

9 PM Current Affairs Weekly Compilation

For UPSC CSE mains examination



1st Week

October. 2025

Features :

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

INDEX

100 years of UPSC.....	2
The transformation of girls' education.....	3
Statehood to Ladakh - Pros and Cons	5
The battlefield, change and the Indian armed forces	6
Building Dams - The China Way	9
RBI's capital market lending revamp.....	12
The maritime signalling after Operation Sindoor	13
Clean energy rise needs climate finance expansion.....	16
Employment as a national priority	19
Alternative Dispute Resolution in India	22
India's direction for disaster resilience.....	23
The course ahead for Trump's Gaza ceasefire plan.....	27
Reforming passive euthanasia in India.....	30
Time to prioritise energy storage	33
Why fine tuning inflation targeting is needed in India.....	35
India's Diaspora: An Untapped Strategic Asset for Global Influence.....	38
Status of Maoist movement in India	40
Importance of Domestic Investment in India.....	41
Israel's tactical gains in a strategic labyrinth.....	43
A path to progress that is paved with gold.....	45

100 years of UPSC

Source: The post **100 years of UPSC** has been created, based on the article “A 100-year journey as the guardian of meritocracy” published in “The Hindu” on **01st October 2025**.

UPSC Syllabus: GS-2- Appointment to various Constitutional Posts, Powers, Functions and Responsibilities of various Constitutional Bodies.

Context: The Union Public Service Commission (UPSC), established on **1st October 1926**, marks its centenary as an institution synonymous with fairness, transparency, and integrity in recruitment. For over a hundred years, it has safeguarded the principle of meritocracy, inspiring trust among millions of aspirants.

Historical Evolution

- It was conceived first under the **Government of India Act, 1919** and shaped by the **Lee Commission (1924)**.
- The Public Service Commission **evolved into the Federal PSC** under the **1935 Act**, and finally became the UPSC under the **Constitution of India (1950)**.
 - **Colonial beginnings (1926–1935):** The first Public Service Commission was set up **under Sir Ross Barker** with limited powers, functioning as an “experiment” in impartial recruitment.
 - **Federal stage (1935–1950):** The Government of India Act, 1935, expanded its scope, enabling a stronger role for Indians in administration.
 - **Constitutional status (1950 onwards):** **Article 315 established the UPSC as an independent constitutional body**, cementing its authority in recruitment, promotion, and disciplinary matters for All India and Central Services.

The Pillars of Trust, Integrity, and Fairness

UPSC's credibility stems from:

- **Transparency in procedure:** Anonymous evaluation, multiple-subject examination, linguistic inclusivity.
- **Integrity:** Insulation from political interference and external pressure.
- **Fairness:** Equal opportunity across urban–rural divides, social backgrounds, and linguistic diversity.

This framework ensures that the exam is regarded as India's true “**level playing field**” in an unequal society.

Reforms and Innovations

1. **Digital Portals for Applications: Digital Portals:** UPSC has fully moved from paper to online portals, making applications more accessible, transparent, and cost-efficient while easing administrative work.
2. **Face-Recognition Technology:** To prevent impersonation and exam fraud, UPSC uses biometric and face-recognition systems, ensuring only genuine candidates appear and safeguarding exam credibility.
3. **PRATIBHA Setu Initiative:** Recognising the talent of candidates who reach the interview stage but do not make it to the final list, UPSC launched **Professional Resource And Talent Integration Bridge for Hiring Aspirants (PRATIBHA Setu)**.
4. **Adoption of Artificial Intelligence and Digital Tools:** UPSC is experimenting with AI-enabled systems for exam logistics, data management, and screening processes. AI tools are being tested for administrative efficiency, malpractice detection, and quick resolution of grievances.

Challenges Ahead

1. **Technological Disruptions:** With the rapid rise of AI, big data, and digital surveillance technologies, UPSC faces the challenge of integrating innovation while safeguarding privacy.
2. **Global Competitiveness and New Skills:** As India integrates deeper into the global economy, civil servants are required to manage issues like climate diplomacy, cybersecurity, AI governance, and global trade negotiations.
3. **Maintaining Inclusivity Amidst Inequalities:** While digital reforms improve efficiency, they also risk excluding candidates from rural or economically weaker backgrounds who lack access to reliable internet, coaching, or technological tools.
4. **Balancing Confidentiality with Transparency:** UPSC's strength lies in the absolute confidentiality of question paper-setting and evaluation. However, the demand for greater transparency and accountability from aspirants is increasing.

Way Forward

1. **Continuous Digital Transformation:** Use AI, blockchain, and secure digital evaluation systems to enhance efficiency and curb malpractice.
2. **Inclusive Outreach:** Establish exam support centres in remote areas to bridge urban-rural divides.
3. **Curriculum Reforms:** Align optional subjects and general studies with emerging fields such as technology governance, climate change, and AI ethics.
4. **Capacity Building:** Provide regular training to evaluators, invigilators, and support staff to strengthen integrity at all stages.
5. **Diversified Assessment:** Explore innovative assessment formats that test analytical ability, ethics, and adaptability beyond rote learning.
6. **Global Benchmarking:** Collaborate with international testing institutions to maintain global standards in examination conduct.
7. **Transparency Enhancements:** Periodic public audit of processes to strengthen aspirant trust.

Question: Union Public Service Commission (UPSC) has stood as a guardian of meritocracy for a century. In light of this, critically examine how UPSC has ensured fairness and inclusivity in recruitment while adapting to contemporary challenges

The transformation of girls' education

Source: The post **The transformation of girls' education** has been created, based on the article "The transformation of girls' education" published in "The Hindu" on 01st October 2025.

UPSC Syllabus: GS-2- Issues Relating to Development and Management of Social Sector/Services relating to Health, Education, Human Resources.

Context: Girls' education is one of the strongest drivers of social change. As the saying goes, an educated girl becomes an educated mother, and that transforms society. In a country once marked by the bias of 'What will a girl do with education?', the last two decades have seen major progress.

Gujarat Model – The Beginning

1. **The Kanya Kelavani campaign was launched in 2003** to address female illiteracy and foeticide.

2. The campaign combined awareness drives, separate toilets for girls, incentives, and public mobilisation.
3. **Impact:** The campaign successfully resulted in:
 - a. The **increase in Female literacy in Gujarat** by 70% (against the national average of 64%).
 - b. **School dropout rates of girls reduced** by up to 90% in targeted districts.
4. This model showed that education could be converted from a scheme into a **public movement**.

Nationwide Expansion – Beti Bachao, Beti Padhao (2015)

1. Inspired by Gujarat's **Kanya Kelavani campaign** success, the **BBBP initiative** was launched with twin goals — **prevention of female foeticide and promotion of girls' education**.
2. It **involved the convergence of three ministries:** Women and Child Development, Health and Family Welfare, and Human Resource Development. Initially targeting 100 gender-critical districts, it later expanded nationwide.
3. **Impact:** The results were as follows:
 - a. **Sex ratio at birth improved** from 919 (2015-16) to 929 (2019-21)
 - b. **20 of 30 States/UTs now perform above the national average.**
 - c. India's **Total Fertility Rate dropped** to 2.0, below replacement level, closely linked to rising female education.
 - d. **Infant Mortality Rate for girls fell** from 49 (2014) to 33 (2020).
 - e. Surveys in Madhya Pradesh show **89.5% awareness of BBBP**, with **63.2% families encouraged to educate daughters.**
 - f. **Rising female presence** in health, education, STEM, entrepreneurship, and even defence services.

Challenges

1. **Low Labour Force Participation:** Female labour force participation remains low despite significant improvements in female literacy levels.
2. **Regional Disparities:** There are wide regional disparities in literacy rates and dropout levels among girls across different States and Union Territories.
3. **Uneven Quality of Education:** The quality of education in many schools is uneven, leading to poor learning outcomes even where enrolment is high.
4. **Persistent Social Norms:** Deep-rooted practices such as early marriage and a continuing preference for sons still hinder girls' access to sustained education.

Way Forward

1. **Infrastructure Expansion:** School infrastructure must be strengthened by expanding safe school buildings, girls' hostels, and reliable transport facilities to reduce dropouts.
2. **Skill & Digital Push:** A strong emphasis should be placed on vocational training, digital literacy, and STEM education so that girls are equipped with future-ready skills.
3. **Financial Incentives:** Financial support in the form of targeted scholarships, incentives for higher education, skill training, and entrepreneurship opportunities must be expanded.
4. **Community Participation:** Community-based campaigns should be intensified to discourage early marriage, break stereotypes, and create a positive environment for girls' education.
5. **Employment Linkage:** Girls' education needs to be closely aligned with employability by connecting it with industry demands and job opportunities to increase female workforce participation.

Conclusion: From *Kanya Kelavani* to *BBBP*, India has shifted from asking “*Why educate girls?*” to affirming “*Educate a girl, save a society.*” Leadership, policy convergence, and community mobilisation have driven this change. Sustaining momentum and addressing remaining gaps will ensure that today’s educated daughters become tomorrow’s empowered leaders and change-makers.

Question: Girls’ education is widely recognised as a catalyst for social and economic transformation. Examine the key challenges that continue to hinder progress, and suggest measures to ensure education translates into empowerment and workforce participation.

Statehood to Ladakh - Pros and Cons

Source: The post **Statehood to Ladakh - Pros and Cons** has been created, based on the article “**Should Ladakh get statehood?**” published in “**The Hindu**” on **03rd October 2025**.

UPSC Syllabus: GS-2- Functions and Responsibilities of the Union and the States, Issues and Challenges Pertaining to the Federal Structure, Devolution of Powers and Finances up to Local Levels and Challenges Therein.

Context: Since the bifurcation of Jammu & Kashmir in 2019, Ladakh has been a Union Territory (UT) without a legislature. While this has given direct administrative control to the Centre, local groups such as the Leh Apex Body (LAB) and the Kargil Democratic Alliance (KDA) have been demanding **statehood** and inclusion under the **Sixth Schedule of the Constitution**.

Pros of Statehood for Ladakh

1. **Restoration of Democratic Voice:** Earlier, as part of J&K, Ladakh had representation in the Assembly and a voice in policymaking. As a UT, decisions are now taken by bureaucrats without local consent. Statehood would restore democratic representation.
2. **Constitutional Safeguards:** Statehood, along with Sixth Schedule status, would ensure protection for Ladakh’s tribal population (~3.5 lakh), land rights, and cultural heritage.
3. **Empowerment of Hill Councils:** Currently, Hill Councils are advisory bodies. With statehood, they would function with greater authority, reducing bureaucratic dominance.
4. **Protection of Jobs & Land:** Statehood would allow reservation policies and stronger guarantees for jobs, language rights, and protection from outside land acquisition.
5. **Addressing Alienation:** Since becoming a UT, Ladakhis feel disempowered and voiceless. Statehood would strengthen people’s trust in governance and democracy.
6. **Strategic Importance:** Ladakh is a sensitive border region with China and Pakistan. Greater self-governance would instill confidence in local people, crucial for national security.
7. **Institutional Development:** Statehood would bring institutions like a **State Public Service Commission**, ensuring transparent recruitment for locals instead of dependence on UPSC or central processes.
8. **Inclusive Decision-Making:** State government would be better positioned to balance interests of Leh and Kargil. It could provide an institutional forum for conflict resolution within Ladakh itself.

Cons of Statehood for Ladakh

1. **Population Size and Viability:** With just ~3 lakh people, Ladakh lacks the demographic and revenue base to sustain a state apparatus. Heavy reliance on central funding may worsen fiscal sustainability.

2. **Sixth Schedule as an Alternative:** Some experts argue that constitutional safeguards under the Sixth Schedule could protect Ladakh's tribal rights without full statehood.
3. **Statehood Not a Solution to All Problems:** Issues like unemployment, slow recruitment, language recognition, and lack of development may persist even after statehood unless deeper reforms are implemented.
4. **Strategic and Security Concerns:** Ladakh borders both Pakistan and China, including disputed areas like Aksai Chin. Centralised UT administration allows tighter security and direct coordination with armed forces; statehood may complicate this.
5. **Risk of Political Fragmentation:** Leh (largely Buddhist) and Kargil (largely Shia Muslim) have divergent aspirations. Statehood may sharpen identity politics and create governance deadlocks.
6. **Governance and Institutional Weakness:** There is a lack of institutional depth—no High Court, no Public Service Commission, limited bureaucracy. Risk of inefficiency and corruption if rushed into statehood without capacity-building.
7. **Ecological Fragility:** State government may push large-scale developmental projects for revenue, endangering Ladakh's delicate ecosystem. Risk of commercial exploitation of land and resources without strong conservation safeguards.
8. **Precedent for Other Regions:** Granting statehood to Ladakh may encourage similar demands from other small regions, straining the federal system.

Balanced approach

1. **Strengthen Ladakh's Local Institutions:** Empower the Ladakh Autonomous Hill Development Councils (LAHDCs) with greater legislative and financial powers.
2. **Constitutional Safeguards:** Extend Sixth Schedule-like protections for land, jobs, and culture to address fears of demographic and ecological changes.
3. **Gradual Empowerment:** Move step-by-step by strengthening autonomy before considering full statehood, balancing local aspirations with national security.
4. **Sustainable Development:** Prioritise small-scale, eco-sensitive, and community-driven projects over mega infrastructure that risks environmental damage.

Conclusion: The demand for statehood in Ladakh reflects a deeper quest for dignity, representation, and cultural preservation. However, given its geostrategic importance and fragile ecology, an immediate transition to full statehood may not be practical. A calibrated approach, such as strengthening democratic representation and safeguarding local rights within the Union Territory framework, offers a balanced way forward.

Question: The demand for statehood in Ladakh has intensified since the bifurcation of Jammu & Kashmir in 2019. Critically examine the pros and cons of granting statehood to Ladakh. In your view, what could be a balanced way forward?

The battlefield, change and the Indian armed forces

Introduction

Warfare is shifting fast. AI, drones, automation, and cheap precision weapons lower the cost of force but raise risk. India faces a two-front threat and pressure across land, sea, air, cyber, space, and the information domain. Structures, doctrine, technology, force composition, Professional Military Education (PME), and readiness are being reshaped. Past attempts at jointness gave limited results. Reforms must now move faster and at greater scale so that command, training and equipment match today's multi-domain wars.

Changing warfare

1. Multi-domain conflicts : Modern wars no longer unfold in a single arena. Battles are launched simultaneously across land, sea, air, cyberspace, outer space, and the information domain. This creates a complex web where events in one domain instantly shape outcomes in another. In such an environment, speed and real-time information become as decisive as firepower.

2. Shift towards non-contact combat: Warfare increasingly relies on the ability to strike without direct confrontation. Precision-guided munitions, long-range missiles, and drones allow militaries to impose pressure from a distance.

3. The growing role of autonomy, data, and code: Advances in quantum computing, artificial intelligence, and automated decision-support systems are reshaping the battlefield. Future wars may involve machine-versus-machine interactions, where algorithms detect, decide, and act faster than human operators.

4. Hybrid battles: Conflicts today are less likely to end quickly with negotiated settlements. They often become prolonged struggles that combine conventional military action with cyber operations, disinformation campaigns, and economic or diplomatic pressure. Such **hybrid wars** blur the line between wartime and peacetime..

Challenge faced by India in the changing warfare

1. Two-front pressure: China and Pakistan create simultaneous threat axes. **CPEC linkages** and a stronger Chinese presence in the **Indian Ocean** increase coordination risks and stretch deployments, logistics, and vigilance.

2. Dependence on Foreign Arms: India's position as the world's largest arms importer between 2018 and 2022 reflects its heavy reliance on foreign military technology.

3. Budget stress: India spends around 2% of its GDP on defence.

4. Skewed allocation:

- Of India's ₹6.8 trillion defence budget for 2025–26, only 26% is for capital expenditure. The rest covers routine costs—salaries, pensions, maintenance.

- Pension costs alone exceed 20% of revenue expenditure. The upcoming 8th Pay Commission may further tilt spending toward salaries.

5. Low R&D Expenditure:

- India's research and development spending in defense is low at 0.7% of GDP, compared to China's 2.54%.

- Globally, India ranks 53rd in R&D spending, while China spent \$421 billion in 2022.

- This slows indigenous progress in **AI, missiles, EW, space, and cyber**, and keeps dependence on external tech.

6. Professional military education has not kept pace with multi-domain demands, limiting the growth of leaders who can integrate cyber, space, electronic warfare, and information operations into one plan. The result

is **limited proactive deterrence**, constrained **joint manoeuvre**, and fewer **flexible theatre options** in a two-front scenario.

India initiative for changing warfare

1. From coordination to command: India is shifting from service silos to **integrated theatre commands**. The **Inter-Services Organisations (Command, Control and Discipline) Rules, 2025** give joint commanders clear disciplinary and administrative powers.

2. Tri-service agencies: Dedicated **cyber**, **space**, and **special operations** agencies function under **Headquarters Integrated Defence Staff (HQ IDS)**.

3. PME as a centrepiece reform:

- **Professional Military Education (PME)** now follows a **joint framework**.
- It aims to build hybrid warriors who can read the adversary, code solutions, and shape the narrative. PME is embedded into field exercises with iterative trials and course correction.
- It relies on civil-military fusion with DRDO, DPSUs, private industry, and universities for code, data, test ranges, and rapid prototyping.

4. Doctrinal evolution:

- The **Joint Doctrine of the Indian Armed Forces (2017)** and the **Army's Land Warfare Doctrine (2018)** provide the foundation for synergy and jointness.
- **Ran Samvad**, the first tri-service seminar on war and warfighting, institutionalises learning for **hybrid and multi-domain warfare**.

5. Modular combat groupings:

- New formations **"Rudra"** and **"Bhairav"** integrate infantry, armour, artillery, air defence, engineers, and surveillance into **mission-specific modules**.
- **Integrated Battle Groups** are structured for **12-48 hour** mobilisation with **drones** and **loitering munitions**.

6. Networked procurement for jointness.

MQ-9B strengthens persistent **ISR** and precision strike across land and sea. **Rafale-M** supports **carrier aviation** and **maritime strike**. **Akashteer** (AI-enabled Army air-defence C2) is integrating with the IAF's **IACCS** to enable a **common air picture**. **Pralay** completes **user trials** to add **theatre-range fires**.

7. Maritime-amphibious posture.

A **carrier-centred naval approach** progresses alongside a **15-year capability roadmap** across air, subsurface, and unmanned domains. The **Joint Doctrine for Amphibious Operations** sets procedures for integrated **maritime-air-land** actions.

Way forward

1. **Rebalance defence spending:** Increase the share for **capital modernisation**. Link annual allocations to **readiness and effect** in extended-war scenarios.
2. **Accelerate indigenous R&D:** Fund **DRDO-industry-academia** projects with shared test ranges and rapid prototyping. Prioritise **AI, EW, missiles, cyber tools, and autonomy** with clear milestones.
3. **Secure the space layer: strengthen satellite communications, PNT, and ISR** with protection, redundancy, and ground resilience. Align space plans with joint operations and extended contingencies.
4. Create **dedicated Cyber and Electromagnetic Commands** for defence, offence, and support to field formations. Integrate outputs with tri-service planning and operations.
5. **Unify data and Command and Control(C2):** Adopt common data models, secure links, and interoperable C2 interfaces across services, **using common data and interface standards with iterative joint exercises under realistic scenarios**. Validate performance through regular joint trials.

Conclusion

India confronts **multi-domain pressure** and a demanding industrial contest. Core steps are clear: **rebalance budgets, scale indigenous capacity, protect space and cyber layers, and standardise joint C2 and data**. With steady funding, deep industry linkages, and tested interoperability, the armed forces can **retain initiative** and operate with confidence against fast-changing threats.

Question for practice

Examine how joint Professional Military Education (PME) and integrated theatre commands can enhance India's readiness for multi-domain warfare.

Source: The Hindu

Building Dams - The China Way

Source: The post **Building Dams - The China Way** has been created, based on the article "On dams, take the China way" published in "**Indian Express**" on **04th October 2025**.

UPSC Syllabus: GS-2- India and its Neighborhood- Relations

Context: India and China, both ancient civilizations, have long histories of managing water resources to mitigate floods and droughts. However, despite beginning large dam construction around the same time in the 1950s, China has outpaced India significantly. Today, China's installed hydropower capacity is more than ten times that of India, highlighting a stark difference in policy direction, institutional efficiency, and political will.

Historical Background

- **India:** India began major dam projects post-independence such as **Hirakud (1957)** and **Bhakra (1963)**, envisioned as "temples of modern India."
- **China:** China initiated its dam-building phase after 1949, with **Sanmenxia (1960)** as its first major project.

- Both nations initially faced design and operational challenges, but their trajectories diverged markedly post-1980.

Divergence in Policies and Outcomes

- **Policy Orientation:**
 - In the 1980s and 1990s, **India shifted its focus from large dam construction to smaller water harvesting structures** such as check dams and rainwater harvesting systems. This was **due to growing environmental concerns and social resistance**.
 - In contrast, **China continued its large dam construction program** with a pragmatic approach, learning from early failures and **improving project design and management standards**.
- **Institutional Confidence:**
 - In India, controversies surrounding projects like the Sardar Sarovar Dam and the withdrawal of World Bank funding **reduced institutional confidence in large-scale dam building**.
 - China **strengthened its engineering capacity and confidence by successfully implementing massive projects** like the South-North Water Transfer Project.
- **Hydropower Capacity and Growth:**
 - India's **hydropower development stagnated due to administrative delays, financial constraints, and social opposition**, leading to an installed capacity of only 42.72 GW by 2024.
 - Meanwhile, **China's political prioritization and centralized governance enabled rapid hydropower expansion**, achieving an installed capacity of 435.95 GW, which is more than ten times that of India.
- **Policy Response to Failures:**
 - India's approach to project failures was **largely cautious and reactive**, often resulting in prolonged halts and excessive reviews.
 - China **adopted a corrective approach**, studying the reasons for early dam failures such as Sanmenxia and modifying future designs and policies accordingly.
- **Environmental and Resettlement Policies:**
 - India **emphasized environmental protection and rehabilitation policies**, often leading to lengthy legal procedures and project delays.
 - China, while addressing resettlement concerns, ensured that development objectives were not compromised, **maintaining a balance between environmental management and infrastructure expansion**.

Challenges in India's Dam Development

- **Legal and environmental litigations** often cause prolonged delays in dam construction projects.
- **Coordination among different agencies** remains weak, leading to fragmented and inefficient water governance.
- **Financing and post-construction** maintenance of dams are inadequate, affecting their long-term performance.

- India's **heavy dependence on monsoon rainfall**, coupled with insufficient water storage capacity, limits water availability during dry seasons.
- Many **existing reservoirs face sedimentation** and **safety issues**, reducing their effective capacity and operational efficiency.

Lessons from China

- **Pragmatism over populism:** Evaluate outcomes and modify designs rather than halting projects.
- **Integrated Water Management:** Link water, energy, and food security goals to ensure sustainable and efficient resources utilisation.
- **Technological Upgradation:** Invest in modern sediment management, monitoring, and dam safety to enhance operational efficiency and reduce risks.
- **Strong Institutional Framework:** Centralised and accountable water governance system to ensure effective coordination, transparency and policy implementation.
- **Balanced Development Approach:** Combine environmental protection with infrastructural expansion to achieve long-term sustainability.

Way Forward

1. **Comprehensive Water Policy Reform:** Develop an integrated **National Water Storage and Management Policy** to align large, medium, and small storage infrastructure.
2. **Institutional Strengthening:** Create a **National Dam Authority** with technical, environmental, and social expertise to oversee design, maintenance, and safety.
3. **Expedite Project Clearances:** Simplify legal and environmental procedures through a **single-window mechanism** while ensuring compliance with safeguards.
4. **Public-Private Partnerships:** Encourage private investment and international collaborations for hydropower and dam modernisation.
5. **Technology and Research Focus:** Invest in **sediment management, remote monitoring, and AI-based forecasting** for dam operations and flood control.
6. **Community Engagement:** Implement transparent resettlement and benefit-sharing mechanisms to reduce social opposition.
7. **Climate Resilience:** Design future dams and water systems considering extreme rainfall, glacier melt, and changing hydrological patterns.

Conclusion

China's dam success underscores the value of adaptive, evidence-based policymaking. For India, balancing large-scale infrastructure with sustainability and inclusiveness is crucial. With its growing population, rapid urbanisation, and climate challenges, India must reform its water governance framework and accelerate strategic dam construction. A pragmatic, technologically sound, and socially inclusive approach can ensure water and energy security for the next generation.

Question: Examine the differences between India and China in dam construction and water management, and suggest lessons India can learn from China's approach.

RBI's capital market lending revamp

Source: The post **RBI's capital market lending revamp** has been created, based on the article **"RBI unlocks capital market liquidity with funding boost at a time markets are flat: Here's how the measures would work"** published in **"Indian Express"** on **04th October 2025**.

UPSC Syllabus: GS-3-Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

Context: The Reserve Bank of India (RBI) has recently announced a series of reforms aimed at revitalising India's financial and capital markets. These measures are designed to improve liquidity, ease access to credit, and enhance banks' participation in equity and debt markets. The move marks a significant shift toward integrating India's banking system more closely with its capital market ecosystem.

Key Measures Announced

1. **Lending for Corporate Acquisitions:** For the first time, banks are now permitted to finance corporate acquisitions, enabling them to fund buyouts and consolidation deals that were previously out of reach.
2. **Higher Lending Limits Against Securities:** The RBI has removed the ceiling on loans against listed debt securities. The individual loan limit against shares has been increased from **₹20 lakh to ₹1 crore**, and the **IPO financing limit** for retail investors has been raised from **₹10 lakh to ₹25 lakh**.
3. **Withdrawal of Curbs on Large Borrowers (2016 Framework):** RBI has rolled back the earlier restrictions that penalized banks for lending to very large corporates (systemic exposure above ₹10,000 crore).
4. **Systemic risk** will now be managed through **macroprudential tools**, while individual exposure caps will remain under the **Large Exposure Framework**.

Objectives of the Reforms

1. **Boost capital market liquidity:** Facilitate greater fund flow into equity and debt markets.
2. **Encourage retail participation:** By raising IPO financing limits and simplifying access to capital.
3. **Strengthen financial intermediation:** Improve banks' role in connecting savings with investment.
4. **Enhance credit growth:** Revitalize corporate and capital market-linked lending that has lagged behind retail and MSME sectors.

Implications for Banks

1. **Credit Growth Revival:** The reforms enable banks to participate in **acquisition financing**, a new avenue that can revive corporate credit growth, particularly in sectors where organic expansion is slow.
2. **Level Playing Field with NBFCs:** Earlier, **Non-Banking Financial Companies (NBFCs)** dominated segments like loans against shares (LAS) and IPO financing. The relaxation now allows banks to compete on more equal terms.
3. **Re-engagement with Large Corporates:** Withdrawal of the 2016 curbs signals **renewed RBI confidence in banks' risk management capabilities**, allowing them to re-engage with large industrial groups while maintaining regulatory oversight.
4. **Improved Portfolio Diversification:** Banks can now expand exposure to capital market instruments like **REITs** and **InvITs**, diversifying revenue sources beyond traditional term loans.

Implications for Markets and Economy

1. **Enhanced Liquidity:** Higher lending limits and IPO financing will increase liquidity flow into primary and secondary markets, supporting fund-raising and investment activity.
2. **Support for Corporate Restructuring:** Easier access to acquisition finance may encourage mergers and acquisitions (M&A), facilitating consolidation in key industries.
3. **Impact on NBFCs:** NBFCs may face reduced demand in traditional LAS and IPO financing segments due to increased bank participation.
4. **Macroeconomic Stability:** The RBI aims to manage systemic risks through macroprudential regulation, ensuring liquidity expansion does not translate into financial instability.

Way Forward

1. **Robust Risk Management:** Banks must strengthen due diligence and risk assessment frameworks to avoid concentration risks in large corporate lending.
2. **Balanced Regulatory Oversight:** RBI should ensure that enhanced liquidity and competition do not lead to excessive leverage or speculative activity in capital markets.
3. **Encouraging Innovation:** Banks should leverage fintech and digital lending platforms to deliver market-linked products efficiently.
4. **Investor Awareness and Protection:** With higher retail participation in IPOs and capital markets, financial literacy and investor protection mechanisms must be enhanced.

Conclusion

The RBI's capital market lending revamp represents a calibrated liberalization aimed at integrating India's banking and capital markets. By expanding banks' participation in securities-based lending and acquisition finance, the reforms are poised to boost liquidity, corporate activity, and financial depth. However, maintaining prudential norms and ensuring responsible lending will be crucial to sustain stability alongside growth.

Question: Examine the recent measures introduced by the Reserve Bank of India (RBI) to enhance liquidity in capital markets and their likely implications for banks and the broader economy.

The maritime signalling after Operation Sindoor

UPSC Syllabus Topic: GS Paper 3 -Security .

Introduction

Operation Sindoor has shifted focus to the sea. **Visible deployments, missile activity, new inductions, and sharp public warnings** now define the signalling space in the Arabian Sea. India emphasises a **forward deterrent posture** and wider Indo-Pacific alignment; Pakistan has moved to **dispersal, survivability, and denial**. External footprints around Karachi and Gwadar add uncertainty. The **core challenge** is how to deter, control escalation, and terminate any future crisis on terms favourable to India.

Maritime shift after Operation Sindoor

1. **Focus moved to sea:** After the air engagement, both sides prepared for a possible **maritime phase** of confrontation.
2. **India's position:** Operation Sindoor was presented as a **forward deterrent** plan, with readiness for a

more active naval role .

3. **Surveillance and reach:** India maintained **continuous surveillance** along the **Makran coast** (Jiwani, Gwadar, Pasni, Ormara, Karachi, Port Qasim), building **maritime domain awareness** and options for **sea and shore strikes**.

4. **Persistence and risk.** Naval deployments **last longer and keep steady pressure**. At sea, **escalation control is harder** than in short air fights.

Both-sides signalling at sea

1. **India's signals.** Public warnings (including Sir Creek), the statement that the Navy would act first, **carrier-led presence**, **firing exercises beyond adversary zones**, and **joint patrols with the Philippines** show **resolve, preparedness, and willingness to sustain pressure at sea**.

2. Pakistan's signals.

- For survivability, forces were **dispersed from Karachi to Gwadar**.
- Capability was showcased through the **launch of Hangor-class PNS Mangro** and the **P282 ship-launched missile**.
- **Repeated NOTAMs (Notice to Air Missions)**, missile tests, and live-fire drills that keep the theatre on alert and **complicate Indian planning**.

3. **Net effect.** India signals **forward deterrence and compellence**; Pakistan signals **denial and survivability**. The Arabian Sea remains in a state of **persistent operational pressure**.

Capability balance & modernisation trajectories

1. **Historical templates:** The 1971 war, Operation Talwar (1999), and Operation Parakram (2002) show that full-fleet mobilisations shaped outcomes on land. These experiences now provide a **planning template** that is updated for today's technology, political directives, and force levels.

2. **Network-centric operations:** **Continuous surveillance** along the Makran coast feeds **maritime domain awareness** and precise target lists at sea and on shore. **Joint integration** with the Army and Air Force acts as a key **operational enabler** for detection, targeting, and strike.

3. **Force projection vs denial.:** India uses the **Carrier Battle Group** and wider deployments to **project force** and enable **compellence**. Pakistan prioritises **dispersal, submarines, and denial tactics** to reduce vulnerability and **complicate Indian planning**.

4. **Modernisation urgency:** India has more ships and a better position at sea, **but many ships are old and need faster upgrades**. Pakistan's **selective additions**—such as **Hangor-class submarines** and **Babur-class corvettes from Türkiye**—**narrow the gap**.

Strategic significance of these developments

1. **Control at sea:** Naval fights—ship-on-ship or sea-to-shore—can **cross red lines fast**. The memory of **1971 war** makes Pakistan especially sensitive to even limited maritime strikes.

2. **From deterrence to compellence:** After repeated terrorist triggers, **deterrence alone is weaker**. Planned **compellence**—using visible naval power to shape choices—gains importance; the **carrier group** played this role during Sindoor.

3. **Firepower and legal signalling:** **Exclusion zones** and any **blockade** must be **announced and justified**. A blockade is **an act of war**, so it must be **deliberate, lawful, and carefully calibrated**.

4. **Nuclear threshold and carrier risk:** Naval asymmetry could push Pakistan to **signal tactical nuclear options at sea**, with **carriers** as likely targets. India's nuclear doctrine—covering **major attacks on its territory or forces anywhere**—requires **intense but controlled** conventional operations.

Geopolitical overlays

1. **CPEC (China–Pakistan Economic Corridor) and Gwadar's role:** Pakistan presents **Gwadar** as part of its own security plan, not just a Chinese project. **Gwadar and Karachi** are both **military and psychological pressure points** that shape planning on both sides.

2. **External involvement:** A visible **Chinese presence at Karachi and Gwadar**, and **Turkish support in platforms and training**, add uncertainty during any crisis. These links can affect supply, signalling, and escalation choices.

3. **Indo-Pacific context:** India's **joint patrols with the Philippines** show that near-sea signalling is connected to a **wider regional posture**. They also indicate India's intent to align capacity-building with broader partnerships.

4. **Trade routes and mediation:** Tension near the **Strait of Hormuz** or **Bab-el-Mandeb** can **disrupt global shipping** and trigger **quick external pressure** to de-escalate.

Strategic choices for India

1. **Use sea early or hold in reserve:** Decide whether to **signal early at sea** to shape the crisis from the start, or **hold naval power back** for a decisive move later. Early signalling can deter but may raise tensions; holding in reserve preserves surprise but risks losing narrative control.

2. **Reaffirm doctrine and strategy.**

- Use the Indian Navy's 2015 strategy *Ensuring Secure Seas* as the guiding framework.
- Set clear effects on land—protect critical assets, pressure military targets, shape adversary choices.
- Predefine **lawful targets** and **rules of engagement** to keep signalling and strikes credible and defensible.
- Plan through **jointness** (Navy–Army–Air Force), strong **maritime domain awareness**, and reliable **logistics**.
- Prefer **calibrated, effects-based actions** (not theatrics); use measures like limited strikes or exclusion notices when needed.
- **Review outcomes** after each move and **adjust posture** quickly.

3. **Policy shift on terrorism:** If the maritime role expands against **state-sponsored terrorism**, cut **response times**. Activate **forward operating bases**, harden and pre-position **logistics**, and ensure **sustainment** for longer deployments.

4. **Blend deterrence and compellence:** Keep **deterrence** credible, but prepare **scalable compellence** options. Update plans for **drones, hypersonics, and long-range precision**, and manage signalling carefully under the **nuclear risk**.

5. **Modernise:** Upgrade our ships, submarines, and missiles faster. Ensure **interoperable C2 (Command and Control)**, **continuous Maritime Domain Awareness (MDA)**, stronger **targeting networks**, and reliable **repair-overhaul** capacity. These steps preserve initiative and keep forces ready for rapid action.

Conclusion

Sea power is now central to crisis signalling. Both sides are shaping thresholds and templates for the next confrontation. India should **modernise at speed, sharpen MDA, institutionalise jointness, and codify signalling protocols** (including **hotlines** and **exclusion-zone discipline**) to lower miscalculation. Combined with **calibrated compellence, sound legal targeting, and resilient logistics**, this approach keeps initiative with India, **controls escalation**, and supports **early, favourable conflict termination**.

Question for practice:

Examine how the shift to the sea after Operation Sindoor affects escalation risks and India's choices at sea.

Source: The Hindu

Clean energy rise needs climate finance expansion

UPSC Syllabus Topic: GS Paper 3 -Infrastructure (Energy).

Introduction

India's clean energy shift is gathering speed. Solar capacity rose by **24.5 GW in 2024**, placing India **third after China and the U.S.** It is recognised by the **UN Secretary-General's 2025 Climate Report** for scaling solar and wind. Clean energy is also creating jobs and growth . The missing piece is **large, predictable climate finance** to keep this momentum and meet targets.

Status of Green Finance in India

1. Green Finance:

Mitigation finance:

- Mitigation finance averaged **INR 3,712 billion (USD 50 billion)** per year in FY 2021/22, up 20% from 2019/21.
- **Domestic sources provided 83%; international sources 17%.**
- The **private sector** contributed **66% of domestic** and **63% of international** mitigation finance.

- **Mitigation allocations:** Mitigation money mainly went to **clean energy (47%)**, **energy efficiency (35%)**, and **clean transport (18%)**..

Adaptation finance

- 98% domestic public budgets (central and state) and 2% international public, mostly from multilateral DFIs.
- Adaptation allocations: Disaster risk management received **42%**, flood and cyclone mitigation **32%**, and on-farm adaptation **24%**. International public finance was small and mainly from **multilateral DFIs**.

Capital market momentum

- **GSS+ (Green, Social, Sustainability, and Sustainability)** bonds issuance reached **USD 55.9 billion by Dec-2024**, up **186% since 2021**; **green bonds formed 83%**.
- **Green bond investment crossed USD 45 billion in 2025** with a target of **USD 100 billion by 2030**, reflecting strong private participation.

2. Global recognition

- India added **24.5 GW solar in 2024**, ranking **third globally** after China and the U.S.
- India is recognised in the **UN SG's 2025 Climate Report** for scaling solar and wind, backed by leadership of the **International Solar Alliance (ISA)**.

3. Jobs and macro impact

Renewables employed **over a million people in 2023** and supported **5% of GDP growth**. These gains show that clean energy supports inclusive growth and local livelihoods.

Issues with Green Finance in India

1. Financing gap

India needs **USD 1.5–2.5 trillion by 2030** to align with a 1.5°C pathway and meet national goals.

Large capital is required for **grids, battery storage, green hydrogen, transport, and agriculture**. Weak system investment can constrain integration and reliability

2. Limited access: Funding is concentrated among **large corporates. MSMEs, agri-tech innovators, and local infrastructure developers** face.

3. Financing risk in smaller cities: Mid-sized projects in **Tier-II/III cities** face governance and delivery risks. Lenders demand stronger guarantees and predictable cash flows to lower capital costs.

4. Lack of robust green finance regulation: Without clear regulations in place, stakeholders, who rely heavily on conventional financial practices, may be hesitant to invest in green finance.

5. **Mismatch between investment timelines:** Long-term green investments do not align with the short-term horizons of investors.

6. **Disproportionate investment in sectors and technologies:** Certain sectors, such as wind energy, attract less international finance than others, like solar photovoltaics.

Government Initiatives

1. **Sovereign green bonds** and **SEBI-regulated social bonds** have channelled private capital into climate action, education, and health. They set benchmarks for pricing and disclosure in the local market.

2. **Solar Park Scheme and auctions:** Auctions under the **Solar Park Scheme** helped crowd-in private financing by offering scale, standardisation, and site readiness. This improved bankability and reduced bid risk.

3. The new **Carbon Credit Trading Scheme** can unlock finance if **transparent, well-regulated, and equitable**. Its credibility will shape demand, pricing, and investment signals.

4. **National Bank for Financing Infrastructure and Development (NaBFID):** It is instrumental in addressing India's infrastructure needs, notably through the National Monetisation Pipeline (NMP) and the National Infrastructure Pipeline (NIP). Emphasizing sustainable and climate-resilient development, NaBFID concentrates on projects that foster inclusive growth and sustainability.

5. **Net-zero targets:** India, as a developing nation with growing energy demands, has set a goal of achieving net-zero emissions by 2070. This ambitious target involves balancing the amount of greenhouse gases produced with the amount removed from the atmosphere, promoting sustainability and climate resilience.

6. **Green growth as a budget priority:** In a recent budget, the government identified "Green Growth" as one of its seven key priorities, emphasizing its commitment to promoting sustainable development and allocating resources accordingly.

7. **FDI in renewable energy:** To meet the INR 1.5-2 trillion annual investment requirement in renewable energy, the Indian government has authorized 100% annual Foreign Direct Investment (FDI) for renewable power generation and distribution projects.

8. **Introduction of "Green Deposits":** The Reserve Bank of India has introduced guidelines for banks and Non-Bank Financial Companies (NBFCs) to accept "green deposits". These funds are allocated towards environmentally sustainable projects, such as energy efficiency, clean transportation, climate change adaptation, and sustainable water and waste management.

9. **Business Responsibility and Sustainability Reporting (BRSR):** SEBI has mandated the top 1000 listed companies in India to adhere to the BRSR framework, promoting transparency and accountability in their sustainable business practices. This framework helps in incentivizing green financing and allowing banks to estimate their climate-related exposure.

Way forward

1. **Blended finance:** Use **partial guarantees, subordinated debt, and performance/loan guarantees** to lower risk for lenders. Focus on **mid-sized and local projects** where risk perceptions and delivery gaps are highest.

2. **Unlock domestic institutions:** Enable EPFO, LIC, insurers, and pensions to invest in climate assets through clear ESG rules, risk-mitigation tools, and a stable pipeline of long-term green projects.

3. **Leveraging international funds and partnerships:** India could access international climate finance options such as the Green Climate Fund (GCF) and the Global Environment Facility (GEF). Bilateral and multilateral partnerships with developed countries can also provide financial and technical assistance.

4. **Boost adaptation finance:** Prepare state-level adaptation plans with clear funding gaps. Use public funds to crowd in private capital for resilience in agriculture, water, and disaster management.

5. **Data and risk innovation:** Adopt blockchain to track climate finance flows and AI-driven risk analytics to improve portfolio assessment. This reduces transaction costs and raises underwriting quality.

6. **Enhancing technological capabilities:** Upgrading India's technological capabilities is key to making the green transition cost-effective. This would involve investing in research and development (R&D), technology transfer, and capacity building. Collaborating with international partners can help access cutting-edge technologies.

7. **Fostering policy consistency:** Policy inconsistency can deter investors and slow down progress. Therefore, there should be consistency and predictability in India's energy and climate policies.

8. **Promoting public awareness and engagement:** Raising public awareness about the importance of green transition and creating a societal demand for sustainable products can help incentivize businesses to invest in green technologies and practices.

Conclusion

India has momentum, but finance must scale and reach MSMEs and local projects. Expand blended finance, mobilise EPFO/LIC and other domestic institutions, and tap GCF/GEF and partnerships. Boost adaptation funding, use data and risk tools (blockchain, AI), build technology capacity, keep policies stable, and engage citizens. These steps can close the gap and sustain a jobs-rich transition.

Question for practice:

Discuss how India can expand climate finance for its clean energy transition.

Source: The Hindu

Employment as a national priority

Source: The Post **Employment as a national priority** has been created, based on the article "Treat employment as a national priority" published in "The Hindu" on 06th October 2025.

UPSC Syllabus: GS-3-Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

Context: India, the world's most populous nation, has one of the youngest workforces globally. According to the Confederation of Indian Industry (CII), India will add about 133 million people to its working-age

population (15–64 years) over the next 25 years, nearly 18% of the global addition. However, this demographic dividend is time-bound, with the working-age population expected to peak around 2043.

Importance of Employment Generation

- **Economic growth and equity:** Employment generation **plays a pivotal role in ensuring inclusive and sustainable growth**. Large-scale job creation helps lift millions **out of poverty, reduces regional and social disparities**, and ensures a **more equitable distribution of economic benefits**.
- **Social stability:** When people have secure livelihoods, **it enhances social cohesion and reduces inequalities**. Employment provides **individuals with dignity, purpose, and belonging**, thereby contributing to broader social harmony and inclusion.
- **Resilient consumption economy:** In a **consumption-driven economy** like India's, **quality job creation boosts household income and purchasing power**, sustaining domestic demand. This continuous cycle of **income and spending drives stable, resilient economic growth** and shields the economy from external shocks.

Key Challenges

1. **Lack of Unified National Framework:** India lacks an integrated national policy linking employment, skills, and livelihoods. Fragmented central and state initiatives hinder coordinated job creation and accountability.
2. **Skill-Employability Gap:** Outdated education curricula and weak industry linkages reduce graduate employability. Skill programmes need alignment with emerging technologies and sectoral needs.
3. **Regional Disparities & Labour Frictions:** Industrial growth is uneven across states. Migration barriers and limited worker mobility restrict access to opportunities, worsening regional inequality.
4. **Underdeveloped Social Security:** The informal workforce lacks protection, benefits, and grievance systems. Expanding inclusive social security and worker welfare is crucial for equitable growth.

Way Forward

1. **Focus on Long-Term Job Creation**
 - a. A **long-term, consistent strategy** is needed to encourage steady investments and create sustainable employment opportunities.
 - b. Coordination between **Central and State governments** is essential to integrate skill development, education, and social protection.
 - c. An **Integrated National Employment Policy** should be established to align existing schemes and address both the supply and demand sides of the labour market.
2. **Strengthening Institutional Mechanisms**
 - a. A robust institutional framework should be created through an **Empowered Group of Secretaries**, supported by **District Planning Committees**, to oversee employment policy implementation.
 - b. These institutions should set **time-bound targets** and focus on high-employment sectors, aligning education, labour, and industrial policies.
 - c. They must also address **regional disparities, gender gaps, and challenges faced by marginalised communities** to ensure inclusive participation.
3. **Priority Sectors for Job Creation**
 - a. Job creation must focus on **labour-intensive sectors** such as textiles, construction, tourism, agro-processing, healthcare, and education.

- b. The **MSME sector**, which employs over 25 crore people, requires targeted support through easier access to finance, technology, and skill development.
- c. The **digital economy and gig sector** present emerging opportunities, with gig employment expected to rise from 80 lakh to nearly 9 crore workers by 2030.
- d. Policies should ensure **formalisation of informal jobs** and provide social protection for gig and platform workers.

4. Labour Reforms and Worker Protection

- a. The timely implementation of the **four Labour Codes** is essential to simplify compliance and strengthen worker rights.
- b. A **centralised employment registry** should be developed to streamline worker onboarding and enhance mobility.
- c. Labour contracts must include **fair wages, safety standards, and effective grievance mechanisms** to protect workers' rights.
- d. The **gig economy** should be regulated to provide minimum wages, social security, and occupational safety for workers.

5. Promoting Regional and Social Inclusion

- a. Employment opportunities should be **regionally balanced** through targeted interventions in underdeveloped districts and rural areas.
- b. Policies must support **industrial hubs, rural internships, and remote work options** to generate employment beyond metropolitan areas.
- c. Increasing **women's labour force participation** is crucial, which can be achieved through investment in childcare, eldercare, and removal of restrictive norms.
- d. Employment strategies must ensure **inclusivity for youth, women, and marginalised communities** to promote equitable growth.

6. Incentives and Complementary Policies

- a. Initiatives such as the **Employment-Linked Incentive (ELI) Scheme** should be expanded to encourage industries that create quality jobs.
- b. **Formalisation of Anganwadi and ASHA workers** will enhance employment quality in the social sector.
- c. Investment in **affordable housing and industrial clusters** can improve worker mobility and living standards.
- d. Strengthening **labour market flexibility** and entrepreneurship will promote a dynamic employment environment.

7. Building a Data-Driven Employment Framework

- a. **Reliable and real-time employment data** is essential for effective policymaking.
- b. A **dedicated task force** should be established to improve employment data collection and reduce the time lag between data generation and policy implementation.
- c. **Transparent and timely data publication** will enable better monitoring of job trends and policy outcomes.

Conclusion: A coordinated, inclusive, and forward-looking employment strategy focusing on job quality, sectoral diversification, skilling, and gender inclusion can transform India's labour potential into economic strength. Treating employment as a **national priority** is essential not only for sustained growth but also for achieving equitable and resilient prosperity by 2047.

Question: "Employment generation must be treated as a national priority to ensure inclusive and sustainable growth." Discuss.

Alternative Dispute Resolution in India

Source: The post **Alternative Dispute Resolution in India** has been created, based on the article “Why is ADR crucial for India’s courts?” published in “The Hindu” on 06th October 2025.

UPSC Syllabus: GS-3- Separation of Powers between various organs Dispute Redressal Mechanisms and Institutions.

Context: India’s justice system faces major challenges of **access, delay, and accountability**, with over **4.57 crore pending cases** across all courts, as per the *India Justice Report 2025*. In this context, **Alternative Dispute Resolution (ADR)** mechanisms—such as arbitration, conciliation, mediation, and Lok Adalats—have emerged as vital instruments to deliver **timely, affordable, and participatory justice**.

Alternative Dispute Resolution

- Alternative Dispute Resolution (ADR) **encompasses methods and processes** used to **resolve conflicts outside the formal court system**.
- It **encourages a cooperative, non-adversarial approach** in which the parties work together, often with the assistance of neutral facilitators, to reach a mutually acceptable solution.
- **Key mechanisms of ADR** include various methods to resolve disputes outside courts, such as Arbitration, Mediation, Conciliation, Negotiation and Lok Adalats.

Constitutional and Legal Basis of ADR

- **Article 39A** of the Constitution mandates equal access to justice for all citizens.
- **Section 89 of the Code of Civil Procedure, 1908** formally recognises ADR processes.
- The **Arbitration and Conciliation Act, 1996** and **Arbitration Act, 2021** institutionalise arbitration and mediation.
- The **Legal Services Authorities Act, 1987** provides statutory backing for **Lok Adalats**.
 - The Act also sets a **maximum period of 180 days** for dispute resolution, promoting faster justice.
- Additionally, **pre-litigation mediation** for civil and commercial disputes helps reduce court pendency while fostering social harmony and stronger interpersonal relationships through dialogue and mutual understanding.

Functioning of Lok Adalats

- **Legal Framework:** Lok Adalats operate under the **Legal Services Authorities Act, 1987**, which draws inspiration from **Article 39A** of the Constitution ensuring equal access to justice.
- **Types of Lok Adalats:** The system includes **Permanent Lok Adalats (Section 22-B)**, **National Lok Adalats**, and **e-Lok Adalats**, all aimed at enhancing efficiency and accessibility in dispute resolution.
- **Origin:** The **first Lok Adalat** in India was organised in **Gujarat in 1999**, marking the beginning of institutionalised people’s justice forums.
- **Nature of Decisions:** Awards passed by Lok Adalats are **final and binding**, with **no provision for appeal**, as disputes are settled through mutual consent before formal litigation.
- **Safeguard Against Absoluteness:** Although appeals are not allowed, a **dissatisfied party may still file a regular suit** in a court of law, ensuring fairness and preventing misuse of authority.
- **Need for Awareness:** The effectiveness of Lok Adalats depends on **greater public awareness** and participation, which can strengthen access to speedy and affordable justice.

Importance of Strengthening ADR

1. **Reduces Case Pendency:** ADR provides a faster mechanism, with a **180-day limit** for resolution, easing pressure on overburdened courts.
2. **Ensures Affordable and Inclusive Justice:** ADR offers a **cost-effective** and less formal system, ensuring justice for weaker sections of society.
3. **Promotes Social Harmony and Consensus:** Rooted in the **Panch Parmeshwar** tradition, mediation encourages dialogue, empathy, and consensus-building.
4. **Improves Efficiency of Formal Courts:** Diverting civil and compoundable criminal cases to ADR allows courts to focus on more serious matters.
5. **Addresses Regional Disparities:** States like **Uttar Pradesh, Bihar, and Andhra Pradesh** with high pendency can particularly benefit from ADR adoption.

Way Forward

1. **Institutional Strengthening:** Establish more **mediation centres** and **permanent Lok Adalats** at the district level for wider outreach.
2. **Digital and e-ADR Platforms:** Promote **e-Lok Adalats** and **online mediation systems** to enhance accessibility and speed, especially post-pandemic.
3. **Legal and Administrative Reforms:** Strengthen the **Arbitration Council of India** and standardise mediation procedures to ensure quality and accountability.
4. **Awareness and Capacity Building:** Conduct legal literacy campaigns and train mediators, arbitrators, and community leaders to build public trust in ADR.
5. **Integration with Formal Judiciary:** Encourage **pre-litigation mediation** in civil and commercial matters to prevent disputes from reaching courts.

Conclusion: ADR is not merely an alternative but a **complementary pillar of justice delivery**. By promoting **speed, affordability, and inclusivity**, it can help decongest courts, ensure social harmony, and uphold the constitutional promise of **equal access to justice for all**. Strengthening ADR is therefore essential for building a **resilient, citizen-centric, and efficient judicial system** in India.

Question: Why is strengthening Alternative Dispute Resolution (ADR) crucial for India's justice system?

India's direction for disaster resilience

UPSC Syllabus Topic: GS Paper 3 -Disaster management.

Introduction

India is a vast, multi-hazard country. Floods, droughts, cyclones, earthquakes, and landslides recur across most States and UTs. Climate change and environmental degradation are increasing both frequency and intensity, raising risks to people and assets. The **Ten Point Agenda on DRR (2016)** guides action and links India's efforts with the **Sendai Framework, Paris Agreement**, and **SDGs**, creating an integrated path to risk reduction, climate adaptation, and resilient development.

Status of Disasters in India

1. Baseline hazard exposure

- About 60% of land is earthquake-prone.

- Over 40 million hectares face floods.
- About 8% of the area is cyclone-prone.
- 68% of the area is drought-susceptible.
- 27 States and 7 UTs face recurrent hazards: floods, cyclones, earthquakes, landslides, and droughts.

2. Recent impacts and trends

- In 2024–25, natural disasters caused at least **3,080 deaths**, an **18%** rise over the previous year.
- The monsoon recorded an overall **8.6% surplus**, yet **one-third of districts** had rainfall far above normal while **about 19% of the country** faced drought-like conditions.
- In 2025, there were **5.4 million** climate-driven **internal displacements** within India.

India's Initiatives

A. Legal and institutional reforms

1. The **Disaster Management Act, 2005** provides the legal base for disaster risk management in India. It created national, State, and district institutions and clarified roles.
2. The **National Disaster Management Authority (NDMA)** works under this law and issues national guidelines so actions are standard across different hazards and regions.

B. Governance and coordination

1. The **MHA** and **NDMA** oversee the full disaster cycle: prevention, preparedness, response, and recovery.
2. NDMA has issued **38 guidelines** and set up appraisal committees for projects that are specific to hazards and regions.
3. States are first responders and use the **State Disaster Response Fund (SDRF)** for notified disasters.
4. For severe disasters, the Union Government supports States through the **National Disaster Response Fund (NDRF)** after an assessment by an **Inter-Ministerial Central Team (IMCT)**.
5. A **Post-Disaster Needs Assessment (PDNA)** guided the recovery plan.

C. Financing architecture

1. State Disaster Response Fund (SDRF).

Created under Section 48(1)(a) of the Disaster Management Act, 2005, the SDRF is the primary fund with States for immediate relief in notified natural disasters. The Union–State cost-share is generally **75:25**, and **90:10** for special-category/Northeast and Himalayan States. Releases follow Finance Commission recommendations and Ministry of Home Affairs norms.

2. National Disaster Response Fund (NDRF).

Created under Section 46 of the Disaster Management Act, 2005, and funded by the Union Government (with scope for external grants), the NDRF is used after an **Inter-Ministerial Central Team (IMCT)** assesses that a disaster is of a “**severe nature**” and beyond a State’s SDRF capacity.

3. Fifteenth Finance Commission added

- The **15th Finance Commission** allocated **₹2.28 lakh crore** over five years for disaster risk management.
- The funding now covers **prevention, mitigation, preparedness, capacity building, response, and reconstruction**.
- The split is **30%** for preparedness and capacity building (**10%**) and mitigation (**20%**), and **70%** for response (**40%**) and reconstruction (**30%**).
- Priority given to **multi-hazard appraisal, science-based design, cooperation** between the Centre and States and among ministries.
- Reconstruction packages of **about ₹5,000 crore** have started in several States.
- Funds support modernising fire safety (₹5,000 crore).

D. Preparedness and capacity building

1. **Strengthened community capacity** through the **Apda Mitra** and **Yuva Apda Mitra** volunteer networks.

2. The **National Institute of Disaster Management (NIDM)** is expanding **geo-spatial training labs**, faculty-led action research, and a **36-stream** standard course so that disaster management is **mainstreamed to each panchayat**.

3. The **National Disaster Response Force (NDRF) Academy**, the **National Fire Service College**, and the **NIDM** train public officials and responders in hazard science, incident response, and policy.

4. NIDM also anchors the **Indian Universities and Institutions Network for Disaster Risk Reduction (IUIINDRR-NIDM)**. This network links 300+ universities and institutes to develop model curricula, training modules, and other knowledge products on disaster risk reduction.

5. Public alerting and emergency response

Common Alerting Protocol (CAP):

- India’s unified warning system that sends **location-specific alerts in local languages** via SMS, TV, radio, Indian Railways announcements, coastal sirens, cell broadcast, and browser notifications.
- CAP also uses satellite-aided channels—**NavIC (Navigation with Indian Constellation)** and **GAGAN (GPS Aided GEO Augmented Navigation)**

The **Emergency Response Support System (ERSS-112)** provides a single emergency number that also supports disaster-related distress calls and speeds up response.

E. Mitigation and risk reduction

1. Mitigation projects of ₹10,000 crore focus on **nature-based solutions** for long-term climate risks.
2. The **National Cyclone Mitigation Programme (2011–22; ₹5,000 crore)** reduced coastal vulnerability by building **seven-day early warning systems, cyclone shelters, and embankments**.
3. States are encouraged to -
 - Revitalise water bodies and green spaces to control urban floods;
 - Use remote sensing and automated weather stations to monitor glacial-lake risk;
 - Apply bio-engineering solutions for slope stabilisation in landslide zones;
 - Use break lines, water-body care, and fuel evacuation to reduce forest fires.
4. The **web-based Dynamic Composite Risk Atlas and Decision Support System (Web-DCRA & DSS)** supports cyclone risk planning and was used during Cyclone Biparjoy and Cyclone Michaung.

F. Global collaboration

1. **Coalition for Disaster Resilient Infrastructure (CDRI)**: India launched the CDRI, a global partnership of 46 countries and 8 partner organisations. It helps governments, international bodies, and the private sector make infrastructure stronger against climate and disaster risks.
2. India also leads and supports disaster risk reduction work in the **Group of Twenty (G-20)**, the **Shanghai Cooperation Organisation (SCO)**, the **Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)**, and the **Indian Ocean Rim Association (IORA)**.

Way forward

1. **Upgrading Disaster Management**: Disaster management agencies need to be empowered and equipped with more resources. Capacity-building must be focused on dealing with the changing nature of disasters.
2. **Regulation of Construction Activities**: It is not possible to prevent natural occurrences like heavy rainfall, cyclones, or heatwaves. Nevertheless, the human-caused effects such as uncontrolled construction must be reduced.
3. **Building Disaster-Resilient Infrastructure**: India is currently constructing infrastructure for its future, and it's important to integrate disaster resilience into each of these projects. Additionally, existing infrastructure requires retrofitting.
4. **Local participation**: Strengthen community centers with resources needed for emergency response which can be used by the first responders to start the rescue work timely. Ensure 'Local participation for local resilience'.

5. Technology use: Exploring the **use of AI, 5G and IoT in improving disaster risk management.**

6. United efforts to address climate change, social concerns and environment for disaster resilience in integrated way.

7. Convergence of traditional knowledge and modern technology.

8. Revise notified disasters: Consider inclusion of heat wave, lightning, forest fire, river erosion and coastal erosion in the list of notified disasters. For this, necessary assessment/reviews for an appropriate decision may be expedited.

9. Financial innovations: Enhance **financial innovations to mainstream effective solutions by** improving risk management assessments, incorporating holistic environmental considerations, reducing costs and utilizing innovative risk financing tools. **Develop policies to promote private sector engagement in implementing these solutions.**

Conclusion

India now follows a **whole-of-society approach** across prevention, preparedness, response, and recovery, supported by clear laws, financing, early warnings, capacity building, and nature-based mitigation. Priorities are to **empower institutions, regulate unsafe construction, embed resilience in all infrastructure, and strengthen local participation. Technology (AI, 5G, IoT), integration of climate-social-environmental actions, convergence of traditional knowledge** with modern tools, updating notified disasters, and innovative finance with private-sector engagement will convert frameworks into safer lives and faster recovery at scale.

The course ahead for Trump's Gaza ceasefire plan

UPSC Syllabus Topic: GS Paper 2 -International relation.

Introduction

Donald Trump's 20-point plan sets a ceasefire path for Gaza. It calls for an immediate stop to fighting and the return of all Israeli hostages. Hamas would disarm and its military sites be dismantled. An international stabilization force would deploy. Gaza would shift to a temporary technocratic administration under outside oversight. The plan backs large-scale aid and reconstruction and proposes a conditional path to Palestinian statehood. **Both Israel and Hamas have concerns, and the plan still has issues that need to be resolved.**

Donald Trump's 20-point Gaza plan

1. Immediate ceasefire and freezes: Fighting stops at once. Existing **battle lines are frozen** until conditions are set for a **staged Israeli withdrawal. Full aid** flows immediately once both sides assent.

2. Hostage released: Within **72 hours, 20 living Israeli hostages** are released, in exchange for **hundreds of detained Gazans.**

3. Humanitarian surge: Full aid flows start immediately once both sides agree. Relief covers food, health, water, power, and basic services. Aid distribution will be **overseen by the UN, the Red Crescent, and international agencies**, ensuring transparent and interference-free relief.

4. Reconstruction: The plan includes **economic reconstruction** and **rehabilitation of Gaza's infrastructure**. The emphasis is on **restoring essential services and rebuilding damaged systems** to support daily life and recovery.

5. Disarmament and amnesty: The plan requires **Hamas to disarm** and mandates the **destruction of tunnels and weapons-production sites**. Militants who **lay down arms receive amnesty**. Those who refuse are offered **safe passage** outside Gaza. The aim is to **end militia control** and **reduce future security risks**.

6. Governance and oversight

- Gaza will be **run temporarily by a technocratic, apolitical Palestinian committee**. Oversight rests with an **international "Board of Peace," chaired by Donald Trump, with Tony Blair proposed as a member**.
- A **multinational stabilisation force** will support **policing, border management**, and the **movement of humanitarian aid**.
- These steps are designed to **separate governance from armed factions** and **reassure all parties during the transition**.

Concern raised by Israel

1. Israel prioritises permanent security over speed. Leaders argue that Gaza must not retain any residual militant capability, and they are wary of steps that could limit freedom of action before they are fully confident that threats will not return.

2. Key ministers demand Hamas's total defeat, not just disarmament. They view amnesty or safe passage for militants as unacceptable because it may leave networks or ideology intact and could allow regrouping later.

3. A Palestinian Authority (PA) return to govern Gaza faces resistance. The current leadership has repeatedly rejected handing Gaza to the PA, which makes proposals that envision PA control difficult to accept domestically.

4. Any pathway to Palestinian self-determination is contested. Israel's current leaders oppose moves that look like steps toward a Palestinian state. Even soft wording about a "future political path" gets strong resistance. So the government finds it hard to accept any language that could be read as moving toward statehood.

Concern raised by Palestinians and Hamas

1. Hamas sees the terms as one-sided: They are asked to release all hostages and disarm at once, which would leave them defenceless while Israel keeps decisive leverage, creating high risks if trust breaks down.

2. Hamas objects to being excluded from shaping the terms: They argue that decisions on Gaza's governance should come from a broader Palestinian consensus in which they participate, rather than being set externally.

3. Confidence in exchanges is low: Releases are welcome, but Palestinians note **Israel's revolving-door arrests**; at least **18,000 Palestinians have been arrested in the West Bank since October 7, 2023**. This undermines confidence that releases will change realities.

4. Ceasefire meaning: The plan allows fighting to continue even after implementation starts, and Hamas rejects this. They say this undermines the idea of a ceasefire and weakens incentives for withdrawal and de-escalation.

Issue with this plan

1. Timelines and order are not defined: Only the 72-hour hostage step is fixed, while the ceasefire, IDF withdrawal, and demilitarisation have no clear sequence or dates, so the framework reads like intentions rather than a workable roadmap.

2. There is no independent oversight body: The plan does not create a neutral mechanism to verify steps, settle disputes, or certify progress, which makes breakdowns and blame more likely.

3. The stabilisation force is undefined: The contributors, mandate, rules of engagement, and coordination methods (deconfliction, border security, police vetting) are not specified, which raises serious feasibility and safety questions.

4. The West Bank is omitted and the legal anchor is weak. Daily flashpoints and settlement expansion are ignored, and the plan does not ground itself in international law, UN Security Council resolutions, or **ICJ's 1967-borders guidance**.

5. No provision for representative: The plan installs a technocratic committee and an external oversight board but offers no clear path to elections, institutional reform milestones, or a monitoring system for those reforms.

6. External backing is uncertain. Gulf countries have kept involvement limited and are focused on the Abraham Accords, Iran-related security, ties with the U.S., and a cautious Syria thaw. The plan does not show what they will contribute or how they would restrain Israel if the ceasefire strains, so enforcement and funding remain in doubt.

7. Reconstruction lacks a political horizon: The "**Riviera**"-style redevelopment and "**miracle cities**" pitch resurfaces. It promises opportunity but **without addressing political sovereignty**, risking a disconnect between economic plans and lived realities.

Conclusion

The plan offers quick relief, but key parts are unclear. There is no fixed order or dates, no neutral monitor, and no path to elections or a West Bank track. Gulf support is uncertain. Israel resists any language that points to statehood. Hamas rejects combat during rollout and fears one-sided terms. For the ceasefire to hold, it **needs**

firm timelines, verified milestones, clear ISF roles, and a credible path to representative Palestinian governance.

Question for practice:

Examine the main concerns with Trump's 20-point Gaza plan and how they weaken the chances of a lasting ceasefire.

Source: The Hindu

Reforming passive euthanasia in India

UPSC Syllabus Topic: GS Paper 2 -Issues relating to development and management of Social Sector/Services relating to Health.

Introduction

The U.K. House of Commons passed the Terminally Ill Adults (End of Life) Bill. It allows physician-assisted dying for mentally competent adults expected to live fewer than six months, with medical certification and oversight by a national panel. The Bill now awaits approval from the House of Lords. India, by contrast, recognises only passive euthanasia through Supreme Court judgments and has consciously drawn a line against active euthanasia. Yet practical inaccessibility persists: cumbersome procedures, weak implementation, and a fragmented health system hollow out patients' basic dignity while dying. India should refine passive euthanasia rather than mirror the U.K.'s path.

Active and passive euthanasia

1. Euthanasia is the intentional act of ending another person's life, typically to relieve suffering from a serious, incurable, or debilitating condition. It is most often performed by a physician through the administration of a lethal drug or other means, with the purpose of ensuring a painless death.
2. There are different types of euthanasia practised across the world. **Active euthanasia** where a patient is killed a patient by active means, for example, injecting a lethal dose of a drug.
3. There's also **Passive euthanasia**, which is described as letting a patient die by withholding artificial life support such as a ventilator or a feeding tube

Status of euthanasia in India

1. The **abetment to suicide remains a criminal offence** under the Bhartiya Nyaya Sanhita (Section 108 BNS). Which is corresponds to Section 306 of the Indian Penal Code (IPC). (**Section 309 has been restricted by the Mental Healthcare Act, 2017**).
2. **Regulation 6.7 of the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002** explicitly prohibit the practice of euthanasia.
3. In March 2018, the Supreme Court passed an order that **allowed passive euthanasia** (Common Cause Judgment). The Court declared that **right to die with dignity is a fundamental right under Article 21**.

Aruna Shaunbagh vs Union of India, 2011	SC recognised that the life-sustaining treatment could legally be withheld/withdrawn even from persons without decision-making capacity .
Common Cause vs Union of India, 2018	SC recognised the right to die with dignity as a fundamental right under Article 21 of the constitution, and legalised the use of advance medical directives or 'living wills' .
Common Cause vs Union of India, 2023	SC simplified the process for making living wills and withholding/withdrawing life-sustaining treatment by removing bureaucratic hurdles.

Latest guidelines of the Ministry of Health and Family Welfare for the Withdrawal of Life Support

Establishment of Medical Boards and their recommendation	<p>1. Hospitals have to establish Primary and Secondary Medical Boards to evaluate if continued treatment is beneficial for a terminally ill patient.</p> <p>2. Primary Board- It will comprise the treating doctor and two subject-matter experts with at least five years of experience. It will assess the patient's condition, and will recommend the appropriateness of withholding/ withdrawing life-sustaining treatment.</p> <p>3. Secondary Board- It will comprise a registered medical practitioner nominated by the district Chief Medical Officer, along with two subject-matter experts with at least five years of experience. All these members must be different from those on the Primary Medical Board. It will review the decision of the Primary Medical Board.</p>
Consent by the Nominated Persons	The persons nominated by the patient in the advance medical directive or the surrogate decision-makers (where there is no directive) must consent to the withholding or withdrawal of treatment.
Notification of the decision to Judicial Magistrate	The hospital must notify decisions on withholding/ withdrawing life-sustaining treatment to the local judicial magistrate.

Issues with the present Euthanasia rules in India

- 1. Procedural delays and bedside harm:** The combined requirements of advance directives, two medical boards, and occasional court oversight create delays that defeat the purpose of timely end-of-life care, and patients and families face long, painful waits in practice.
- 2. Informal decisions due to weak implementation:** Because the legal pathway is slow and unclear and hospitals lack a clear, speedy process, families act outside the framework, which exposes doctors to legal uncertainty.
- 3. Fragmented health system:** Wide gaps in capacity and funding across India's health services make it hard to follow the passive-euthanasia rules consistently everywhere.
- 4. State-level ombudsman limitations:** The proposed ombudsman model mirrors past schemes with delays, weak enforcement powers, and low public familiarity, which risks adding another slow layer instead of clearing bottlenecks.
- 5. Complexity in Medical Board Setup:** Establishment of Primary and Secondary Medical Boards for every hospital can be resource-intensive, particularly for smaller hospital facilities.
- 6. Lack of Dedicated Legislation:** The absence of a specific law on the issue of Right to die could lead to inconsistent application and legal uncertainty. This might discourage hospitals from implementing the guidelines fully.
- 7. Misunderstanding of Treatment Withdrawal:** The term "passive euthanasia" is still commonly used, leading to confusion and social discomfort with the right to die with dignity. This cultural and terminological barrier may hinder acceptance of life-support withdrawal.
- 8. Challenging Process for creation of living will:** Creation of a living is a complex process involving documentation and verification by witnesses, executors, and a notary.

Way forward

- 1. Digitise advance directives:** India should create a national digital portal for advance directives, link it with Aadhaar for secure verification, and allow patients to create, update, or revoke directives easily, with the treating physician recording capacity and intent online.
- 2. Empower hospital ethics committees:** Each hospital should authorise a committee of senior clinicians, a palliative-care specialist, and a neutral member to decide within 48 hours. Only cases that raise disputes, doubts about validity or capacity, or other legal/ethical concerns should be escalated for additional review..
- 3. Shift to decentralised oversight:** Oversight should move from a slow, centralised ombudsman to transparent digital dashboards across hospital networks, supported by independent medical auditors or health commissioners with statutory backing.
- 4. Cooling-off period:** A seven-day cooling-off period, psychological counselling, and a mandatory palliative-care review should remain in place to prevent misuse and ensure fully informed choices.
- 5. Legislative Clarity and Support:** Lawmakers should consider enacting legislation that defines and governs life-support withdrawal in terminal cases. This would further affirm the Right to die with dignity.

6. Educating and Training Medical Professionals: Medical professionals should be provided robust training on the ethical, legal, and procedural aspects of withdrawing life-sustaining treatment.

7. Streamlining the Living Will Process: The process for creating and validating a living will should be simplified, and made accessible to people from diverse backgrounds.

8. Raising Public Awareness: Increased awareness will enable families to make informed choices aligned with their loved ones' wishes and alleviate unnecessary suffering.

Question for practice:

Discuss the key problems in India's current passive-euthanasia rules and the reforms needed to overcome them.

Source: The Hindu

Time to prioritise energy storage

UPSC Syllabus Topic: GS Paper 3-Infrastructure (Energy)

Introduction

Recently, Andhra Pradesh Chief Minister N. Chandrababu Naidu announced lower electricity charges. He credited **power swapping** and tighter system management. This sparked a wider debate. **Swapping helps in the short term, but a rising renewable share needs energy banking and storage** so surplus power is not wasted and **demand peaks are met without expensive market buys**.

Concept of Power swapping

1. Power swapping means **two States or utilities agree to use each other's power so supply and demand stay balanced**.
2. At an **inter-State generating station (ISGS)**, each State has an allotted share (its entitlement).
3. When one State's demand is low, another State facing higher demand can use that share for a period.
4. The buying State pays a **fixed reservation fee (capacity charge)** for the borrowed ISGS share and the **per-unit energy charge** for what it uses. The relieving State **doesn't pay the reservation fee** on capacity it isn't using. This way, **both sides cut costs** and manage demand better.

Benefits of Power swapping

1. **Both sides can lower near-term costs.** The buying State avoids expensive market power during peaks. The relieving State saves capacity charges on idle allocation.
2. **Consumers gain when peak-time purchases are curbed.** Efficient system management over months can translate into lower tariffs.

Limits of Power swapping

1. Uneconomical: Inter-State transmission charges and losses can erode savings. This makes some swaps uneconomical.

2. Swapping is not a structural fix. Better power-purchase planning and a balanced thermal-hydel-RE mix are still needed. **Swapping works better when paired with energy banking.**

Concept of Energy banking

1. Energy banking is **electricity-for-electricity**. Surplus renewable energy is injected into the grid when generation exceeds demand and is drawn later when required.
2. It is vital for **open-access commercial and industrial users**. Discoms provide banking for a charge, **in kind or cash**.

Advantages of Energy banking

1. **It smooths variability and supports grid security.** Discoms can use banked power when their own generation dips.
2. **Energy cost savings.** By banking during surplus periods and withdrawing in high-tariff periods, companies can reduce overall costs.
3. **Seasonal matching matters for renewables.** Banking stores credits from surplus periods and returns them later, helping **Commercial and Industrial users** and discoms manage variability and costs.

Limits of Energy banking

1. **Discoms face cost mismatches.** Banked RE is injected when system costs are low (e.g., monsoon wind or midday solar) but drawn during expensive peaks (e.g., summer evenings). This **price-time gap** strains finances. Some cases also allege **capacity oversizing** by developers relative to stated drawal.
2. **State-specific regulations vary widely.** Discoms operating in multiple States struggle to harmonise strategies due to differing policies, charges, and settlement periods.
3. **Banking charges and technical losses** can reduce financial viability. Transmission and distribution losses further erode benefits.
4. **Limited banking periods** in some States make it hard to fully utilise banked energy, causing lapses and financial loss.

Government initiatives

1. **Target: 50% cumulative installed capacity from non-fossil resources by 2030.** Faster solar and wind additions increase the need for **banking and storage** to match supply with demand.
2. **Green Energy Open Access Rules, 2022:** The central rules recognise banking for renewable open-access users. They allow banking **at least monthly** on payment of charges and permit **at least 30%** of monthly consumption as banked energy.

3. **State Electricity Regulatory Commissions** define **banking charges, periods, and settlement**. Provisions differ widely across States.

Way forward

1. Build storage at scale:

- The share of renewables in electricity generation is expected to rise to **over 35% by 2030** from 22% in **FY2025**. **ICRA estimates about 50 GW** of storage with **5–6 hours** by 2030.
- This need can be met through a mix of **battery energy storage systems** and **pumped hydro** projects.
- Such storage lets **Distribution Companies (DISCOMs)** store surplus renewable power and serve the peak when renewable output is low.

2. Match procurement with demand:

Make prudent power-purchase decisions across **thermal, hydel, and renewables** to match a fluctuating demand curve with the available power mix. This approach avoids chronic surplus or deficit and reduces exposure to expensive market purchases.

3. Create a uniform, data-driven energy banking framework:

- The **Central Electricity Authority (CEA)** should lead financial and scientific studies to measure real costs and grid impacts.
- Based on these studies, adopt one common method to calculate **banking charges** across all States and enable transparent price discovery so costs and responsibilities are allocated fairly among **renewable developers, DISCOMs, and consumers**.

4. **Enable trade capacity:** Enable **capacity trading** quickly so generators can sell unused contracted capacity to others, keeping plants and transmission lines productively used, lowering system costs, and improving reliability.

5. **Ensure regulatory certainty:** Do not change rules retroactively. Align **banking periods** with **seasonal** patterns, and **harmonise State regulations** to support **renewable open access** (buyers taking power directly from generators).

Conclusion

Energy Swapping cuts **immediate costs**, but it is not a full solution. **Energy banking and scalable storage** are essential to manage variability, protect discom finances, and keep tariffs stable. **Data-based rules and capacity trading** will support a reliable, affordable transition to clean power.

Question for practice:

Discuss how power swapping and energy banking differ in concept, benefits, and limits, and explain the key steps needed on storage and regulation to make renewables reliable and affordable.

Source: Businessline

Why fine tuning inflation targeting is needed in India

Source: The post **Why fine tuning inflation targeting is needed in India** has been created, based on the article "**Fine-tuning 'inflation targeting'**" published in "**Bussiness Line**" on **07th October 2025**.

Created with love ❤ by ForumIAS- the knowledge network for civil services.
Visit academy.forumias.com for our mentor based courses.

UPSC Syllabus: GS-3-Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

Context: The RBI's discussion paper (2025) re-examines FIT, suggesting that while it should continue, it needs **adjustment and flexibility** to suit **emerging-market realities**.

- **Inflation Targeting (IT)** is a **monetary policy framework** under which a central bank keeps inflation within a specified band to ensure price stability.
- **Flexible Inflation Targeting (FIT)**, adopted by India in **2016**, allows balancing **price stability** with **growth objectives**.
 - The concept of flexibility was initially derived from **advanced economy models**, but **emerging economies need customised FIT frameworks** due to higher exposure to external shocks.

Why fine tuning of FIT is needed

1. **Historical inflation trends** show that before FIT (1970–2014), average CPI inflation was around **8%**, while post-FIT it fell to **5%**. However, growth performance weakened, **revealing a potential trade-off between inflation control and output expansion**.
2. Despite large external shocks, **CPI inflation has broadly remained around 4–6%**, showing FIT's **success**, yet frequent breaches above the target since **2018–19** call for recalibration.
3. **Excess monetary tightening has proven counterproductive in the past**, such as in the 1970s and 1990s, where high real interest rates coincided with low growth without curbing inflation.
4. **High WPI inflation during 2021–23 did not transmit severely to consumer inflation because fuel price declines** benefited consumers and firms, suggesting that headline inflation alone may not capture the full picture.
5. **Supply shocks and commodity price volatility have become persistent**, requiring flexibility rather than a rigid adherence to targets.
6. For **emerging markets (EMs)** like India, structural factors such as agricultural dependence, fiscal constraints, and energy imports make a more nuanced approach essential.

Key Recommendations

1. Adjusting FIT Parameters

- a. Headline CPI should remain the primary target because it reflects the cost of living and affects household expectations. The target band of $4\% \pm 2\%$ is appropriate but should be applied flexibly, allowing temporary deviations during supply shocks.
- b. Policymakers should exercise measured discretion instead of adopting aggressive monetary tightening in response to short-term inflation spikes.

2. Preserving Flexibility and Discretion

- a. The FIT framework should reduce arbitrary discretion while maintaining enough space for the Monetary Policy Committee (MPC) to respond to evolving conditions.
- b. The composition and functioning of the MPC should ensure continuity and institutional memory, avoiding abrupt changes.

3. Improving Forecasting and Communication

- a. Inflation forecasts should focus on month-to-month momentum rather than relying solely on base effects.

- b. Independent academic forecasts should complement RBI projections to strengthen transparency and credibility.
 - c. Inflation indices must be rebased and updated periodically to reflect changes in consumption patterns.
 - d. Clear and transparent communication will help anchor market expectations and reduce volatility.
- 4. Enhancing Coordination with Fiscal and Structural Policy**
- a. Price stability depends not only on monetary policy but also on fiscal discipline and coordinated supply-side management.
 - b. The government must share responsibility for controlling food and fuel prices, which are key drivers of inflation.
 - c. Coordination between the RBI and the government can help mitigate pro-cyclical fiscal shocks.
- 5. Retaining Core Monetary Framework**
- a. The repo rate should continue to be the primary instrument of monetary policy.
 - b. The independence of the MPC must be maintained while ensuring predictability and transparency in decision-making.
 - c. Liquidity shocks should be addressed through targeted interventions rather than across-the-board tightening.
- 6. Diversifying Instruments for Emerging Markets**
- a. Emerging market central banks, including the RBI, should use a wider set of tools—such as liquidity operations, foreign exchange interventions, reserve management, and macroprudential measures to deal with multiple sources of shocks.
 - b. Maintaining durable liquidity during supply shocks is crucial to avoid financial stress.
 - c. Policymakers should avoid excessive dependence on the interest-rate channel alone.
- 7. Anchoring Expectations**
- a. Communication should use both headline and core inflation indicators to clarify the central bank's stance.
 - b. In emerging markets, inflation expectations tend to adjust slowly; therefore, persistent communication and credibility-building are essential.
 - c. Policymakers should emphasise that inflation from temporary supply shocks does not represent a long-term trend.
- 8. Protecting Growth and the Poor**
- a. Low-income households are most vulnerable to high inflation and need protection through price stability.
 - b. However, maintaining low inflation must not come at the expense of growth and employment, which are equally vital for welfare.
- 9. Managing Supply Shocks**
- a. Explicit, pre-announced policy responses to global oil price movements can help stabilize expectations.
 - b. Targeted fiscal actions should complement monetary policy to address supply-side inflation rather than relying on rate hikes alone.
- 10. Maintaining Market Confidence**
- a. A credible, well-communicated, and flexible FIT framework enhances investor confidence.
 - b. Predictability and transparency in policy reduce risk premiums and borrowing costs for businesses and households.

Way Forward

1. India should retain the FIT framework but make it more adaptable to domestic and global challenges.
2. Forecasting accuracy must be improved using better models and data transparency.
3. Joint accountability between the government and the RBI should be institutionalized for handling supply shocks.
4. Public awareness campaigns can help align inflation expectations with the central bank's objectives.
5. The FIT framework should be reviewed every five years to ensure its continued relevance and effectiveness.

Conclusion: India's experience proves that **inflation targeting works**, but rigid application can harm growth. A **fine-tuned, flexible FIT** will better balance **price stability, growth, and employment**. Emerging economies must tailor FIT to **their structural and institutional realities**, using **multiple tools, coordinated policies, and transparent communication** to enhance macroeconomic stability. Thus, FIT should evolve into a **context-sensitive, flexible discipline**, anchoring inflation expectations while supporting inclusive growth.

Question: Why and how should emerging economies, including India, adapt flexible inflation targeting (FIT) to their unique conditions?

India's Diaspora: An Untapped Strategic Asset for Global Influence

Source: The post **India's Diaspora: An Untapped Strategic Asset for Global Influence** has been created based on the article "**Don't Blame the Diaspora**" published in "**Indian Express**" on **07th October 2025**.

UPSC Syllabus: GS-2- Effect of Policies and Politics of Developed and Developing Countries on India's interests, Indian Diaspora.

Context: The Indian diaspora, one of the largest in the world, has long been recognised for its professional success, innovation, and political influence abroad. However, India's problem is **not the diaspora**, but **India's** lack of coherent public diplomacy and perception management.

How India's Diaspora is a Global Asset

1. Indian-Americans and other overseas Indians are among the most successful immigrant communities globally—comprising **CEOs, scientists, academics, technologists, lawmakers, entrepreneurs, and doctors**.
2. They have played key roles in **lobbying for immigration reforms, promoting stronger US-India ties, and enhancing India's global recognition** in technology and business.
3. Many have worked independently **to advocate for India's interests, often without formal institutional backing or state support**.

The Core Issue: India's Weak Public Diplomacy

1. India has **not learned to tell its own story effectively**. Decades of **colonial-era communication and defensive diplomacy** have weakened India's global narrative.
2. Successive governments have focused on **symbolism over strategy** such as stadium rallies, cultural nostalgia, or photo opportunities instead of **professional lobbying, coordinated campaigns, and consistent messaging**.
3. While countries like **Pakistan** use lobbying and perception management effectively despite limited economic strength, **India relies on ad hoc gestures** rather than building institutional influence.

4. The Indian government often expects the diaspora to act patriotically but provides little strategic direction or engagement, leading to a perception of **divided allegiance**.

Challenges in India's engagement with its diaspora

1. **Absence of strategic communication:** India has failed to develop a sustained global communication network to counter misinformation or promote its achievements.
2. **Reactive diplomacy:** India's responses often come after controversies or crises instead of shaping the narrative proactively.
3. **Reliance on emotional appeal:** Bollywood, bhangra, and nostalgia dominate India's soft power outreach, rather than data-driven, policy-based public diplomacy.
4. **Lack of institutional coordination:** There is no unified effort linking the **Ministry of External Affairs, embassies, and diaspora organisations** to project a coherent message.
5. **Failure to leverage diaspora expertise:** Many professionals willing to contribute to India's development face bureaucratic indifference or a lack of institutional support.

The Potential of the Indian Diaspora

1. The diaspora wields significant **economic, intellectual, and political capital**, particularly in the U.S.A, UK, Canada, and the Gulf.
2. They have **influenced policy reforms, promoted innovation, and helped shape India's image** as a global technology and talent powerhouse.
3. **Indian-Americans have advocated for Indian causes** even when India remained silent.
4. Their contributions in **STEM fields, business leadership, and academia** represent a vast untapped network for India's diplomacy and innovation ecosystem.

Way Forward

1. **Strengthen institutional public diplomacy:** Establish a **dedicated public diplomacy and narrative management division** within MEA to coordinate global messaging.
2. **Professionalize lobbying:** Engage with professional lobbying and communication agencies, especially in Washington and London, to influence policy debates.
3. **Build diaspora partnerships:** Create **structured channels of engagement** with Indian-origin professionals, entrepreneurs, and lawmakers for sustained advocacy.
4. **Empower embassies:** Equip Indian missions abroad with trained public diplomacy officers to engage media, think tanks, and academia effectively.
5. **Promote authentic storytelling:** Shift focus from symbolic mass rallies to **fact-based storytelling** about India's technological, democratic, and developmental achievements.
6. **Institutionalize feedback:** Develop mechanisms to listen to diaspora concerns and integrate their ideas into policymaking.

Conclusion: The Indian diaspora has significantly enhanced India's global image, yet the real challenge lies in India's weak communication and coordination. To harness its full potential, India must engage the diaspora as strategic partners through professional, narrative-driven diplomacy.

Question: Examine the challenges in India's engagement with its diaspora and the way forward for effective global representation.

Status of Maoist movement in India

Source: The post “Status of Maoist or Naxalite movement” has been created, based “It’s time for Maoists to lay down arms” published in “The Hindu” on 08th October 2025.

UPSC Syllabus: GS-3-Internal security

Context: The Maoist or Naxalite movement, spearheaded by the proscribed **Communist Party of India (Maoist)**, has witnessed a steady decline over the last two decades. Union Home Minister Amit Shah recently reiterated that Maoists must surrender and join the mainstream under the government’s “**lucrative surrender and rehabilitation policy.**”

Background: Origin and Expansion

- The CPI (Marxist–Leninist) People’s War Group and Maoist Communist Centre merged in 2004 to form **CPI (Maoist)**.
- The movement drew strength from **underdeveloped and tribal areas** of Andhra Pradesh, Odisha, Jharkhand, and Chhattisgarh.
- Maoists established a ‘**Liberated Zone**’ in central India with their own administrative setup called “**Janatana Sarkar.**”
- Initially, the movement thrived as a **peasant-led struggle** rooted in issues of land, inequality, and exploitation.

Present Situation: Decline of the Movement

- The **Central Committee** has shrunk from about 42 members in 2004 to nearly 20 in 2025; most are aged or ailing.
- The **Politburo** has been reduced from 25 to merely 7 members.
- Security operations like **Operation Black Forest** and deployment of the **District Reserve Guard (DRG)** have been effective.
- Around **1,450 Maoists have surrendered**, and **1,460 have been arrested**; over **430 Maoists, including 45 operatives**, have been killed in the last 18 months.
- **Maoist bases in Sukma, Bijapur, Narayanpur, Bastar, Rajnandgaon**, etc., have been neutralised.

Factors Behind the Decline

1. **Leadership Crisis** – Killing of top leaders like Basavaraj reduced cohesion; new leaders like **Tipiriti Tirupathi alias Debuji (new general secretary)** lack mass influence.
2. **Loss of Ideological Base** – The movement, once people-centric, now depends on coercion rather than ideology.
3. **Erosion of Local Support** – Tribal communities disillusioned due to atrocities by both Maoists and **state-sponsored vigilante groups** like *Salwa Judum*.
4. **Modernised Security Forces** – Enhanced coordination, intelligence-sharing, and deployment of specialised units (e.g., **Commando Battalion for Resolute Action**).
5. **Improved Governance** – State presence through roads, schools, and health services in Maoist areas.
6. **Surrender and Rehabilitation Policy** – Incentivised surrender with financial aid, housing, and employment.

Regional Variations

- **Chhattisgarh** remains the main theatre of Maoist activity, though even there, the influence is waning.

- **Andhra Pradesh and Telangana**, once Maoist strongholds, have seen a near-total decline due to sustained policing and social development.
- **Jharkhand, Odisha, and Bihar** retain residual Maoist presence, mostly in small pockets.

Consequences of Militarisation

- Militarisation reduced Maoist influence but also caused **civilian casualties** and **loss of tribal trust**.
- Programmes like *Salwa Judum* backfired, leading to **rights violations** and alienation of local populations.
- Critics argue that **addressing socio-economic grievances** and **political integration** would yield more sustainable peace.

Way Forward

- **Surrender and Rehabilitation:** Continue to encourage reintegration with social security and livelihood support.
- **Developmental Governance:** Strengthen infrastructure, education, and employment in tribal belts.
- **Dialogue and Trust-Building:** Rebuild faith between state and tribals through participatory governance.
- **Ideological Counter-Narrative:** Promote democratic activism to replace violent struggle.

Conclusion: It is evident that the **Maoist insurgency is at its weakest**, with leadership decimated and public support waning. The movement's reliance on violence over ideology has eroded its legitimacy. Sustained **democratic engagement, inclusive development, and rehabilitation policies** can finally help integrate remaining cadres into the mainstream — marking an end to one of India's longest-running internal conflicts. Question: Critically examine the factors responsible for the decline of Left-Wing Extremism (LWE) in India. How can the State ensure that this decline translates into lasting peace and inclusive development?

Importance of Domestic Investment in India

Source: The post “Importance of Domestic Investment in India ” has been created, based “Why Indian capital needs to invest domestically” published in “The Hindu” on 08th October 2025.

UPSC Syllabus: GS-3- Investment Models

Context: As the global economy enters a prolonged phase of **uncertainty**, marked by **tariff barriers, trade wars, and geopolitical realignments**, India faces the challenge of sustaining its growth momentum. At such a juncture, **domestic investment by Indian capital** becomes essential to reduce dependence on volatile global demand and to ensure that economic growth remains **broad-based, inclusive, and employment-generating**.

The Evolution of Indian Capital

- Indian capitalism has historically evolved alongside state policy.
 - **Pre-liberalisation (1950–1990):** The state dominated capital formation through PSUs.
 - **Post-liberalisation (1991 onwards):** Private Indian capital expanded rapidly under market-friendly reforms and global integration.
- However, much of this private investment was **globally oriented**, aimed at export markets or speculative sectors rather than domestic productive capacity.

- The current situation demands that Indian capital **reorient itself** to serve internal economic needs a process akin to the earlier structural transformations in capitalism worldwide.

Why Domestic Investment Is Crucial Now

1. Global Uncertainty and External Demand Weakness:

- a. Rising **protectionism** and **tariff disputes** have disrupted global value chains.
- b. Export-led growth is now less reliable; India's economy must depend on **domestic consumption and internal investment** to sustain demand.
- c. Vulnerability to external shocks, such as commodity price fluctuations and trade restrictions, highlights the need for a **resilient domestic growth model**.

2. Stimulating Demand and Employment

- a. India faces **high unemployment** and **low wage growth**, particularly in the informal and rural sectors.
- b. Domestic investment in manufacturing, services, and infrastructure can boost employment and create **multiplier effects** across sectors.
- c. Inclusive growth requires private capital to expand beyond profit motives and engage in **nation-building investments**.

3. Complementing Public Investment: The government has significantly increased **public capital expenditure**:

- a. From ₹4.26 lakh crore in FY20 to ₹10.21 lakh crore in FY25 (CAGR ~19%).
- b. Focus areas include **roads, railways, energy, and digital infrastructure**. However, **private investment remains subdued** due to risk aversion and preference for quick returns.
- c. Without private participation, the **multiplier impact** of public expenditure remains limited.

4. Encouraging Structural Transformation

- a. Indian capital must focus on **productive and employment-intensive sectors** — manufacturing, green energy, logistics, defence, and research.
- b. Such reallocation would strengthen the **industrial base**, reduce import dependence, and enhance competitiveness.

5. Long-term Stability and Self-Reliance

- a. Reinvesting domestically aligns with the goals of **Atmanirbhar Bharat** and **Make in India**, fostering innovation and resilience.
- b. It reduces exposure to external shocks and speculative international capital flows.

Challenges to Domestic Investment

1. **Short-termism:** Many private investors prioritise quick speculative gains over long-term industrial projects.
2. **Policy and Regulatory Delays:** Complex clearances and tax uncertainties discourage risk-taking.
3. **Financial Constraints:** Rising cost of capital and weak corporate balance sheets post-COVID have limited reinvestment capacity.
4. **Unequal Risk Sharing:** Businesses often expect state incentives but hesitate to invest without guaranteed profits.

Policy Imperatives and the Way Forward

1. **Strengthen Public-Private Synergy:** Encourage collaboration in infrastructure, technology, and R&D through PPP models.

2. **Stable Policy Environment:** Predictable taxation, faster approvals, and consistent industrial policies to restore confidence.
3. **Reform Corporate Incentives:** Link incentives to domestic reinvestment and job creation rather than mere profit reporting.
4. **Promote Domestic Demand:** Enhance rural income, urban consumption, and MSME competitiveness to sustain market demand.
5. **Foster a Developmental Ethos:** Private business must align with **public interest**, mirroring earlier developmental capitalism seen in East Asia.

Conclusion: India's next phase of growth must be **driven from within**. While the government has expanded public spending, **private Indian capital must shoulder its share of responsibility** by reinvesting profits domestically, building industries, and generating employment. In an era of fragile globalisation, **aligning private interests with national priorities** is not only patriotic but economically prudent. The future of Indian growth depends on **a partnership between the state and domestic capital** that prioritises resilience, inclusion, and long-term development over short-term profit.

Question: Why does Indian capital need to invest domestically? Discuss in light of global uncertainties and India's growth requirements.

Israel's tactical gains in a strategic labyrinth

UPSC Syllabus Topic: GS Paper 2 -International relation.

Introduction

Israel sought to ride a favourable regional moment. The October 7 shock opened a war that spread beyond Gaza. Israel achieved notable battlefield effects. Yet the core conflict returned to centre stage, and regional politics shifted in unexpected ways. **Israel's tactical advances did not deliver lasting security or a clear end.**

Background (Pre-Oct 7)

1. Regional fault-lines:

- **Hamas controlled Gaza**, while **Fatah ran the Palestinian Authority in the West Bank**. This internal division kept the Palestinian cause weak and **pushed the issue to the margins**.
- **Iran**, despite economic troubles, projected power through its **"axis of resistance."** Most **Gulf monarchies viewed Iran as a security threat** and **deepened security cooperation with Israel**. These opposing alignments set the stage for competing blocs in West Asia.

2. U.S. blueprint and normalisation track

- The **United States** aimed to **knit Arab states and Israel into a joint front against Iran**. The **Abraham Accords (2020)** advanced this plan, and by **2023 Saudi-Israel normalisation** was moving ahead.

- Two U.S-backed initiatives involving India—I2U2 (India, Israel, the U.S., UAE) and IMEEC—were meant to embed Israel in regional and global supply chains by strengthening connectivity and shared interests..

3. A “new Middle East” in the making

- Washington’s plan placed Israel at the heart of regional integration. Momentum suggested a **U.S.-led order** with Israel central to security and connectivity.
- This architecture depended on suppressing the Palestine question and containing Iran’s network.

October 7 Shock & Regional Escalation

1. **Immediate response:** On **October 7, 2023**, Hamas attacked Israel, killing **about 1,200 people**. The assault shattered Israel’s sense of security and showed that, without addressing **Palestine**, peace would remain elusive. Israel launched an **all-out war**, first in Gaza, then widening to the region.
2. **War beyond Gaza:** Israeli operations extended across multiple theatres. Since October 7, Israel **bombed at least five countries** besides Palestinian territories: **Syria, Lebanon, Yemen, Iran, and Qatar**. The conflict spilled over, entangling regional actors and U.S. security arrangements.

Israel’s Aims and Its Gain

1. **Declared objectives:** Israel announced two immediate goals: **destroy Hamas** and **free 251 hostages**. These aims framed the military campaign in Gaza and beyond.
2. **Broader strategic project:** Israel’s conduct pointed to wider ambitions. It sought to **crush Palestinian resistance**, **dismantle Iran’s axis**, and shape a **unipolar West Asia** with Israel—backed by the U.S.—as the central security actor, while **pushing the Palestine question back to the margins**.
3. **Battlefield gains:** Hamas’s **militant and administrative infrastructure** was **severely damaged**. Israeli forces **controlled much of Gaza**. Under the U.S. President’s **20-point plan** scenario, even after initial withdrawals, Israel would retain **parts of Rafah, much of Khan Yunus**, and a **northern buffer zone**.
4. **Pressure on Iran’s network:** Hezbollah was **weakened** by **repeated Israeli strikes**. In **Syria**, the **collapse of Bashar al-Assad** and the rise of **Abu Mohammed al-Golani** were presented as a **tactical victory** for Israel. This **weakened the Iran–Hezbollah link** and enabled Israel to **take more Syrian territory**.
5. **Direct strikes on Iran:** In **June 2025**, Israel **struck Iran** to target its **nuclear programme** and **degrade military capabilities**. These attacks signalled an effort to push back Iran’s regional power while fighting Hamas.

Geopolitical Pushback in West Asia

1. **Insurgency, not defeat:** Despite losses, **Hamas was not destroyed**. It **reinvented itself as an insurgency**, rooted in **Palestinian nationalism**, making eradication far harder.
2. **Palestine back at the centre:** The **Palestine question** returned to the **geopolitical core**. Even close partners moved to **recognise Palestinian statehood**, and **global public opinion** turned against Israel.

3. Iran's durability:

- Israel weakened elements of Iran's non-state network, but Hezbollah remained a formidable political and social force.
- Iran absorbed 12 days of Israeli bombing (June 13–25, 2025) and fired back with long-range missiles.

4. **Gulf security shock:** The September strike on Qatar failed to kill top Hamas leaders. It shook U.S. security guarantees in the Gulf, unsettling regional calculations without achieving decisive results.

5. **Saudi normalisation stalls:** Saudi Arabia no longer sees normalising ties with Israel as a strategic asset. It is now viewed as a liability in the kingdom. This change blocks the earlier diplomatic track.

6. **Impact on IMEEC and I2U2:** Without Saudi normalisation, IMEEC is unlikely to take off. The I2U2 remains paralysed, with the UAE drawing a red line on any Israeli move to annex the West Bank. The regional integration plan loses momentum.

7. Security diversification in the Gulf

- Saudi Arabia signed a mutual defence agreement with Pakistan. This marks a shift in Riyadh's security choices as earlier tracks with Israel stalled.
- Qatar received a NATO-style security assurance from the U.S. President. An executive order states that future attacks against Qatar would be seen as a "threat to the peace and security of the U.S."

8. **Growing isolation and reliance on U.S:** Israel faces international isolation. It leans more on U.S. political, economic, and military cover to manage the fallout of the war and the diplomatic pushback.

Conclusion

Israel set out to reshape West Asia. The region is indeed being remade, but not to Israel's design. Palestine is back at the centre, Iran's regime and nuclear programme still stand, and Arab states increasingly see Israel as a threat rather than a provider of security. As the war dragged on without an end plan, Israel's isolation grew, and the U.S. publicly drew a boundary—"stop bombing Gaza immediately"—signalling the U.S. now sets the ceiling on further moves.

Question for practice:

Examine why Israel's post-October 7 tactical gains did not produce a clear end-state.

Source: The Hindu

A path to progress that is paved with gold

UPSC Syllabus Topic: GS Paper 3 -Indian economy.

Introduction

India needs reliable, long-term capital that comes from inside the economy, not from volatile foreign flows. Global investment is shrinking and the cost of overseas borrowing is rising. **Relying on external money adds risk. A practical answer is to mobilise household gold.** Indian families trust gold and hold it at very large scale. The task is to shift idle gold into formal finance without coercion. This needs strong infrastructure, clear rules, and digital tracking. If done well, it can ease imports, strengthen the current account, and finance growth on India's own terms.

Status of Gold in India

1. Household stock:

- Indian families collectively hold **about 25,000 tonnes of gold**, valued near **\$2.4 trillion**.
- This is **over 55% of India's FY26 GDP**, larger than all bank credit.
- It is also **nearly six times Pakistan's GDP** and **greater than Italy's economy**.

2. Import dependence:

- Despite this stock, India meets **roughly 87%** of demand through imports. Gold forms **about 8%** of the total import bill.

Significance of Gold in Indian Economy

1. **Deep cultural trust.** Gold holds **civilisational value** and social acceptance.

2. **Household savings.** Families buy gold on **auspicious occasions and ceremonies**. It is **passed across generations** and viewed as **secure wealth** that can be used in need.

3. **Monetary stability.** Central banks **hold gold** as a buffer in uncertain times.

4. **Industrial uses :** Gold also supports **industrial uses** in areas such as electronics, dentistry, and aerospace, which add to its **intrinsic value**.

5. **Store of value.** Gold helps **preserve purchasing power** and acts as a **hedge against inflation**. Its price often moves **differently from stocks and bonds**, improving **risk balance** in portfolios.

Major concern related to gold for Indian economy

1. **Idle stock of gold:** Households hold a very large stock of gold, but most of it stays idle. This pushes up **imports** despite abundant domestic holdings and adds pressure on the **current account**.

2. **Import dependence :** India still meets **about 87% of demand** through imports, and gold has formed a sizable share of the **import bill**. This weakens external balances and ties growth financing to foreign conditions rather than stable, rupee savings.

3. **Fragmented policy and regulatory complexity:** There is **no cohesive gold policy**. Rules are spread across several authorities, creating overlapping circulars and notifications.

Key Regulatory Bodies Overseeing Gold Imports

- **Directorate General of Foreign Trade (DGFT):** Oversees policy implementation and license approvals.
- **Reserve Bank of India (RBI):** Monitors cross-border transactions and liquidity.
- **Central Board of Indirect Taxes and Customs (CBIC):** Manages customs duties and compliance.

Government initiative to bring gold in main economy

1. **Gold Monetisation Scheme (GMS):** People and institutions deposit jewellery (without stones), coins, or bars with banks and **earn interest**.
2. **Sovereign Gold Bonds (SGB):** RBI issues bonds **denominated in grams of gold**, offering a non-physical, savings-friendly option.
3. **Indian Gold Coin (IGC):** **Government-minted, hallmarked coins** made from **domestically recycled gold via GMS**, closing the loop through a circular economy.
4. A NITI Aayog committee on “**Transforming India’s Gold Market**” brought ministries, RBI, industry, and academia together to assess challenges and opportunities, including exports, jobs, outreach for monetisation, and domestic supply.
5. The **2018–19 Budget** announced work toward a **comprehensive gold policy** to develop gold as a financial asset class.
6. **Regulatory steps** include **mandatory six-digit HUID hallmarking** and **import-duty revisions** to curb smuggling.
7. The **RBI has reformed gold loans**, with new rules **effective from October 2025**. It’s aimed is to make gold loans more borrower-friendly and expanding collateral eligibility, including tighter Loan-to-Value (LTV) caps for certain loan amounts.

Way forward

1. **Build infrastructure: Need to Scale hallmarking and purity-testing centres** for trusted, uniform purity checks across India. Build a **formal network of collection and purity-testing centres** so households can deposit jewellery, coins, and bars confidently. **BIS-registered centres have nearly doubled in four years**, but gaps remain
2. **Strengthen logistics:** Let **banks handle money flows** end-to-end. Use **experienced collection and purity-testing centres** to manage **secure, transparent movement of gold** from deposit to refinery and back into the system.
3. **Digitalisation:**
 - Provide a **mobile “metal balance”** so households track deposits like bank accounts.
 - All steps must be **digital**—account opening, purity test results, deposit certificate, interest credit, and redemption—so the status is easy to track **in real time**.
 - **Returns should go directly to the depositor’s bank account**, with **no hidden costs**. Every entry should be **time-stamped and auditable**, making the process simple, transparent, and trustworthy.

4. **Trust building:** There is a need to ease GST and customs scrutiny on deposits, keep the process **simple** and “no-questions-asked,” and maintain transparent terms.

Conclusion

India has repeatedly turned crises into capability—food security in the 1960s, digital leadership in the 1990s, and vaccine self-reliance during COVID-19. The next frontier is **financial self-reliance**. Mobilising household gold through trustworthy systems, clear rules, and digital tracking can fund growth from within. **If structured well, the cost of funds at 4.5%–6.5% is lower than international borrowing.** Even modest mobilisation would cut import pressure, support the current account, and create a large domestic capital pool for **infrastructure, manufacturing, and innovation**. Done right, **Bharat can fund Bharat**—converting idle metal into productive capital and financing growth on India’s own terms.

Question for practice:

Examine how gold monetisation can fund India’s growth from within.

Source: The Hindu