and security as inseparable**, stressing the importance of **technological self-reliance** and **resilient supply chains**. It also highlights **threats from neighboring regions**, indirectly pointing to India.

2. **China's Regional Encirclement Strategy:** China's alliance with Pakistan is aimed at **strategically encircling India**. China holds a **3:1 nuclear warhead advantage** over India, and a **5:1 edge when combined with Pakistan**. This imbalance poses a **grave security threat**.

### Conclusion

India's long-held strategies of **neutrality and non-alignment** are **no longer sustainable**. The global shift toward **hard power**, **nuclear imbalance**, and **regional encirclement** by China and Pakistan demand that India **urgently reform its strategic and defense posture**.

Question for practice:

Examine how recent geopolitical developments have challenged India's traditional policy of neutrality and non-alignment.

### Gender gap in maths begins in early schooling

**Source:** The post India must rethink neutrality amid rising global tensions has been created, based on the article "**When does the gender gap emerge with respect to mathematical abilities?**" published in "**The Hindu**" on 1st July 2025

**UPSC Syllabus Topic:** GS Paper2- Issues relating to development and management of Social Sector/Services relating to Education.

**Context:** Although boys and girls begin school with similar maths abilities, a gender gap quickly emerges. A large-scale French study published in *Nature* shows this gap begins within months of formal schooling, urging timely and targeted educational interventions.

For detailed information on **Phasing out the line, 'math is not for a girl'** [read this article here](#)

### Early Emergence of the Gender Gap

1. **Equal Starting Point:** The study analysed **26.53 lakh French children** aged 5–7 between 2018 and 2022. Boys and girls showed **similar maths skills** at school entry. Slightly more boys were among both top and bottom performers.

2. **Gap After Four Months:** After just **four months**, a small but **statistically significant gap** favouring boys appeared. By the next year, boys made up **twice as many** of the top 5% performers compared to girls.

3. **Consistent Across Years and Regions:** This pattern remained **steady across four years**, in **every French region**, and across **public and private schools**, regardless of socio-economic level or family background.

4. **Larger Gap in Affluent Families:** The gap was **wider in high-income families**, especially when **both parents held scientific jobs**. This trend was not observed in language skills.

### Understanding the Underlying Causes

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1. **Not Due to Natural Differences:** Since abilities were similar at school entry, the gap is **not due to innate aptitude**. However, the descriptive nature of the data prevents causal conclusions.
2. **Effect of Anxiety and Competition:** Timed and competitive test settings may cause **greater anxiety among girls**. The study found the **gender gap widened with test difficulty**.
3. **Influence of Stereotypes:** In primary school, maths activities become explicitly labelled, possibly **activating gender stereotypes**. These may shape how children **see themselves** and their performance.
4. **Bias in Adult Expectations:** Teachers may guide girls towards reading and boys towards arithmetic, **reinforcing gender roles**. Parents may hold similar beliefs about ability.

#### Strategies for Intervention

1. **Better Teacher Training:** Encouraging teachers to **engage both genders equally** in maths and to appreciate both **effort and talent** can improve outcomes. Enhancing teachers' **maths training** is also crucial.
2. **Inspiring Role Models:** Children should see **both male and female role models** in STEM fields to build **confidence and interest**.
3. **Managing Maths Anxiety:** Girls can benefit from **self-affirmation tasks** and a focus on **growth mindset** — that intelligence is **malleable through effort**.
4. **Need for Early Action:** As the gap appears in just a few months, **early interventions** are vital to stop it from becoming permanent.

#### Question for practice:

Examine how early formal schooling contributes to the gender gap in mathematics performance among young children.

#### Thali index questions India's poverty decline

**Source:** The post Thali index questions India's poverty decline has been created, based on the article "**The thali index**" published in "**Indian Express**" on 1st July 2025

**UPSC Syllabus Topic:** GS Paper2- population and associated issues, poverty and developmental issues And GS Paper 3-food security

**Context:** The release of the 2023–24 Household Consumption Expenditure Survey by the National Statistics Office triggered widespread discussion on India's poverty levels. Reports by SBI and the World Bank suggested sharp poverty decline, prompting debate on poverty metrics, standard of living, and the future of subsidies.

For detailed information on **India's poverty reduction has significantly slowed down** [read this article here](#)

#### Official Poverty Estimates and Their Limitations

1. **Recent Estimates Suggest Sharp Decline:** The **SBI report** estimated *rural poverty at 4.86%* and *urban poverty at 4.09%* in FY24. The **World Bank report** was even more optimistic, stating *rural extreme poverty at 2.8%* and *urban at 1.1%* in 2022–23.
2. **Political and Analytical Responses:** Government supporters claimed these figures reflect policy success. Critics questioned comparability with 2011–12 due to **changes in survey methods**.
3. **Neglect of Standard of Living:** Both sides overlooked whether these numbers actually reflect an **improved standard of living** or whether the current methodology is capable of measuring it meaningfully.

#### From Calorie Intake to Thali Consumption



1. **Calorie-Based Poverty Norm:** India's official poverty line is based on **minimum calorie intake**, treating food as a source of energy needed for survival and work.
2. **Cultural and Nutritional Context:** An alternate view treats food as **nutrition and satisfaction**, shaped by culture. The **thali**—a balanced meal of rice/roti, lentils, vegetables, and possibly dairy or meat—symbolizes this.
3. **Thali as Consumption Metric:** The **thali is a culturally accepted, balanced unit** of food. Measuring affordability of thalis offers a relatable and realistic way to assess **standard of living through food**.

#### Thali-Based Assessment Findings

1. **High Food Deprivation Levels:** Using Crisil's ₹30 cost for a vegetarian thali and food expenditure data (including PDS and free welfare items), it was found that **40% of rural Indians** and **10% of urban residents** couldn't afford **two thalis a day**.
2. **Gap Between Poverty and Food Access:** These findings show **higher food deprivation** than poverty rates from SBI and the World Bank. This is because **actual food expenditure**, not total consumption, better reflects the real standard of living.
3. **Essential Non-Food Costs:** Spending on housing, transport, health, education, and communication is unavoidable. Hence, **food becomes the residual**, making thali-based analysis more realistic.

#### Policy Implications and Subsidy Reform

1. **Improved Poverty Indicator:** The **thali index** ties poverty to **actual food consumed** and aligns with calorie-based methods, offering a more grounded metric.
2. **Need for Rational Subsidy Use:** Low poverty estimates led some to suggest subsidy removal. But thali data indicates subsidies must be **rationalised, not removed**.
3. **Better Targeting of Food Subsidies:** In rural areas, the **70th percentile receives nearly the same food subsidy** as the 5th, despite being able to afford **twice as many thalis**. Subsidies should be **reduced for the better-off** and **enhanced for the deprived**.

#### Question for practice:

**Discuss** how the thali-based approach provides a more realistic measure of standard of living compared to traditional poverty estimates in India.

#### India rethinks global south aid amid financial challenges

**Source:** The post India rethinks global south aid amid financial challenges has been created, based on the article "**Rephrasing global development finance**" published in "**The Hindu**" on 3rd July 2025

**UPSC Syllabus Topic:** **GS Paper2-** Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

**Context:** India's development cooperation with the Global South is evolving amid shifting global financial dynamics, shrinking foreign aid, and rising debt crises. With budgetary constraints and geopolitical complexities impacting traditional aid, India is reassessing its strategies and proposing a balanced, sustainable model of engagement.

For detailed information on **India and Global South** [read this article here](#)

#### India's Expanding Development Cooperation

1. **Rising Development Assistance:** India's development support has grown significantly, from around **\$3 billion in 2010–11** to nearly **\$7 billion in 2023–24**. This reflects a deliberate policy effort to strengthen engagement with the Global South.

2. **Key Modalities of Engagement:** India uses five main instruments for cooperation: **capacity building, technology transfer, market access, grants, and concessional finance**. Among them, concessional **Lines of Credit (LoCs)** under the Indian Development and Economic Assistance Scheme (IDEAS) have been the most prominent.

3. **Balanced Framework Proposal:** At the **third Voice of Global South Summit (VoGS)** in 2024, Prime Minister Modi proposed a **Global Development Compact**, promoting a **harmonious balance** among the five modalities. India may also expand **third-country partnerships** to enhance reach and impact.

### Reassessing Lines of Credit

1. **Limitations of Credit-based Support:** India has been borrowing from global capital markets and extending credit at concessional rates to partner countries, absorbing the interest rate gap. However, due to the **rising global liquidity crisis** and poor repayment capacities, this model has become less viable.

2. **Clear Policy Signal from Finance Ministry:** The **2025–26 budget** clearly reflects the Ministry of Finance's concern, signalling a shift away from LoCs as a major tool of engagement.

3. **Strategic Shift Opportunity:** Given the limitations in global markets, India has the opportunity to realign its engagement strategy by adopting **lower-risk modalities** and forming **deeper, more stable partnerships**.

### Global Aid and Debt Crisis

1. **Declining Traditional Assistance:** Major ODA providers like **USAID** and the **UK's FCDO** are facing internal budget constraints. The **OECD's DAC**, which traditionally shaped development assistance norms, is losing influence.

2. **Sharp Fall in ODA Flows:** Global ODA is projected to fall from **\$214 billion in 2023** to **\$97 billion**, a nearly **45% reduction**. This contraction affects many low-income countries already facing fiscal stress.

3. **Mounting Debt and Reduced Access to Funds:** Several developing nations, amid ongoing crises and economic shifts, are struggling with debt and lack access to sufficient external financing, threatening **development progress**.

4. **SDG Financing Gap:** The estimated investment needed to meet the **Sustainable Development Goals (SDGs)** has grown from **\$2.5 trillion in 2015** to **over \$4 trillion in 2024**. The pandemic and other global shocks have disrupted progress, and **borrowing has become costlier and unpredictable**.

### Exploring Triangular Cooperation

1. **Pooling Resources with Like-minded Nations:** There is rising interest in **triangular cooperation** models, where countries jointly support development in third nations. This offers a collaborative and resilient alternative.

2. **Growth of Non-DAC Flows:** Development finance from **19 non-DAC countries** reporting to the OECD increased from **\$1.1 billion in 2000** to **\$17.7 billion in 2022**, showing their growing role.

3. **Successful Collaborative Experiences:** Countries such as **Indonesia and Brazil** have partnered with **Japan and Germany** to implement projects in other nations, showcasing a viable model of cooperation.

**4. India's Potential Role:** India can engage in such frameworks, **leveraging its development experience** to create deeper and more effective partnerships.

**Question for practice:**

**Examine** how India's approach to development cooperation with the Global South is evolving in response to global financial challenges and declining traditional aid.

**Palliative care must be strengthened in India**

**Source:** The post Palliative care must be strengthened in India has been created, based on the article "**Integrating compassion, prioritising palliative care**" published in "**The Hindu**" on 3rd July 2025

**UPSC Syllabus Topic:** GS Paper2- Issues relating to development and management of Social Sector/Services relating to Health.

**Context:** Millions in India endure avoidable suffering due to the lack of palliative care. Despite its ability to provide comfort and dignity during terminal illness, this form of care remains underfunded and underused. The article explores the barriers, current efforts, and urgent need for its integration into India's health-care system.

For detailed information on **Palliative care** [read this article here](#)

**Understanding the Role and Scope of Palliative Care**

**1. Definition and Purpose:** Palliative care is specialised support that addresses a patient's physical, emotional, social, and spiritual needs. Unlike curative treatment, it focuses on *relieving pain, reducing suffering, and improving quality of life* for patients and families.

**2. Global and Indian Demand:** According to the **WHO**, *40 million people globally* need palliative care each year, with *78% in low- and middle-income countries*. Yet only *14% receive it*. In India, an estimated *7 to 10 million people* need it annually, but only *1%-2% have access*.

**3. Growing Need with Non-Communicable Diseases:** Rising cases of cancer, diabetes, and chronic respiratory diseases increase the demand. India's overburdened health-care system requires palliative care to *minimise hospital visits and reduce emotional and financial burdens* on families.

**Challenges Hindering Palliative Care in India**

**1. Unequal Access Despite Policy Inclusion:** The inclusion of palliative care in the **National Health Policy 2017** was significant. However, access remains *uneven*, especially in *rural and low-income areas*. An estimated *7.2 million Indians* need such care each year, but *systemic inefficiencies persist*.

**2. Shortage of Specialised Professionals:** Although India's doctor-population ratio is *1:834* (better than WHO's *1:1000* norm), *very few doctors are trained in palliative care*. This hampers pain management and end-of-life services.

**3. Limited Resources and Awareness:** *Inadequate funding*, poor infrastructure in tertiary care, and *low public awareness* hinder timely care. Misconceptions lead to *delayed or no access* to these essential services.

**Integrating Palliative Care into Medical Education and Workforce**

**1. Curriculum Integration for Doctors:** Adding palliative care to the *MBBS curriculum* can train doctors in compassion and terminal care. Initiatives by **AIIMS** and **ICMR** reflect gradual improvements.

**2. Empowering Health-Care Workers:** With *34.33 lakh nurses* and *13 lakh allied health professionals*, India has a strong base. *Task-shifting*—training this workforce—can expand access, especially in underserved areas.



**3. Policy-Level Support and Insurance:** Governments should *allocate funds*, improve infrastructure, and ensure *palliative care is included in schemes like Ayushman Bharat*. Collaboration with NGOs and private bodies can accelerate delivery.

### Raising Awareness and Learning from Global Models

**1. Promoting Public Understanding:** Awareness campaigns can *clarify the scope* of palliative care. It is not just end-of-life care, but also includes *pain relief and psychological support* during chronic illness. *Educating communities* early can lead to timely care and influence policy reform.

**2. Adapting Global Best Practices:** The **U.S. model** demonstrates how strong *funding, insurance, and hospice care* support quality end-of-life services. India can draw lessons while adapting them to its *economic, demographic, and cultural realities*.

**3. Towards a Comprehensive Reform Agenda:** *Evidence-based, context-sensitive strategies* are crucial to improve palliative care. India must adopt a *multi-pronged approach*: integrate palliative care in *medical education*, empower allied health professionals through *task-shifting*, invest in *public infrastructure*, and raise *awareness*. This will ensure *compassionate, patient-centered care* and reduce the burden on families and the health-care system.

### Question for practice:

**Discuss** the major challenges and necessary reforms for integrating palliative care into India's health-care system.

### India must fix weak trade and investment fundamentals

**Source:** The post India must fix weak trade and investment fundamentals has been created, based on the article "**Fragility in current account surplus**" published in "**Businessline**" on 3rd July 2025

**UPSC Syllabus Topic:** GS Paper3-Economy-mobilisation of resources, growth, and development.

**Context:** India recorded a \$13.5 billion current account surplus in Q4FY25, equal to 1.3% of GDP. While this appears positive, it conceals deeper structural vulnerabilities in trade performance, investment flows, and domestic economic health, raising concerns about sustainability.

### Services-led Growth and its Structural Weakness

**1. Overdependence on Services and Remittances:** The surplus is largely driven by a 25% surge in net services exports, touching \$188.8 billion in FY25, and a 16.6% rise in remittances. In Q4 alone, business services rose 112% and remittances grew 9.7%. This indicates that India's external strength rests on sectors highly sensitive to global trends.

**2. Skewed Export Structure:** Services now make up 47% of total exports, while goods exports have declined to 53%—a 35-year low. This shift reflects India's rising reliance on global service demand rather than a balanced export portfolio.

**3. Stagnation in Manufacturing:** Despite policy efforts—Make in India, PLIs, FTAs, and tax cuts—manufacturing's share in GVA fell to 13.9%, a 66-year low, down from 20% in FY96. India's failure to boost manufacturing hampers job creation and limits resilient export capacity.

**4. High Merchandise Trade Deficit:** The merchandise trade deficit widened to \$287 billion in FY25, or 7.3% of GDP. In Q4, it narrowed slightly to \$58.7 billion, yet exports contracted 4.3% while imports grew 1.2%, exposing structural inefficiencies in trade competitiveness.

### Signs of Declining Trade Integration

**1. Post-Covid Gains Reversing:** Since FY23, both exports and imports have been nearly flat, with CAGR at -0.13% and -0.19%, respectively. The merchandise trade-to-GDP ratio dropped from 37% in Q2FY23 to 28%, while overall trade-to-GDP fell from 52.6% to 43.2%, marking a retreat from global market integration.

**2. Remittance Vulnerability:** Although remittances rose 17% in FY25, they remain vulnerable to global labour market disruptions. Overreliance on them adds risk, as external shocks in key remittance-sending nations can quickly destabilize India's current account.

**3. CAD Risk Amid Global Uncertainty:** With merchandise exports weakening and services susceptible to global slowdowns, India risks slipping back into a current account deficit if international conditions worsen.

### Deteriorating Capital Inflows

**1. Sharp Decline in FDI and FPI:** Net capital inflows fell 81% in FY25 to \$16.7 billion. Net FDI dropped 90% to \$0.95 billion, its lowest since FY01, while FPI declined to \$3.56 billion. This shows diminishing investor confidence in India's long-term growth story.

**2. Rising Repatriation:** Gross FDI rose to \$81 billion, but repatriation climbed 16% to \$51.5 billion. The repatriation-to-gross FDI ratio surged to 63.5%—up from 22% in FY15—signalling growing exit by foreign investors. Total repatriation, including income, reached \$104 billion, surpassing inflows.

**3. Dependence on External Commercial Borrowing:** ECBs rose fivefold to \$7.8 billion in Q4FY25, with NBFCs accounting for 43% in FY25. This reflects tight domestic liquidity and increasing reliance on external debt to meet funding needs.

### Policy Imbalance and Domestic Weakness

**1. Conflicting Economic Policies:** India's policy mix—fiscal tightening alongside monetary easing—aims to contain deficits while boosting consumption. But it ignores structural gaps like low private investment and stagnant income growth, weakening domestic demand.

**2. Chronic Economic Fragility:** Slow credit growth and low capital expenditure reflect a fragile domestic base. Despite stimulus, private sector response remains muted, affecting job creation and GDP momentum.

**3. Urgent Need for Structural Reforms:** Monetary levers alone cannot fix deep-rooted issues. India must rebalance growth toward manufacturing, enhance competitiveness, and build investor trust through coordinated policy action.

### Conclusion

India's Q4FY25 surplus masks deep concerns—a **weakening manufacturing base, volatile capital flows, excessive dependence on services and remittances, and an incoherent policy environment**. Sustainable growth demands bold structural reforms to strengthen domestic fundamentals and reduce external vulnerabilities.

### Question for practice:

**Examine** the structural weaknesses in India's external sector that are hidden behind the current account surplus in Q4FY25.

### Growing US imperialism challenges India and global order

**Source:** The post Growing US imperialism challenges India and global order has been created, based on the article "Is U.S. imperialism a threat to the world?" published in "The Hindu" on 4th July 2025

**UPSC Syllabus Topic:** GS Paper2- Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

**Context:** This article reflects on rising **U.S. imperialism**, especially after Trump's return. It highlights **violations of international law**, growing **global power rivalry**, India's shifting foreign policy, and the emerging role of the **Global South** in a changing world order.

### U.S. Imperialism and Global Aggression

- 1. Unilateral Military Actions:** The **U.S. attack on three Iranian nuclear facilities**, during the Israel-Iran war, violated international law. This continues a pattern of **unauthorized interventions**, including in **Iraq and Afghanistan**.
- 2. Trump's Assertive Agenda:** Trump's '**America First**' approach reflects a **response to declining U.S. dominance** and the **neoliberal crisis**. His focus is on **reviving American hegemony**, even at the cost of traditional alliances.
- 3. Hegemony Without Restraint:** The U.S. is now **violating the very international order it helped establish in 1945**. Its **use of power is often random and reckless**, without strategic coherence.

### Rise of China and Strategic Rivalry

- 1. Challenge to U.S. Dominance:** China's **economic strength, technological growth, and global influence** have made it the key challenger to U.S. power. This **strategic competition** began before Trump.
- 2. Global Power Shift:** With the **U.S. economy at \$30 trillion** and **China at \$20 trillion**, a **new Cold War** is taking shape. A **U.S.-China consensus** could limit the influence of other powers like **India**.
- 3. Focus on Asia-Pacific:** Trump may **reorient U.S. strategy to the Asia-Pacific**. Previous tactics like **tariff wars** failed, as **China stood firm**. The **U.S.-China rivalry** will dominate global affairs.

### India's Strategic Dilemma in a Polarized World

- 1. Erosion of Strategic Autonomy:** India's **deepening ties with the U.S. and Quad** show a shift. It **avoided condemning U.S. and Israeli attacks**, indicating **reduced foreign policy independence**.
- 2. Balancing Security Needs:** Facing **territorial tensions with China**, India needs support from **the U.S., Russia, and France**. But **dependence may compromise sovereignty and autonomy**.
- 3. Costs of Alignment:** After the **Pahalgam attack**, Trump claimed credit for resolving tensions with Pakistan. Such **interference risks India being treated like a dependent ally**, limiting **multipolar opportunities**.

### BRICS, SCO, and the Global South

- 1. Weakness of Regional Forums:** The **SCO is dominated by China**, while **BRICS lacks internal coherence**, making them weak platforms for global action.
- 2. Need for Clear Positions:** India must **oppose aggression against BRICS members**. **Strategic neutrality** weakens **Global South solidarity** and India's credibility in multilateral forums.
- 3. Alignment Undermines Representation:** India's **strategic bond with the U.S.** reduces its ability to **advocate for Global South interests**, affecting its role in a **multipolar world**.

### The Future of the Global South

- 1. Consequences of U.S. Policies:** Trump's trade wars and tariffs will harm Global South economies, leading to job losses and financial instability.
- 2. Failure of Multilateralism:** With traditional institutions failing, mini-lateralism and South-South cooperation must emerge to tackle issues like debt and climate change.
- 3. India's Leadership Opportunity:** India must strategically engage with the Global South to address economic and environmental challenges. A clear and independent policy is needed to counter U.S. hegemony.

**Question for practice:**

**Examine** how the resurgence of U.S. imperialism under Donald Trump impacts global power dynamics and India's strategic autonomy.

**Cooperatives and MSMEs together strengthen India's economic foundation**

**Source:** The post Cooperatives and MSMEs together strengthen India's economic foundation has been created, based on the article "How cooperatives can boost MSME potential" published in "Businessline" on 4th July 2025

**UPSC Syllabus Topic:** GS Paper3-Economy- Industries (MSMEs)

**Context:** On July 5, 2025, India celebrates the International Day of Cooperatives alongside four years of the Ministry of Cooperation. The article highlights the role of cooperatives and MSMEs in promoting community-led economic development, with a focus on the PM Vishwakarma scheme.

For detailed information on **Steps to Reclaiming India's Cooperative Dream** [read this article here](#)

**The Expanding Role of Cooperatives in India**

- 1. Community-Based Economic Systems:** Cooperatives are built on mutual support and collective ownership. They aim to ensure **equity, self-reliance, and grassroots participation**. They serve as tools for **socio-economic and political empowerment**, enabling communities to manage resources and production.
- 2. Successful Models and Economic Presence:** India has notable cooperative giants like **Amul, IFFCO, Kribhco, and NAFED**. With **8.14 lakh cooperatives** and a **29 crore membership base**, India leads globally in cooperative presence.
- 3. Sectoral Engagement and Contribution:** About **20%** of cooperatives operate in banking; the rest are active in **fisheries, dairy, housing, logistics, agro-processing**, and more. **Housing, dairy, and credit** account for **54%** of total societies. **PACS** disburse **15% of short-term farm credit** to **13 crore farmers**, and cooperatives manage **30% of sugar, 35% of fertilizer, 20% of paddy, and 13% of wheat procurement**.
- 4. Employment and Rural Development:** Cooperatives contribute to **13.3% of direct employment** in India. Their outreach in rural areas boosts credit access, procurement services, and economic decentralization.

**MSMEs as Drivers of Inclusive Growth**

- 1. Economic Backbone and Policy Support:** MSMEs are vital to India's economy. The **MSME Development Act, 2006** structured their growth. Between **2020-2025**, definitions were revised to include **turnover-based criteria**.



**2. Contribution to Economy and Jobs:** Of **6.24 crore registered MSMEs**, the majority are micro-units. These enterprises employ **26 crore people**, contribute **33% to GDP**, and account for **48% of exports**. Among them, **34,897 are cooperative MSMEs**.

**3. Linking to Schematic Benefits:** Identifying MSME activities helps link them to **government schemes**, improving access to **finance, technology, training, and markets** for targeted support.

**4. Complementing Cooperatives:** Both MSMEs and cooperatives aim at **employment generation and self-reliance**. Their convergence strengthens **inclusive development** from the bottom up.

#### PM Vishwakarma Scheme and Traditional Artisans

**1. Recognising Traditional Skills:** Launched on **September 17, 2023**, the scheme supports skilled artisans like **carpenters, potters, blacksmiths**, and others. These trades are passed down through the **mentor-disciple tradition**.

**2. Targeted Support and Formalisation:** The scheme provides **training, financial aid, and market access**. It encourages **digital inclusion and product quality improvements**.

**3. Cooperatives as a Delivery Mechanism:** Forming **cluster-level cooperatives** among artisans enables **shared resources, collaboration**, and structured growth. It integrates artisans into **value chains and formal systems**.

**4. End-to-End Support:** PM Vishwakarma offers **complete support** to help artisans improve skills, productivity, and **living standards**.

#### Artisan Cooperatives and Collective Growth

**1. Collaborative Production and Marketing:** Artisan cooperatives enable members to **combine diverse skills** and produce quality products. **Shared tools and infrastructure** reduce costs and enhance efficiency.

**2. Access to Credit and Infrastructure:** Cooperatives help artisans **access credit**, invest in shared assets, and expand their businesses while reducing individual financial pressure.

**3. Skill Development and Innovation Ecosystem:** They promote **training, innovation**, and resource sharing. Artisans receive continuous guidance and growth opportunities.

**4. Stronger Representation and Branding:** Cooperatives aid in **branding, certification, and e-commerce integration**, while also representing artisan interests in forums.

#### The Road Ahead for Cooperative MSMEs

**1. Towards Viksit Bharat@2047:** Cooperative MSMEs can reshape industry and support **Viksit Bharat@2047**, thanks to their scale and outreach.

**2. Institutionalising Artisan Cooperatives:** District-level registration and **awareness campaigns** are key to mobilising PM Vishwakarma-trained artisans.

**3. Continuous Monitoring and Feedback:** Regular **monitoring and feedback mechanisms** will improve cooperative performance and further the goal of **Sahkar Se Samriddhi**.

#### Question for practice:



**Discuss** how cooperatives and MSMEs together can promote inclusive and sustainable economic development in India.

### **India restricts jute flax imports to one seaport only**

**Source:** The post India restricts jute flax imports to one seaport only has been created, based on the article “**India’s jute import curbs and their implications**” published in “**Businessline**” on 4th July 2025

**UPSC Syllabus Topic:** GS Paper2-India and its neighbourhood- relations. And GS paper3-Economy- Trade policy

**Context:** India’s recent move to restrict imports of jute and flax products from Bangladesh to a single seaport signals a shift in trade policy. Though aimed at quality control, this decision may strain the strong trade ties between the two neighbours.

#### **Shift in Import Policy and Its Immediate Impact**

- 1. Restriction to Nhava Sheva Seaport:** The DGFT has restricted key jute and flax imports to **Nhava Sheva Seaport (JNPT)**, cutting off access via land ports like **Petrapole** and **Gede**, long used for cross-border trade.
- 2. Stated Rationale: Quality and Compliance:** The restriction aims to ensure **uniform inspection, traceability**, and **better quality control** using seaport infrastructure.
- 3. Disruption of Traditional Trade Routes:** Bangladeshi exporters, who rely on **land-based logistics**, now face operational challenges, increased costs, and delivery delays.

#### **Economic Significance of Jute Trade**

- 1. Growth in Jute Imports:** Bangladesh benefits from **duty-free access** under **SAFTA** and **India’s DFTP scheme**. Raw jute imports rose from **\$3.26 million in 2020** to **\$9.43 million in 2022**, and remained at **\$8.64 million in 2024**.
- 2. Concerns Over Compliance:** The sharp rise triggered concerns over **under-invoicing, misclassification**, and use of **poorly monitored land ports**.
- 3. Anomalies in Flax Yarn Imports:** Flax yarn imports rose from **\$95,107 in 2020** to **\$3.88 million in 2021**, but fell to **\$1.41 lakh in 2023**, prompting further regulatory scrutiny.

#### **Broader Policy Realignment by India**

- 1. From Trade Liberalisation to Management:** India is shifting from **liberalisation** to **controlled trade**, focusing on **valuation accuracy** and **domestic interest protection**.
- 2. Withdrawal of Trade Concessions:** India revoked **transshipment benefits** and delayed projects like the **Akhaura–Agartala rail link**, tightening control over logistics.
- 3. Pushing for Formalisation:** The aim is to move towards a **formal, rule-based framework**, possibly through a **Comprehensive Economic Partnership Agreement (CEPA)**.

#### **Geopolitical and Diplomatic Considerations**

- 1. Risk to Bilateral Trust:** India enjoys a **trade surplus** (FY24 exports: **\$13.3 billion**, imports: **\$2.7 billion**), yet **unilateral actions** could erode goodwill.
- 2. Need for Engagement:** Trade regulation must be backed by **transparent dialogue** and **institutional cooperation**.

## Way Forward

A balanced approach involves **CEPA talks**, **shared inspection systems**, and **consultation** to ensure **resilient trade ties**.

## Question for practice:

**Discuss** how India's recent port restriction on jute and flax imports from Bangladesh reflects a shift in its trade policy and its potential impact on bilateral trade relations.

## India's inflation targeting framework has delivered stable outcomes

**Source:** The post India's inflation targeting framework has delivered stable outcomes has been created, based on the article "**Easy regime to communicate**" published in "**Financial Express**" on 5th July 2025

**UPSC Syllabus Topic:** GS Paper2- Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

**Context:** India adopted a **Flexible Inflation Targeting (FIT)** framework in 2015–16 to improve the effectiveness of its monetary policy. This article reviews the regime's performance over the past decade and discusses its future direction amid evolving macroeconomic conditions.

For detailed information on **Inflation Management in India- Challenges and Way Forward** [read this article here](#)

## Challenges of Pre-FIT Monetary Policy

1. **Weak Transmission Mechanism:** In the pre-FIT era, India's monetary policy faced **limited effectiveness** due to **fiscal dominance**, a **large informal sector**, and **rigid bank lending practices**.

2. **Institutional Reforms for Support:** In the last decade, **RBI, the government, and banks** have made significant efforts to address these constraints, paving the way for a more responsive policy system.

## Performance of FIT Over the Decade

1. **Inflation Stability:** Since adopting FIT, **CPI and core inflation** have mostly stayed within the **2–6% band**, except during the **COVID-19 period**, when supply shocks and liquidity infusion pushed inflation above the target.

2. **Anchoring Expectations:** Despite occasional breaches, **inflation expectations remained anchored**, especially until mid-2023, after which a **rapid correction** followed.

3. **Effective Flexibility in Practice:** The RBI's flexible approach—**tolerating temporary breaches**—worked well given the **forecasting uncertainties** and **policy transmission lags**.

4. **Global Benchmarking:** Between **2021–2024**, India had one of the **lowest deviations** from its inflation target among major economies, reinforcing FIT's credibility.

## Key Factors Behind FIT's Effectiveness

1. **Macro Stability with Flexibility:** Like Australia, India used monetary policy to **stabilize output** while containing inflation. Average **headline and food inflation remained at 4.9%**.

2. **Anchored Long-Term Expectations:** Post-2016, **expectations became less reactive** to short-term inflation sentiment, showing the **impact of FIT on credibility**.

3. **Food Inflation's Role:** Studies confirm that **food-price shocks** can **de-anchor expectations** and influence core inflation, supporting the case for targeting **headline CPI** over core.

## Debates on FIT's Future

1. **Diverging Proposals:** Some suggest shifting to **core inflation targeting**; the **Economic Survey** echoes this view, but an **RBI internal committee** recommends retaining the current framework.
2. **Issues with Core CPI Targeting:** Core CPI includes **services like education, healthcare, and non-discretionary items** that are less responsive to policy changes and may distort guidance.
3. **Communication Advantage of CPI:** CPI is **easier to communicate** and more relatable for the public, helping **anchor expectations** more effectively than core CPI.

#### Recommendations Going Forward

1. **Maintain the Current Band:** The current target of **4% with a  $\pm 2\%$  band** is **suitable**. Narrowing it may conflict with **external sector realities**.
2. **Avoid Drastic Changes:** Given the RBI's **gained credibility**, any major shift now could be **counterproductive**, especially amid **high policy uncertainty**. FIT should continue until **2031**, with changes only if **clearly justified and communicated**.

#### Question for practice:

**Discuss** the effectiveness of India's Flexible Inflation Targeting (FIT) framework over the past decade and the key considerations for its future direction.

#### Legal Privilege is Questioned After ED Summons Advocates

**Source:** The post Legal Privilege is Questioned After ED Summons Advocates has delivered stable outcomes has been created, based on the article "**Limits of professional privilege**" published in "**Financial Express**" on 5th July 2025

**UPSC Syllabus Topic:** **GS Paper2-** Structure, organisation and functioning of the Executive and the Judiciary And Statutory, regulatory and various quasi-judicial bodies.

**Context:** The Enforcement Directorate's (ED) summons to senior advocates Arvind Datar and Pratap Venugopal, over their advisory roles in a corporate probe, sparked sharp opposition from India's legal fraternity. This incident has triggered a vital debate—**should legal professionals be shielded from investigative scrutiny due to professional privilege?**

#### Background of the Controversy

1. **Questionable Grant of Esops:** In November 2023, InGovern Research flagged the issuance of Esops by Care Health Insurance to Rashmi Saluja, despite **explicit rejection by the IRDAI**. Saluja received **over ₹7,400 crore worth of Esops**, accounting for **more than 80% of the total**, which was seen as contrary to shareholder interests and the law.
2. **Advisory Roles of Advocates:** ED summoned Datar and Venugopal under **Section 50 of the PMLA** due to their advisory roles. Notably, **Venugopal was also an independent director** at Care Health Insurance, giving him access to non-legal operational information.
3. **Legal Community's Objection:** The legal fraternity protested, citing **attorney-client privilege**, and accused the ED of **overreach**, warning it could **undermine professional independence**.

#### Re-examining Attorney-Client Privilege

1. **Privilege Has Legal Limits:** India's new **Bhartiya Sakshya Adhiniyam, 2023** states that **communications used to further illegal acts or fraud** are not protected. **Privilege cannot be misused as a shield for misconduct**.

2. **Global Legal Norms:** International laws also support **exceptions to privilege** where it might aid wrongdoing, ensuring that legal confidentiality does not **become a cover for impunity**.

3. **PMLA's Broad Mandate:** Section 50 of the PMLA allows ED to summon **"any person"** with relevant knowledge. **There is no exception for lawyers**, reinforcing Parliament's intent for **unrestricted but lawful access** to facts.

### Lawyers and Their Multiple Capacities

1. **Dual Professional Roles:** Venugopal was more than legal counsel—he also had a **board-level role**. Lawyers in such dual roles hold information that is **not necessarily protected by privilege**.

2. **Separating Counsel from Governance:** It is essential to **differentiate between legal advice and executive functions**. Otherwise, operational facts could be **wrongly hidden under privilege**.

### Judicial Perspective and Legal Precedent

1. **Courts Clarify Scope of Privilege:** Indian courts have repeatedly held that **privilege is a safeguard, not a sanctuary**. It should **not obstruct legitimate investigations**.

2. **Permissibility of Regulator Access:** Regulatory bodies are allowed to **interact with lawyers within legal limits**, affirming that **lawful scrutiny is not a violation of privilege**.

### ED's Withdrawal and Its Consequences

1. **Signals of Unequal Treatment:** The ED's prompt withdrawal may suggest that **professional prominence can derail investigative process**, thereby **undermining institutional fairness**.

2. **Necessity of Cooperative Engagement:** **Protecting privilege should not mean avoiding all scrutiny**. **Lawful cooperation** on factual and procedural matters enhances both **transparency and trust**.

### Conclusion

1. **Justice Over Immunity:** Lawyers are responsible to both clients and the justice system. **Privilege must not translate into investigative immunity**.

2. **Call for Balanced Conduct:** **Transparent, legal cooperation** with authorities ensures **accountability** while safeguarding the **integrity of legal privilege** and institutional legitimacy.

### Question for practice:

**Examine** whether attorney-client privilege can be an absolute protection against investigative scrutiny in cases involving alleged financial misconduct.

### India balances global roles through Brics and G7 engagement

**Source:** The post India balances global roles through Brics and G7 engagement has been created, based on the article **"Brics in Rio is an opportunity for New Delhi"** published in **"The Hindustan Times"** on 5th July 2025

**UPSC Syllabus Topic:** GS Paper2- Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

**Context:** India is navigating two global groupings—G7 and Brics—within a short span, highlighting its growing importance in world affairs. As Prime Minister Modi prepares for the 17th Brics Summit in Brazil, the article reflects on the contrasting settings, evolving dynamics, and India's expanding influence within these forums.

From detailed information on **India balances BRICS Quad and neighbours through strategic realism** [read this article here](#)



## India's Dual Engagement with G7 and Brics

1. **Contrasting Roles and Perceptions:** At the G7 Summit in Canada, India remained on the periphery, not fully accepted as an equal. In contrast, Brics is a platform where India is a founder and active insider, underscoring different global approaches towards India.
2. **Political Atmosphere and Diplomatic Climate:** India's Brazil visit faces no tensions—unlike Canada, where political strains, anti-India protests, and unsolicited mediation proposals overshadowed the summit. The relaxed atmosphere in Brazil signals India's comfort in Brics.
3. **Symbolic and Strategic Differences:** Brazil will confer its highest civilian honour on Modi, reflecting deeper ties. In contrast, Canada's reception was more formal, lacking strategic warmth.

## Challenges from the US and Brics Expansion

1. **US Resistance and Trump's Position:** President Trump declared Brics "dead" and warned of suspending trade or imposing 100% tariffs if it challenged the dollar. He portrayed Brics as hostile to US interests.
2. **Membership Growth and Strategic Irony:** Brics now includes **11 members, 13 Partner countries, and over 30 aspirants**. Many are close US allies with strong trade ties, revealing a global push for strategic balance.
3. **Reaction to Dollar Weaponisation:** Countries argue that the **weaponisation of the dollar** has forced them to hedge risks and seek alternatives—not out of confrontation, but economic necessity.

## The Enduring Appeal and Purpose of Brics

1. **Resilience Against Western Scepticism:** Brics has survived **16 years of criticism** and today holds **40% of global economy (PPP)**. India and China alone account for over half its population.
2. **Shift Towards Multipolarity:** Brics reflects a deeper **structural shift** towards a multipolar world. It gives voice to diverse nations, wary of another Cold War and seeking balanced global influence.
3. **G7 Overlap and Global Division:** Though G7 and Brics are economically integrated, their **separate identities** reflect a **divided and suspicious world**.

## India's Role and Strategic Posture in Brics

1. **Consistent Engagement and Rising Influence:** India has attended all Brics summits since 2009. Its economy has grown from **\$1.3 trillion to over \$4 trillion**, increasing its weight in the grouping.
2. **Voice of the Global South:** India has raised key issues like **terrorism, climate justice**, and UN reforms. It offers practical solutions without pushing Brics into geopolitical agendas.
3. **Pragmatic Currency Approach:** India does not promote de-dollarisation blindly. It supports **greater rupee use** in trade but remains realistic about alternatives to the dollar.

## Way forward

1. **Chairmanship and Leadership Space:** India will chair Brics next year. With the **Chinese President absent** and the **Russian President attending virtually**, Modi has a chance to shape the group's direction.



2. **Stability in Uncertain Times:** With rising global risks and weak investor confidence, Brics can help promote **stability and dialogue** over conflict and division.

### Question for practice:

Examine how India's role within Brics reflects its evolving position in global geopolitics.

### India debates genetically modified crops amid global trade pressure

**Source:** The post India debates genetically modified crops amid global trade pressure has been created, based on the article "**Fields of the future**" published in "**The Indian Express**" on 7th July 2025

**UPSC Syllabus Topic:** GS Paper3- marketing of agricultural produce and issues and related constraints; And issues of buffer stocks and food security.

**Context:** As the July 9 deadline for trade talks with the US nears, pressure is increasing on India to open its agriculture sector to genetically modified (GM) crops. India's firm stance, citing concerns over **farmer livelihoods and food safety**, may hinder progress in finalising the deal.

For detailed information on **The Ongoing Debate on Genetically Modified Crops in India** [read this article here](#)

### India's Current GM Crop Status

1. **Bt Cotton's Presence in the Food System:** India's only approved GM crop is **Bt cotton**, allowed in 2002 under the Vajpayee government. **Over 90%** of India's cotton area uses Bt cotton. While meant for textiles, its **seed is fed to cattle** and **oil is consumed by humans**, indicating GM material already exists in the food chain.

2. **Past GM Feed Imports:** India previously imported **GM soya and corn** for poultry feed, further proving that GM elements have long entered the system, though indirectly.

### The Cotton Boom and Its Decline

1. **2002-2014: A Period of High Growth:** Bt cotton led to a massive jump in production—from **13.6 million bales in 2002-03** to **39.8 million bales in 2013-14**. **Productivity rose by 87%**, and Gujarat experienced over **8% agri-GDP growth**. India became the **second-largest cotton producer and exporter**, with **\$4.1 billion** in net exports during 2011-12.

2. **Post-2015 Decline:** Since 2015, productivity has dropped from **566 kg/ha to 436 kg/ha** by 2023-24, far below the **global average of 770 kg/ha**, and much less than **China's 1,945 kg/ha** and **Brazil's 1,839 kg/ha**. Production has declined by **2% annually**, mainly due to **pest outbreaks** and **regulatory hurdles** preventing next-generation seeds.

### The Rise of Illegal HT-Bt Cotton

1. **Unapproved Yet Widely Adopted:** **HT-Bt cotton**, tolerant to glyphosate, was never cleared officially. Still, it now covers **15-25%** of cotton acreage in states like Gujarat and Maharashtra, as **farmers seek solutions** to pest resistance.

2. **Consequences of Unregulated Spread:** These seeds, being illegal, offer **no legal protection** to farmers, while hurting **legitimate seed firms**. The shadow seed market undermines regulation, revealing a **gap between policy and reality**.

### Policy Barriers and Innovation Slowdown

1. **Deterrents to R&D Investment:** The **2015 Cotton Seed Price Control Order** cut Bt cotton royalties sharply. By 2018, **trait fees dropped to Rs 39 per packet**, making R&D unviable. Further caps in **2016 and 2020** discouraged global biotech players from investing in India.

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2. **Lost Opportunity:** From 2003 to 2021, policy delays driven by **activist opposition** blocked innovation. As a result, cotton exports declined, and by **2024-25**, India became a **net importer of raw cotton**, with imports worth **\$0.4 billion**.

### Broader GM Crop Paralysis

1. **Bt Brinjal and GM Mustard in Limbo:** Despite GEAC approval, **Bt brinjal (since 2009)** and **GM mustard (cleared in 2022)** await commercial release. Regulatory delays and legal hurdles have kept them from reaching farmers.

2. **Impact on Innovation and Imports:** This prolonged stagnation has blocked **crop innovation**, increased **import reliance**, and weakened India's biotech edge.

### The Way Forward

1. **Need for Strong, Science-Based Leadership:** India needs bold leadership guided by science. PM Modi's slogan "Jai Anusandhan" and the **Rs 1 lakh crore RDI fund** are encouraging. But real change requires **commercial rollout of biotech crops** like **HT-Bt cotton**, **Bt brinjal**, **GM mustard**, and others.

2. **Biotech as a Rural Growth Engine:** As Vajpayee said, **what IT is to India, BT is to Bharat**. Gene technology can revive rural prosperity and secure India's agricultural future.

### Question for practice:

**Examine** the reasons behind India's resistance to commercial adoption of genetically modified crops despite their proven benefits in cotton production.

### Middle East wars shape oil markets and fragile peace

**Source:** The post Middle East wars shape oil markets and fragile peace has been created, based on the article "When peace is a pause" published in "The Indian Express" on 7th July 2025

**UPSC Syllabus Topic:** GS Paper2-Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

**Context:** This article reflects on five decades of Middle East conflicts and their impact on oil markets and global geopolitics, as experienced firsthand by the author. The narrative traces personal involvement in the petroleum sector and examines how wars, driven by individual ambitions, often ignore deeper humanitarian and ideological roots.

### Personal Encounters with Oil and War

1. **Origins of Interest and Early Career:** The author's interest in petroleum began during the **1973 Yom Kippur War**, which led to a **four-fold surge in oil prices** and global stagflation. This led to a thesis on Iran's barter trade and a job with **Phillips Petroleum in London** in 1980.

2. **Iranian Revolution and US Involvement:** The **1979 Iranian Revolution** doubled oil prices again. The **Iran-Iraq War** followed soon after. In **1988**, the U.S. sank an Iranian frigate during **Operation Praying Mantis**, a reminder of the vulnerability of the **Strait of Hormuz**, through which **20% of global crude oil** and **one-third of LNG** pass.

3. **On Ground During the Gulf War:** In 1990, during **Saddam Hussein's invasion of Kuwait**, the author was working with Shell in London. He was sent to the war zone to help evacuate staff from a refinery in Saudi Arabia. He witnessed **panic driven by rumours and fear**, gaining deep emotional insight into the chaos of war.

4. **Impact of 2003 Iraq Invasion:** In 2003, the U.S. invaded Iraq citing **weapons of mass destruction**, later dismissed by the **9/11 Commission**. Although based in India, the author saw the effects as oil prices crossed **\$100**, forcing the Indian government to **reintroduce fuel price controls**, ending Shell India's retail ambitions.

### Current Reflections on Regional Volatility

1. **Observing the Fifth Major Conflict:** Now a distant observer, the author notes the **fifth major conflict** in the region. Given **continuous unrest**, the line between "major" and "minor" wars has become blurred.

2. **Unanswered Questions and Uncertain Stability:** Current tensions raise unresolved questions: the **status of Iran's nuclear program**, the **possibility of choking Hormuz**, **Netanyahu's goals**, **Trump's response**, and **China's intentions**.

3. **Limits of Logical Analysis:** The author avoids predicting outcomes. History shows that decisions often arise from **autocratic ambitions**, not strategic logic. Leaders may invoke ideals like **freedom or justice**, but such narratives are often just optics.

### Recurring Patterns in Conflict Resolution

1. **Fragile Resolutions Without Root Solutions:** All five wars ended through diplomacy or stalemate, yet **core issues were never addressed**. The **1973 ceasefire** ignored **Palestinian refugees**, and the **Iran-Iraq war** ended only due to **mutual exhaustion**.

2. **Superficial Endings of Gulf Wars:** Both **Gulf wars** ended after military goals were met, but **religious, geopolitical, and ideological divides** remained untouched.

### Nuclear Focus and Western Blind Spots

1. **Obsession with Proliferation:** Western nations now focus on **nuclear weapons falling into the wrong hands**. This concern is valid.

2. **Ignored Humanitarian Consequences:** However, by **neglecting humanitarian crises like Gaza**, the West may be **fueling future instability**. **Historical patterns suggest** that such neglect feeds **resentment and dangerous proliferation**.

### Question for practice:

Discuss how historical conflicts in the Middle East have influenced global oil markets and exposed the limitations of conflict resolution efforts.

### China blocks Foxconn shift and India gains global ground

**Source:** The post China blocks Foxconn shift and India gains global ground has been created, based on the article "**Choking China+1?**" published in "**Business Standard**" on 7th July 2025

**UPSC Syllabus Topic:** **GS Paper2-** Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

**Context:** China's move to block Foxconn's shift to India reflects its strategic weakness. While it may create short-term disruptions, it raises long-term doubts among global firms, reinforcing India's appeal in high-skill manufacturing.

For detailed information on **China's restrictions threaten India's manufacturing and growth** [read this article here](#)

### China's Tactical Moves and Strategic Weaknesses

- 1. Foxconn and China's Coercive Measures:** China has interfered with Apple and Foxconn's plans to expand in India by controlling Chinese citizens and blocking specialized shipments. This is driven by insecurity over declining dominance.
- 2. Growing Concern Among Chinese Elite:** From being 15 times larger than India in US imports in 2009 to only five times in 2025, China's shrinking lead has raised alarm. Domestic turmoil under Xi Jinping has made India's rise more worrying for Chinese observers.
- 3. Delays Without Strategic Gains:** While China's moves may slow India's immediate manufacturing progress, they reinforce the perception of China as unreliable. This will encourage global firms to seek alternatives.

### Evolving Trade Trends Between China, India, and the US

- 1. Shift in US Import Patterns:** In 2007–09, the US imported 15 times more from China than India. Since then, India's share has steadily improved, particularly after 2018, during the onset of the "Third Globalisation."
- 2. Recent Developments in 2025:** In March–April 2025, China's exports to the US were only five times higher than India's. This signals rapid gains for India amidst disruptions in Chinese supply chains.
- 3. India's Emerging Role in Global Trade:** These trends suggest growing trust in India's capabilities and stability, strengthening its position as a global manufacturing hub.

### Limits of Chinese Economic Statecraft

- 1. Weak Coordination Among Allies:** China's alliances with Russia, North Korea, and Iran lack deep coordination. Unlike the West's cohesive 65% share in global GDP, China's solo efforts have limited reach.
- 2. No Intellectual Edge:** China lacks leadership in rare, high-end knowledge essential for global manufacturing. This hampers its ability to wield effective economic statecraft compared to the West.
- 3. Global Resilience Against Chinese Barriers:** When China restricts access to key inputs, others adapt by investing more and sourcing from alternate suppliers. These short-term costs quickly fall as non-Chinese firms enter the market.

### Broader Policy Lessons from the Chinese Model

- 1. Short-Term Wins vs Long-Term Impact:** Chinese policies may create short-term disruption, but they damage China's credibility. Firms like Apple and Foxconn now view China as a high-risk environment.
- 2. The Need for Rule-Based Governance:** Effective policy requires fairness, rule of law, and predictability. China abandoned these principles, which were part of Deng Xiaoping's reform legacy.
- 3. Importance of Strategic Thinking:** Sound public policy prioritises long-term trust over short-term muscle. China's reliance on coercion undermines its global appeal.



## India's Path Forward in Global Manufacturing

1. **Rethinking Manufacturing as High-Skill:** Modern manufacturing demands complex knowledge and skilled operations, not just cheap labour and simple processes.
2. **Learning from Global Partners:** Indian firms must collaborate with foreign technology providers, advisors, and employees to climb the productivity ladder.
3. **Precautionary and Strategic Investment:** Firms should invest in upgrades before constraints emerge. Choosing partner countries with stable policies is crucial for uninterrupted growth.

### Question for practice:

**Evaluate** how China's recent actions against Foxconn reflect its strategic vulnerabilities and influence global manufacturing decisions.

### Climate change is displacing and redefining coastal Indian lives

**Source:** The post Climate change is displacing and redefining coastal Indian lives has been created, based on the article "Rising seas, shifting lives and a test of democratic values" published in "The Indian Express" on 8th July 2025

#### UPSC Syllabus Topic: GS Paper3- Environment

**Context:** India's coastal regions are facing rapid environmental and socio-economic disruption due to climate change. Rising seas, unregulated development, and habitat loss have displaced many, forcing them into vulnerable urban labour markets without proper safeguards or support.

For detailed information on **Climate induced migration** [read this article here](#)

### Climate Change and Coastal Displacement

1. **Rising Seas and Vanishing Villages:** Coastal settlements in Odisha, Karnataka, Tamil Nadu, Gujarat, and Kerala are being eroded. **Satabhaya village in Odisha** has been submerged, with residents relocated to poorly equipped colonies.
2. **Loss of Traditional Livelihoods:** **Farming and fishing** are under threat from salinity, erosion, and mangrove loss. **Ports and tourism projects**, like those in Honnavar, accelerate this damage.
3. **Forced Migration to Urban Centres:** Displaced families move to cities such as **Chennai, Bhubaneswar, and Mumbai**, where they face precarious living and working conditions.

### Development and Environmental Degradation

1. **Infrastructural Expansion in Fragile Zones:** **Projects under Sagarmala**, energy ventures, and commercial aquaculture have severely damaged coastal ecosystems like **mangroves, dunes, and wetlands**.
2. **Ignored Climate Risks in Clearances:** Project approvals often ignore cumulative climate risks, leading to a development model that increases **ecological and human vulnerability**.
3. **Labour Vulnerabilities Post-Displacement:** Migrants are pushed into **informal work** such as construction or domestic service, lacking protections or sustainable income.

### Labour Exploitation and Legal Gaps



1. **Debt Bondage and Informal Labour:** Displaced people often rely on **wage advances**, creating cycles of **bonded labour** and dependence.
2. **Lack of Labour Rights:** India's **labour laws**, like the Building and Other Construction Workers Act, exclude most informal workers, offering **little legal recourse**.
3. **Gendered Exploitation:** Displaced women in **domestic work** are at high risk of **abuse, trafficking, and wage theft**.

#### **Inadequate Legal and Policy Framework**

1. **No Recognition of Climate Displacement:** Though **Article 21** ensures dignity, no law directly addresses displacement caused by **slow-onset climate disasters**.
2. **Limited Environmental and Disaster Laws:** Acts like the **Disaster Management Act** and **Environment Protection Act** focus on immediate response, not long-term displacement.
3. **Dilution of CRZ 2019:** CRZ 2019 promotes **tourism and industrialisation**, weakening community safeguards and enabling **commercial expansion in fragile zones**.

#### **Grassroots Resistance and Challenges**

1. **Community-Led Protests and Mobilisation:** Movements like **Save Satabhaya, Pattuvam Mangrove Protection**, and opposition to **Adani's Ennore project** show local resistance.
2. **Criminalisation of Environmental Defenders:** Protesters face **intimidation and surveillance**, undermining **freedom of association and protest**.
3. **Unjustified Managed Retreat:** Authorities cite climate change to **force relocation** without consent or proper planning.

#### **Towards a Rights-Based Adaptation Strategy**

1. **Mainstreaming Climate Migrants in Policy:** Policies must guarantee **housing, healthcare, education, and decent work** for displaced persons.
2. **Legal Reform and Labour Protections:** **Labour codes** must include protections for migrants, especially in informal sectors.
3. **Upholding Democratic Values:** Protecting climate migrants reflects **India's constitutional ideals** and commitment to **SDG Target 8.7**: ending forced labour and ensuring decent work.

#### **Question for practice:**

**Examine** how climate change-induced displacement is reshaping the livelihoods, rights, and legal protections of coastal communities in India.

#### **BRICS quietly builds currency alternatives while avoiding dollar confrontation**

**Source:** The post BRICS quietly builds currency alternatives while avoiding dollar confrontation has been created, based on the article "**From BRICS currency to BRICS Pay**" published in "**Businessline**" on 8th July 2025

**UPSC Syllabus Topic:** GS Paper2-Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

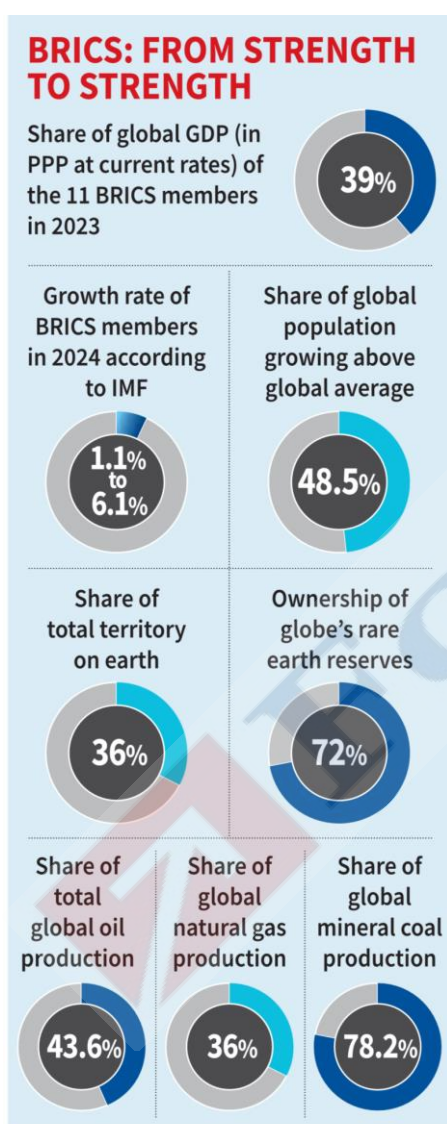
**Context:** The 2025 BRICS summit reignited the debate on 'de-dollarisation' amid global tensions. Although India clarified the bloc is not challenging the US dollar, actions like BRICS Pay and local currency trade reflect a deliberate move to reduce dependence on dollar-based systems.

### Cautious but Calculated Shift from the Dollar

**1. Indian Clarification Amid US Pressure:** Before the summit, India clarified that BRICS is not aiming to replace the dollar. The bloc is exploring national currency trade to reduce geopolitical exposure, not to undermine the dollar.

**2. Trump's Warning and India's Balancing Act:** US President Trump warned BRICS nations in January 2025 to avoid launching a rival currency or risk 100% tariffs. With trade talks ongoing, India is careful not to appear aligned with China and Russia on this issue.

**3. Subtle Strategy over Open Defiance:** Despite US pressure, BRICS continues quietly reducing dollar dependence. Though a BRICS currency may take years, local currency trade settlements and BRICS Pay show early signs of transition.



### BRICS 'Rising Global Influence

**1. Expansion Beyond Initial Vision:** Initially united by a Goldman Sachs report in 2001, BRICS has evolved significantly, especially after the 2022 Russia-Ukraine war and the 2024-25 inclusion of six new members—Egypt, Ethiopia, Indonesia, Iran, Saudi Arabia, and the UAE.

**2. Economic and Demographic Strength:** BRICS nations, though developing, now contribute 29% of global GDP (PPP) and house 48.5% of the world's population, forming a strong production and consumer base.

**3. Control Over Resources and Land:** Together, they hold 36% of global landmass. They also possess 72% of the world's rare earth minerals, vital for emerging technologies, along with 43.6% of global oil and 36% of natural gas production.

**4. Global South Representation and Outreach:** The bloc's mission to enhance legitimacy and equity in institutions like the UN, IMF, World Bank, and WTO is gaining traction. Ten nations, including Belarus, Nigeria, Cuba, and Vietnam, joined as BRICS partner countries under the 2024 Johannesburg Declaration.

### BRICS Pay: Laying the Infrastructure

**1. Shift Toward Local Currency Trade:** A common currency remains unlikely. However, bilateral trade in local currencies is rising. India trades with Russia, UAE, Sri Lanka, Nepal, Bhutan, and Iran in rupees. China conducts 30% of trade in yuan.

**2. China and Russia Leading the Way:** Russia and China launched BRICS Pay, a payment platform linked to 75 countries, offering a viable alternative to SWIFT.

**3. Functionality and Currency Coverage:** BRICS Pay supports 23 currencies, including dollar, yuan, rupee, and other member currencies. It uses domestic banking systems, enabling faster settlements.

**4. Institutional Backing and Future Plans:** The 2025 summit declaration tasked finance ministers and central banks to expand BRICS payment system interoperability. The BRICS Payment Task Force was acknowledged for progress on the Cross-Border Payments Initiative.

## Conclusion

BRICS avoids directly confronting the dollar but is quietly building parallel systems. The full impact remains to be seen, but the shift is already underway—brick by brick.

## Question for practice:

**Examine** how BRICS is gradually reducing its dependence on the US dollar without directly challenging its dominance.

## Election roll revision in Bihar threatens voter inclusion

**Source:** The post Election roll revision in Bihar threatens voter inclusion has been created, based on the article “Now, prove your identity” published in “Indian Express” on 8th July 2025

**UPSC Syllabus Topic:** GS Paper2-Election

**Context:** The Election Commission's Special Intensive Revision (SIR) of electoral rolls in Bihar, launched weeks before elections, is raising concerns. Though aimed at ensuring only eligible voters are listed, it is creating bureaucratic hurdles that threaten to disenfranchise many, especially the vulnerable.

## Unprecedented and Ill-Timed Electoral Exercise

**1. Sudden Timing Before Elections:** The last intensive revision happened in 2003. This new revision, following a summary update just six months ago, was announced without warning. The abrupt timing offers little scope for preparation.

**2. Unusual Documentation Requirements:** For the first time, voters must prove citizenship using one of 11 prescribed documents. This demand is **unprecedented in electoral history**.

**2. Complex and Tiered Verification:** Document rules differ by birth year. Those born after 2004 must provide **both their own and their parents'** birth details. The process is **confusing and heavily burdensome** for ordinary citizens.

## Arbitrariness and Risk of Mass Disenfranchisement

**1. Rejection of Commonly Held Documents:** Though 11 documents are listed, widely held IDs like **Aadhaar and MGNREGA cards** are excluded. Inaccessible alternatives, like family registers, are required instead.

**2. High Risk of Exclusion: Lakhs may be excluded,** as most citizens lack the full set of documents. Petitions highlight how few possess all required proofs.

**3. Discretion and Administrative Gaps:** Decisions are left to local officers. In a state like Bihar with **uneven administrative capacity**, this opens the door to arbitrary and unfair implementation.

## Structural Biases and Historical Echoes

1. **Privilege-Based Documentation:** Most acceptable documents relate to **education, government service, or property**, recalling eras when voting was linked to privilege.
2. **Indirect Discrimination:** Though not a return to formal restrictions, this approach **favours the privileged** and indirectly **excludes the poor and uneducated**.
3. **Procedural Protections as Pitfalls:** Though hearings are promised before deletion, these safeguards expose citizens to **discretionary power**, delays, and **harassment**.

## Disruption, Migration, and State Capacity

1. **Unrealistic Timeframe:** **Mass migration and floods** affect Bihar during this period. The deadlines are impractical and ignore these ground realities.
2. **Limited State Capacity:** The state lacks the ability to **verify lakhs of voters quickly and fairly**. Expecting proper execution is unrealistic.
3. **Parallels with Demonetisation:** The process resembles **demonetisation** — top-down enforcement that fuels **public anxiety** and bureaucratic chaos.

## Undermining Trust and Democratic Principles

1. **Fears of Backdoor NRC:** The order seems like a **pilot for NRC**, introducing new norms without preparation or public debate.
2. **Lack of Political Consensus:** The Commission did not consult stakeholders or set consistent standards. **Public trust is eroding** as a result.
3. **Judicial Role in Safeguarding Rights:** Courts must ensure voting rights are protected. The revision must be **fair in both procedure and effect**.

## Need for Course Correction

1. **Disproportionate Burden on Marginalised:** Rigid rules, detached from reality, **hurt poor citizens the most**.
2. **The State's True Responsibility:** Instead of stoking fear, the state must **ease citizens' lives**. The EC must defer this process until it can be **transparent, inclusive, and fair**.

## Question for practice:

**Evaluate** the impact of the Election Commission's Special Intensive Revision of electoral rolls in Bihar on citizens' voting rights and trust in democratic institutions.