ForumIAS

9 PM Current Affairs Weekly Compilation

For UPSC CSE mains examination

सत्यमेव जयते

UPSC

2nd Week

July. 2025

Features :

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

INDEX

Global military rise threatens peace and public welfare spending

Source: The post Global military rise threatens peace and public welfare spending has been created, based on the article "**What will be effect of rising military spending?**" published in "**The Hindu**" on 9th July 2025

UPSC Syllabus Topic: GS Paper2-Effect of policies and politics of developed and developing countries on India's interests.

Context:: The June NATO summit's pledge to increase defence spending to 5% of GDP by 2035 marks a sharp escalation in global militarisation. It reflects growing global conflict, including new wars in 2025, and threatens funding for public goods like health, development, and climate mitigation.

For detailed information on **Should military spending be increased?** read this article here

Global Trends in Military Expenditure

1. **Surge in Global Spending:** In 2024, global military spending reached $2,718 billion, marking a 9.4% year-on-year rise—the highest since 1988. Conflicts like Russia-Ukraine and Israel-Gaza contributed significantly. New wars in 2025, including India-Pakistan and Israel-Iran, are expected to escalate spending further.

2. **Historical Comparisons:** The Cold War era saw peak military spending—6.1% of world GDP in 1960, falling to 2.1% by 1998. In 2024, it rose again to 2.5% from 2.3% in 2015, indicating a reversal of post-Cold War demilitarisation.

3. **Top Global Spenders:** The U.S. leads with $997 billion, followed by China ($314B), Russia ($149B), Germany ($88.5B), and India ($86.1B). The top 15 countries account for 80% of global spending. NATO's 32 members collectively contribute 55% of global military expenditure.

Impact on Public Welfare and Social Spending

1. **Crowding-Out Effect:** Studies show military spending often crowds out health spending. Middle- and low-income countries suffer the most, but even wealthy nations are not immune. Spain, for instance, resisted NATO's 5% target citing a €300 billion cost that would cut welfare programs.

2. **Global Peace and Militarisation:** The Global Peace Index in 2023 reported increased militarisation in 108 countries, with record-high conflict numbers since World War II. The shift back toward remilitarisation threatens peace dividends gained since the Cold War.

3. **UN Budget Crisis:** Despite $2.7 trillion in military expenditure, the UN's full budget is only $44 billion. It has received just $6 billion in six months and plans to cut the budget to $29 billion, severely undermining global peacekeeping and aid programs.

Undermining Sustainable Development Goals (SDGs)

1. **Neglect of Development Priorities:** Achieving global poverty eradication needs $70B to $325B annually—just a fraction of high-income countries' income. Yet, rising military budgets divert resources from essential services like healthcare and education.

2. **Health and Human Lives at Risk:** The closure of USAID by President Trump has jeopardised millions of lives. USAID previously prevented 91 million deaths; its absence could result in 14 million additional deaths by 2030—one-third being children.

3. **Environmental Consequences:** Military expansion also threatens climate goals. If NATO spends 3.5% of GDP, emissions may rise by 200 million tonnes annually. This adds to climate stress, especially as 2024 marked the hottest year on record.

India's Militarisation and Trade-offs

1. **Sharp Rise in Defence Allocation:** Post-Operation Sindoor, India sanctioned an extra ₹50,000 crore for emergency defence purchases, above the existing ₹26.81 lakh crore budget. Public health funding remains comparatively low at 1.84% of GDP.

2. **Health vs Defence Dilemma:** Ayushman Bharat's allocation for 58 crore people was ₹27,200 crore, far less than defence hikes. India's military spending (2.3% of GDP) exceeds its public health investment, which still falls short of its own 2.5% target.

3. **Lessons from Other Nations:** Countries like Lebanon and Ukraine, with military spending of 29% and 34% of GDP respectively, highlight the dangerous trade-offs for low- and middle-income nations during militarisation.

The Geopolitical Justification and Its Risks

1. **Russia as a Justification:** NATO cites Russia as the main threat, pushing for the 5% goal. However, Russia's economy is 25 times smaller, and its military budget is 10 times less than NATO's, revealing possible exaggeration of threats to fuel defence spending.

2. **Fear-Based Militarisation:** Leaders may exploit fear to justify higher military budgets. NATO Secretary General's comment—"We must spend more, to prevent war"—reflects this mindset, despite evidence suggesting the opposite outcome for human well-being.

Question for practice:

Evaluate the impact of increasing global military expenditure on public welfare and sustainable development goals.

Electoral roll revision raises legal concerns

Source: The post Electoral roll revision raises legal concerns has been created, based on the article "**The ECI does not have unfettered powers**" published in "**The Hindu**" on 9th July 2025

UPSC Syllabus Topic: GS Paper2-Appointment to various Constitutional posts, powers, functions and responsibilities of various Constitutional Bodies.

Context: The Election Commission of India (ECI) ordered a Special Intensive Revision (SIR) of electoral rolls in Bihar, ahead of the Assembly elections in November. Opposition parties alleged this move aims to disenfranchise voters by questioning their citizenship. The article examines the legality of this revision and the scope of ECI's powers.

Legal Basis for Voter Eligibility and Disqualification

1. **Constitutional Framework under Article 326:** Article 326 of the Constitution provides for elections based on adult suffrage. Every adult citizen has the right to vote, subject to disqualifications explicitly provided in law.

2. **Statutory Grounds for Disqualification:** The Representation of the People Act (RPA), 1950, specifies two disqualifications: being of unsound mind as declared by a competent court, and disqualification under Section 11A of the 1951 RPA.

3. **Eligibility Conditions under Section 19:** Section 19 of the 1950 RPA lays down that a person must not be less than 18 years of age and must be ordinarily resident in a constituency to be registered as a voter.

4. **Clarification of 'Ordinarily Resident':** Section 20 clarifies that simply owning or possessing a house in a constituency does not make a person ordinarily resident. Temporary absence does not disqualify a person from being considered an ordinary resident.

ECI's Constitutional and Statutory Powers

1. **Powers under Article 324:** Article 324 vests the ECI with powers to conduct elections and prepare electoral rolls for Parliament, State Legislatures, and offices of President and Vice President. The Supreme Court describes it as a "reservoir of power" necessary to ensure free and fair elections.

2. **Limits Defined by the Supreme Court:** While the ECI has discretion where laws are silent, it must act strictly in accordance with existing laws. In *Mohinder Singh Gill v. Chief Election Commissioner (1978)*, the Court stated that if a law exists, ECI must follow it; otherwise, Article 324 allows action to uphold fair elections.

Statutory Rules Governing Revision of Rolls

1. **Provision under Section 21 of the 1950 RPA:** Section 21 provides for revision of electoral rolls: (1) before general elections, (2) before by-elections, (3) annually by ECI's direction, and (4) as a special revision for a constituency or part of it, with recorded reasons. The first three categories require use of a qualifying date.

2. **Relevance of the Qualifying Date:** Section 14 sets the qualifying date as January 1. Therefore, revisions under Section 21(2)(b) must refer to 01/01/2025. However, the ECI's June 24 order mentions 01/07/2025 as the qualifying date, which has no legal basis under the law.

3. **Lack of Legal Basis for Statewide SIR:** The term 'special intensive revision 'is not used in the law. Section 21(3) allows a special revision only for a constituency or part thereof—not for an entire State. The Bihar-wide SIR, therefore, appears not to conform with the provisions of the RPA.

Procedural Concerns and Legal Obligations

1. **Subject to the Rule of Law:** Although Article 324 grants ECI wide powers, it must act within the framework of law and follow norms of natural justice. Its actions must be reasonable, justifiable, and legally valid.

2. **Misuse of Citizenship Verification:** The ECI cannot allow electoral officers to reject applications solely due to the absence of foolproof citizenship documents. This would violate principles of fairness and due process.

3. **Statutory Protection under Rule 8:** Rule 8 of the Registration of Electors Rules mandates that information must be furnished "to the best of ability." The ECI must respect this statutory protection and cannot enforce arbitrary or excessive documentation standards.

Conclusion

While the ECI enjoys broad constitutional authority, its powers are not unlimited. The current revision in Bihar, based on a non-statutory qualifying date and conducted across the entire State, appears to exceed the legal boundaries set by the Representation of the People Act. Its implementation must adhere to both statutory provisions and constitutional principles.

Question for practice:

Evaluate the legality of the Special Intensive Revision of electoral rolls conducted by the Election Commission in Bihar.

BHARAT-FIRST can guide India towards innovation driven future

Source: The post BHARAT-FIRST can guide India towards innovation driven future has been created, based on the article "**Needed, an independent S&T think tank**" published in "**Businessline**" on 9th July 2025

UPSC Syllabus Topic: GS Paper3- Achievements of Indians in science & technology; indigenization of technology and developing new technology. Ty

Context: India's launch of a ₹**71 trillion R&D scheme** in sunrise sectors signals strong intent for technological leadership. However, to ensure sustainable impact, this bold investment must be matched with **strategic**

foresight. The article proposes the creation of **BHARAT-FIRST**, a national institute for long-term coordination in science, technology, and innovation (STI).

The Need for Strategic Foresight

1. **Keeping Pace with Disruption:** Technologies like **AI, quantum computing, clean energy**, and **synthetic biology** are advancing rapidly. Without structured foresight, India risks becoming a **passive tech consumer** or backing obsolete innovations.

2. **Learning from Global Models:** Nations such as **Germany (Fraunhofer), USA (RAND, Brookings)**, and **Finland (SITRA)** have built foresight institutions. India lacks a similarly institutionalised model suited to its developmental context.

3. 21st Century Relevance: A technology diplomat remarked: "**Your place is now defined by bandwidth, biotech, and breakthroughs.**" Strategic foresight is essential to shape India's global role.

4. **Driving Anticipatory Innovation:** India needs more than innovation—it needs **smart, forward-looking innovation** aligned with national and societal objectives. Foresight enables this proactive direction.

Introducing BHARAT-FIRST

1. **A National STI Compass: BHARAT-FIRST** (Foresight Institute for Research in Science and Technology) is envisioned as an **independent, non-partisan body**. Its core aim: **Anticipating Innovation, Shaping Policy, Guiding India's Future**.

2. **Mission and Activities:** It would curate open datasets, prepare foresight reports, host stakeholder dialogues, and align with **national development priorities**.

3. **Adapted to Indian Realities:** Modeled after Fraunhofer, it would focus on **applied foresight**, supporting jobs, sustainability, and health outcomes.

4. **Supporting the Global South:** BHARAT-FIRST could help **reduce tech dependency** among developing nations and align innovation with **shared developmental goals**.

Bridging Policy and Implementation

1. Backing National Tech Ambitions: India's missions like the **AI Mission, Deep Tech Fund, and Global Capability Centres** show intent. BHARAT-FIRST ensures these are backed by **long-term strategies**.

2. **Building Institutional Agility:** The body would improve **resilience**, suggest **course corrections**, and help manage transitions.

3. **Reducing Duplication:** It would act as an **integrator**, avoiding fragmented efforts and promoting **inclusive innovation**.

4. **Smart Coordination:** The goal is **smarter, not just more, innovation** that benefits economy, society, and governance.

Elevating India's Global Role

1. **Strengthening Tech Diplomacy:** BHARAT-FIRST would enhance India's role in **tech governance**, including digital infrastructure and **data ethics**.

2. **Preparing for Future Challenges:** It would help India prepare for risks in **food, energy, health**, and the **future of work**.

3. **Leading South-South Cooperation:** It can showcase India as an **inclusive, visionary leader**, fostering global partnerships.

4. **Enabling Talent and Innovation:** By guiding investments and talent flow, it would shape India's **innovation playbook**.

Institutional Design and Independence

1. **Distinct Long-Term Focus:** Unlike current think tanks, BHARAT-FIRST focuses on **20–50 year horizons**, engaging deeply across sectors.

2. **Leadership and Representation:** It should be led by a **respected CEO** and include voices from academia, industry, and civil society.

3. **Non-Governmental Funding:** To stay neutral, it should rely on **CSR and philanthropic funds**.

4. Building Foresight Capability: It would maintain a **digital presence**, produce **scenario reports**, and connect with **global foresight networks**.

Conclusion

India's leadership in the knowledge economy depends on more than talent—it needs foresight. **BHARAT-FIRST** can provide that strategic vision for a **Viksit Bharat @2047**.

Question for practice:

Discuss how the proposed BHARAT-FIRST institute can help India achieve strategic leadership in science, technology, and innovation

AI shortcuts dismantle thinking at the heart of education

Source: The post AI shortcuts dismantle thinking at the heart of education has been created, based on the article "**Letting AI do our thinking will wreck the purpose of education**" published in "**The Hindu**" on 10th July 2025
UPSC Syllabus Topic: GS Paper3-Science and Technology- developments and their applications and effects in everyday life.
Context: This article explores the increasing reliance on ready-made lesson plans and AI-generated content in education. It warns against bypassing the hard work of thinking and argues that true learning lies in active planning, not pre-designed templates. The rise of AI in both teaching and learning raises deep concerns for educational integrity.
For detailed information on **The Rise and Challenges of Artificial Intelligence** read this article here
The Limits of Pre-Packaged Planning

1. **Teaching as Improvisation, Not Scripted Delivery:** Pre-packaged lesson plans often fail because they overlook the unpredictable nature of classrooms. A teacher not involved in creating the plan cannot fully grasp student needs or anticipate classroom dynamics. Teaching, like strategy, requires adapting in real-time.

2. **Value Lies in the Planning Process:** The real strength of a plan lies in the reflection behind it. Thinking through possible student reactions, knowledge gaps, and tools for intervention builds flexibility. This planning process helps teachers respond more effectively when lessons go off-script.

3. **Dangers of Teaching Without Ownership:** Using someone else's plan locks teachers into rigid behaviours, making them less responsive. It often leads to either mechanical teaching or complete breakdown when students deviate from expected responses.

The AI Disruption in Higher Education

1. **Teachers Outsourcing Thinking to AI:** With AI tools like ChatGPT, many educators, especially in higher education, are now generating lectures and course materials instantly. While it seems efficient, it undermines the educator's core role—to model and practise independent thinking.

2. **Students Also Outsourcing Learning:** Students mirror this behaviour by using AI to complete assignments. Essays, problem sets, and even reflections can now be generated in seconds, eliminating the intellectual effort required to understand concepts.

3. **Traditional Assessment Methods Become Obsolete:** Take-home assignments have lost meaning in many institutions. Since AI can now solve them easily, they no longer serve their educational purpose of stimulating student thought.

The Collapse of Educational Purpose

1. **Outsourced Thinking Weakens Learning:** This widespread dependence on AI marks a critical breakdown of education's core function: building the capacity to think. If both teachers and students skip this step, nothing substantial remains of the learning process.

2. **Schools vs Higher Education:** While schools remain somewhat protected due to stricter supervision and younger students, higher education lacks adequate checks. The extent of AI misuse remains unclear, but its trajectory is deeply troubling.

Way Forward

1. **Return to In-Person and Live Assessments:** Supervised exams, oral evaluations, and discussions must return to ensure genuine learning. Only direct observation of thought in action can verify understanding.

2. **AI Must Remain a Tool, Not a Crutch:** Like pre-designed lesson plans, AI should support, not replace, the thinking process. Used recklessly, it risks hollowing out education entirely.

3. **Upholding Struggle as the Heart of Learning:** Learning, teaching, and thinking are inherently difficult but meaningful. Institutions must embed this professional and ethical commitment into their systems, using AI only when it doesn't compromise educational goals

Question for practice:

Discuss how the increasing use of AI and pre-packaged lesson plans is impacting the core purpose of education.

India's inequality claims ignore data gaps and reality

Source: The post India's inequality claims ignore data gaps and reality has been created, based on the article "**Measuring inequality**" published in "**Indian Express**" on 10th July 2025
UPSC Syllabus Topic: GS Paper3- Inclusive growth and issues arising from it.
Context: A recent government release cited the World Bank's Poverty and Equity Brief to claim India is among the most equal countries globally based on its low Gini Index. However, this interpretation has been widely questioned due to methodological issues, data limitations, and alternate measures showing rising inequality in India.
For detailed information on **India's Rising Inequality** read this article here

Questioning the Government's Equality Claim

1. **Selective Use of Data:** The government highlighted India's 2022–23 consumption-based Gini Index of **25.5** to claim it is the world's **fourth most equal society**. But the same World Bank brief mentioned **data limitations** and potential underestimation of inequality.

2. **Contradictions from Other Sources:** The **World Inequality Database** presents a different picture. It shows India's **income Gini Index rose from 52 in 2004 to 62 in 2023**. Also, in **2023–24**, the **top 10% earned 13 times** more than the bottom 10%, indicating sharp wage disparity.

3. **Omission of Important Qualifiers:** The government release **ignored** disclaimers from the World Bank about **data gaps** and did not mention the alternate **income-based Gini Index**, which shows growing inequality.

Flaws in Consumption-Based Gini Index

1. **Mismatch in Measuring Income and Consumption:** India measures inequality using **consumption data**, not income. Since richer individuals tend to **save more**, consumption varies less than income, leading to **underestimation** of inequality.

2. **Global Inconsistency:** Most other countries use **income-based Gini** measures. Comparing India's **consumption-based figure** to these is misleading and undermines credibility.

3. **False Equivalence with Other Countries:** Economists stress that **cross-country comparisons** based on different data types are **inappropriate** and distort the real inequality picture.

Limitations of Inequality Survey Data

1. **Surveys Miss the Rich:** The richest often **decline survey participation** – a pattern known as **"differential non-response"**. This skews the data by excluding the highest incomes.

2. **Low Sampling Probability of the Richest:** Even with full cooperation, surveys rarely include the **ultra-rich** due to their small numbers. If the top 1% drive most inequality, **missing them distorts findings**.

3. **Correcting Survey Bias:** Combining **survey data with income tax records** offers more accurate results. Studies in the US, UK, and India show surveys alone **underreport inequality**.

Shortcomings of the Gini Index

1. **Insensitive to Extremes:** The Gini Index mainly reflects **middle-income changes**, not shifts at the top or bottom. Thus, it **misses extremes** in inequality.

2. **Need for Alternative Metrics:** Experts advocate the **Palma Ratio**, which compares **top 10%** and **bottom 50%** income shares, offering a clearer view of disparities.

3. **Colonial-Era Comparison:** When using income tax data, some studies find Indian inequality today is **worse than during the colonial period**, with the **top 1% earning far more than the bottom 50%**.

Policy Risks of Misreading Inequality

1. **Risk of Misguided Policies:** Underestimating inequality can lead to **ineffective policies** or even **worsen inequality**, rather than reduce it.

2. **Socioeconomic Consequences:** Unchecked inequality may trigger **social unrest** and obstruct **sustained economic growth**.

3. **Need for Broader Measurement Tools:** Relying solely on a limited Gini Index, especially with **severe data issues**, hides reality. Policymakers need **better, multidimensional tools** for accurate assessment.

Question for practice:

Examine how the use of consumption-based data affects the measurement and interpretation of inequality in India.

India's Strategic Role in Critical Mineral Partnerships

Source: The post India's Strategic Role in Critical Mineral Partnerships has been created, based on the article "**Minding the minerals gap**" published in "**Indian Express**" on 10th July 2025

UPSC Syllabus Topic: GS Paper-1

Context: The Quad foreign ministers launched the ***Critical Minerals Initiative*** **on July 3**, aiming to diversify and secure mineral supply chains. This highlights India's growing engagement in strategic mineral partnerships or "mineral clubs," amid rising global tensions and a green technology race.

For detailed information on **India aims to secure critical minerals for future growth** read this article here

Why Critical Minerals Matter for India

1. Dependency on China and Strategic Risks: India's green industries depend heavily on China for rare earth magnets and other critical minerals. Recent export controls by Beijing exposed India's vulnerability.

2. Vital for Green Technologies: Critical minerals are essential for electric vehicles, solar panels, batteries, and semiconductors—key to India's green transition.

3. Delayed Entry and Domestic Constraints: India has untapped reserves but lacks the technological and financial capacity to exploit them, especially compared to global competitors.

India's Bilateral and Multilateral Strategies

1. Bilateral Mining Agreements Abroad: India has signed pacts with countries like Argentina and Zambia to facilitate exploration. However, Indian firms face hurdles in unstable regions due to lack of capital and technology.

2. Joint Ventures for Processing and Recycling: Partnerships with the US, UK, and UAE focus on processing, but without secure supply, such hubs risk becoming stranded assets.

3. Need for Long-Term Stability: Success of these ventures hinges on stable supply chains and long-term agreements embedded in broader strategies.

Role and Promise of Minilaterals or 'Clubs'

1. Collective Development and Resource Pooling: Minilaterals provide a platform to pool capital, technology, and diplomacy. India gains from joint projects and shared technical knowledge.

2. Addressing Financial and Technological Gaps: Clubs like the *Minerals Security Partnership* allow co-financing and strategic project selection, helping overcome domestic limitations.

3. Securing Supply Chains and Economic Sovereignty: These partnerships reduce risks, improve resilience, and help India diversify its critical mineral sources.

Caution in Engagement and Strategic Autonomy

1. Risk of Becoming a Processing Hub Only: India could be limited to transit and processing roles, with high-end activities retained by developed countries.

2. Need for Technology Transfer and R&D Focus: India must negotiate for R&D investment, academic exchange, and innovation support to build domestic capability.

3. Ensuring Policy Safeguards and Access Terms: India should push for clear, reciprocal terms to avoid supply disruptions due to protectionist policies or regime changes.

Aligning with Global and Domestic Priorities

1. Leveraging Make in India and Atmanirbhar Bharat: India aims to be self-reliant and competitive in green tech and critical minerals, supporting an export-oriented approach.

2. Shaping ESG Norms and Global Standards: By joining clubs, India can influence ESG frameworks to reflect the Global South's needs and enhance domestic practices.

3. Championing the Global South: India's links with Africa and Southeast Asia, backed by diaspora and business familiarity, can help balance great power dynamics.

Conclusion

To emerge as a green power, India must uphold developmental values while building inclusive, fair, and strategic global value chains.

Question for practice:

Examine how India's participation in mineral clubs helps address its critical mineral challenges while balancing domestic priorities and global partnerships.

Understanding the real fertility crisis and population concerns

Source: The post Understanding the real fertility crisis and population concerns has been created, based on the article "**Population decline and an ill-informed chorus**" published in "**The Hindu**" on 11th July 2025
UPSC Syllabus Topic: GS Paper1-Society-Population and Associated Issues
Context: Concerns about population trends have shifted from fears of overpopulation to worries about falling fertility rates. However, much of the current panic about population collapse is based on flawed interpretations and ignores barriers to achieving desired family sizes.

For detailed information on **Issue of fertility rate in India** read this article here

Misplaced Panic Over Population Decline

Flawed Alarmism and High-Profile Voices: Prominent individuals like **Elon Musk** have warned of a looming "population collapse," which has influenced global discourse. Musk's foundation even donated $10 million to launch the **Population Wellbeing Initiative** at the University of Texas.

Contrasting UN Projections: The **UN's World Population Prospects 2024** estimates global population will grow from **8.2 billion in 2024** to a peak of **10.3 billion in the mid-2080s**, then decline gradually. A projected **6% reduction** by 2100, compared to earlier forecasts, does not signal collapse.

Projections Are Not Predictions: Demographic projections rely on assumptions about future fertility and survival. The **further the projection, the less accurate** it becomes. Many fail to distinguish between assumptions and reality.

Demographic Momentum and Lag Effects

Role of Population Momentum: Even when fertility falls below replacement level (**TFR < 2.1**), population can grow for decades due to a large base of reproductive-age individuals. This is known as **population momentum.**

Slow and Non-Linear Decline: Population changes are not immediate. There is a **time lag** between changing fertility rates and visible demographic shifts. Populations do not shrink overnight or in a straight line.

Understanding the Real Fertility Crisis

UNFPA Report Insights: According to the **2025 UNFPA report**, based on surveys in 14 countries, **1 in 5** people feel unable to have their desired number of children. About **23%** faced delays, and **40%** gave up on having children altogether.

Barriers to Desired Fertility: In **India**, key obstacles include **financial constraints (38%)**, **housing (22%)**, **lack of childcare (18%)**, **infertility (13%)**, and **unemployment (21%)**.

Recent Trends in South Korea: After years of decline, **births in South Korea rose by 7.3%** in early 2025. This was linked to a rise in marriages and positive attitudes. Still, **58% cited financial issues**, and **31% cited housing** as limiting factors.

Rethinking Pronatalism and Social Policy

Gendered Implications of Panic: The fear around falling fertility has unfairly **targeted women** who opt out of childbearing. This undermines reproductive rights and ignores those who **want children but face obstacles.**

Flaws in Incentive-Based Pronatalism: Pronatalist policies often reinforce **traditional gender roles** and neglect men's role in parenting. **One-off benefits and bonuses** rarely solve structural issues.

Need for Structural Reform: Countries must replace ethno-nationalist narratives with **inclusive policies**—better childcare, housing, and **employment for women**. Addressing fertility decline requires **empowering families**, not pressuring them.

The Way Forward

Reproductive Autonomy First: Fertility debates must shift from alarmism to **supporting reproductive agency**. The real crisis lies in **unmet fertility desires**, not numerical decline.

Ethical and Practical Solutions: Instead of demographic engineering, countries need **evidence-based reforms** that promote **dignity, choice, and opportunity** for all.

Question for practice:

Discuss the key misconceptions surrounding population decline and explain why addressing reproductive agency is more important than promoting target-driven pronatalism.

India must strengthen efforts to eliminate modern slavery

Source: The post India must strengthen efforts to eliminate modern slavery has been created, based on the article "**Guardrails against modern slavery**" published in "**Businessline**" on 11th July 2025

UPSC Syllabus Topic: GS Paper1-Social issues
Context: While climate change dominates the sustainability and ESG agenda, the *social* dimension, particularly *modern slavery*, remains under-addressed. The article highlights India's legal framework, international models like the UK's Modern Slavery Act, and the growing demand for corporate transparency through regulations and audits.

Understanding Modern Slavery in ESG Frameworks

1. **Social Aspect in ESG Remains Overlooked:** Environmental concerns dominate ESG discussions, while social issues like modern slavery get less attention. The term 'modern slavery 'is rarely used in India but is well-recognized and legislated in countries like the UK and Australia.

2. **Global Legislative Efforts Against Modern Slavery:** The UK's *Modern Slavery Act 2015* consolidated earlier laws and mandates corporate disclosure of anti-slavery efforts. Australia enacted a similar law in 2018. While the EU lacks a unified statute, individual countries like Germany and France have taken legislative action.

3. **India's Legal Provisions Addressing Modern Slavery:**

India lacks a singular modern slavery law but covers relevant issues under multiple statutes:

- **Constitutional safeguards**: Article 23 bans trafficking and forced labour; Article 24 prohibits child labour below age 14.

- **Bharatiya Nyaya Sanhita**: Sections 143–146 criminalize trafficking and forced labour.

- **Bonded Labour Act (1976)**: Abolishes bonded labour with strict penalties.

- **Child Labour Act (1986)**: Prohibits employment of children under 14 and restricts hazardous work for adolescents.

- **Other laws**: ITPA and Juvenile Justice Act deal with trafficking and exploitation.

Global and Indian Response to Child Labour

1. **India's Progress and Gaps in Child Labour Eradication:** India still faces challenges in eliminating child labour. A serious case involved 59 minors in a distillery, working long hours with hazardous chemicals. Yet, India avoids the severe forms seen elsewhere like child soldiers or drug mules.

2. **Role of SDG 8.7:** The UN's SDG 8.7 calls for an end to child labour and modern slavery by 2025. India's gradual progress reflects the socio-economic complexities where child labour often sustains households.

3. **Need for Balanced Policy and Social Conscience:** Complete prohibition may harm poor families economically. A phased approach, with supportive laws and societal empathy, is essential for sustainable eradication.

Corporate Accountability and Disclosures

1. **BRSR Requirements for Indian Companies:** SEBI mandates large listed companies to submit Business Responsibility and Sustainability Reports (BRSR). Under Principle 5, businesses must disclose complaints and measures related to human rights, including forced and child labour.

2. **Transparency Obligations Under UK Law:** Section 54 of the UK Act requires companies to report anti-slavery steps across all operations and supply chains, including overseas subsidiaries. It also applies to non-UK entities doing business in the UK.

International Influence and Compliance Pressure

1. **Impact of EU and UK Laws on Indian Companies:** The EU's *Corporate Sustainability Due Diligence Directive (CSDDD)* imposes obligations similar to UK laws. Indian companies, even if not based in the EU, must comply if they engage in substantial business there.

2. **Growing Trend of Supply Chain Audits:** UK and EU companies increasingly audit Indian firms for modern slavery compliance. These audits are expected to become stricter and more comprehensive.

3. **Preparing Indian Businesses for Global Standards:** To maintain and grow international business relations, Indian companies must proactively align with global due diligence norms. Trade negotiations amplify the urgency for compliance readiness.

Question for practice:

Examine how India's legal and corporate frameworks are addressing the issue of modern slavery in the context of global compliance standards.

Digital payments grow fast but GDP impact remains unclear

Source: The post Digital payments grow fast but GDP impact remains unclear has been created, based on the article "**Do e-payments spur growth?**" published in "**Businessline**" on 11th July 2025

UPSC Syllabus Topic: GS Paper3- growth and development

Context: India's digital payments, led by UPI, have crossed 20 billion transactions annually. While convenience has improved, the article examines whether these payments actually contribute to GDP growth and real economic activity.

For detailed information on **UPI and Digital Payments in India** read this article here

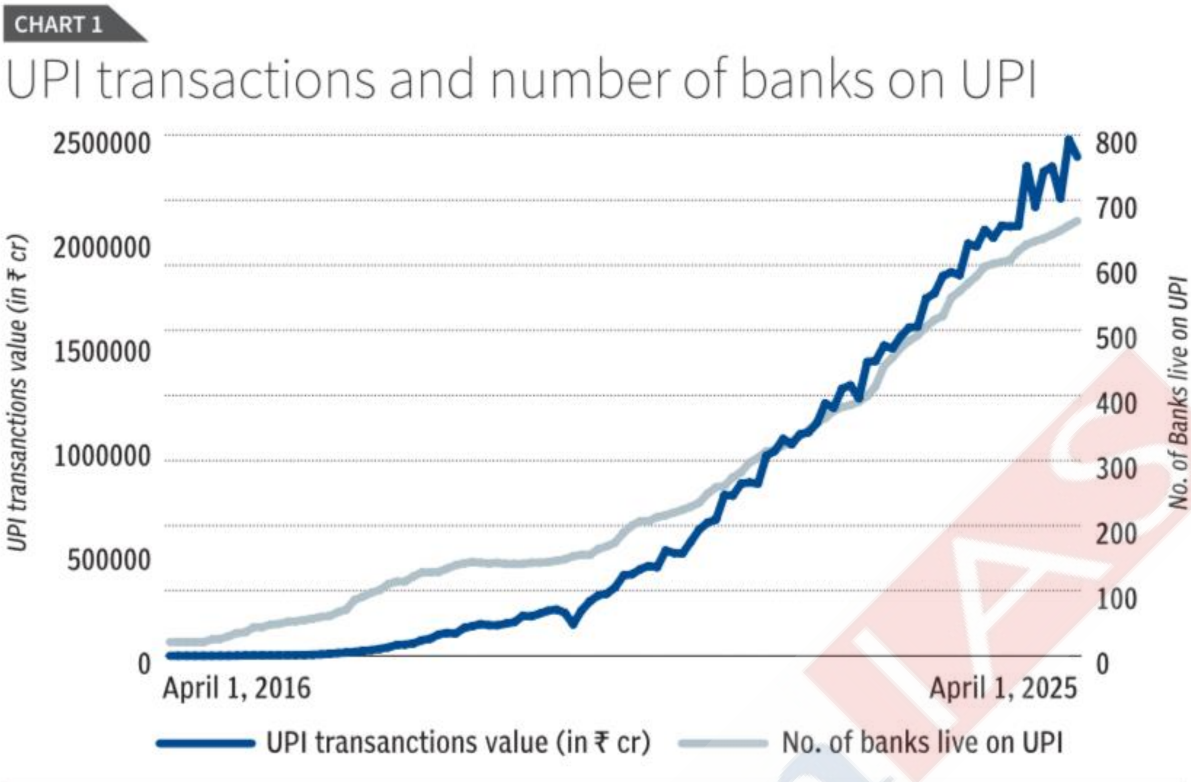
The Rise of UPI and its Growth Trends

1. **Exponential Increase in Usage:** Launched in 2016, UPI now handles around 600 million transactions daily, worth over ₹7,800 billion. The Finance Minister expects this could touch one billion transactions per day soon.

2. **Mismatch with GDP Growth:** Despite this surge, GDP growth does not reflect similar acceleration. Data show exponential UPI growth but only modest GDP increase, indicating a disconnect.

3. **Friedman's Quantity Theory Analysis:** Milton Friedman's theory suggests that increased money velocity should raise GDP. But from 2018 to 2024, **velocity remained stable** (RBI Annual Report 2024–25, p.48), indicating digital payments alone may not boost output or prices significantly.

Nature and Impact of UPI Transactions

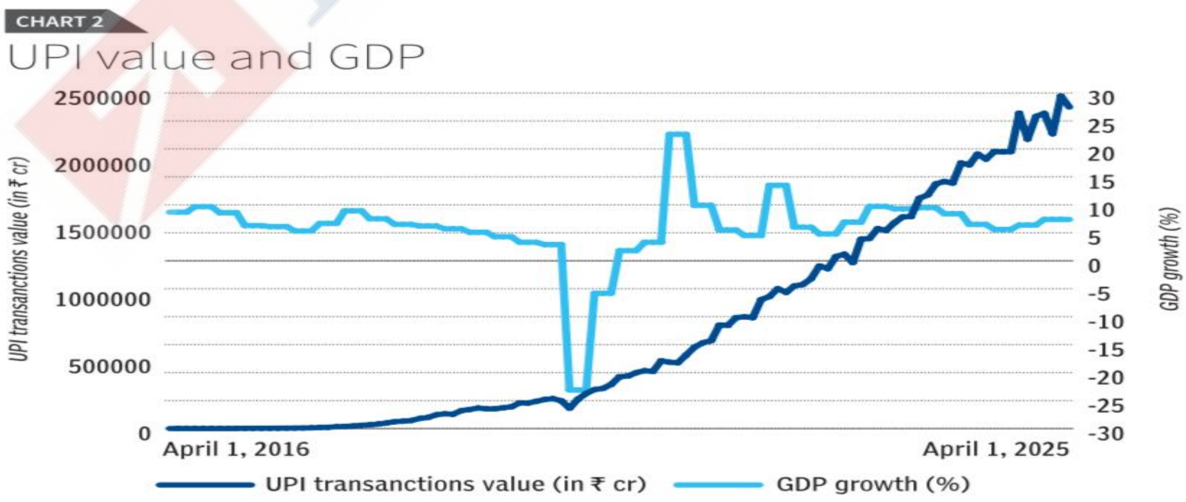


1. **Main Uses of UPI:** UPI transactions mostly cover transfers, utility bills, merchant payments, and e-commerce. Transfers add convenience but don't create new goods or services.

2. **Utility and Merchant Payments:** While utility payments count in GDP, UPI only changes the payment mode, not the payment volume. Merchant transactions, like paying a street vendor, are easier, but not necessarily more frequent.

3. **E-commerce Substitution Effect:** UPI facilitates round-the-clock buying on platforms, but it is unclear if this leads to more consumption. **E-commerce may simply shift demand** from local shops to online platforms.

UPI's Influence on Consumption and Intermediation



1. **Uncertain Consumption Impact:** There is no clear economic framework yet (BIS Paper No. 1196; Dubey & Purnanandam, 2023) explaining how UPI drives consumption or growth.

2. **Displacement of Local Sellers:** When users buy from 'Blinkit, 'it may reflect a loss for nearby grocers. The net growth effect of such substitution is unclear.

3. Credit Enablement Still Emerging: Credit lines via UPI are new. Their **impact on lending and financial deepening is still limited and under-studied**.

Reduced Transaction Costs and Labour Market Link

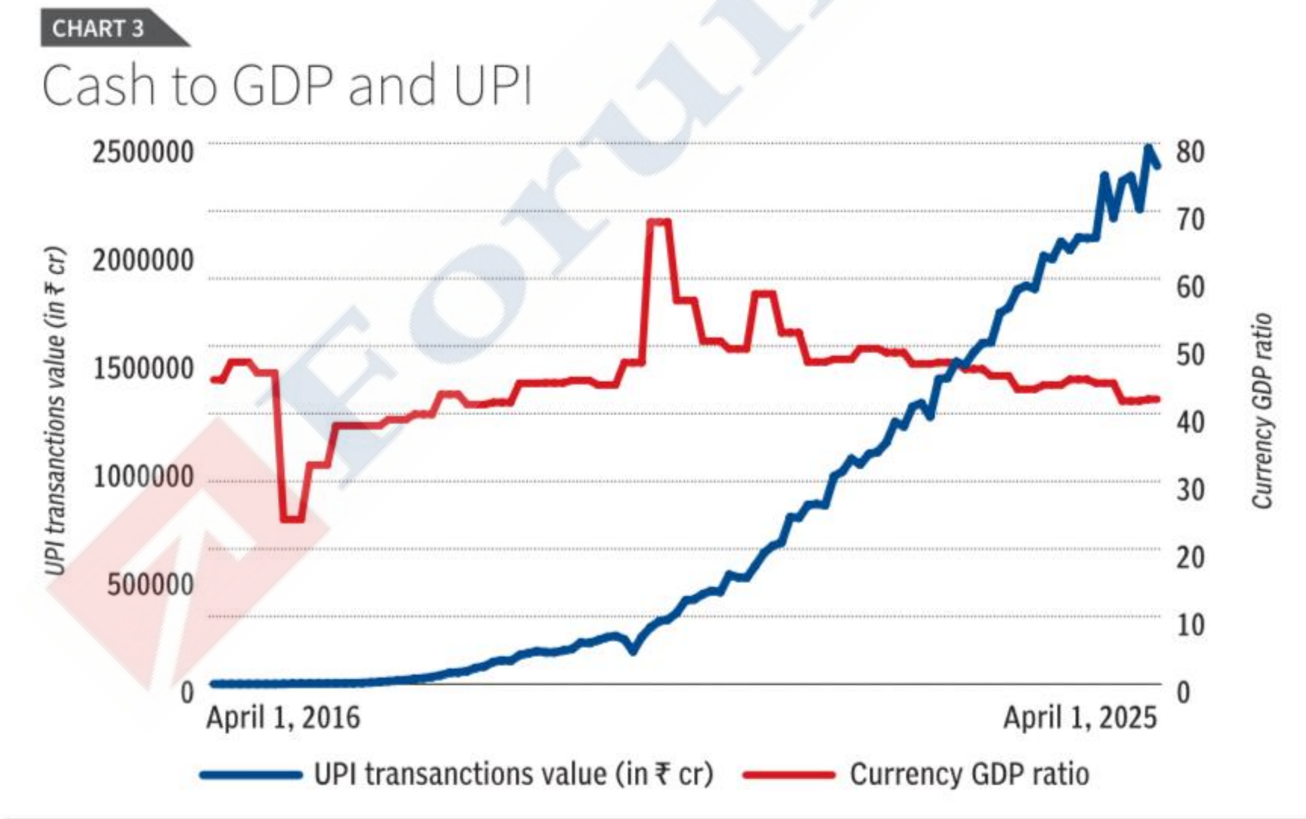
1. **Time Saving Benefits:** Digital payments reduce transaction time and effort. This could enhance productivity if it leads to more goods and services.

2. **Labour Market Constraints:** Without job creation or wage rise, **time saved doesn't translate into economic growth**, especially in a market with wage rigidity and underemployment.

Digital vs Cash Economy Dynamics

1. **Cash Use Remains Steady:** Despite UPI growth, cash-to-GDP has stayed constant (Chart 3). Digital payments are not replacing cash significantly.

2. **Preference Factors Beyond Access:** According to an ECB study (2024), cash preference is shaped by **age,**



Source: RBI and NPCI

habit, and needs—not merely education or access—making digital transitions complex.

Conclusion

While UPI has made payments easier and faster, **its effect on economic growth remains inconclusive**. More research is needed to understand its real impact on consumption, production, and GDP.

Question for practice:

Examine whether the rapid growth of UPI transactions in India has contributed meaningfully to real GDP growth.

India must prioritise gender equality for national progress

Source: The post India must prioritise gender equality for national progress has been created, based on the article "**View India's Gender Gap Report ranking as a warning**" published in "**The Hindu**" on 12th July 2025
UPSC Syllabus Topic: GS Paper1-Social empowerment
Context: India is emerging as a global economic and digital power, yet it remains among the lowest-ranked nations in gender equality, as shown in the World Economic Forum's *Global Gender Gap Report 2025*. The report exposes deep-rooted structural issues that hinder women's participation and national progress.
For detailed information on **India needs full gender parity to move forward confidently** read this article here

Persistent Gender Inequality in Key Sectors

1. **Low Global Ranking Reflects Deep Disparities:** India ranks **131 out of 148 countries**, performing poorly in **economic participation** and **health and survival**. These failures are not only social but reflect serious structural challenges holding back development.

2. **Health Gaps Undermine Women's Well-being:** Despite improvements in education, women's health remains neglected. The **sex ratio at birth** is still highly skewed, and **healthy life expectancy for women is lower than for men**, indicating a failure in providing reproductive and preventive care.

3. **Anaemia and Poor Health Outcomes:** A striking **57% of women aged 15–49 are anaemic** (NFHS-5), reducing their ability to study, work, or safely bear children. This problem, largely preventable, highlights a national failure to prioritise women's health in development planning.

Economic Exclusion and Missed Growth Potential

1. **Stagnant Female Workforce Participation:** India ranks **143rd in Economic Participation and Opportunity**. Women earn less than one-third of men and are still not entering the labour force in large numbers. Despite a 2015 projection that **closing the gender gap could add $770 billion to GDP by 2025**, this potential remains unrealised.

2. **Unpaid Work and Invisible Labour:** Most women remain confined to **informal or subsistence work**. Their massive contribution to **unpaid care work**, almost **seven times more than men** (Time Use Survey), is invisible in national statistics and under-supported in public policy.

3. **Neglected Care Infrastructure:** There is minimal investment in **childcare, elder care, or maternity services**, making it hard for women to participate in the workforce. This omission shows both a gender bias and an economic oversight.

Need for Policy Recognition and Investment

1. **Time to Value Unpaid Care Work:** Governments must integrate unpaid care work into economic policy via **time-use surveys**, **gender budgeting**, and **direct investment**. Countries like **Uruguay and South Korea** offer successful models for integrating the care economy into development plans.

2. **Holistic Policy Measures Are Essential:** India already has policy frameworks and slogans. What it lacks is **real investment** in public health, care services, and support systems that treat women as contributors, not just recipients.

Demographic Shifts and the Care Economy

1. **Rising Elderly Population and Women's Role:** By 2050, nearly **20% of India's population** will be senior citizens, most of them older women. With fertility rates falling below replacement level, the **working-age population will shrink**, while **care demands rise**.

2. **Economic Growth Requires Women's Inclusion:** Excluding women from the workforce will increase the **dependency ratio**, burdening fewer workers and threatening **fiscal stability**. Gender equality is now an **economic and demographic imperative**, not just a social goal.

Conclusion

The *Global Gender Gap Report* is more than a ranking—it is a **warning.** Unless India places **gender equality** at the core of its economic strategy, it risks losing the very gains that have propelled it onto the world stage.

Question for practice:

Examine how gender inequality in health, unpaid care work, and economic participation affects India's overall development and demographic future.

India needs its own way to define generations

Source: The post India needs its own way to define generations has been created, based on the article "**Our times, their words**" published in "**Indian Express** " on 12th July 2025

UPSC Syllabus Topic: GS Paper1-Society

Context: India's generational labels are borrowed from the West, overlooking the country's unique socio-economic and cultural trajectory. A fresh, India-specific framework is needed to reflect its distinct historical experiences and changing values.

Rethinking Generations for Indian Realities

1. **Imported Labels, Western Roots:** Terms like *Boomers*, *Gen X*, and *Millennials* are based on US events like World War II prosperity or the Cold War. Despite being widespread in India, they reflect **foreign milestones**, not Indian experiences.

2. **India's Unique Evolution:** An 80-year-old American differs vastly from an 80-year-old Indian due to **India's specific history**—Partition, socialism, liberalisation, and digital transformation. These require a **contextual approach**.

3. **A Call for Indigenous Generational Markers:** Indian families often include three "generational Indias" under one roof. A new framework must be rooted in India's **historic and cultural shifts—**from Doordarshan to reels, from scarcity to abundance.

India's Five Generational Archetypes

1. **The Independence Generation (1940–1960):** This generation was shaped by **Partition, wars**, and **scarcity**. They valued frugality and **nation-building**. Icons like *JRD Tata* and *MS Subbulakshmi* stood for trust and integrity. Brands like **LIC and HMT** symbolised reliability. Rail travel and "jugaad" were defining features.

2. **The Waiting Generation (1960–1975):** They were **aspirational but constrained**, accustomed to **delayed gratification**—waiting for milk, gas, jobs. Icons included *Amitabh Bachchan* and *Rakesh Sharma*. Brands like **Nirma and Bata** were dominant. **Foreign travel** equated to emigration. They encouraged hard work as a path to escape limitations.

3. **The Liberalisation Generation (1975–1990):** This cohort had a **dual identity**—bridging old and new India. They saw **economic opening**, **cable TV**, *Sachin Tendulkar*, and the first PCs. From Doordarshan to MTV, they experienced **abundance after scarcity**. Brands like **Levi's, Coke, Maruti** gained popularity. Budget air travel emerged.

4. **The Tech Generation (1990–2010):** India's first **true digital natives** grew up with **Facebook, Instagram**, and global exposure. Icons like *Virat Kohli* and *Elon Musk* reflected ambition. They valued **convenience and experiences** over ownership. *Airbnb stays* and *Instaworthy*travel became common.

5. Indian Gen Z (Post-2010): They are **internet fluent and culturally confident**. Surrounded by *AI tutors* and *influencers*, they **create and consume**content online. They expect **brands to follow their rules** and will lead the rise of **creator-driven D2C models**.

Implications for Policy, Branding, and Outreach

1. **More Than Age Differences:** A 40-year-old Indian has **different aspirations and anxieties** than a 40-year-old American. Strategies must reflect these **cultural differences**.

2. **Designing with Generational Insight:** Policy tools like pensions or EdTech must consider **tech-savvy youth** and **tech-fearing elders** alike.

3. **Consumer Shifts:** Family units have shifted from **joint to solo living** in two generations. Today's youth are fast becoming **primary decision-makers** with significant spending power.

Conclusion
India's multi-decade journey—from Partition to smartphones—demands **homegrown generational definitions**. It's time to recognise our own **icons, timelines, and transitions**—not Western ones.

Question for practice
Discuss how India's generational experiences differ from Western labels and why a homegrown generational framework is necessary.

India needs private enforcement to strengthen competition law framework

Source: The post India needs private enforcement to strengthen competition law framework has been created, based on the article "**Time is ripe for private damage actions**" published in "**Financial Express** " on 12th July 2025

UPSC Syllabus Topic: GS Paper2- Statutory, regulatory and various quasi-judicial bodies; GS paper3-, Indian Economy and issues related to Growth

Context: India has transitioned from a state-controlled economy to one governed by the rule of law and market regulation. While the Competition Commission of India (CCI) enforces competition law, the article argues for expanding the framework to include private damage actions, following global practices to ensure fair markets and consumer protection.

Evolution of Market Governance in India

1. **Shift from State Control to Market Regulation:** India moved from state ownership of production to a governance model that relies on private sector participation under regulatory oversight. This shift has enabled a rules-based economy.

2. **Establishment of Regulatory Institutions:** Sector-specific regulators were created in areas prone to market failure like telecoms and ports. The Competition Commission of India was set up as an economy-wide regulator to promote fair competition.

3. **Economic Growth and Regulatory Foundations:** Strong regulatory institutions, when balanced with stakeholder engagement, have supported India's economic growth. India is now poised to become the third-largest global economy.

Limitations of Current Competition Law Enforcement

1. **Narrow Scope of Deterrence:** Regulatory actions focus mainly on deterring anti-competitive behaviour by ordering violators to stop and imposing financial penalties. However, these measures often do not fully reflect the harm caused.

2. **Ineffective Penalties:** Fines are usually formulaic and may not match the actual damage. In many cases, they are small compared to the profits earned, reducing their deterrence value.

3. **Lack of Compensation for Victims:** Regulatory actions rarely compensate those harmed. Victims, including consumers and competitors, remain unaddressed under the current enforcement model.

Global Models of Private Enforcement

1. **Legal Provisions for Damage Claims:** In the US, UK, EU, and China, individuals or firms can claim damages independently of regulatory proceedings. In the US, laws allow for treble damages, significantly raising deterrence.

2. **Widespread Use Across Sectors:** Private damage actions have been applied in sectors such as transport, healthcare, technology, and finance. These cases showcase the breadth and impact of private enforcement mechanisms.

Notable Global Case Examples

- EU fined truck makers €2.93 billion, triggering widespread claims.
- US air cargo collusion settled for $1.2 billion.
- Healthcare litigation in the US settled for $2.6 billion.
- UK certified a £13.6-billion Google case; Apple faces a £1.5-billion claim.
- China awarded its largest damages of RMB 1 billion against Alibaba.

India's Framework and Emerging Potential

1. **Legal Provision under Section 53N:** India's Competition Act permits affected market participants to claim compensation. However, very few such claims have been made and progress remains sluggish.

2. **Initial Steps and Existing Precedents:** Some appeals have been filed with the National Company Law Appellate Tribunal (NCLAT), but there is limited momentum in establishing a robust private enforcement regime.

3. **Learning from Mature Jurisdictions:** India can model its development on the US, EU, and UK systems to strengthen private enforcement and complement public regulatory efforts by the CCI.

The Need for Complementary Private Action

1. **Enhancing Market Fairness:** Private damage actions can fill enforcement gaps, ensuring fair competition and adequate consumer protection in a rapidly growing economy.

2. **Reinforcing Public Enforcement:** After 15 years of regulatory enforcement, India is well-positioned to broaden its legal toolkit. This would strengthen deterrence and incentivize lawful market behaviour.

3. **Aligning with Global Best Practices:** Developing private enforcement mechanisms will bring India in line with global standards, promoting both investor confidence and consumer welfare.

Question for practice:

Examine the need for introducing private damage actions alongside regulatory enforcement to strengthen competition law in India.

India must assess emissions targets through economy-wide lens

Source: The post India must assess emissions targets through economy-wide lens has been created, based on the article "**Assessing India's carbon credit trading scheme targets**" published in "**The Hindu**" on 14th July 2025
UPSC Syllabus Topic: GS Paper1- Environment pollution and degradation
Context:India has announced emissions intensity reduction targets for eight major industrial sectors under its Carbon Credit Trading Scheme (CCTS). The key debate is whether these targets are ambitious. Experts argue that the assessment must focus on economy-wide outcomes, rather than sectoral or entity-level comparisons.
For detailed information on **Carbon credit trading scheme: Waiting to exhale** read this article here

Need for an Economy-Wide Lens

1. **Shortcomings of Entity-Level Evaluation:** The article stresses that assessing ambition at the entity or sector level is misleading. Carbon markets function through aggregate reductions, not individual efforts. Emission trading allows entities to meet targets collectively, making overall reduction the correct measure of ambition.

2. **Lessons from the PAT Scheme:** India's PAT scheme demonstrated that while some sectors improved energy intensity, others regressed. Yet, collectively, energy used per economic output declined. This economy-wide efficiency was enabled through trading energy savings across entities, validating market mechanisms.

3. **Why Aggregate Assessment Matters:** Despite variations at the micro level, PAT's success in reducing energy intensity across the board confirms that entity-level targets are secondary. The primary concern for externality-driven markets is the macro-level result, which is where ambition should be judged.

Limitations of Comparing with Past Sectoral Data

1. **Historical Modesty Not a Benchmark:** The article warns against using past PAT data as a benchmark to assess current CCTS ambition. Previous sectoral reductions may have been modest, but that should not shape future expectations. Emissions cuts must become more ambitious over time.

2. **Financial Transfers vs. Emission Cuts:** Entity or sectoral targets mainly facilitate financial transfers via market instruments. According to CEEW, they don't directly ensure emission intensity decline, hence cannot define the ambition level.

3. **Focus on Future-Aligned Pathways:** Instead of historical comparisons, targets should be judged against pathways aligned with India's Nationally Determined Contributions (NDCs) and 2070 net-zero goals. This future-focused approach provides a more relevant and ambitious benchmark.

Understanding Sectoral Targets within the Broader Context

1. **Current CCTS Target Assessment:** Modelling shows that emissions intensity of the manufacturing sector (EIVA) is expected to drop by at least **2.53% annually** between 2025 and 2030. However, the average annual reduction across the eight CCTS sectors is only **1.68%**between 2023-24 and 2026-27.

2. **Slower Industry Decarbonisation:** Compared to the power sector's expected **3.44%** annual reduction in emissions intensity, industry appears to be decarbonising more slowly. This indicates that industrial targets may lack the necessary ambition.

3. **Limitations of the Current Benchmark:** Although only part of the manufacturing base is covered under CCTS, this analysis still offers the best available estimate. Until complete modelling is done, this serves as a provisional measure of ambition.

Conclusion

Ultimately, ambition must be measured by the total reduction in emissions intensity across the economy. Sector-specific efforts are important for trading and compliance, but the real benchmark lies in cumulative national performance.

Question for practice:

Examine whether India's Carbon Credit Trading Scheme targets reflect sufficient ambition in achieving economy-wide emissions intensity reduction.

Global FDI is falling and India faces growing challenges

Source: The post Global FDI is falling and India faces growing challenges has been created, based on the article "**India should probe the reasons behind rising outward FDI flows**" published in "**Live Mints**" on 14th July 2025

UPSC Syllabus Topic: GS Paper1- Indian economy and mobilisation of resources

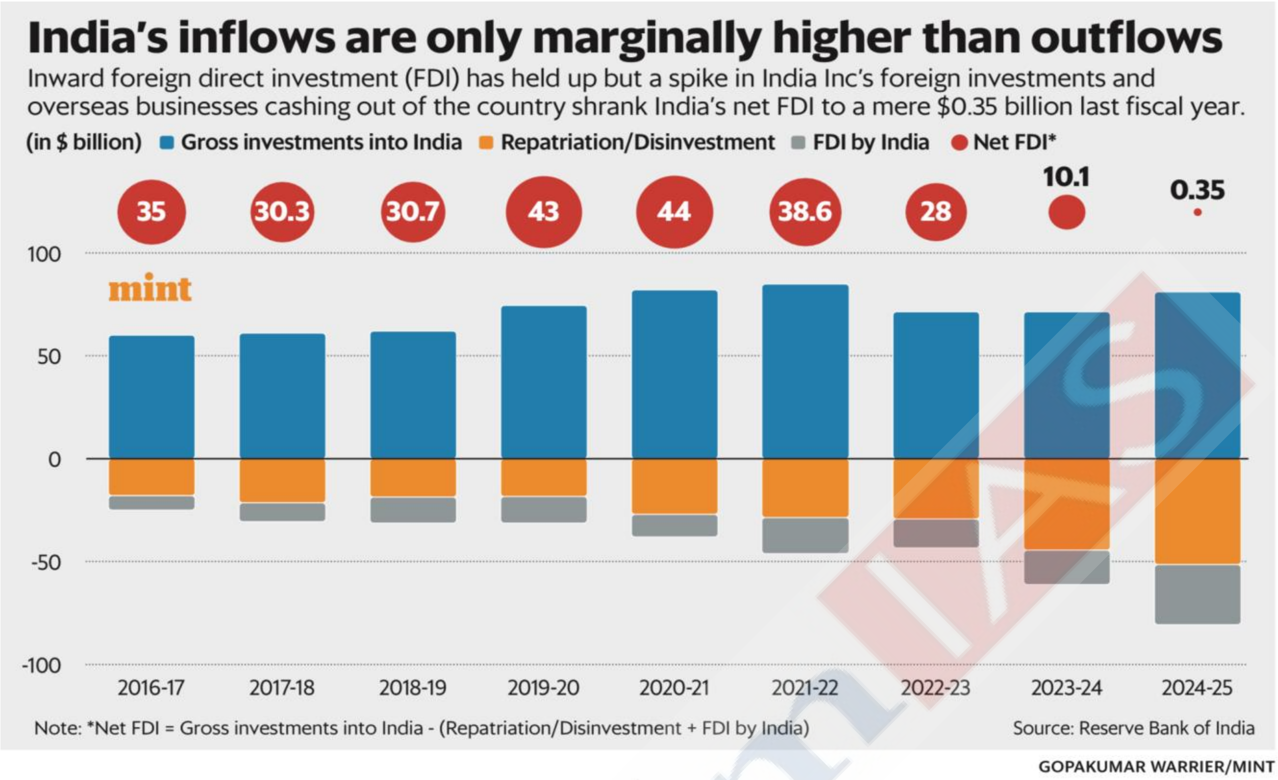
Context: Three global reports in 2024–25 highlight a sharp fall in foreign direct investment (FDI), raising concerns for developing economies. These countries depend on FDI to boost industrial capacity, infrastructure, technology, and clean energy. India, despite appearing stable on the surface, faces deeper issues due to rising outflows and shifting investment preferences.

Global Decline in FDI: Scope and Causes

1. **Sharp Worldwide Contraction:** The UNCTAD World Investment Report 2025 reported an **11% fall in FDI flows in 2024**, the second consecutive year of decline. Investor uncertainty remains high for 2025. OECD and World Bank data confirm similar trends.

2. **Disproportionate Impact on Developing Economies:** Developing nations, reliant on FDI for growth and sustainability goals, are especially hurt. Despite **$500 billion in digital greenfield FDI over five years**, investments remain **concentrated in a few countries**, marginalizing vulnerable ones.

3. Long-Term Trends and Global Factors: FDI as a **share of global GDP fell from 5% in 2007 to under 1% in**



2023–24. The 2008 financial crisis marked a permanent decline. Rising **protectionism, policy unpredictability, and fractured global value chains** are core reasons behind falling investments.

FDI Distribution Patterns and Emerging Gaps

1. **Concentration in Rich Economies:** According to the OECD, **the US, Luxembourg, and Canada** were top destinations in 2024. However, FDI to **non-OECD G20 economies like India fell by 30%**, and China marked its **third consecutive year of decline.**

2. **Greenfield Versus Project Finance:** The World Bank notes a **25% fall in greenfield FDI to emerging markets**, indicating a lower willingness to set up manufacturing. India, while seeing greenfield strength in **semiconductors and metals**, witnessed a **37% fall in project finance inflows.**

India's Changing FDI Profile

1. **Marginal Gains and Deeper Concerns:** India's rank rose slightly to **15th in 2024 from 16th in 2023**. But this masks underlying issues, especially the **surge in FDI outflows.**

2. **Investor Exits and Domestic Buyouts:** Foreign investors are **cashing out**, often selling assets to domestic buyers. Examples include **Disney's exit via sale to Jio**and **Advent International's exit from Bharat Serum.** The lack of detailed data blurs domestic-foreign distinctions.

3. **Rise in Indian Overseas Investments:** More strikingly, **Indian companies are investing abroad**, not domestically. **Outflows rose 75% in 2024** and are **four times higher than in 2016–17.** Weak domestic prospects and regulatory burdens are key push factors.

Policy Response and Structural Paradox

1. **Incentives Versus Reality:** Despite policies like **FDI cap hikes** and **production-linked incentives**, domestic investment hasn't kept pace. Sectors such as **insurance, defence, construction**, and **retail** have seen liberalization, but with limited impact.

2. **India's Unusual Position:** Outward FDI is usually led by **wealthy nations with convertible currencies** like the US and Japan. India, with a **partially convertible rupee**, doesn't fit the typical profile, raising concerns about underlying investment deterrents.

3. **Need for Government Action:** The government must investigate **why India Inc avoids domestic investment**, despite favourable incentives and low borrowing costs. Addressing this is crucial to reverse the FDI imbalance and foster growth.

Question for practice:

Discuss the reasons behind the global decline in FDI and explain how it is impacting India's investment patterns and economic prospects.

Gini history shows why India misreads inequality data today

Source: The post Gini history shows why India misreads inequality data today has been created, based on the article "Useless information has huge political utility" published in "**Businessline**" on 14th July 2025

UPSC Syllabus Topic: GS Paper1- Indian Economy and issues relating to planning, mobilisation, of resources, growth, development and employment.

Context: A recent PIB claim calling India the 'fourth most equal 'country triggered widespread criticism. It arose from a misreading of a World Bank study that confused consumption equality with income inequality. This article explores the historical roots and limitations of the Gini coefficient, a widely used measure of inequality.

Origin and Evolution of the Lorenz Curve and Gini Coefficient

1. **Birth of the Lorenz Curve:** The Lorenz Curve originated from an undergraduate essay by Max O. Lorenz in the early 1900s. He used it to illustrate income distribution, though it wasn't part of his later PhD work on American railroad wages.

2. **Naming and Popularization:** In 1912, Wilford E. King, also from the University of Wisconsin-Madison, named the curve after Lorenz. He was a prominent income statistician but politically conservative, opposing taxation and government intervention.

3. **Development of the Gini Coefficient:** The Italian statistician Corrado Gini developed the Gini coefficient based on the Lorenz Curve. It measures income inequality by calculating the deviation from perfect equality on an XY graph.

Limitations of the Gini Coefficient

1. **Dependence on Data Quality:** The Gini's reliability depends on complete and accurate data. In countries like India, where data is often unreliable, its usefulness is severely compromised. Scandinavian countries, with near-perfect data, show more accurate results.

2, **Misinterpretation and Misuse:**Even a correct like-for-like comparison using Gini does not portray India as an equal society. However, institutions sometimes misuse it to present misleading conclusions.

Political Influence and Global Uptake

1. **Rise in Political Relevance:** From the 1970s, growing democratic accountability made income inequality a political issue. The Gini coefficient became a tool for justifying government spending, especially by Left-leaning politicians.

2. **Role of the World Bank:** Under pressure from U.S. lawmakers, the World Bank began compiling extensive global income data. By the 1980s, it became the leading source for income inequality metrics, including the Gini.

Flaws in Policy Application

1. **Ineffective Spending in High-Gini States.** Hindi-speaking states in India, despite receiving more funds, show rising Gini levels. Increased expenditure hasn't reduced inequality, indicating the measure's limited usefulness in guiding policy.

2. **Comparison with Useless Remedies:** The article compares political use of the Gini to baldness treatments—highly marketable but largely ineffective. It questions whether spending based on Gini-driven policy offers any real value to taxpayers.

Question for practice:

Discuss how political misuse and data limitations reduce the effectiveness of the Gini coefficient in measuring inequality.

India and Europe must build a deeper strategic partnership

Source: The post India and Europe must build a deeper strategic partnership has been created, based on the article "**The importance of India and Europe walking in step**" published in "**The Hindu**" on 15th July 2025
UPSC Syllabus Topic: GS Paper2- Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.
Context: Amid global uncertainty and shifting power equations, the India-Europe relationship emerges as a strategic opportunity. Driven by evolving global alliances and internal transformations in both regions, leaders on both sides are reimagining ties, highlighting the potential for a meaningful and long-term partnership rooted in mutual interests and shared democratic values.
For detailed information on **India must respond to the changing UK EU** ties read this article here

A Shifting Global Order and Strategic Recalibration

1. **Fractures in Transatlantic Leadership:** Europe faces uncertainty as U.S. leadership, particularly under Donald Trump, weakens traditional alliances like NATO. Disunity within the G-7 and America's transactional approach have pushed European nations to reconsider their global strategies.

2. **Europe's Internal Reorientation:** Countries like Canada, the U.K., and Germany are recalibrating their foreign policies. Europe aspires to be a standalone power, embracing strategic autonomy, boosting defence spending, and asserting influence in Central Europe.

3. **India's Assertive Multi-Alignment:** India is transitioning from traditional non-alignment to a flexible strategy of multi-alignment. Both India and Europe now seek a multipolar world order rooted in international law and plural values, countering bipolarity between the U.S. and China.

Expanding Institutional and Bilateral Engagement

1. **EU-India Institutional Dialogue:** India and the EU are broadening their collaboration in areas like trade, security, climate change, and technology. The relationship now extends beyond rhetoric to tangible institutional mechanisms.

2. **Growing Bilateral Ties with Member States:** India's strategic ties with France, Germany, Italy, and Eastern European nations are deepening. These relationships support a more decentralised but robust European engagement.

3. **Common Vision for a Rules-Based Order:** India and Europe, as middle powers, champion global stability through coalitions and multilateralism, not coercion. Their joint stance in the WTO, UN, and AI governance forums reflects this commitment.

Economic and Technological Synergies

1. **Rapid Growth in Trade and Investment:** Between 2015 and 2022, EU investment in India rose 70%, with French investment growing by 373%. EU imports from India have doubled in just three years, showcasing India's rising economic pull.

2. **Trade Agreements and Green Sensitivities:** The India-EU Trade and Investment Agreements must be expedited. Europe's Carbon Border Adjustment Mechanism should consider India's developmental and green transition needs.

3. **Collaborations in Technology and Innovation:** India and Europe envision digital architecture as a global public good. Their strengths in semiconductors, digital platforms, biotech, and clean energy can foster innovation-driven partnerships.

Strategic, Defence, and Security Cooperation

1. **Defence Co-Development and Self-Reliance:** Europe remains a key arms supplier for India. Initiatives like Atmanirbhar Bharat and Europe's ReArm 2025 open pathways for defence co-production and tech transfer.

2. **Tackling Terrorism and Maritime Security:** Joint efforts in counter-terrorism, cybersecurity, maritime security, and space cooperation can build trust. Europe must adopt a stronger stance on Pakistan's role in fostering extremism.

3. **People-to-People and Talent Mobility:** A mobility pact for students, researchers, and professionals is essential. It will boost innovation, address Indian unemployment, and support cross-border knowledge exchange.

Building Mutual Trust and Public Perception

1. **Aligning Sentiments with Strategy:** Diplomatic success depends on shaping public opinion and media narratives. Europe must shed its dated views of India, while India must grasp Europe's complex transitions.

2. **Recent Diplomatic Milestones:** Symbolic gestures like the Raisina Dialogue in Marseille and high-level visits, including the EU Commission President's trip to Delhi, are helping reshape mutual perceptions.

3. **A Partnership of Conviction:** India and Europe must now act with intent, guided not by convenience but by shared values. This partnership can be a model for a more inclusive, stable, and equitable world.

Question for practice:

Examine how the evolving geopolitical landscape is shaping a deeper strategic, economic, and technological partnership between India and Europe.

India must bridge the gender gap in STEM

Source: The post India must bridge the gender gap in STEM has been created, based on the article "**Women, STEM careers and a more receptive industry**" published in "**The Hindu**" on 15th July 2025

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

Context: On World Youth Skills Day, focus returns to India's persistent challenge—while women form a high share of STEM graduates, their representation in the STEM workforce remains disproportionately low. This education-employment gap, despite progressive policies and skilling efforts, limits India's economic potential and inclusivity. For detailed information on **Gender gap in maths begins in early schooling** read this article here

India's Gender Paradox in STEM and Labour Force

1. **High STEM Graduation, Low Workforce Inclusion:** India leads globally with 43% of STEM graduates being women. Yet, only 27% of the STEM workforce is female, highlighting a serious inclusion deficit in a high-opportunity sector.

2. **Labour Force Participation Gains, but Uneven:** As per PLFS 2023-24, India's female labour force participation rate rose to 41.7%. However, the rise is rural-led (47.6%) compared to urban areas (25.4%), due to persistent formal employment barriers and social norms.

3. **Global and National Economic Stakes:** Globally, women form just 31.5% of researchers (UNESCO). Domestically, enabling 68 million more women to work could raise India's GDP by $700 billion by 2025 (McKinsey). The World Bank links 50% female participation to 1% additional GDP growth.

Government Initiatives and Skilling Reforms

1. **Policy Frameworks Driving Change:** The NEP 2020 integrates education and life skills training, while schemes like 'Skill India 'and 'Digital India 'focus on employability. 'Beti Bachao, Beti Padhao 'and PM Vishwakarma Yojana also reflect intent toward inclusivity.

2. **Improved Budgetary Support:** The gender budget rose to 8.8% of the national budget in 2025-26, with ₹4.49 lakh crore allocated for gender-specific schemes, supporting entrepreneurship, skill training, and technical education.

3. **Focus on Rural Reach and Access:** Efforts to revitalise ITIs and build new National Skill Training Institutes are expanding quality technical education in rural areas, increasing access for women and youth.

Industry as the Key Enabler

1. **Barriers Rooted in Social Norms:** Cultural stereotypes like "mechanical means masculine" hinder women's entry into technical roles. Studies show women exit STEM not due to lack of skills but due to unwelcoming environments and career discontinuities.

2. **Workplace-Level Interventions Needed**
Industries must ensure workplace safety, fair pay, and support for career transitions like marriage and caregiving to enable long-term participation of women.

3. **Private Sector Initiatives Emerging**
Companies are launching mentoring programmes, training initiatives, and educational partnerships. The WeSTEM programme by UN Women, in partnership with two state governments and Micron Foundation, builds skills while tackling mindsets through family engagement and role models.

Way Forward:

1. **Integrated Industry-Academia Partnerships**
To close the skills-to-jobs gap, industries must co-create curriculum, offer internships, and support mentorship networks to connect students with professionals.

2. **Investing in Women is an Economic Imperative**
Inclusive skilling is no longer optional. Empowered women transform not only homes but economies. Their voice becomes the foundation for a future-ready India.

Question for practice:

Discuss the key barriers and solutions for increasing women's participation in India's STEM workforce.

India's Inequality Data Sparks Confusion and Misinterpretation

Source: The post India's Inequality Data Sparks Confusion and Misinterpretation has been created, based on the article "**Two unequal**" published in "**Indian Express**" on 15th July 2025
UPSC Syllabus Topic: GS Paper1- society-poverty and developmental issues
Context: A debate erupted over claims that India is among the most equal societies globally. Triggered by government endorsements and media reports citing low consumption inequality, the discussion has become entangled in misinterpretations and misuse of data sources.

Misinterpretation of India's Global Rank

1. False Claims about India's Economic Standing: An essay published by ORF inaccurately stated that India is the world's fourth-largest economy and fourth most equal society. In reality, India may reach the fourth-largest economy status only by 2027.

2. Incorrect Statement on Equality: The government and BJP echoed these claims, suggesting India ranked fourth in social equality. However, India was most equal *only in terms of consumption* inequality, not income.

3. Criticism and Counter-Errors: Critics rightly challenged the false comparisons but also committed errors. For example, Surbhi Kesar warned against comparing consumption Gini with income Gini—yet later used WID's synthetic income data instead of actual consumption or income surveys.

Understanding the Measurement Challenges

1. Consumption vs. Income Distribution: Inequality is generally measured by either consumption or income distribution. India has no official income distribution survey, making any claim on income inequality speculative.

2. Limits of Household Surveys: Surveys are universally acknowledged as the best instruments for inequality measurement, despite their imperfections. Official data remains the most credible.

3. Role of the World Bank's PIP: The Poverty Inequality Platform (PIP) by the World Bank compiles survey-based income and consumption data from 167 countries. It only includes data provided officially by governments.

Data Limitations and Anomalies

1. India's Unique Data Profile: India lacks official income data, hence PIP shows only consumption inequality. Still, the World Bank's April 2025 brief oddly cites WID's synthetic income data exclusively for India.

2. China's Partial Compliance: While most countries submit unit-level data to the World Bank, China only provides 5-percentile summaries. This exception is unique and suggests a need for more transparency from global powers like China.

3. Contradictory Results on Inequality: PIP data shows India had the lowest consumption inequality (Gini of 25.5 in 2022), while WID reports India's income Gini at 62 in 2023. Such a large gap (36.5 points) is statistically improbable and undermines the credibility of the sources.

Credibility of Data Sources in Question

1. World Bank's Dual Messaging: Despite its history of reliable survey-based data collection, the World Bank simultaneously promotes two contradictory figures—one from PIP and another from WID—without explaining the inconsistency.

2. Reliability of WID Estimates: WID uses synthetic estimates based on assumptions. These have been questioned in American economic journals for being unrealistic, especially for countries like the US and now India.

3. Call for Accountability: This contradiction—lowest consumption inequality and highest income inequality for the same country—has never been recorded before. The inconsistency calls for clarification from both the World Bank and WID.

Conclusion

India's inequality debate reveals deep flaws in data interpretation and source usage. Miscommunication by both government and critics, and paradoxical data endorsements by the World Bank, raise serious questions about the credibility of inequality metrics and the organisations presenting them.

Question for practice:

Examine how the misinterpretation and misuse of inequality data have affected the credibility of official and synthetic data sources in India.