

# 9 PM Current Affairs Weekly Compilation

For UPSC CSE mains examination



सत्यमेव जयते

**UPSC**

**4<sup>th</sup> Week**

June. 2025

**Features :**

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

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### South Asia must strengthen trade for stability

**Source:** The post South Asia must strengthen trade for stability has been created, based on the article “**The sorry state of South Asian economic integration**” published in “**The Hindu**” on 24th June 2025

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

**Context:** Two key events—the **reciprocal tariffs imposed by the Trump administration** and the **terror attack in Pahalgam**—have exposed South Asia's vulnerability at the intersection of economy and security. These incidents underline the pressing need for a **unified regional strategy** to address interconnected economic and security challenges.

#### Interdependence of Economy and Security

- 1. Economic Strength and Security Are Linked:** Stability in trade supports peace, while conflict and unrest damage economic progress. A secure region encourages investment and trade, creating a virtuous cycle of growth and peace.
- 2. Border Tensions Disrupt Progress:** Territorial disputes in South Asia obstruct the development of **economic partnerships**, slowing integration and regional cooperation.
- 3. Need for Unified Vision:** Security and economic issues must be tackled together. Isolated measures fail to deliver long-term stability or prosperity.

#### South Asia's Limited Regional Integration

- 1. Weak Intra-Regional Trade Performance:** Under SAFTA, **intra-regional trade** remains just 5–7% of South Asia's total trade—the **lowest globally**. In contrast, the EU reaches 45%, ASEAN 22%, and NAFTA 25%.
- 2. Large Gap Between Current and Potential Trade:** SAARC nations trade **\$23 billion**, while estimates suggest they could reach **\$67 billion**. UNESCAP predicted a **\$172 billion trade potential by 2020**, revealing that **86% of capacity remains unused**.
- 3. Underperformance Despite Large Population:** With **25% of the global population**, South Asia has a **GDP of \$5 trillion**. The EU, with only 5.8% of the population, has **\$18 trillion GDP**; NAFTA stands at **\$24.8 trillion**, showing South Asia's unfulfilled potential.

#### Barriers to Intra-Regional Trade

- 1. Declining Bilateral Ties:** Trade between **India and Pakistan** dropped from **\$2.41 billion in 2018 to \$1.2 billion in 2024**. Pakistani exports to India fell from **\$547.5 million in 2019 to \$480,000 in 2024**, largely due to tensions and insurgency.
- 2. Worsening Trade Deficit:** The **trade-to-GDP ratio** declined from **47.30% in 2022 to 42.94% in 2024**. South Asia's **trade deficit** widened from **\$204.1 billion in 2015 to \$339 billion in 2022**, even though total trade rose to **\$1,335 billion**.
- 3. High Cost of Trading with Neighbours:** Intra-SAARC trade costs **114% of the value of goods**, higher than trade with distant partners. For instance, it's **20% cheaper to trade with Brazil than with Pakistan**, despite Brazil being **22 times farther**. By contrast, ASEAN countries trade at **76% of goods' value**, encouraging deeper integration.

#### Structural and Political Challenges

1. **Ineffective Trade Mechanisms:** Despite SAFTA, **poor governance and political hurdles** raise trade costs, making regional commerce unattractive.
2. **Lack of Policy Coordination:** There is no shared roadmap for harnessing **two-thirds of untapped potential** in goods, services, and investments across the region.
3. **Trust Deficits and Conflicts:** Regional tensions, **minority issues**, and **terrorism** continue to block cooperation. SAARC's goal to end distrust remains unfulfilled.

#### The Way Forward for Regional Growth

1. **Reduce Barriers for Mutual Gain:** Lowering trade costs and simplifying procedures can encourage the **creation of regional value chains**.
2. **Decouple Economics from Politics:** Regional trade must advance independently of **bilateral tensions**. Shared growth should guide the integration agenda.
3. **Leverage Complementary Strengths:** Identifying **mutually beneficial sectors** can unlock economic opportunity and enhance **regional stability**.

#### Question for practice:

**Examine** the reasons behind South Asia's low level of intra-regional trade despite having significant economic potential.

### Thirstwaves are reshaping climate and crop patterns

**Source:** The post Thirstwaves are reshaping climate and crop patterns has been created, based on the article "Rising evaporative demand spotlights India's data and research gap" published in "The Hindu" on 24th June 2025

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

**Context:** The article explores *thirstwaves*, a newly identified climate phenomenon caused by rising atmospheric evaporative demand. These events are becoming more frequent and intense, especially during crop-growing seasons, raising concerns for agriculture and water availability in a warming world.

#### Thirstwaves and Evaporative Demand

1. **Definition and Origin:** Thirstwaves refer to **three or more consecutive days of high evaporative demand**. The term was introduced by researchers **Meetpal Kukal and Mike Hobbins**. Their study showed that **such events are increasing across the U.S.**
2. **Climatic Drivers:** Unlike heatwaves, **thirstwaves are influenced by temperature, humidity, solar radiation, and wind speed**. Global warming intensifies these combined factors, making the air **more moisture-demanding**.
3. **Agricultural Consequences:** Evaporative demand controls **water loss from plants**, even when irrigation is adequate. **Higher demand leads to increased moisture loss**, leaving **crops and soil drier**, impacting crop health.

#### Measuring Evaporative Demand

1. **Standardised Short-Crop Evapotranspiration:** This metric estimates water loss from a **well-watered grass surface**. It simplifies the complex interaction by assuming **constant vegetation**, making water use depend **only on weather conditions**.

**2. Indicators of Rising Demand:** An increase in this measure means **rising temperatures, lower humidity, faster winds, and more solar radiation**. It is a **core concept** for irrigation planning.

**3. Historical Findings in India:** A 1997 study found **declining potential evapotranspiration in India** over 30 years due to **high humidity**, despite rising temperatures. However, **future warming is expected to override this effect**, leading to **higher evaporative demand**.

#### Recent Regional Observations

**1. Changes in India's Sub-Basins:** A 2022 study found **increased evapotranspiration in northern India, the Western and Eastern Himalayas**, possibly from **more vegetation or agricultural expansion**.

**2. Data Limitations:** There is **no detailed data on extreme thirstwaves in India**. Differences in **crop and ecosystem sensitivity to demand remain understudied**, creating a research gap.

**3. Need for Research:** Kukal is **collaborating with Indian scholars** to study thirstwaves in South Asia, where **societies are more climate-vulnerable**. Their research could influence **global food and water security strategies**.

#### Policy and Adaptation Implications

**1. Unexpected Impact Zones:** The **worst thirstwaves occurred in areas without the highest demand**, suggesting that **current climate risk assessments may miss key regions**.

**2. Global South Risks:** **South Asia's agricultural dependence and climate exposure** make it particularly vulnerable. Kukal's work aims to improve **regional readiness and resilience**.

**3. Urgency of Awareness:** Experts emphasize the **need for monitoring, awareness, and policy focus**. Educating **farmers and water managers** on thirstwaves is crucial for **future preparedness**.

#### Question for practice:

**Discuss** how rising evaporative demand and increasing thirstwaves impact agriculture and climate preparedness.

### Health insurance in India needs urgent reforms

**Source:** The post Health insurance in India needs urgent reforms has been created, based on the article "**Health insurance must be inclusive**" published in "**Bussinesline**" on 24th June 2025

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

**Context:** Health insurance contributed **₹1.18 lakh crore** in FY 2024–25, making up **36% of general insurance premiums**. The sector has come under scrutiny for **high claims ratios, pricing issues, and uneven access**, prompting a need for reform and analysis.

For detailed information on **India Needs to Prioritize Preventive Healthcare for a Healthier Future** [read this article here](#)

#### Coverage Distribution and Premium Imbalance

**1. Disparity in Coverage and Premium Share:** Retail health insurance covers only **5.58 crore lives** but generates **₹41,501 crore** (39%) in premiums. Group health covers **25.59 crore lives** with **₹55,666 crore** (52%) and government schemes cover **26.11 crore lives** with just **₹10,513 crore** (9.8%). **Average premiums** reflect this divide — **₹7,437** (individual), **₹2,175** (group), and **₹402** (government).



**2. High Loss Ratios Across Segments:** The overall **incurred loss ratio** was **88.15%**, with **group health** at **94%**, **government schemes** at **115.28%**, and **individual** at **75%**. These indicate **sustainability challenges**, especially for public-funded programs.

**3. Insurer-Wise Claims Experience:** **Public sector insurers** had a **103%** incurred claims ratio, while **private** stood at **89%**, and **standalone health insurers** at **65%**, reflecting differences in **risk strategy** and **pricing models**.

### Geographic and Provider Concentration

**1. Urban-Centric Premium Collection:** Nearly 64% of premiums come from just five regions: Maharashtra (29.5%), Karnataka (11%), Tamil Nadu (10%), Gujarat (7%), and Delhi (6.5%), showing limited geographical spread.

**2. Private Sector Dominance in Care Delivery:** Private healthcare accounts for **65% of hospitalisations** in urban and **54% in rural** areas. It also delivers **74% of outpatient** care in cities and **67% in villages**, indicating **dependency on private services**.

**3. High Costs for Serious Illnesses:** Private care is significantly costlier — up to **6.8x** higher for cardiac cases and **5.2x** for respiratory illnesses. This worsens financial stress and raises premium costs.

### Key Systemic Issues

**1. Incomplete and Denied Claims:** Only **71.31% of claims** (₹83,493 crore) were paid in FY24. **22.22%** (₹26,037 crore) were unpaid — with **₹15,100 crore disallowed** under policy terms and **₹10,937 crore repudiated**. **₹7,584 crore** remained **pending**.

**2. Need for Better Oversight:** There are large variations in settlement practices among insurers. IRDAI review, policy standardisation, and Board-level monitoring are needed for transparency and fairness.

**3. Provider Pricing Disparities:** Treatment costs vary widely, even within the same **hospital groups** across cities. This complicates **premium calculations** and requires a **uniform regulatory framework**.

### Reform Recommendations and Structural Changes

**1. Promote Standard Policies:** The **Arogya Sanjeevani policy**, with **uniform terms**, should be scaled up to **minimise dispute** and bring **pricing consistency**.

**2. Establish a Healthcare Regulator:** A national regulator is needed to handle **pricing transparency**, **medical inflation**, and **advanced technologies** in health coverage.

**3. Strengthen Tier-2/3 Infrastructure:** Public health expansion can be financed via **health bonds** issued by **municipal authorities or hospitals**, eligible for insurer investments.

**4. GST Relief for Seniors:** Reducing the **18% GST** on health insurance to **zero for senior citizens** will make coverage more affordable.

**5. Process and Outreach Reforms:** Insurers must adopt **digital tools**, improve **claims efficiency**, monitor **fraud**, and cut **intermediation costs** by promoting **direct sales**.

## Public Sector Impact and Future Strategy

**1. Welfare Gains from PMJAY :** The PMJAY scheme offers ₹5 lakh coverage per family and has reduced out-of-pocket spending by ₹1.25 lakh crore. Over 73.98 crore Ayushman Bharat accounts and 1.75 lakh wellness centres show strong inclusivity gains.

**2. Need for Integrated Reform:** The **General Insurance Council's awareness campaign** is welcome, but systemic welfare benefits require a **comprehensive, integrated approach**, not isolated reforms.

### Question for practice:

Examine how pricing and claims settlement issues affect the effectiveness of health insurance as a welfare tool in India.

## Gender equality builds inclusive and safer cities

**Source:** The post Gender equality builds inclusive and safer cities has been created, based on the article "**The need for gender equity in urban bureaucracy**" published in "**The Hindu**" on 25th June 2025

**UPSC Syllabus Topic: GS Paper2-Governance-mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections.**

**Context:** India's urban population will exceed **800 million by 2050**, making it the world's largest contributor to urban growth. As cities expand, ensuring **gender equity in governance and services** is essential for inclusive development and democratic progress.

For detailed information on **India's Progress in Advancing Gender Equality** [read this article here](#)

### Expanding Political Representation of Women

**1. Constitutional Mandates for Inclusion:** The **73rd and 74th Amendments** reserve **33% seats for women** in Panchayati Raj Institutions and Urban Local Governments. **17 States and one Union Territory** have increased this to **50%**.

**2. Strong Presence in Local Politics:** Women now account for **over 46% of elected representatives** (Ministry of Panchayati Raj, 2024). Their growing role as mayors and councillors marks political progress.

**3. Lack of Administrative Representation:** Despite this, the **urban bureaucracy remains male-dominated**, affecting the effective translation of gender-sensitive policies.

### Gender Gap in Urban Bureaucracy

**1. Low Participation in Administrative Cadres:** As of 2022, only **20% of IAS officers** were women (IndiaSpend). Their presence is even lower in planning, engineering, and transport.

**2. Underrepresentation in Policing:** Only **11.7% of police personnel** are women (BPR&D, 2023), and many are in desk jobs, limiting their community-level impact.

**3. Overlooked Gendered Needs in Planning:** Women depend more on **public transport** and **neighbourhood infrastructure**. A study found **84% of women** in Delhi and Mumbai used shared transport compared to **63% of men**. Yet, planning prioritises mega-projects over local safety needs.

**4. Proven Impact of Women Officials:** Studies by ICRIER and UN Women show that women in governance focus more on **health, safety, and water**. Their presence improves **public trust** through empathetic enforcement.

### Underutilised Potential of Gender Budgeting

**1. Introduction and Efforts in India:** India adopted **Gender Budgeting** in **2005-06**. Delhi promoted **women-only buses and lighting**. Tamil Nadu applied it across **64 departments**, while Kerala integrated it into the **People's Plan Campaign**.

**2. Challenges in Implementation:** Reports by UN Women and NIPFP highlight **weak monitoring** and **limited capacity**, especially in smaller cities. GRB often ignores basics like **childcare and pedestrian safety**.

**3. International Best Practices:** Philippines mandates 5% local budget for gender programmes, **Rwanda ties GRB to national planning**, **Uganda** requires **gender equity certificates**, **Mexico links GRB to outcomes**, **South Africa** pilots **participatory planning**.

### Moving Beyond Quotas to Structural Reform

**1. Need for Institutional Changes:** Inclusive cities need reforms in **recruitment, retention, and promotion**. **Quotas and scholarships** in planning and engineering are necessary to break structural barriers.

**2. Global Lessons on Inclusive Governance:**

**Rwanda** raised maternal health spending, **Brazil** prioritised sanitation, **South Korea** used gender audits for transit, **Tunisia** implemented parity laws, **Philippines** funded shelters through gender budgeting.

**3. Why It Matters:** **Gender-balanced bureaucracies** are essential for creating **safe, responsive, and equitable cities**.

### A Vision for Equitable Cities

**1. Cities Beyond Growth:** As India eyes a **\$5 trillion economy**, its cities must also become **spaces of inclusion and equity**.

**2. Institutionalising Inclusive Governance:** Mandatory **audits, participatory budgeting, and linked evaluations** should guide urban planning. GRB must be mainstreamed in all **Urban Local Governments**.

**3. Empowering Women as Decision-Makers:** Representation must lead to **agency**. Models like **Kudumbashree** provide effective templates. Cities must be **designed with women**, not just for them.

### Question for practice:

Discuss how gender imbalance in urban bureaucracy affects inclusive city planning in India.

### Indian Government Redefines Public Sector Strategy

**Source:** The post Indian Government Redefines Public Sector Strategy has been created, based on the article "**Shifting gear**" published in "**Business Standard**" on 25th June 2025

**UPSC Syllabus Topic:** **GS Paper3-Investment models**

**Context:** The Indian government's approach to Public Sector Undertakings (PSUs) has changed significantly over the past decade. Initial hopes of privatisation gave way to a strategy focused on using PSUs to drive capital expenditure and economic growth. This shift has had wide-ranging implications for disinvestment, revenue generation, and fiscal planning.

### Disinvestment Trends and Early Expectations

**1. Initial Optimism in Disinvestment Policy:** The Indian government began with a strong push for disinvestment. **Receipts rose from 0.2% of GDP in 2014–15 to 0.6% in 2017–18**, raising hopes for accelerated privatisation.



**2. Sharp Decline in Receipts Post-2018:** After 2017–18, disinvestment receipts **fell to 0.03% of GDP by 2024–25**. The decline was sharper than the earlier rise, reflecting a reversal in approach.

**3. Limited Progress in Privatisation:** Despite plans in 2021 to privatise several PSUs, only **three — Air India, Neelachal Ispat, and Ferro Scrap Nigam — were privatised** in the last ten years. Some PSUs, like Rashtriya Ispat Nigam, received new equity instead.

**4. Shift Toward Value Creation Narrative:** The government repositioned PSUs as **instruments of value creation**, moving away from the earlier disinvestment model which aimed to reduce government ownership in businesses.

#### Financial Engagement with PSUs

**1. Drop in PSU-Linked Revenue:** Combined receipts from disinvestment and dividends **fell from 0.45% to 0.25% of GDP** over the decade, indicating limited financial returns from PSUs.

**2. Rising Capital Allocations:** Equity and loan support to PSUs **rose from 0.54% of GDP in 2014–15 to 1.66% in 2024–25**. This growth far exceeded that seen during the UPA government.

**3. Support Integrated into Capex Strategy:** This funding became a central part of the government's capital expenditure plan, which **doubled from 1.6% to 3.1% of GDP** over ten years.

**4. PSUs Used for Economic Recovery:** Higher PSU investment enabled the government to maintain a robust capex push, particularly during the **post-Covid growth phase**.

#### Changing Composition of Capital Expenditure

**1. PSU Share in Capex Rose Sharply:** In 2014–15, PSU-related equity and loans made up **34% of total capex** (₹67,512 crore of ₹1.96 trillion). By 2024–25, the share rose to **54%** (₹5.48 trillion of ₹10.2 trillion).

**2. Strategic Realignment of Growth Model:** Instead of selling PSUs, the government used them as **instruments for capital formation and infrastructure development**.

**3. Sustainability Concerns:** Future expansion may face limits unless **new funding options** are explored, as dependence on PSU capitalisation may not be sustainable long-term.

#### Fiscal Adjustments and State Support

**1. Correction in Revenue Estimate:** A previous report wrongly stated a 6% drop in income tax collection. The actual fall in 2024–25 was only **1.7% below the revised estimate**.

**2. Shortfall from Negative IGST Receipts:** A **2.3% fall in net tax revenue** was largely due to negative IGST collections of ₹32,995.3 crore, caused by **excess settlements with states**.

**3. No Recovery from States:** The government allowed states to retain this amount, providing them with **fiscal space** for investments without cutting devolution.

**4. Savings from Underutilised Allocations:** Expenditure was lower due to savings of ₹25,000 crore (unclaimed grants), ₹20,000 crore (interest payments), ₹18,000 crore (scheme savings), and ₹8,000 crore (unused MSME funds).

#### Broader Implications of PSU Strategy

1. **Capex Growth Without Revenue Gains:** The government increased capital spending without matching revenue growth, relying on **PSU support rather than disinvestment**.
2. **PSUs Central to Growth Revival:** This strategy was crucial to post-pandemic recovery, despite low direct returns.
3. **Need for New Financing Tools:** Sustaining future growth will require **broadening funding sources** or strengthening PSU balance sheets further.

#### Question for practice:

Examine how the Indian government's changing approach to Public Sector Undertakings has influenced its capital expenditure strategy over the past decade.

### Modern despotism is quietly replacing true democracy

**Source:** The post Modern despotism is quietly replacing true democracy has been created, based on the article “Fifty years after Emergency, the new threats to democracy” published in “Indian Express” on 25th June 2025

**UPSC Syllabus Topic: GS Paper2-** Constitution of India —historical underpinnings, evolution, features, amendments, significant provisions and basic structure.

**Context:** The global rise of a new type of despotism is triggered by increasing instability, including geopolitical rivalries, economic disruptions, and citizen unrest. This modern despotism, seen across diverse countries, challenges the foundations and promises of democratic governance by cleverly manipulating public support rather than relying solely on repression.

#### Understanding Modern Despotism

1. **Defining Despotism Clearly:** Despotism is often confused with authoritarianism or autocracy, but it uniquely relies on **voluntary servitude** rather than force alone. Despots manipulate populations skillfully, generating loyalty through sophisticated political and social strategies.
2. **Methods of Control:** Modern despots use **seduction, deception, and calibrated violence**. Their dominance depends significantly on rigged elections, patronage, financial incentives, legal manipulation, and a constant portrayal as protectors of the people against imagined threats.
3. **Social Base of Despotism:** Despotism effectively cultivates support among various societal segments, including **middle classes, workers, and poorer populations**, ensuring widespread subservience.

#### Global Spread and Contagion

1. **Despotism as a Contagious Phenomenon:** This form of rule is contagious, spreading through mutual admiration and alliances between despotic leaders globally. These relationships reinforce despotic practices, normalizing authoritarian behavior internationally.
2. **Exemplifying Global Alliances:** Donald Trump's 2025 West Asia tour illustrates despotic camaraderie. Trump received elaborate welcomes in Saudi Arabia, UAE, and Qatar, underscored by extravagant ceremonies, lucrative business deals, defense contracts, nuclear energy collaborations, and luxury gifts, symbolizing solidarity among despots.

#### Consequences for Democracy

1. **Undermining Democratic Freedoms:** Despotism threatens fundamental democratic principles by eroding accountability and transparency. Such flamboyant demonstrations of power and unity among despots signal a clear risk to the values underpinning democratic societies.

**2. Reasserting Democratic Values:** True democracy involves more than free elections; it safeguards against abuses of power. Democracy insists no authority is permanent or beyond scrutiny, serving as a vital mechanism for preventing societal harm by holding power accountable.

### Historical Lessons and Relevance

**1. Learning from the Past:** Historical resistance to authoritarian rule, such as opposition to Indira Gandhi's Emergency (1975-77), exemplifies democracy's protective role. Democracy acts as an early-warning system, alerting citizens to potential threats from unchecked power.

**2. Democracy as Reality Check:** Democracy ensures power remains grounded and transparent. It counters the illusions and excesses of despotic rule by continually challenging the misuse of authority, thus preserving societal integrity and individual dignity.

### Question for practice:

**Examine** how modern despotism uses democratic tools and public support to undermine the principles of democracy.

### Germany leads as America retreats from global security roles

**Source:** The post Germany leads as America retreats from global security roles has been created, based on the article "Eurasian powers must find political answers to security problems" published in "Indian Express" on 26th June 2025

**UPSC Syllabus Topic:** GS Paper2- International Relations

**Context:** Amid disruptive U.S. foreign policy under President Donald Trump, especially in Iran and Europe, the NATO summit in The Hague signals major geopolitical shifts. The weakening of U.S. security guarantees is pushing key powers—especially Germany and others in Eurasia and the Indo-Pacific—to pursue strategic autonomy.

### Shifting Geopolitical Dynamics Under Trump

**1. Trump's Disruptive Global Actions:** Trump bombed Iran's nuclear sites and brokered a fragile ceasefire between Tehran and Tel Aviv. At the NATO summit, he continues reshaping alliances, challenging long-standing global security frameworks.

**2. Impact Extending to Eurasia and Beyond:** These interventions are not limited to the Middle East. They ripple across Europe and the Indo-Pacific, signaling a deeper transformation in Eurasian geopolitics.

**3. Emerging Power Centres:** With Washington receding, **Germany is rising as a strategic anchor** in Europe. This shift is redefining power balances and may reshape Eurasian leadership.

### Crisis and Transition in NATO

**1. Alliance Under Pressure:** **NATO faces growing uncertainty.** Russia's invasion of Ukraine, Trump's criticism of NATO, and persistent tensions have shaken its foundation.

**2. Germany's Strategic Reorientation:** Germany, once a pacifist power, is now evolving. After Russia's 2022 invasion, Chancellor Olaf Scholz announced a *Zeitenwende*—a historic turning point—with €100 billion allocated to modernise its military and a commitment to NATO's 2% defence spending target.

**3. Merz Accelerates Military Leadership:** Chancellor Friedrich Merz is consolidating this shift. Germany now leads NATO's Enhanced Forward Presence in Lithuania and will permanently deploy a combat-ready brigade. **Berlin is becoming a "security provider" for Europe.**

## Evolving U.S. Posture and Its Consequences

1. **Trump's Stance on Russia:** Trump downplays the Russian threat, promotes its return to the G8, and urges Ukraine to trade territory for peace. This **undermines NATO solidarity** and alarms European capitals.
2. **Rewriting Middle East Diplomacy:** In the Middle East, Trump seeks to expand the Abraham Accords to include Saudi Arabia. Some advisers propose a *Cyrus Accords* between Israel and Iran, if Iran breaks from theocracy—referencing Cyrus the Great who freed Jews 2,500 years ago.
3. **Indo-Pacific Uncertainty:** Asian powers are also unsettled. **Leaders from Japan, Australia, South Korea, and New Zealand skipped the NATO summit**, reflecting doubts about U.S. commitment to Asia-Europe coordination.

## Strategic Recalibration Across Eurasia

1. **Europe's Push for Autonomy:** With no clear U.S. commitment and pressure to spend 5% of GDP on defence, **Europe is compelled to seek strategic autonomy**. NATO Secretary General Mark Rutte supports the spending push but avoids addressing U.S. disengagement.
2. **Defence Spending Is Not Enough: Money alone won't solve security problems.** Political solutions and better neighbourly relations are essential to stabilise the region.
3. **A New Eurasian Order Emerging:** From Ukraine to Iran and NATO to the Indo-Pacific, signs point to the birth of a **new geopolitical order**, demanding adaptive leadership and regional cooperation.

## Implications for India and the Indo-Pacific

1. **India's Strategic Advantage:** India bridges Europe, the Middle East, and Asia. Its deeper engagement with Europe, outreach in the Middle East, and strengthening ties with ASEAN, Japan, and Australia reflect a **balanced strategy**.
2. **Navigating Global Uncertainty:** Delhi's adaptable diplomacy, including ties with **Trump's America**, positions it well to handle a fragmented and uncertain world.

## Question for practice:

**Evaluate** how Germany's evolving strategic role is reshaping the European security architecture in response to shifting U.S. foreign policy under Donald Trump.

## India Can Build Its Own Global Consulting Giants

**Source:** The post India can build its own global consulting giants has been created, based on the article "**India's Big Four bet**" published in "**Financial Express**" on 26th June 2025

**UPSC Syllabus Topic: GS Paper3-** Effects of liberalisation on the economy, changes in industrial policy and their effects on industrial growth.

**Context:** India is exploring a major strategic shift to develop home-grown accounting and consulting firms that can rival global giants. This move aligns with the *Atmanirbhar Bharat* vision and is driven by the government's belief that India's talent, market size, and expertise can establish globally competitive professional service firms.

## Understanding Global Dominance of the Big Four



**1. Post-war Expansion and Strategic Evolution:** The Big Four — Deloitte, PwC, EY, and KPMG — grew alongside American and European multinationals after World War II. Initially audit-focused, they evolved into multi-disciplinary firms offering services like tax, strategy, technology, and human capital advisory.

**2. Shifting Revenue Models:** In India today, audits contribute less than 20% of their revenue. Most of their income comes from advisory services, government projects, and tech consulting. They transitioned from compliance watchdogs to strategic business partners.

**3. Lessons from Their Journey:** Their dominance was built on trust, scale, and diversified services. These elements now serve as reference points for Indian firms aiming to achieve global recognition.

### Missed Opportunities and New Openings

**1. Overlooked During IT and Pharma Boom:** When Indian IT and pharma firms globalised two decades ago, they sought international validation through the Big Four. Indian firms, even for domestic work, were sidelined, highlighting a lost opportunity for local professional services.

**2. Global Indian Firms Now Feasible:** The question has shifted from *if* Indian firms can globalise to *how fast* they can seize this opportunity. The global credibility of Indian business must now extend to Indian professional service providers.

**3. A Proof of Concept:** One Indian tax and regulatory firm has successfully expanded to the UAE, Singapore, and Saudi Arabia, serving major global multinationals. Its success shows that trust, niche focus, and outreach can fuel rapid international growth.

### Replicating India's IT Sector Success

**1. Learning from TCS, Infosys, and Wipro:** These firms began as low-cost service providers and rose to become global consulting leaders. Their transformation holds key insights for professional service firms today.

#### 2. Three Pillars of IT Success

- **Quality Benchmarking:** Surpassed global standards, earning Fortune 500 trust.
- **Strategic Scaling:** Used global delivery centres and acquisitions.
- **Branding:** Gained recognition via thought leadership and global forums like Davos.

**3. Applying the Blueprint:** These same strategies — quality, scale, and visibility — can empower Indian consulting firms to compete globally.

### Key Actions for Indian Consulting Firms

**1. Adopt Global Standards and Technologies:** Indian firms must invest in AI audits, ESG frameworks, and predictive analytics. Strong training and international governance practices will build trust and credibility.

**2. Achieve Scale through Strategic Moves:** Fragmentation and small-scale mindsets limit growth. Indian firms need consolidation, partnerships, and shared leadership to achieve resilience and depth.

**3. Boost Visibility with Modern Regulations:** Current ICAI restrictions on advertising and signage hinder visibility. Reforms can allow ethical promotion and help Indian firms compete globally.

### The Government's Enabling Role



**1. Institutional Support is Crucial:** Like the 1990s IT push, India now needs government-driven initiatives to boost consulting firms, including financial, logistical, and regulatory support.

## 2. Policy Suggestions

- *Subsidies:* For overseas market entry and infrastructure.
- *Preferential Access:* Government projects should favour capable domestic firms.
- *Regulatory Clarity:* Simplify rules on foreign ties and international mobility for Indian professionals.

**3. Time to Build the Ecosystem:** India already has talent and scale. A supportive ecosystem is the final step to transform Indian firms into global leaders.

## A Defining Moment for India

**1. Global Influence Through Indigenous Firms:** The alignment of policy, ambition, and reform offers a unique moment. Indian firms can not only compete globally but also influence global norms and innovations.

**2. Acting with Urgency:** This opportunity must be seized decisively. The next generation of global consulting giants can carry Indian names — shaping the future of professional services worldwide.

## Question for practice:

**Examine** how India can build globally competitive consulting firms by learning from the success of its IT sector and addressing existing regulatory and structural challenges.

## Ensuring voting rights for India's migrant population

**Source:** The post Ensuring voting rights for India's migrant population has been created, based on the article “Enabling voting rights for migrants” published in “The Hindu ” on 26th June 2025

**UPSC Syllabus Topic: GS Paper2-** Constitution of India —historical underpinnings, evolution, features, amendments, significant provisions and basic structure.

**Context:** Bihar faces low voter turnout due to a large migrant population unable to vote from distant workplaces. Despite the Election Commission of India's (ECI) proposals, no mechanism has been implemented, disenfranchising many migrants during elections.

For detailed information on **Election Commission's initiative to enfranchise migrant voters is a step in the right direction** [read this article here](#)

## Migration and Voter Disenfranchisement

**1. Extent of Migration:** In India, 28.9% of the population migrated in 2021, mostly for marriage and work. Bihar has one of the highest rates of work-related migration. This trend significantly contributes to voter disenfranchisement in the state. In the 2024 Lok Sabha elections, Bihar's voter turnout was only 56%, far below the national average of 66%.

**2. Impact on Bihar:** Over half of Bihar's households experience migration. Migrants often relocate to richer states in search of jobs and cannot return during elections, leading to low participation. Without tailored mechanisms to include them in the voting process, their electoral voice remains unheard.

**3. Election Commission Initiatives:** In 2024, the ECI proposed solutions to enable remote voting for migrants. Although public discussions were held and ideas floated, including remote voting machines, no concrete implementation followed. This has prolonged the exclusion of migrant voters.

### Voting Solutions for Intra-State Migrants

- 1. Encouraging Short-Distance Travel:** Around 85% of migrants move within the same state. These intra-State migrants could return to vote if provided reasonable support. Since the distances are shorter, the challenge is more manageable.
- 2. Government Support Mechanisms:** The government can ease voting access by enforcing statutory holidays on polling day, preventing wage loss for informal workers. Additionally, organizing special bus services before and on polling day could make return travel feasible and affordable.

### Challenges for Inter-State Migrants

- 1. Remote Electronic Voting Machines (RVMs):** The ECI tested RVMs in 2023. These machines could allow voting across 72 constituencies, offering a solution for migrants without permanent residence. However, political objections emerged over its feasibility, voter identification, and compliance with election codes. Logistical issues, like organizing multiple RVMs in cities hosting migrants from many constituencies, make implementation difficult.
- 2. Postal Ballot System:** The ECI could extend the postal ballot system currently used by armed forces to migrants. Though easier to implement than RVMs, it would require early registration, timely distribution, and secure collection of ballots. The scale of operation still presents significant administrative demands.

### Long-Term Solutions for Permanent Migrants

- 1. Switching Voting Constituencies:** Migrants who stay in a place for at least six months should be allowed to shift their voting constituency. This would enhance their political participation and enable them to influence local governance that directly affects their lives.
- 2. Encouraging Voter Registration:** Special registration drives should focus on enrolling long-term migrants and married women who change residence. Including them in local electoral rolls would increase overall voter turnout and strengthen democratic inclusion.
- 3. Combined Approach for Effective Results:** Each solution has its merits and limitations. Migrants are a diverse group with varied needs. A multi-pronged strategy—combining RVMs, postal ballots, constituency switching, and supportive voter registration drives—offers the best chance to reduce disenfranchisement. Such an inclusive system would empower millions of migrant workers across India to participate in elections effectively.

### Question for practice:

**Question** Discuss how a multi-pronged approach can help ensure voting rights for India's migrant population.

### US shifts AI control policy but strategy remains unchanged

**Source:** The post US shifts AI control policy but strategy remains unchanged has been created, based on the article "Fathoming America's plan to manage AI proliferation" published in "The Hindu" on 27th June 2025

**UPSC Syllabus Topic:** GS Paper3 – science and technology – Awareness in IT, Space, Computers, and Robotics.

**Context:** The United States has revoked its AI Diffusion Framework, originally introduced to control AI technology exports. While this move has been welcomed, the core U.S. approach to restricting AI access—especially for rivals like China—continues in new technological forms, raising fresh global concerns about autonomy and trust.

### Problems in the AI Diffusion Framework

**1. Treating AI Like Nuclear Weapons:** The rescinded framework bundled AI export controls and licenses, treating AI as a strategic weapon. It restricted China and Russia, favoured allies, and limited others. The logic was that controlling computational power would preserve U.S. dominance in AI development.

**2. Unintended Effects on Allies:** These restrictions made even allies wary of U.S. intentions. Many began exploring strategic alternatives to avoid overdependence, weakening global cooperation in AI.

**3. Mischaracterising AI's Nature:** The framework misunderstood AI's civilian roots and international collaboration. Unlike military tech, AI thrives on global, civilian-driven innovation. Confined development could backfire.

**4. Ineffectiveness of Compute Controls:** Efforts to block compute access spurred innovations to bypass such limitations. China's DeepSeek R1 used low compute but achieved high AI performance. This undermined the policy's core control mechanism.

### Shift in Tactics, Not in Strategy

**1. New Export Control Measures:** Despite ending the framework, the U.S. has tightened export controls. In March 2025, more companies were blacklisted, and enforcement was strengthened. The goal to limit Chinese AI access remains firm.

**2. Tech-Based Restrictive Innovations:** Proposals include chip-level restrictions and built-in monitoring tools. U.S. lawmakers seek to mandate location tracking for chips, aiming to prevent illegal diversion to adversaries.

**3. Continued Strategic Objectives:** These steps show the persistence of U.S. intent. Though the framework is gone, the strategy survives through technological enforcement rather than direct trade barriers.

### Consequences of Technological Enforcement

**1. Privacy and Ownership Risks:** Built-in surveillance features raise privacy concerns. Such invasive controls may affect legitimate users more than malicious actors, eroding trust and autonomy.

**2. Alienating Allies and Users:** Controls may again push partners and users to diversify away from U.S. technologies. Nations will worry about sovereignty and dependency risks.

**3. Repetition of Past Mistakes:** If these controls replicate the outcomes of the rescinded framework, the U.S. risks repeating strategic errors. The shift in form, not direction, may still lead to reduced global cooperation and innovation.

### Future Outlook and Strategic Lessons

**1. Incomplete Policy Reversal:** The rescission marks a visible change but not a deep policy transformation. Core objectives—especially vis-à-vis China—still define U.S. AI strategy.

**2. Risk to U.S. Leadership in AI:** Persistent restrictions may isolate the U.S. ecosystem. Rather than safeguarding leadership, it could trigger parallel innovations elsewhere, diluting American influence.

**3. Need for Inclusive AI Governance:** The experience with the AI Diffusion Framework shows that restrictive strategies can be counterproductive. A more collaborative and balanced global approach is necessary for long-term AI stewardship.

**Question for practice:**

**Evaluate** how the rescission of the AI Diffusion Framework reflects a shift in U.S. strategy toward controlling global AI technology access.

**India must build strong mineral stockpile strategy**

**Source:** The post India must build strong mineral stockpile strategy has been created, based on the article “**Stockpiling critical minerals, a must**” published in “**Businessline**” on 27th June 2025

**UPSC Syllabus Topic:** GS Paper3-Infrastructures

**Context:** The fragility of global supply chains—exposed by trade restrictions, extreme weather, and geopolitical tensions—has underscored the urgency for critical mineral stockpiling. For a resource-constrained country like India, this is essential to safeguard national security and drive its clean energy transition.

For detailed information on **Critical Mineral Mission of India- Significance and Challenges** [read this article here](#)

**Strategic Importance of Critical Mineral Stockpiling**

**1. Global Supply Chain Vulnerabilities:** Geopolitical tensions, export curbs, and the Covid-19 pandemic have highlighted the weaknesses of global supply chains. Countries like China, with integrated control over mining and processing, have used this leverage to their advantage.

**2. India's Urgent Needs:** India's dependence on imports for critical minerals—needed for clean energy and national security—makes stockpiling crucial. Strategic reserves can help ensure continuity amid global disruptions.

**3. Lessons from Global Events:** Export bans on minerals like gallium and germanium by China and global crises such as pandemics have reaffirmed the need for long-term planning through mineral reserves.

**Learning from Global Best Practices**

**1. United States:** The US maintains a National Defense Stockpile of critical materials like cobalt and rare earths. It also explores unconventional sources like seabed nodules, despite ecological challenges.

**2. Australia and the EU:** Australia's \$1.2 billion Critical Minerals Stockpile Plan supports domestic mining through government-backed purchases. The EU encourages member states to create national reserves and explore joint procurement models.

**3. Asian Models: Japan, South Korea, and China:** Japan, through JOGMEC, holds 60–180 days of reserves of key minerals. South Korea aims to cut import reliance by expanding reserves. China uses state-controlled reserves and export limits for geopolitical influence.

**India's Current Approach and Gaps**

**1. National Critical Minerals Mission (NCMM):** India has launched NCMM to strengthen supply chains through exploration and partnerships. However, it lacks a concrete framework for national-level stockpiling.

**2. Opportunities for Global Collaboration:** India can collaborate internationally by co-developing storage, procurement, and offtake strategies. Multilateral platforms like the Quad and Minerals Security Partnership can be leveraged.



**3. Need for a Comprehensive Strategy:** Without structured reserves, India risks disruption in access to minerals essential for clean technology and economic resilience.

#### Action Plan for a Robust Stockpiling Framework

- 1. Establishing a National Stockpiling Alliance (NSA):** NSA should design flexible procurement systems and develop storage infrastructure. It must also support recyclers by assuring offtake, attracting investment in recycling.
- 2. Forging Strategic International Partnerships:** India should pursue joint ventures and shared reserves with countries like the US, Japan, and Australia. Engaging through platforms like the Indo-Pacific Economic Framework will be key.
- 3. Strengthening Domestic Capacity:** Stockpiling must be integrated with initiatives to expand domestic exploration, refining, and recycling. This will enhance self-reliance and reduce long-term vulnerabilities.

#### Conclusion

By adapting global models and investing in partnerships, infrastructure, and domestic capacity, **India can transform mineral stockpiling into a strategic pillar** for energy security, economic stability, and geopolitical resilience.

#### Question for practice:

**Examine** how strategic mineral stockpiling can strengthen India's national security and clean energy transition.

#### India must balance services and manufacturing for growth

**Source:** The post India must balance services and manufacturing for growth has been created, based on the article "Manufacturing or services: Why place one sector over the other?" published in "Live Mint" on 27th June 2025

**UPSC Syllabus Topic:** GS Paper3-Indian Economy – Growth, Development and Employment

**Context:** India's growth strategy traditionally emphasized manufacturing, influenced by classical economic theories. However, the services sector has grown faster and more consistently, raising questions about current policy priorities and the justification for a manufacturing-centric model.

For detailed information on **Indian Development Model – India's way forward: Services or manufacturing?** [read this article here](#)

#### Historical Foundations of Development Theory

- 1. Agriculture to Industry to Services Transition:** Simon Kuznets observed that as per capita GDP rises, economies shift from agriculture to industry and then services. Arthur Lewis added that transferring surplus labour from agriculture to industry is the essence of development.
- 2. Debates on Resource Transfers:** Earlier theories debated how much surplus should shift from agriculture to industry. Scholars like Shultz, Mellor, and Ishikawa offered varied models, from transforming agriculture to reinvesting in it.
- 3. Sectoral Transition in India's Case:** The author's research focused on how inter-sectoral transfers affected India's long-term growth, especially the evolving balance between agriculture and other sectors.

#### The Shift in Developmental Debate

- 1. From Agriculture to Industry vs. Services:** Today, the central policy tension lies between industry—especially manufacturing—and the services sector. This reflects a new stage in India's structural transformation.



2. **Manufacturing's Traditional Prestige:** Many economists still favour manufacturing-led development, citing Europe and East Asia. However, **Europe's growth was shaped by colonial surplus** and East Asia's by **U.S. alliances**, making them less relevant for India.

3. **Manufacturing in Advanced Economies:** Among the 30 richest countries (excluding small island nations), **manufacturing contributes 15% or less of GDP in two-thirds. Only Ireland exceeds 29%**, making it an outlier.

### The Case for Manufacturing Revisited

1. **Strong Linkages and Theoretical Support:** Professors Veeramani and Nagesh Kumar highlight manufacturing's **backward and forward linkages**. Kaldor's theory of **increasing returns and cumulative causation** supports its central role in development.

2. **Demand Reinforcement and Scale:** Kaldor, drawing from Allyn Young, showed that manufacturing lowers costs and raises demand through **interlinked sectoral growth**, aided by **Keynesian policies**.

3. **Weak Long-Term Manufacturing Growth in India:** Despite policy focus, India's industry has grown only **5–6% annually over 70 years**. Manufacturing's GDP share is just **17%**, with most growth from **mining, utilities, and construction**.

### Services Sector Outperformance

1. **Higher Growth and Employment Share:** Services rose from **20.6% to 53%** of GDP, with **7–8% average decadal growth**. They also create increasing employment.

2. **Better Trade Performance:** India runs a **trade surplus in services**, in contrast to a **deficit in goods**.

3. **Same Policy Climate, Different Outcomes:** Services thrived despite the same **regulatory environment** blamed for manufacturing's underperformance.

### Policy Implications and the Need for Balance

1. **Expanding Policy Support Beyond Manufacturing:** **'Make in India'** narrowly targets manufacturing. **Services like education, health, and finance** deserve equal support.

2. **Learning from Past Success:** Industry outpaced services **only during 1950–60 and 2000–10**. These periods should be **critically studied**.

3. **Balanced Development Strategy Needed:** To generate jobs and reduce trade deficits, **India must pursue balanced growth** between services and industry.

### Question for practice:

**Discuss** why India needs a balanced policy approach between the manufacturing and services sectors for sustainable economic growth.

### Supreme Court ruling deepens inequality among lawyers

**Source:** The post Supreme Court ruling deepens inequality among lawyers has been created, based on the article **"Practising equality in constitutional courts"** published in **"The Hindu"** on 28th June 2025

**UPSC Syllabus Topic:** GS Paper2- **Structure, organisation and functioning of the Executive and the Judiciary**

**Context:** The Supreme Court of India, in *Jitender @ Kalla vs State (2025)*, revised how senior advocates are designated. It revisited the *Indira Jaising* cases (2017, 2023) and asked High Courts to frame new rules. Although it seemed internal, the issue has deep implications for judicial and political democracy.

## Legal Plutocracy and the Problem of Classification

- 1. Section 16 and Institutionalised Inequality:** Section 16 of the Advocates Act, 1961, created two categories—senior advocates and advocates. This legal distinction was based on ability, standing, or special knowledge. It introduced unequal treatment among equals, fostering elitism in the legal profession.
- 2. Impact on Justice and Professional Ethics:** This division disrupted the egalitarian idea of justice and encouraged commercialisation of the legal profession. It made the system resemble the U.S. model, where access to justice is skewed in favour of elite lawyers and corporate clients.
- 3. Lessons from the U.S. Model:** A 2014 Reuters report, *The Echo Chamber*, showed that in the U.S., 66 lawyers out of 17,000 influenced 43% of Supreme Court appeals from 2004 to 2012. These top lawyers mostly represented corporate firms. India risks a similar outcome if inequality within the legal system persists.

## Judicial Endorsement of a Flawed System

- 1. Reforms Rejected in Indira Jaising (2017):** Justice Gogoi's judgment in *Indira Jaising* rejected challenges to Section 16 and the Supreme Court Rules. It upheld the classification system and pre-audience provisions, ignoring the charge of systemic discrimination.
- 2. Limited Changes in Jitender (2025):** The *Jitender* verdict acknowledged that the point-based system was "highly subjective." Yet, it allowed the application process to continue and advised rule changes by High Courts. The Court avoided reconsidering the core issue of classification.
- 3. Constitutional Concerns Ignored:** Critics argued that the classification lacked any link to improving the legal system and was inherently arbitrary. The Court's justification—that Supreme Court-prescribed parameters ensure fairness—failed to address the root of the problem.

## Flawed Criteria and Structural Bias

- 1. Subjective Evaluation Process:** The Court admitted flaws in the criteria but kept the structure unchanged. This allows bias and arbitrariness in choosing senior advocates, with potential for exclusion based on gender, caste, or class.
- 2. Neglect of India's Legal Legacy:** India's legal profession, rooted in the freedom struggle and Nehruvian socialism, emphasised social justice. The Court cited foreign practices like those in Nigeria and Australia, while ignoring Indian constitutional values and historical context.
- 3. Elite Bias and Marginalisation:** The system promotes 'homo social morphing'—judges favour those like themselves. Women and marginalised groups are excluded. Even the Court admitted the parameters were flawed but did not order systemic correction.

## Inequality in Legal Representation

- 1. Courtroom Monopolies and Exclusion:** Thousands of capable lawyers remain unseen, while a few elite lawyers dominate key cases. This leads to an undemocratic legal system that excludes diverse voices.
- 2. Weakening of Judicial Diversity:** Cases like the *Waqf (Amendment) Act* show how national matters are argued by a select few. Litigation becomes a rich man's privilege, which contradicts the constitutional promise of equality.
- 3. Court's Missed Opportunity:** Despite identifying flaws, the Court did not refer the matter to a larger Bench. It upheld a divisive system, failing to align with the constitutional ideal of fairness and equal opportunity.

**Question for practice:**

**Examine** how the Supreme Court's approach to the designation of senior advocates reflects systemic inequality within the Indian legal profession.

**China builds trilateral ties to corner India**

**Source:** The post China builds trilateral ties to corner India has been created, based on the article "A China-led trilateral nexus as India's new challenge" published in "The Hindu" on 28th June 2025

**UPSC Syllabus Topic:** GS Paper2-India and its neighbourhood- relations.

**Context:** China, Pakistan, and Bangladesh recently held their first trilateral meeting, soon after a similar one with Afghanistan. These meetings reflect **China's fresh push to reshape regional dynamics**, boost Pakistan's standing, and distract India through strategic alignments amid changing regional equations.

**Historical Roots of the China-Pakistan Alliance**

- 1. Post-1962 Strategic Realignment:** The 1962 India-China war shaped regional geopolitics. **China aligned with Pakistan** to tie down India, while Pakistan saw China as a **reliable partner** for military and economic support.
- 2. Deep Economic and Military Dependence:** By 2024, **Pakistan owed over \$29 billion** to China. **Over 80% of Pakistan's arms** come from China. China has also **shielded Pakistan-backed terrorists** at international platforms.
- 3. China's Position in Operation Sindoor:** After India's retaliation in May 2025 for the **Pahalgam terror attack**, China called India's action "regrettable" and supported Pakistan's call for an investigation. Pakistan deployed **Chinese-supplied radars, drones, missiles, and fighter jets**.
- 4. Reaffirmation of Ties:** In the aftermath, Pakistan's foreign minister met his Chinese counterpart to reinforce their "**iron-clad friendship**." This led to more trilateral engagements with other regional countries.

**Resurgence of the 'Plus One' Strategy**

- 1. A Recurring Strategic Pattern:** This China-Pakistan-plus-one model is not new. In 1965, Pakistan attempted to use **East Pakistan, China, and Nepal** to isolate India from the Siliguri corridor.
- 2. Assertive Indian Responses:** India's responses to the **Uri (2016), Pulwama (2019), and Pahalgam (2025)** attacks have been forceful. India has signaled an end to tolerating **Pakistan's nuclear threats**.
- 3. Strategic Isolation of Pakistan:** India suspended the **Indus Waters Treaty**, stopped trade, restricted port access, and hit military sites. These actions weakened **Pakistan's military morale and strategic confidence**.
- 4. Countering Chinese Intrusions:** India's bold stance during **Doklam and Galwan** has surprised China. It has also strengthened ties with **like-minded global partners** to deter further aggression.

**China's Waning Regional Momentum**

- 1. Maldives Returns to India:** Despite initial anti-India moves, President Muizzu has **turned back to India** as China hesitates on economic commitments.
- 2. Nepal's Stalled BRI Progress:** Nepal signed the BRI framework, but **key funding issues remain unresolved**, and project implementation is slow.
- 3. Sri Lanka Reorients Toward India:** President Dissanayake has shown respect for India's concerns and **visited Delhi before Beijing**.

4. **India's Regional Diplomacy:** Despite tensions, India allowed **trilateral energy cooperation** with Nepal and Bangladesh, reflecting **pragmatic engagement**.

### Strategic Targeting of Bangladesh and Afghanistan

1. **Efforts to Shift Loyalties:** After regime changes in **Afghanistan (2021)** and **Bangladesh (2024)**, China and Pakistan aim to pull these countries into their sphere.

2. **Wary of India-Taliban Ties:** India's engagement with the Taliban worries Pakistan, prompting **stronger ties with Bangladesh's new government**.

3. **Terror and Security Risks:** Bangladesh and Afghanistan's historical links with Pakistan may facilitate **new terror threats**. This would **reinvigorate Pakistan's regional relevance** and clear ground for **China's BRI ambitions**.

### India's Strategic Challenge and Path Ahead

1. **China as the Primary Threat:** China remains India's **main strategic challenge**, with Pakistan playing a secondary role. Trilateral alignments are Beijing's tools to undermine India's position.

2. **Balancing Act for South Asia:** South Asian nations must **balance ties** between India and China. India needs to clearly **assert its redlines** and warn that provocations carry **severe consequences**—economically, militarily, and politically.

### Question for practice:

Discuss how China is using trilateral engagements to reshape regional alignments and challenge India's strategic position.

### Balanced growth requires targeted policies to reduce district inequality

**Source:** The post Balanced growth requires targeted policies to reduce district inequality has been created, based on the article "**Growth alone won't fix inequality**" published in "**Businessline**" on 28th June 2025

**UPSC Syllabus Topic:** GS Paper3- Inclusive growth

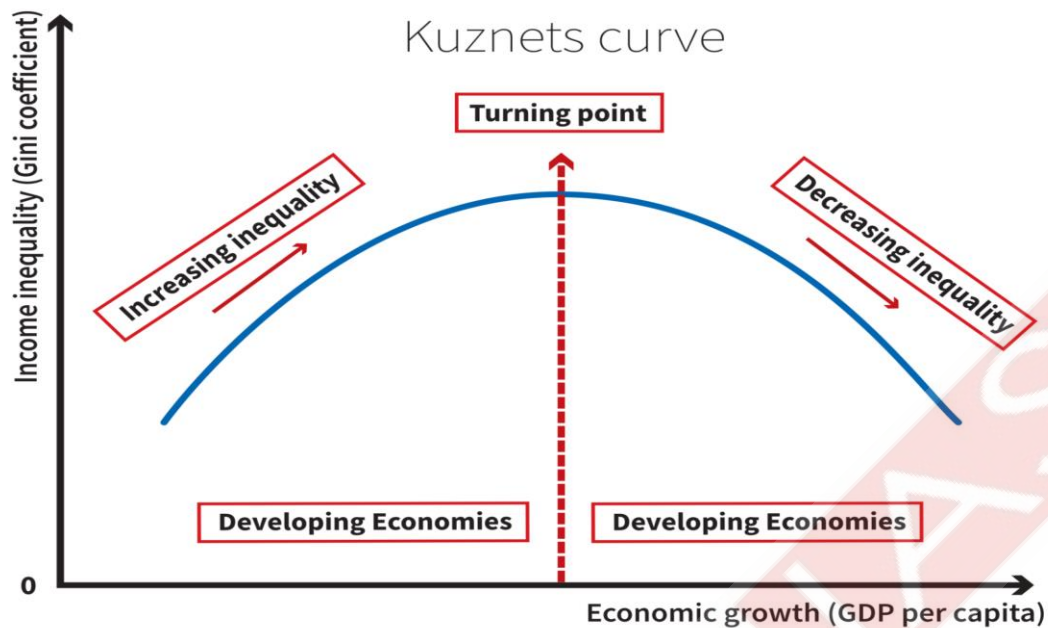
**Context:** Despite India's rising GDP and expanding cities, deep regional inequalities remain unresolved. A district-level analysis using GDP and HDI data questions the assumption that growth alone reduces inequality, challenging the traditional Kuznets curve theory and highlighting the need for more region-specific development policies.

### Understanding Spatial Inequality in India

1. **Concentration of Economic Output:** In several States, economic activity is highly concentrated. *Bengaluru* alone contributes nearly **38% of Karnataka's GSDP**, and *Dehradun* contributes over **31% of Uttarakhand's GSDP**, indicating skewed development in "superstar districts."

2. **Empirical Trends and the Kuznets Curve:** The study confirms that inequality tends to rise as development accelerates and later declines. Initially, opportunities are limited across regions. As urbanisation and industrialisation take hold, inequality spikes. Eventually, improvements in health, education, and infrastructure begin to reduce inequality.





**3. Kerala's Balanced Development:** Kerala demonstrates low spatial inequality due to long-term investments in *human capital* and *decentralised governance*. It exemplifies how development can become inclusive through public investment and balanced economic distribution.

#### Divergent Development Paths Across States

**1. Tamil Nadu's Inclusive Industrial Strategy:** Tamil Nadu has maintained balanced growth by *decentralising industries* across various districts like Tiruppur and Hosur. Welfare policies like *universal school meals* and public healthcare have broadened the reach of economic benefits.

**2. Karnataka's Concentrated Tech Growth:** In contrast, Karnataka's growth is driven by the tech sector in Bengaluru, with *limited spillover effects*. The lack of economic diversification across districts has led to higher regional inequality, despite a similar HDI score as Tamil Nadu.

**3. Madhya Pradesh's Manufacturing Focus:** Madhya Pradesh's SEZs focus on *processing and manufacturing*, sectors with limited employment spillover and weaker regional linkages. Only 7 out of 55 districts dominate its economic output, reflecting a different form of spatial concentration.

#### Key Findings and Policy Lessons

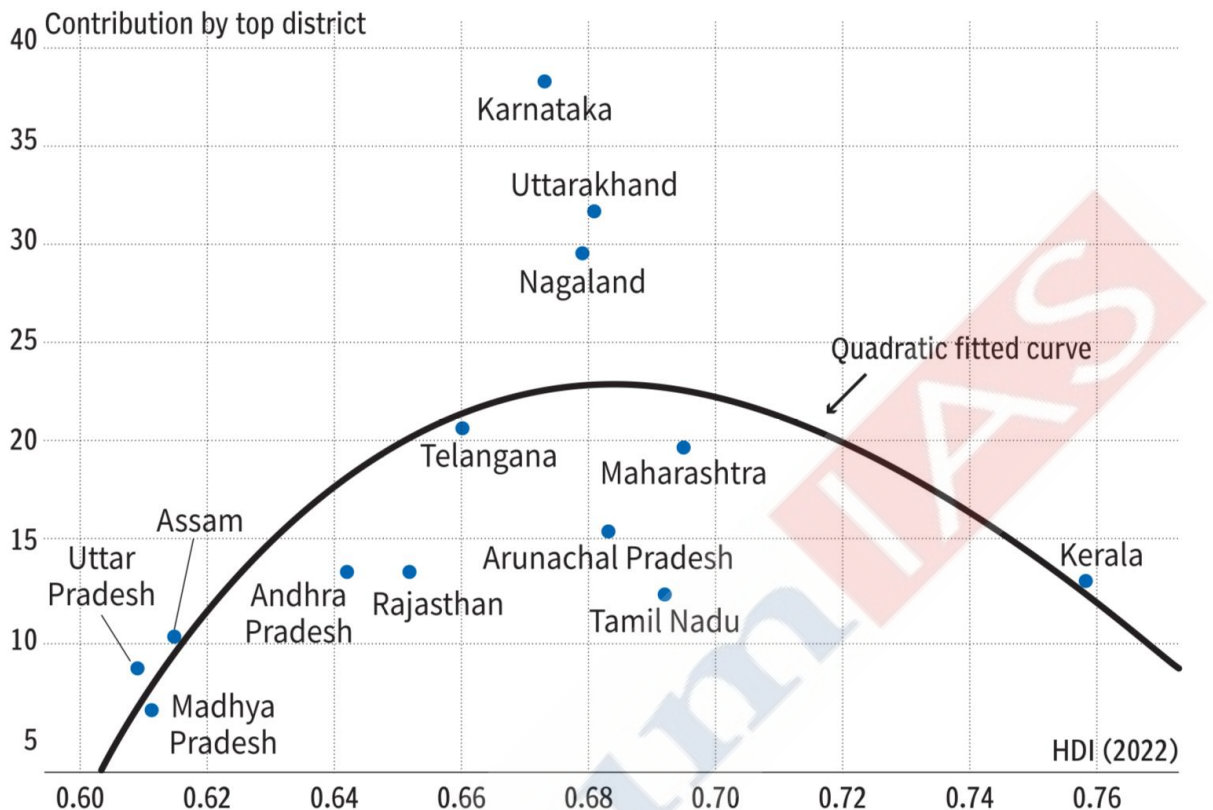
**1. Growth Alone Is Not Enough:** While *economic growth is essential*, it does not automatically reduce inequality. Market forces alone tend to reinforce existing regional advantages unless guided by strategic interventions.

**2. Importance of Decentralised Governance:** States like Kerala show how *local planning, public services, and participatory governance* can distribute growth more evenly, preventing dominance by a single district.



**3. Need for Better Data and Policy Design:** District-level GDP and disaggregated HDI data must be systematically collected to monitor inequalities. This evidence should guide *region-sensitive development strategies*.

### Kuznets curve at sub-national level in India



Source: DDP: Respective States' Directorate of Economics and Statistics; HDI: Global Data Lab, United Nations

### Reimagining India's Development Approach

- Beyond One-Size-Fits-All Models:** India needs *district-specific strategies* tailored to local strengths and needs. National development frameworks should move beyond focusing on State capitals and IT hubs.
- Encouraging Balanced State Policies:** States should be *incentivised to pursue inclusive growth*, investing in backward regions and diversifying economic activity across districts to avoid deepening inequality.

#### Question for practice:

Examine how different state-level development strategies in India influence spatial inequality across districts.

### Tax access to digital space raises serious privacy concerns

**Source:** The post Tax access to digital space raises serious privacy concerns has been created, based on the article "Revisit digital search powers under the I-T Bill 2025" published in "The Hindu" on 30th June 2025

**UPSC Syllabus Topic:** GS Paper2-Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

**Context:** The Finance Minister's proposal to amend the Income-Tax Act through the 2025 Bill allows tax authorities to access an individual's "virtual digital space" during search operations. This move, aimed at aligning enforcement with digital financial activity, raises serious concerns about **privacy, overreach, and lack of safeguards**.

### Expansion of Search and Seizure Powers

1. **From Physical to Digital Spaces:** Under Section 132, current law permits searches in physical spaces like homes and lockers. The new proposal expands this to digital spaces, representing a **significant shift** in the scope of tax investigations.
2. **Blurred Relevance and Overreach:** This change weakens the earlier link between undisclosed assets and search locations. **Digital data often exceeds what is relevant to tax matters**, risking excessive and unrelated intrusions.
3. **Open-ended Definition of Digital Space:** The term 'virtual digital space' includes emails, cloud drives, social media, apps, and **"any other space of similar nature."** This vague phrasing could enable **unlimited access** and affect others linked to the individual.
4. **Operational Challenges and Privacy Intrusions:** Authorities can override device access codes, but it's unclear how this applies to encrypted platforms like WhatsApp. For professionals like **journalists**, such access could **expose sensitive sources and confidential work**.

### Lack of Legal Safeguards and Judicial Oversight

1. **Absence of Judicial Review:** The proposal offers **no requirement for prior judicial authorisation**. This disregards previous court rulings that demand substantial evidence before invading privacy.
2. **Contravention of Existing Privacy Standards:** Courts have held that **"reason to believe"** must be backed by material evidence, not mere suspicion. The proposed change overlooks this principle.
3. **Violation of Transparency Norms:** Like the current law, the Bill **prohibits disclosure of reasons for search**, which undermines **accountability and due process**, especially in digital contexts.

### Global Best Practices and Comparisons

1. **Canada's Constitutional Safeguards:** Canada ensures protection under Section 8 of its Charter by requiring **judicial approval, reasonable grounds, and neutral oversight** for all searches.
2. **US Legal Protections:** In the US, the IRS's Taxpayer Bill of Rights and Supreme Court rulings require that enforcement be **minimally intrusive and legally compliant**, including a **warrant for digital data**.
3. **India's Legal Lag:** India's proposal lacks such safeguards. It allows **unfiltered access to personal digital data** without proper checks or thresholds.

### Conflict with the Right to Privacy and Proportionality

1. **Failure to Meet Puttaswamy Standards:** The Supreme Court's *Puttaswamy* judgment laid down that privacy restrictions must be **proportionate, necessary, and legally justified**. The Bill does not meet these tests.
2. **Risk of Unchecked Surveillance:** Without safeguards, digital enforcement becomes **surveillance**, not governance. It threatens individual rights.
3. **Need for Legal Reform:** The Bill must be revised to **narrow definitions, mandate judicial warrants, and offer redress mechanisms**.

### Conclusion

1. **Balance Privacy and Enforcement:** Digital enforcement must respect constitutional rights. **Transparency, legality, and proportionality** must guide any regulatory move.

2. **Role of the Select Committee:** The **Select Committee's review** is a crucial opportunity to ensure **checks, clarity, and protection** in the final law.

**Question for practice:**

**Examine** the implications of granting tax authorities access to an individual's virtual digital space under the proposed Income-Tax Bill, 2025.

### **Election Commission moves to delist inactive political parties**

**Source:** The post Election Commission moves to delist inactive political parties has been created, based on the article "Why is the ECI de-listing political parties?" published in "The Hindu" on 30th June 2025

**UPSC Syllabus Topic:** GS Paper2-Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

**Context:** The Election Commission of India (ECI) has initiated action to **de-list 345 Registered Unrecognised Political Parties (RUPPs)** that have not contested any election since 2019 and could not be located. This move addresses concerns about inactive parties misusing legal and financial privileges.

### **Understanding Registered Unrecognised Political Parties (RUPPs)**

1. **Legal Foundation of Political Parties:** The right to form political parties comes under **Article 19(1)(c)** of the Constitution. **Section 29A of the Representation of the People Act (RP Act), 1951** governs their registration. Parties must commit to the Constitution, socialism, secularism, democracy, and national unity.

2. **Registration Process and Internal Democracy:** A party must submit its constitution within **30 days of formation**. The ECI ensures it includes provisions for **internal democracy**, such as regular elections for office bearers.

### **3. Benefits Enjoyed by RUPPs**

RUPPs receive:

- **Tax exemption** under **Section 13A of the Income Tax Act, 1961**
- **Common election symbol**
- **Permission for 20 star campaigners** during elections

### **Compliance and Accountability Issues**

1. **Donor Transparency and Reporting:** RUPPs must report donations above ₹20,000 annually. Donations over ₹2,000 must be through **cheques or bank transfers**. **Non-compliance removes tax benefits** under **Section 29C of the RP Act**.

2. **Low Electoral Participation:** There are **over 2,800 RUPPs**, but only about **750 contested the 2024 general elections**. The rest are often termed 'letter pad parties'.

3. **ECI's Limited Power to De-register:** In *Indian National Congress vs Institute of Social Welfare (2002)*, the Supreme Court ruled that **ECI cannot de-register** parties for non-compliance, except in cases of **fraud** or **disloyalty to the Constitution**.

### **Current Clean-up Measures by the ECI**

1. **Delisting of Non-Existent and Inactive RUPPs:** In a **March 2024 notification (updated till May 2025)**, the ECI listed **281 de-listed and 217 inactive RUPPs**. These were found non-existent or had outdated records since **2014**.

2. **Impact of Delisting:** Such parties lose access to **common symbols and tax exemptions**.

3. **Action on 345 RUPPs:** The ECI found these parties non-functional and untraceable since **2019**, and has asked State CEOs to issue **show-cause notices** before delisting.

### Need for Legislative Reforms

1. **Recommendations for De-registration Powers:** The **Law Commission (255th report, 2015)** recommended **de-registration** for parties inactive for 10 years. The ECI's **2016 electoral reform** memorandum also supported this.

2. **Ensuring Inner-Party Democracy:** Most parties lack internal democracy. Though ECI cannot directly intervene, the **Law Commission (170th and 255th reports)** proposed **RP Act amendments** to address this issue.

### Question for practice:

**Discuss** the challenges faced by the Election Commission of India in regulating Registered Unrecognised Political Parties and the reforms suggested to address them.

### Community forest rights can help green the Western Ghats

**Source:** The post Community forest rights can help green the Western Ghats has been created, based on the article **"For renewal of Western Ghats, put people at the centre"** published in **"Indian Express"** on 30th June 2025

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

**Context:** The article critiques the outdated and misleading data used by the Forest Department (FD) and Forest Survey of India (FSI) in the National Mission for a Green India. It argues for a science-based, nature-centric, and people-oriented approach to greening efforts, especially in ecologically sensitive regions like the Western Ghats.

### Flawed Data and Misleading Assessments

1. **Inaccurate Bamboo Stock Estimates:** A field study in Dandeli showed that the Forest Department's Pre-Investment Survey of Forest Resources (PISFR) overestimated bamboo stocks by ten times. These inflated numbers were used to justify establishing a new paper mill, harming local ecology and livelihoods.

2. **Lack of Disaggregated Data:** Only when data were available at the **compartment level** could the actual bamboo stock be verified. The general public only gets access to **highly aggregated data**, such as at the district level, which hides local realities.

3. **Suppression of Remote Sensing Evidence:** In the early 1970s, ISRO's newly established NRSC used **Landsat imagery** to estimate forest cover. It found only **15% coverage**, while the FD claimed **23%**. The government then **ordered NRSC to stop**, and created FSI as the sole agency, which still provides **delayed and vague data**.

### Failures of the Forest Department

1. **Bias Against Nature and People:** The article calls the FD **anti-science, anti-nature, and anti-people**. It highlights the 1975 case where **basket weavers** protested bamboo depletion due to the paper industry's overuse.

2. **Grasim Case and Environmental Harm:** In Kerala, the **Grasim rayon factory** dumped **toxic effluents** like mercury and lead into the Chaliyar river. The factory was given bamboo at just **Re 1/tonne**, compared to the

market rate of **Rs 1,400/tonne**, leading to destruction of **10,000 hectares** of bamboo in Wayanad. The shift to eucalyptus and acacia plantations with pesticide use worsened the ecological damage.

### Need for People-Centric Alternatives

1. **Pachgaon's Success:** In Maharashtra, the village of **Pachgaon**, with **Community Forest Rights (CFR)** over 1,000 hectares, has managed forests well. Income from bamboo sales reduced harmful practices like **burning tendu leaves**. Villagers also set aside **30 hectares as a sacred grove**, supporting biodiversity and carbon capture.
2. **Improved Livelihood and Dignity:** Pachgaon now sees **less migration**, better **livelihood security**, and **stronger community pride**. Forests show healthy growth and improved carbon sequestration.

### Way Forward

1. **Enforce Forest Rights Act Effectively:** The article urges proper implementation of the **Forest Rights Act** and **wider recognition of CFRs** for forest dwellers living there for generations.
2. **Democratic Decentralisation is Essential:** There must be **greater people's involvement** in forest governance. This aligns with the **Western Ghats Ecology Expert Panel's** recommendation for sustainable and democratic greening.

### Conclusion

A shift from outdated bureaucratic control to **transparent, community-led forest management** is vital. Science, local participation, and decentralisation hold the key to restoring the Western Ghats.

### Question for practice:

**Examine** how community forest rights and democratic decentralisation can contribute to sustainable forest management in the Western Ghats.