

# 9 PM Current Affairs Weekly Compilation

For UPSC CSE mains examination



**3<sup>rd</sup> Week**

October. 2025

**Features :**

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

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## Ensure safeguards for India's carbon market

UPSC Syllabus Topic: GS Paper 3 -Environment.

### Introduction

Growth-led development has strained planetary boundaries, but degrowth is neither fair nor feasible for countries still facing poverty and hunger. A better path is to decouple growth from environmental harm by scaling cleaner technologies, renewable energy, and sustainable farming. India's expansion of solar power and micro-irrigation shows this balance is possible. Carbon credits can support the transition, but they must protect rights, ensure fair benefits, and maintain integrity to avoid harm.

### About Carbon credits

**Carbon credits** represent a **certified reduction or removal of greenhouse gases**, expressed in **carbon-dioxide (CO<sub>2</sub>) equivalents**.

They are **generated** through mitigation activities such as **renewable energy** or sequestration efforts such as **reforestation, agroforestry, and biochar**.

**Firms buy** these credits to **offset emissions** while they transition to cleaner processes, **ideally rewarding developing countries** for adopting low-carbon practices.

The market is **booming**, with **175–180 million credits retired annually**, mainly from **renewables** and **nature-based projects** like **REDD+ and afforestation**.

**There are four general stages of a carbon credit's lifecycle.**

### Origin and evolution

1. **First idea:** The idea of using **tradable permits** for pollution control is traced to economists **Crocker (1966)** and **John H. Dales (1968)**, often cited as the early architects of marketable pollution rights.

2. **Kyoto Protocol (adopted 1997; in force 2005):** Building on that idea, Kyoto created the world's first global carbon-market architecture—**Clean Development Mechanism (CDM), Joint Implementation (JI), and Emissions Trading**—with **Certified Emission Reductions (CERs)** equal to **1 tonne of CO<sub>2</sub>e**.

- **Clean Development Mechanism (CDM):** Allowed industrialized countries to invest in emission reduction projects in developing nations to earn tradable Certified Emission Reductions (CERs).
- **Joint Implementation:** Enabled Annex I (developed) countries to trade Emission Reduction Units (ERUs) among themselves.
- **International Emissions Trading:** Allowed countries with surplus allowances to sell them to countries with deficits.

3. **Paris Agreement (adopted 2015; in force 2016):** Reinforced carbon trading under Article 6, replacing and updating Kyoto's mechanisms. It allows countries to voluntarily cooperate to achieve their climate targets,

known as Nationally Determined Contributions (NDCs), by trading Internationally Transferred Mitigation Outcomes (ITMOs).

- **Article 6.2:** Countries may **transfer** mitigation outcomes internationally (ITMOs) with accounting to avoid **double counting**.
- **Article 6.4:** A **UN-supervised mechanism** will issue credits via an Article 6.4 registry.
- **Article 6.8:** A framework for **non-market** approaches.

4. **COP26 (Glasgow, 2021):** Parties **finalised the Article 6 rulebook**, enabling implementation (6.2 guidance, 6.4 modalities/procedures, 6.8 work programme).

5. **COP28 (Dubai, 2023):** Parties did **not** adopt additional decisions on 6.2/6.4, so some operational details remain open.

#### **Initiative taken for the carbon credit**

##### **A. United nation initiative**

- **Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA programme):** A global market-based initiative to curb emissions from international aviation by requiring airlines to offset growth in emissions above 2020 levels.

- **UNEP endorses and supports the two voluntary carbon market** integrity initiatives (VCMi and ICVCM) that are in the process of developing best practice requirements for independent standards and market stakeholders.

- **VCMi is a global nonprofit providing guidance** on how to make a meaningful impact on climate action through voluntary use of carbon credits.

- **The Integrity Council for the Voluntary Carbon Market (ICVCM)** is multi-stakeholder led independent governance body. It establishes and maintains the highest standards of ethics, sustainability, and transparency for the global voluntary carbon market.

- **Voluntary Carbon Markets (VCMs):** Outside of mandatory regulations, organizations participate in VCMs to purchase credits from projects that reduce or remove GHG emissions. Key standards and registries include:

- **Verra's Verified Carbon Standard (VCS):** One of the most widely used standards for generating voluntary credits.

- **The Gold Standard:** Developed by the World Wide Fund for Nature (WWF), in 2003, this program supports projects that reduce GHG emissions and contribute to sustainable development.

- **Integrity Council for the Voluntary Carbon Market (ICVCM):** An initiative defining the Core Carbon Principles to ensure high integrity in the market.

B. **Several countries** and regions have implemented carbon market mechanisms tailored to their national contexts.

- **The European Union Emissions Trading System (EU ETS)** remains the world's most established and comprehensive carbon market. Operating since 2005.

- **China's national ETS**, launched in 2021 and significantly expanded in 2024, is now the largest in the world by emissions volume.
- **Brazil** finalized the legal framework for its national ETS in 2024, following years of stakeholder engagement and technical groundwork.
- **New Zealand launched its ETS** in 2008, covering nearly all sectors, including forestry.
- In 2015, the **Republic of Korea launched the first nationwide ETS in East Asia**.

### C. National initiatives (India)

- **Carbon Credit Trading Scheme (CCTS), 2023:** A market-based mechanism enacted under the Energy Conservation (Amendment) Act, 2022. It establishes a framework for a domestic carbon market in India.
- **Green Credit Programme (GCP):** An initiative that incentivizes environmentally friendly actions beyond GHG emission reductions.
- **National Agroforestry Policy, 2014:** Aims to expand tree cover on farmlands for carbon sequestration, with initiatives like the GROW Portal mapping potential areas.
- **Blue Carbon Initiatives:** Projects to restore coastal and marine ecosystems like mangroves for carbon sequestration, aligning with India's NDC commitments. (Mangrove Initiative for Shoreline Habitats & Tangible Incomes - **(MISHTI)** scheme)

### Concerns related to carbon credits

1. **Unfair benefit-sharing:** When companies set the rules and keep terms unclear, communities are sidelined and get a small share of the benefits.
2. **Land rights disruption:** When **free, prior, and informed consent (FPIC)** is bypassed, community tenure and access suffer. The Kenyan court's finding that key conservancies lacked public participation—and **Verra's suspensions**—illustrate how skipping consent can unravel entire projects.
3. **Credibility and measurement:** Weak measurement and monitoring—such as flawed soil-carbon accounting—undermine the integrity of credits and erode trust.
4. **Exclusion:** Smallholders and marginalised caste groups in India are often excluded because engagement and follow-up are weak; **CIMMYT's findings** of low farmer participation reflect this gap.
5. **Policy blind spots:** India's Carbon Credit Trading Scheme (CCTS) emphasises procedures and compliance but gives insufficient attention to land rights, FPIC, and equitable revenue sharing.
6. **Agriculture lag:** Despite high potential, agriculture projects struggle to mature. Of 64 Indian agri projects under Verra, only four are registered and none has issued credits, revealing systemic barriers to farmer-led carbon outcomes.

### Way forward

1. **Secure rights with community control.** Make FPIC mandatory, recognise community and customary tenure, and co-design projects with elected local bodies so rules fit local needs.
2. **Make benefits transparent.** Publish simple benefit-sharing contracts and payment schedules, and track all revenues openly so communities can see what is owed and what is received.
3. **Independent oversight.** Keep procedures light but predictable, and set up a national environmental regulator—on the lines of SEBI/RBI—to set standards and supervise carbon markets.
4. **Guarantee credit quality.** Use robust MRV (Monitoring, Reporting, and Verification), conservative baselines, and independent audits, and adopt tech-enabled public dashboards to prevent “inspect-and-extort” practices.
5. **Include and equip farmers.** Fund outreach, hands-on training, and after-care for smallholders and marginalised groups, and operationalise accessible agri methods (biomass, Compressed Biogas, low-emission rice).
6. **Build public trust.** Hold regular stakeholder consultations, update rules based on feedback and evidence, and promote environmental literacy so citizens understand roles and responsibilities.

## Conclusion

Carbon credits can align growth with sustainability only when justice anchors the market. India should pair expansion with FPIC, secure land rights, transparent benefit-sharing, inclusion of smallholders, and lean oversight with robust MRV. If communities lead and integrity is enforced, climate action can progress without repeating extractive, top-down models.

## Question for practice:

Discuss how carbon credits can help decouple economic growth from environmental harm in India, and explain the key safeguards needed to protect community rights and ensure high-integrity credits.

Source: [The Hindu](#)

## Pakistan-Afghanistan ties: Long history of differences, from Durand Line to the India angle

UPSC Syllabus Topic: GS Paper 2 -India and its neighbourhood- relations.

### Introduction

Pakistan and Afghanistan have largely lived with **mutual distrust**, periodic **armed clashes**, and competing national narratives since 1947. The recent border flare-up along the Durand Line shows how historical grievances, **Pashtun identity**, cross-border militancy, and **trade/transit coercion** keep relations tense. India's presence as a perceived balancer or threat adds another layer, shaping choices in Kabul and Islamabad and amplifying disagreements over sovereignty, security, and regional alignment.

### About Durand Line



1. **Formation (1893):** In 1893, Sir Mortimer Durand (Foreign Secretary of British India) and **Amir Abdur Rahman Khan** agreed to a boundary to divide **spheres of influence** between British India and Afghanistan. **It split Pashtun (and Baloch) communities** across a roughly 2,640 km line.

2. **Colonial interpretation:** After drawing the line, **British India treated it as a fixed border** for governance and security. But an Afghan thesis argues it set **spheres of influence**, not a permanent boundary.

3. **1947 inheritance and rejection:**

When **Pakistan was created in 1947**, it **inherited** the British position that the Durand Line was the international boundary.

**Afghanistan rejected this view** and even **opposed Pakistan's entry into the UN**, arguing the line unfairly divided tribes and had been imposed under pressure.

4. **Cold War flashpoints (1950s-1970s):**

Prime Minister **Daud Khan** promoted **Pashtunistan** (merging Pakistan's Pashtun areas with Afghanistan).

In **1961**, border closures by Pakistan caused shortages in Afghanistan and pushed Kabul closer to the **Soviet Union**.

Daud's **1973** presidency briefly revived Pashtunistan, but he later dropped it under Pakistani pressure.

By **1976**, Daud and **Zulfiqar Ali Bhutto** normalised ties, yet **Afghanistan still did not recognise the Durand Line** as an international border.

5. **Post-2001 to recent years:**

Pakistan's **border-fence construction (from 2017)** deepened tensions over control and access.

In **2018**, President **Ashraf Ghani** **protested** Pakistan's abolition of the **Tribal Agencies**, reflecting continuing disagreement over border governance.

**Reason for disputes**

1. **Recognition:** Pakistan treats the Durand Line as an international border. **Afghanistan rejects that.** The line split Pashtun (and Baloch) communities and remains porous. **Recognition is unresolved and fuels clashes.**

2. **Connectivity concern :** Afghanistan is landlocked. Pakistan is the preferred route but **blocks India-Afghanistan road trade via Wagah** and has stopped Afghan goods through land routes and Karachi port at times. **Connectivity is used as pressure.**

3. **Ethnic and insurgent dimensions:** Ending the **Tribal Agencies** is seen by many Pashtuns as an insult from a Punjab-dominated state. Afghan and Pakistani Pashtuns share kinship. **TTP gains sympathy across the border.** This keeps security tensions high.

4. **The “gratitude” question:** Pakistan says it hosted refugees and backed Mujahideen and later the Taliban, so Afghans should be **grateful**. Many Afghans say Pakistan acted for **its own interests** and treated Afghans poorly. **This disagreement deepens bitterness.**

5. **Recent incident:** On October 12, Kabul claimed **58 Pakistani soldiers were killed** and **25 posts were captured** along the border, citing Pakistani violations. Afghan officials earlier alleged **airstrikes** by Pakistan, which Islamabad has not confirmed. **This is among the most serious escalations since 2021.**

### Impact of dispute over Durand Line

1. **Economic disruption:** Border skirmishes disrupt **cross-border trade**, hurting communities reliant on **trans-frontier movement**. Periodic closures and port holds squeeze Afghan markets and **erode trust**.

2. **Humanitarian stresses:** Communities reliant on cross-border markets face **price spikes**, loss of daily income, and uncertainty about access to goods and services. Port holds and intermittent land-route blockages **erode trust** and deepen local hardship.

3. **Diplomatic strain:** Successive Afghan governments, including the **Taliban regime**, have **refused formal recognition** of the line. Without a political framework to manage disputes, flare-ups will continue and destabilise the region.

4. **Regional security spillovers:** **Crisis contagion rises across the frontier.** Clashes can spread quickly along a porous, rugged border. Movement of armed groups, including the **TTP**, complicates counter-terrorism and heightens miscalculation risk during standoffs. **Repeated post-2021 flare-ups** show how fast incidents escalate into serious confrontations.

5. **Institutional pressure:** The cyclical tensions **strain governance capacity** on both sides—absorbing security resources, disrupting routine administration, and crowding out problem-solving.

### Way forward for India

1. **Overall stance:** Stay watchful, not panicked. Keep plans ready for quick shifts along the India–Pakistan frontier.

2. **Security:** Harden vulnerable border points and key infrastructure. Step up monitoring for militant spillovers. Keep rapid-response units and mission security on readiness.

3. **Diplomacy:** Work with active mediators (China, Qatar, and Saudi Arabia) to contain escalation. Use quiet channels to support hotlines and “freeze-in-place” understandings. Back practical border-management steps without taking a view on legal recognition.

4. **Engagement with Afghanistan:** Respect Kabul’s independent choices. Keep engagement focused on stability, civilian protection, and predictable trade so it does not feed an encirclement narrative.

5. **Connectivity:** Expect periodic closures and port holds. Press for predictable transit and non-coercive connectivity in all dialogues.

6. **Humanitarian/Consular:** Prepare for refugee flows and risks of civilian harm along the frontier. Strengthen consular support and evacuation planning for Indian nationals.



7. **Public messaging:** Avoid escalatory rhetoric and keep communication calm, with an emphasis on de-escalation.

### Conclusion

A durable peace requires a **political framework** to manage the Durand Line dispute, **reduce coercive transit practices**, and address **Pashtun grievances** that fuel militancy. Recognition of Kabul's policy **autonomy**, predictable **trade/transit**, and practical **border management** can lower risks. **Without such steps, clashes will recur**, economic pain will persist, and the **India factor** will keep magnifying tensions rather than enabling regional stability.

### Question for practice:

Examine how the Durand Line dispute has shaped Pakistan–Afghanistan relations since 1947, and what response India should adopt.

Source: [Indian Express](#)

### India's Strategy in the Evolving Global Trade Landscape

Source: The post “**India's Strategy in the Evolving Global Trade Landscape**” has been created, based on “**US, EU, China are rewriting trade rules. India needs its own playbook**” published in “Indian Express” on 17th October 2025.

**UPSC Syllabus:** GS Paper -2- Effect of Policies and Politics of Developed and Developing Countries on India's interests

**Context:** Global trade is undergoing significant transformations due to the policies of the US, EU, and China. These powers are reshaping trade rules in ways that create challenges and opportunities for other countries. India, in particular, needs to adapt its strategy to protect its economic interests and seize new opportunities in this volatile trade environment.

### Global Trade Trends:

1. **U.S.A. and China are leading the charge in reshaping global trade. U.S.A. has implemented tariffs on China** to curb its dominance and force changes in global supply chains.
2. At the same time, the **EU has adopted protectionist policies aimed at boosting its own economic strength.**
3. The EU's focus is **on using environmental regulations like CBAM (Carbon Border Adjustment Mechanism) and FTR (Deforestation Regulation) to safeguard its industries**, imposing stricter rules on imports like steel, aluminium, and coffee.
4. The **EU's environmental regulations are particularly relevant to India's trade relationship with Europe**, as they will directly affect the costs and flow of exports.

### China's Dominance:

1. China's **growing dominance in the global manufacturing sector** is evident. It **produces over 50% of the world's electric vehicles and holds significant shares in critical materials** such as lithium, cobalt, and rare earth elements.

2. The **scale of China's manufacturing prowess, combined with its control over vital supply chains**, poses challenges for other nations seeking to build resilience in their own economies.

#### Challenges:

1. **Volatility in Global Trade:** The **rapid policy shifts by major powers like the U.S.A. and the EU** create **uncertainty for India's trade**, especially as tariffs and new regulations disrupt established trade channels.
2. **Dependence on China:** India's **current dependence on China for key materials** like rare earth metals and electronic components **places it in a vulnerable position** as China increasingly asserts control over global supply chains.
3. **Environmental Regulations:** The EU's stringent environmental standards, such as **CBAM and FTR**, **pose a challenge for India's exports, particularly in sectors like steel and aluminum**. Compliance with these regulations may raise costs for Indian businesses, impacting their competitiveness in European markets.
4. **Technological Gap:** China's **technological edge in sectors** like electronics and electric vehicles, coupled with its advanced manufacturing capabilities, **makes it difficult for India to compete on equal footing** without significant technological investment.

#### Way Forward:

1. **Diversifying Trade Alliances:** India must **focus on building new trade relationships with emerging markets and countries outside the U.S.A. and EU spheres of influence** to reduce its reliance on any single market. This will help India secure access to diverse goods and services.
2. **Focusing on Self-Reliance in Manufacturing:** **Strengthening India's manufacturing capabilities**, particularly in high-tech industries, should be a priority. India should also invest in key technologies to move up the value chain.
3. **Securing Critical Supply Chains:** India needs to **invest in securing critical materials** that are currently dominated by China. This includes **developing alternate sources for rare earth metals** and other strategic materials to avoid over-reliance on Chinese imports.
4. **Environmental Adaptation:** India should **work towards meeting global environmental standards**, particularly those set by the EU, to maintain its access to European markets. This includes **improving its environmental standards in manufacturing and exploring green technologies** to stay competitive.
5. **Strengthening Geopolitical Influence:** India must **use its strategic position in global geopolitics** to its advantage. **Negotiating favourable trade deals, strengthening regional alliances, and securing its place in international trade bodies** will be essential for safeguarding its interests.

**Conclusion:** India faces significant challenges due to the evolving global trade rules set by the US, EU, and China. However, by diversifying its trade partners, strengthening domestic manufacturing, and securing critical supply chains, India can navigate this new trade landscape. A forward-looking, self-reliant approach will help India thrive in the increasingly competitive global economy.

**Question:** How can India navigate the changing global trade dynamics as the US, EU, and China are reshaping trade rules?

## Restoring Fiscal space for the States

**Source:** The post “Restoring Fiscal space for the States” has been created, based on “Restoring Fiscal space for the States” published in “The Hindu” on 17th October 2025.

**UPSC Syllabus:** GS Paper -3-Indian Economy and issues relating to Planning, Mobilisation of Resources

**Introduction:** The Goods and Services Tax (GST) has significantly altered the fiscal landscape of Indian states. While it aimed to simplify taxation and boost revenue, it has also led to a reconfiguration of fiscal space for states, with both positive and negative consequences.

### GST Implementation and Its Impact:

1. **Boosting Revenue:** The introduction of GST was expected to stimulate demand and boost revenue by simplifying the tax structure and eliminating cascading taxes. States received GST compensation to offset any revenue shortfalls.
2. **Centralised Authority:** GST has led to a shift in fiscal authority from states to the centre, limiting the financial autonomy of states. The GST compensation mechanism, although initially designed to protect states, has not fully lived up to its promise, and the expected revenue growth from GST has been uneven.

### Challenges Faced by States:

1. **Fiscal Space Constraints:** States have faced increased fiscal pressure as public expenditure commitments, such as social welfare and infrastructure development, continue to rise. Meanwhile, their ability to generate revenue has been constrained due to the centralised nature of GST collection and the limited fiscal flexibility left for state governments.
2. **Declining GST Compensation:** The compensation provided under GST has been insufficient in some cases, exacerbating states' fiscal gaps. There is a concern that the compensation has been lower than expected, leading to greater reliance on central transfers.

### Impact on State Revenues:

1. **Decreased Share in Tax Revenues:** GST has altered the revenue-sharing arrangement between the centre and states, with the centre now collecting a larger share of taxes. This shift has reduced the financial resources available to state governments, making it harder for them to fund key expenditures.
2. **Central Transfers as a Relief Measure:** States are increasingly dependent on central transfers to meet their revenue needs. However, these transfers are not always transparent or guaranteed, which further complicates the fiscal situation for states.

### Challenges:

1. **Inadequate Compensation:** The GST compensation has often been delayed or insufficient, leading to a shortage of funds for states. As states' revenue growth has not met expectations, they struggle to balance increasing demands for expenditure with limited financial resources.
2. **Dependency on Central Transfers:** States' increasing reliance on central transfers has reduced their fiscal autonomy and flexibility. They are becoming more dependent on decisions made at the central level, which diminishes their ability to independently plan and manage their finances.

3. **Rising Expenditure Commitments:** With growing public aspirations and expanding needs in sectors like healthcare, education, and infrastructure, states are facing mounting expenditure pressures that cannot be fully met through their current fiscal arrangements.

#### Way Forward:

1. **Restoring Fiscal Autonomy:** States need greater fiscal autonomy, which would allow them to generate and manage their own resources more effectively. This could involve revisiting the GST compensation mechanism and ensuring timely and adequate payments to states.
2. **Improving Transparency in Transfers:** Central transfers to states should be made more transparent and predictable. This will ensure that states have a clearer idea of their revenue inflows and can plan their budgets accordingly.
3. **Fiscal Reforms at the State Level:** States should focus on enhancing their own revenue generation capacities, particularly by improving tax compliance and expanding their own tax base, which could reduce their dependency on central transfers.
4. **Increased Central Assistance for Development:** The central government must continue to assist states in meeting their development goals by increasing grants and ensuring that they have the fiscal space needed to fund crucial infrastructure and social welfare programs.

**Conclusion:** GST aimed at streamlining the tax structure and boosting revenues; however, its implementation has left states facing fiscal challenges, primarily due to reduced autonomy and insufficient compensation. Restoring fiscal space for states will require reforms that ensure a more balanced, transparent, and sustainable fiscal relationship between the center and the states.

**Question:** How has the introduction of GST affected the fiscal space of states in India? What steps should be taken to restore fiscal space for states?

### India's Evolving Foreign Policy

**Source:** The post “India's Evolving Foreign Policy” has been created, based on “**Claim, counterclaim: On India and foreign policy**” published in “The Hindu” on 18th October 2025.

**UPSC Syllabus:** GS Paper -2- Effect of Policies and Politics of Developed and Developing Countries on India's interests

**Context:** India's foreign policy has evolved to navigate complex relationships, especially with the United States and Russia. Amid rising global tensions, India's diplomatic approach, marked by strategic ambiguity, has been tested, particularly regarding its stance on Russian oil imports and its position on the Ukraine conflict.

#### India-US Relations and Recent Tensions:

1. President Trump recently claimed that Prime Minister Modi had assured him that India would stop purchasing Russian oil.
2. India quickly denied this assertion, emphasising that discussions on energy cooperation were ongoing, but no agreement had been made to halt oil imports from Russia.
3. India's response reflects its diplomatic strategy of maintaining ambiguity and avoiding overt commitments on sensitive issues.

#### Strategic Ambiguity in Foreign Policy:



1. India's long-standing approach of strategic ambiguity allows it to manage its relationships with both the U.S. and Russia.
2. This "soft denial" method helps India maintain flexibility in its foreign engagements while avoiding unnecessary confrontations.
3. Despite growing international pressure, India continues to purchase Russian oil to ensure energy security.
4. India has refrained from condemning Russia directly, instead calling for a peaceful resolution and non-interference in national sovereignty.
5. India's stance reflects its pragmatic approach to balancing its national interests with international expectations.

#### Challenges:

1. **Geopolitical Pressures:** India faces significant pressure from both the U.S. and Russia, as well as other global actors, to take clear positions. The challenge lies in balancing these competing interests without alienating any major partner.
2. **Energy Security vs. Global Norms:** India's continued reliance on Russian oil amidst global sanctions poses a challenge, as it must balance energy security with adherence to international norms, especially concerning Russia's actions in Ukraine.
3. **Moral Dilemmas:** India's reluctance to take a strong stance on global issues like Ukraine risks undermining its moral authority, especially as it seeks a greater role in global governance.
4. **Economic Dependencies:** India's dual dependence on both the U.S. and Russia complicates its ability to take firm stances on controversial issues, especially in trade, defence, and energy sectors.

#### Way Forward:

1. **Clear Articulation of Foreign Policy:** India should adopt a more transparent approach to its foreign policy, particularly regarding Russia and Ukraine, while safeguarding its national interests. Clearer communication will enhance India's global credibility.
2. **Strengthening Multilateral Engagements:** India should continue to leverage multilateral platforms like the UN, G20, and BRICS to assert its position on global issues, promoting peace, dialogue, and stability.
3. **Energy Security and Diversification:** India must diversify its energy sources to reduce dependence on any single country, focusing on renewable energy, nuclear power, and new partnerships to ensure long-term energy security.
4. **Engagement with the U.S. and Western Powers:** While maintaining relations with Russia, India should further deepen its engagement with the U.S. and other Western powers, particularly in the Indo-Pacific region, to enhance its security and economic interests.
5. **Moral Leadership in Global Governance:** India can enhance its moral leadership by clearly advocating for peace, democracy, and sovereignty, positioning itself as a global leader committed to ethical principles and international law.
6. **India's Need for Moral Clarity:** While ambiguity has served India's interests, there is an increasing demand for greater moral clarity, particularly regarding Russia's invasion of Ukraine. India, as the world's largest democracy, can play a leading role in promoting peace and democratic values on the global stage.

**Conclusion:** India's foreign policy must evolve to balance strategic interests with greater moral clarity. By articulating a clear stance on key global issues, strengthening multilateral ties, and promoting energy diversification, India can enhance its role as a responsible global leader committed to peace, stability, and democracy.

**Question:** Examine the evolving dynamics of India's foreign policy, especially in the context of its engagement with the United States and Russia.



## Draft Overseas Mobility (Facilitation and Welfare) Bill 2025

**Source:** The post “Draft Overseas Mobility (Facilitation and Welfare) Bill 2025” has been created, based on “Explained: Draft Bill for safe migration of Indians, amid global curbs on immigration” published in “Indian express” on 18th October 2025.

**UPSC Syllabus:** GS Paper -2- Governance

**Context:** The Ministry of External Affairs (MEA) recently unveiled the draft Overseas Mobility (Facilitation and Welfare) Bill, which is expected to be introduced in the Winter Session of Parliament in November 2025. This bill seeks to replace the Emigration Act of 1983 and aims to address the growing issue of irregular migration, deportation, and the welfare of Indian workers abroad. As migration continues to rise, this legislation focuses on creating a safer, more regulated environment for Indian emigrants while ensuring their protection and facilitating smoother returns when necessary.

### Reason behind the introduction of the bill

1. In recent years, India has seen a significant number of deportations of Indian immigrants, especially from the United States, due to strict immigration policies. This situation has brought global migration issues to the forefront.
2. The draft bill is introduced with the goal of promoting *safe, orderly, and regular migration* for overseas employment while protecting Indian citizens from exploitative practices and irregular migration routes.
3. The bill aims to create a legal framework for managing migration effectively, ensuring that India's emigrants have better prospects abroad without falling victim to human trafficking or illegal work practices.

### Key Features of the Bill:

1. **Migration and Deportation Management:** The bill introduces mechanisms to curb illegal and irregular migration, with an emphasis on the prevention of human trafficking. It defines a "returnee" as an emigrant returning to India after 182 days or more, either voluntarily or under deportation orders.
2. **Regulatory Mechanisms:** The bill proposes the establishment of an **Overseas Mobility and Welfare Council**, which will act as the central body to manage policies related to safe migration. This council will ensure coordination between ministries like Skill Development, Labour & Employment, and the Ministry of External Affairs.
3. **Employment Facilitation:** The bill encourages the creation of employment opportunities abroad, with a focus on sectors such as healthcare, elderly care, agriculture, and construction. It aims to help India's semi-skilled workers find regulated employment in host countries, thereby reducing illegal migration routes.
4. **Protocols for Deportation and Return:** The bill outlines processes for the safe return of Indian emigrants in case of deportation by foreign governments. This ensures that Indian nationals are treated fairly and repatriated with dignity.

### What Does the Bill Say About Deportation?

1. The bill addresses the rising issue of illegal deportations, such as those from the US, by creating preventive mechanisms against irregular migration and human trafficking.

2. It discourages unsafe migration methods like the "dunki" method, where migrants illegally cross through third-party countries.
3. The bill also ensures that returnees, who may have been subjected to unsafe or exploitative conditions, are given a structured and safe return process.

#### Challenges:

1. **Implementation and Coordination:** Effective implementation of the bill requires strong coordination between multiple ministries. Bureaucratic delays and lack of synchronization across different government departments could impede its smooth execution.
2. **Resistance from Host Countries:** Many destination countries for Indian workers may resist changes in migration regulations, particularly if it involves stricter norms. India may face challenges in negotiating labor agreements with these countries to ensure migrant protection.
3. **Financial and Logistical Constraints:** Setting up infrastructure to manage migration, ensure monitoring systems, and provide legal assistance could require substantial financial investments. These resources may strain the government's budget, especially in the context of other domestic priorities.
4. **Evolving Global Immigration Policies:** Global immigration policies are continuously evolving, and the bill may face challenges in adapting to unforeseen changes in host countries' immigration laws. Political shifts and economic crises abroad could also affect the migration framework.

#### Way Forward:

1. **Strengthening Bilateral and Multilateral Ties:** India must prioritize diplomatic engagement with host countries to negotiate labor migration treaties, ensuring that the rights and welfare of its workers are safeguarded.
2. **Enhanced Monitoring Systems:** The establishment of robust systems for tracking migrant workers, offering real-time support, and providing legal assistance is essential for ensuring the safety of Indian workers abroad.
3. **Public Awareness and Empowerment:** Awareness campaigns should be launched to educate potential emigrants about their rights, legal pathways, and the risks of illegal migration. Empowering migrants with the right information is critical to reducing exploitation.
4. **Leveraging Technology:** Digital platforms for registration, real-time tracking of migrants, and data-sharing systems can enhance transparency and efficiency, ensuring the safety and security of migrant workers.
5. **Sustainable Funding and International Collaboration:** Partnerships with international organizations and host countries are crucial for securing the resources needed to implement the bill. These collaborations can also help provide pre-departure training, health checks, and post-arrival services for migrants.
6. **Periodic Review and Adaptation:** The bill should be reviewed periodically to adapt to global migration trends, political shifts, and emerging challenges. This ensures the bill remains relevant and effective in managing India's migration landscape.

**Conclusion:** The Overseas Mobility (Facilitation and Welfare) Bill marks a significant step toward ensuring the safety, dignity, and rights of Indian emigrants. While challenges in implementation and international cooperation remain, a well-structured approach, supported by technology, awareness campaigns, and strong bilateral relations, will go a long way in securing the welfare of Indian workers abroad. With these steps, India

can create a safer and more regulated migration environment, empowering its citizens and promoting fair international labor practices.

**Question:** What are the key provisions of the draft Overseas Mobility Bill 2025? What challenges might it face, and how can India ensure its successful implementation?

## Better global governance, led by China and India

### Introduction

In 2025, **India-China ties turn 75 and the United Nations turns 80**, as the world faces volatility, harmful 'isms,' and rising uncertainty. At the **Tianjin SCO Summit**, a **Global Governance Initiative (GGI)** was proposed to strengthen sovereign equality, rule of law, multilateralism, people-centred development, and practical results. With renewed India-China engagement, the moment calls for **better global governance**, not a new order, but a more effective one.

### Global Governance

Global governance is how countries and other actors **work together across borders** to manage shared problems. It is different from national governance. It uses **processes, institutions, and frameworks** to align efforts for common goals.

### Key Components of Global Governance:

**International Organizations:** Institutions such as the United Nations (UN), World Health Organization (WHO), and International Monetary Fund (IMF) play a central role in facilitating global governance.

**Multilateral Agreements:** Treaties and international frameworks, such as the Paris Agreement on climate change, help align national policies with global goals.

**Non-State Actors:** Civil society organizations, multinational corporations, and academic institutions increasingly influence global decision-making.

### Key reasons for the need for global governance

1. **Rising volatility and harmful "isms":** Unilateralism, protectionism, isolationism, separatism, terrorism, extremism, and hegemonism threaten order. **Without joint rules and coordination, the risk of "jungle law" grows.**

2. **Shared health risks:** COVID-19 showed why **coordinated action, information-sharing, and equitable access** matter. **Strengthening global health governance** prevents future crises and saves lives.

3. **Climate action and sustainability:** The world needs joint effort to **cut emissions** and protect **global public goods** such as oceans, climate, and forests. No country can protect them alone. Common rules and joint action help reduce emissions, manage resources, and address cross-border environmental harm.

4. **Agenda 2030 implementation:** The Sustainable Development Goals are universal. Progress needs cooperation across economic, social, and environmental areas. **Global governance keeps focus on the goals, aligns actions, and supports countries to localise targets.**

5. **Financing for development:** Delivering the SDGs needs predictable finance and capacity. The Addis Ababa Action Agenda offers a framework. Global governance helps mobilise resources, guide investments, and support countries that need assistance.

6. **Peace, security, and stability:** Conflicts and tensions spill across regions. Shared mechanisms for peacekeeping, dialogue, and dispute resolution lower the risk of escalation. **Cooperation protects people and upholds basic rights.**

7. **Inclusive voice and fairness:** Many countries seek a stronger role in decisions that affect them. Global governance can **increase participation of developing countries** and make processes more fair, transparent, and trusted.

8. **Integrated and long-term coordination:** Problems are interconnected, but institutions often work in silos. A coordinated system helps actors work together, review progress, and adjust course based on trends and evidence. **This improves results and reduces duplication.**

### Challenges in Global Governance

1. **National interests and fragmentation.** Countries often prioritize national interests over collective action, making it difficult to reach consensus on global issues..

2. **Lack of Accountability and Representation:** Global governance institutions are often criticized for lacking transparency and failing to represent the voices of developing countries and marginalized communities.

3. **Limited Enforcement Mechanisms:** Unlike national governments, global governance bodies lack the authority to enforce decisions. They rely on cooperation and voluntary commitments from member states.

#### 4. **Institutional misalignment:**

- Existing structures are not designed for problems that span multiple sectors. Mandates and workflows do not match integrated goals.
- Many global regimes cover overlapping areas. Links among them are unclear, which creates gaps and friction.

5. **Localisation gap:** Global targets often do not translate smoothly into national and sub-national plans. Ground-level adaptation remains uneven.

6. **Financing gap:** Financing frameworks exist on paper, yet policies and resources do not consistently align with agreed priorities. This slows delivery on commitments.

7. **Short-term focus:** Immediate shocks dominate attention. Trend tracking and timely course correction receive less sustained focus, which affects steady progress toward Agenda 2030.

### Global Governance initiative (GGI)

The GGI, raised by the Chinese President at the **2025 Tianjin SCO Summit**, addresses the **governance deficit within the existing system**. It seeks **better action, effectiveness, adaptability, and service to all countries**, especially **developing countries**. It draws from the **purposes and principles of the UN Charter**.

**Five basic principles:**

**1: Sovereign equality.**

- Every country's sovereignty and dignity must be respected.
- No country should interfere in another country's internal affairs.
- Each nation should freely choose its own system and development path.
- All countries should take part in global decision-making as equals, with greater voice for developing countries.

**2: International rule of law.**

- The UN Charter is the basic guide for relations between countries.
- International law must apply to everyone in the same way, without double standards.
- Major powers should set an example by obeying and protecting these rules.

**3: Multilateralism.**

- Global issues should be discussed and decided by all countries together.
- The systems of global governance should be built and improved by all, and the benefits should be shared by all.
- The UN should remain the central platform for multilateral cooperation and be strengthened, not weakened

**4: People-centred approach.**

- People are the main actors and the final beneficiaries of global governance.
- Reforms should promote common development, protect people from shared risks, and improve everyday well-being.
- Policies should advance the common interests of different countries and communities.

**5: Real results.**

- Global governance must solve real problems, not just make promises.
- It should tackle both the immediate symptoms and the root causes of issues.
- Developed countries should carry their responsibilities and provide more resources and public goods.
- Developing countries should work together and contribute their best efforts



## Way forward

1. **UN as coordination hub:** Use the **UN** to **convene, coordinate regimes**, and give **guidance**. Promote **integrated solutions** that link economy, society, and environment.
2. **High-Level Political Forum (HLPF):** Let the **HLPF** review **SDG progress**, track **emerging issues** and **long-term trends**, mobilise **political will**, and support **national, regional, and thematic** reviews.
3. **Implement Agenda 2030 with capacity and finance:** Translate commitments into **practice** with **Addis-aligned financing, localised targets**, and **capacity building**. Keep a **long-term focus** on agreed goals.
4. **Strengthen inclusion and voice:** Enhance **participation of developing countries** in decision-making. Make processes **fair, transparent**, and **representative**.
5. **India-China shared responsibility:** As key members of **SCO** and **BRICS**, step up **multilateralism, coordination on major issues**, and defence of **fairness and justice**, guided by **people's well-being** and **long-term perspectives**.

## Conclusion

**Better global governance** is essential to meet **health, climate, development, and security** challenges. The **GGI** provides **clear principles** to renew cooperation **within the existing system**. With the **UN at the core**, **inclusive reviews**, and **integrated action**, implementation of **Agenda 2030** can accelerate. **India and China—as partners—can catalyse** a fairer, more effective order that **strengthens multilateralism** and serves all peoples.

## No trade deal is better than an unfair one

### Introduction

In the **India-USA trade relationship**, **negotiations are near conclusion**, with a **possible leaders' meeting in Kuala Lumpur** (October 26–28) to seal terms. US tariffs up to 50% are already hurting Indian exports. The endgame risks are last-minute changes, new demands, and a broad digital “non-discrimination” clause that can shrink policy space. India should seek real tariff relief without sacrificing farmers, fishers, data and tax tools, or strategic autonomy. If balance is missing, **walking away is better than a bad deal**.

### Current India-USA Trade Relationship

- Bilateral trade is about **\$190–191 billion**.
- The US has been India's **largest trading partner** and **top export market** in recent years.
- Both sides aim for **\$500 billion** by 2030.
- **Shares in India's trade:** The US accounts for **~18% of India's goods exports**, **~6.22% of imports**, and **~10.73% of total merchandise trade**.

### Negotiating track

After a pause, **India-USA trade negotiations restarted**. An Indian delegation travelled to Washington on October 15–17 after minister-level rounds, and a **possible leaders' meeting in Kuala Lumpur** (October 26–28, ASEAN) was identified as an opportunity to close the deal.

### Present Challenges in the India-USA trade relationship

**1. Steep US tariffs and export slump:** US tariffs up to 50% took effect on 27 August. Exports to the US fell ~37.5% (May–Sep) and ~20% in September. Labour-intensive sectors—**textiles, gems and jewellery, engineering goods, chemicals**—were hit hardest. India's trade deficit rose to a **13-month high of \$32.15 billion** in September. The pressure is immediate and uneven.

**2. Last minute demands:** There is a record of **last-minute changes** after official-level understandings. This creates uncertainty at the final stage of negotiations.

**3. Dependence risk and supply-chain politics:** **Tariff weaponisation** shows the risk of relying on a **few markets**. Provisions framed as “resilient supply chains” may **target China** and **affect India's autonomy** to choose trading partners. This adds a geopolitical layer to trade terms.

**4. Agriculture and dairy sensitivities:** **Market access demands** persist in **agriculture and dairy**. India's stance is shaped by **food security, small farmer livelihoods, and fisher interests**. These sensitivities make convergence difficult.

### 5. Digital economy pressures:

US priorities are to **block India's digital taxes, limit India's use of its data advantage to build domestic champions, and narrow India's ability to regulate the digital sector**.

The specific challenge is the push for a broad “**non-discriminatory treatment**” clause for digital services.

This would **prohibit pro-domestic preferences** (for example, requiring government entities to use a homegrown app like Arattai), **prevent sharing anonymised government data exclusively with Indian firms, and restrict targeted taxation of activities dominated by US players**.

It would **cut India's policy tools** to support startups and raise revenue, undermining **Atmanirbhar** goals.

**6. Tighter IP and e-commerce rules Stricter:** **IP standards** can affect **generics and affordability of medicines**. **E-commerce and retail rules** intersect with **competition and consumer protection**, creating friction over regulatory space.

**7. Asymmetric tariff-cut patterns Recent:** US arrangements with **Japan, EU, Vietnam** suggest partners **cut MFN tariffs widely**, while US cuts go to **mid-teens (~15–20%)**. This **pattern of asymmetry** reduces room for balanced outcomes.

**8. Trade talks tied to India's Russian oil imports:** Trade discussions are entangled with **expectations on Russian oil**. India's imports still cover about **one-third of total oil**. A rapid change is **operationally difficult**, adding **energy security** stress to the trade track.

**9. Negotiation uncertainty and rupee volatility:** Headlines around negotiations coincide with **rupee volatility** and **RBI smoothing**. This **macro uncertainty** complicates pricing, contracts, and planning for exporters during the negotiation window.

### Way Forward

#### India's approach

- 1. Insist on a signed, detailed text before any public announcement. Defer new endgame asks** to a second phase after **inter-ministerial consultation**.
- 2. Protect core sectors (Agriculture/dairy/fishers):** India should keep food security and the livelihoods of farmers and fishers non-negotiable.  
**On digital issues**, India should reject broad "non-discrimination" language that would block domestic preference, limit data-based policies, and prevent fair taxation of dominant digital players.
- 3. On intellectual property**, India should **avoid TRIPS-plus-type commitments** that could weaken the generics ecosystem and reduce access to medicines.
- 4. Preserve strategic autonomy: Say no to anti-China or decoupling riders.** Keep freedom to choose partners and design supply chains.
- 5. Calibrated market access:** India should seek a credible **rollback of the US tariffs from 50%** toward the mid-teens, with clear timelines. If needed, **limited and review-based tariff-rate quotas can be considered**, while phasing any Indian industrial tariff changes with safeguards and periodic impact checks.
- 6. Diversify markets and stay ready to pause:** India should expand exports to other markets even as it seeks relief in the US market. If the final text tilts against India's long-term interests, India should pause or walk away. In such a case, **no deal is better than an unfair one**.

#### USA's approach

- 1. Front-load tariff relief:** The United States should provide predictable and early tariff reductions so that Indian exporters can recover momentum and trade flows can stabilise.
- 2. Respect India's policy space:** Avoid **blanket digital clauses**; accept **flexible, best-endeavour** wording on **data, taxation, and regulation**.
- 3. Sensitive agriculture design:** Market access in agriculture should be narrow and time-bound so that it does not undercut small farmers or threaten food security. Tariff-rate quotas can be used carefully with clear reviews.
- 4. Keep supply chains open, not coercive: Do not add third-country riders.** Let **commercial purchases follow viability**, not act as preconditions.

### Conclusion

India should pursue a narrow, phased, reviewable deal that cuts tariffs now, protects agriculture and fishers, and keeps digital and IP space flexible. It should refuse anti-China riders and purchase linkages, diversify markets, and, if terms are skewed, pause or exit—**echoing Chanakya's caution on unfair treaties**: no deal is better than an unfair one.

### Question for practice:

Discuss the key challenges in the ongoing India–USA trade negotiations and outline a balanced way forward for both sides.

Source: Indian Express

## Flawed Pollution Monitoring and the Crisis of Environmental Governance

Source: The post “**Flawed Pollution Monitoring and the Crisis of Environmental Governance**” has been created, based on “**Unreliable air and noise data, real-time deception**” published in “The Hindu” on 22nd October 2025.

UPSC Syllabus: GS Paper -2- Governance

**Context:** Recent failures in India's environmental monitoring systems, specifically **Delhi's Real-Time Air Pollution Network** and **Lucknow's National Ambient Noise Monitoring Network**, have exposed serious flaws in data integrity, raising concerns over governance, public trust, and India's international reputation in environmental management.

### Background

For decades, it has been acknowledged that Indian cities suffer from poor air quality. However, audits by institutions such as the **Comptroller and Auditor General (CAG)** and the **Central Pollution Control Board (CPCB)** reveal systemic weaknesses—faulty sensor placement, lack of calibration, inadequate audits, and outdated regulatory frameworks. These flaws distort pollution data, misleading citizens and policymakers alike.

### Implications of Unreliable Data

#### 1. Policy Failure and Governance Deficit

- Misleading air quality data (often reporting “moderate” levels) conceals hazardous pollution levels.
- Faulty data undermines **scientific decision-making** and weakens enforcement of pollution control measures.
- Governance becomes a contest between **citizen welfare** and **industrial convenience**.

#### 2. Violation of Fundamental Rights

- Inaccurate noise and air pollution data compromise **Article 21 (Right to Life)** by denying citizens protection from environmental harm.
- The **Supreme Court's transfer of Delhi Airport noise cases to the National Green Tribunal (NGT)** underscores that noise is now a **constitutional and public health issue**.

### 3. Erosion of Public Trust and International Credibility

- Flawed monitoring damages India's credibility in fulfilling **global environmental commitments** such as the **Paris Agreement** and the **WHO Air Quality Standards**.
- Public faith in institutions declines when official data contradicts citizens' lived experiences.

### 4. Public Health Consequences

- Misrepresented air quality obscures exposure to **NO<sub>2</sub>** and **PM<sub>2.5</sub>**, which are linked to respiratory and cardiovascular diseases.
- **The Energy Policy Institute** estimates that **aligning with the WHO standards could increase Delhi's life expectancy by 8.2 years**.
- Vulnerable groups such as infants, children with asthma, and the elderly remain unprotected due to weak monitoring.

### Reasons Behind Data Inaccuracy

1. **Poor Sensor Placement:** Many **air quality and noise monitoring sensors** are installed **under tree cover**, behind walls, or in relatively less polluted areas. This **improper placement results in inaccurate readings** that fail to represent the true extent of pollution in densely affected regions.
2. **Lack of Calibration and Audits:** Although the Central Pollution Control Board (CPCB) has **laid down clear guidelines for the calibration and periodic auditing of monitoring devices**, these **procedures are rarely implemented in practice**. The absence of regular checks leads to unreliable and inconsistent data output.
3. **Outdated Legal Frameworks:** The existing **Noise Pollution (Regulation and Control) Rules, 2000**, are **outdated** and **fall short of the standards prescribed by the World Health Organisation (WHO)**. This outdated framework limits effective monitoring and enforcement of noise pollution control measures.
4. **Weak Institutional Oversight:** Institutional oversight **over environmental monitoring remains weak** due to bureaucratic inefficiencies and political interference. **Political pressures often suppress scientific scrutiny and prevent independent evaluation** of monitoring systems.
5. **Opaque Governance:** There is a **lack of transparency and third-party verification** in the management of environmental data. The **absence of open data audits allows inaccuracies and manipulation** to go unchecked, reducing public confidence in official environmental reports.

### Way Forward

1. **Scientific Rigour and Independent Oversight:** Establish an **independent audit panel** for periodic review of monitoring networks and ensure **third-party verification** of data to eliminate bias and opacity.
2. **Legal and Institutional Reforms:** Update outdated **Noise Pollution Rules (2000)** and align all air and noise standards with **WHO guidelines** and empower CPCB and SPCBs with statutory autonomy and accountability mechanisms.
3. **Technological Integrity:** Use **Class-1 quality sensors** and enforce regular calibration, mandate **routine third-party audits** and **real-time public data transparency**.



**4. Citizen-Centric Governance:** Engage citizens in monitoring through **open data platforms** and **community sensor networks** and strengthen environmental adjudication via the **National Green Tribunal (NGT)** and specialised benches.

**5. Science as the Foundation:** Scientific input and transparent processes must form the **bedrock of environmental monitoring, and data integrity** must precede technological deployment to prevent “real-time deception.”

**Conclusion:** The experiences of Delhi and Lucknow serve as a warning that environmental monitoring cannot be reduced to bureaucratic formality. Real-time technology has value only when it reflects reality. Reliable data is not just a technical necessity but a moral imperative—to protect citizens’ health, uphold constitutional rights, and sustain India’s global environmental credibility.

Science must lead, transparency must follow, and governance must ensure accountability to prevent real-time monitoring from turning into **real-time deception**.

**Question:** Critically examine how flawed environmental monitoring undermines public trust, fundamental rights, and India’s global environmental commitments.

### CBDCs Vs Stablecoins

**Source:** The post “CBDCs Vs Stablecoins” has been created, based on “**RBI Governor Malhotra urges other central banks to promote CBDCs over stablecoins**” published in “Indian Express” on 22nd October 2025.

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

**Context:** The Reserve Bank of India (RBI) has been one of the leading central banks in exploring **Central Bank Digital Currencies (CBDCs)** as a secure, sovereign, and regulated form of digital money. In contrast, it has repeatedly cautioned against **privately issued stablecoins**, which are cryptocurrencies pegged to fiat currencies like the US dollar. At the recent **IMF–World Bank Annual Meetings in Washington, DC**, RBI Governor **Sanjay Malhotra** emphasised that **CBDCs are essential for efficient cross-border payments** and that their benefits would fully materialise only through **widespread global adoption**.

#### About CBDCs and Stablecoins

- **Central Bank Digital Currency (CBDC):** A legal tender issued by a country’s central bank in digital form, representing a direct claim on the central bank. It combines the stability of fiat money with the efficiency of digital technology. Example: India’s **₹ (Digital Rupee)** pilot projects in retail and wholesale segments.
- **Stablecoins:** It is privately issued cryptocurrencies pegged to a fiat currency (like the US dollar) or commodity to maintain a stable value. Example: **USDT (Tether)** and **USDC (USD Coin)** — together account for about 90% of the \$285 billion global stablecoin market.

#### RBI’s Position on CBDCs

- RBI considers CBDCs as the **future of regulated digital money**, combining the trust and stability of fiat currency with the efficiency of digital technology.

- RBI Governor highlighted that **CBDCs can be tokenised** and have the **advantages of both stablecoins and money** while remaining under sovereign control.
- He stressed that **international coordination** is vital; without other countries adopting CBDCs, **cross-border benefits cannot be realised**.
- India has already launched **pilot projects** for two types of CBDCs:
  - **Retail CBDC (e₹-R)**: for general public transactions.
  - **Wholesale CBDC (e₹-W)**: for interbank settlements and large-value transfers.
- Domestic payments in India are already efficient due to UPI; hence, CBDCs are primarily aimed at **cross-border use cases**.

### RBI's Concerns Regarding Stablecoins

- Stablecoins like **USDT (Tether)** and **USDC** are **backed by US dollar reserves** and dominate global digital transactions.
- RBI fears that the widespread use of such dollar-pegged stablecoins could lead to **"crypto-dollarisation"** of emerging economies, undermining **monetary sovereignty**.
- Since stablecoins are **privately issued**, they pose **systemic risks**, including:
  - Lack of transparency in reserve backing.
  - Potential for **money laundering and illicit financial flows**.
  - Difficulty in **regulatory oversight** and monetary policy implementation.
- Finance Minister **Nirmala Sitharaman** has also acknowledged that such innovations are **reshaping global finance**, compelling nations to adapt to avoid exclusion from the evolving monetary order.

### Global Developments in Stablecoin Regulation

- **United States**: The **Guiding and Establishing National Innovation for US Stablecoins Act (GENIUS Act)** aims to regulate stablecoin issuance and link them to national currencies.
- **South Korea**: Passed the **Digital Asset Basic Act**, allowing issuance of stablecoins pegged to the South Korean won.
- **Hong Kong**: The **Legislative Council** introduced a framework to **license fiat-referenced stablecoin issuers**.
- These examples show that **major economies are formalising frameworks** for stablecoins, recognising their growing role in the financial system.

### Challenges in Implementing CBDCs

1. **Limited Global Interoperability**: Without other countries adopting CBDCs, cross-border efficiency gains remain constrained.
2. **Technological Infrastructure**: Establishing secure, scalable, and real-time digital currency systems demands massive technological investment.
3. **Cybersecurity and Privacy Risks**: CBDCs could become targets of cyberattacks, and data misuse may compromise user privacy.
4. **Legal and Regulatory Framework**: Clear legal definitions, liability clauses, and dispute-resolution mechanisms are still evolving.
5. **Public Awareness and Acceptance**: Low digital literacy and mistrust of digital money could slow adoption.
6. **Impact on Banking System**: If people shift large deposits into CBDCs, it could reduce bank liquidity and affect credit creation.

7. **Cross-Border Coordination:** Differences in regulatory standards across jurisdictions hinder seamless global CBDC integration.

### Way Forward

1. **Global Coordination through Multilateral Platforms:** India should work with the **IMF, BIS, and G20** to develop common CBDC standards for cross-border payments.
2. **Gradual Phased Implementation:** Continue **pilot projects** to identify operational challenges before full-scale rollout.
3. **Robust Cybersecurity Architecture:** Invest in **quantum-resistant encryption** and **data protection measures** to ensure secure transactions.
4. **Public and Institutional Awareness:** Launch educational campaigns to build **trust and digital literacy** among users and businesses.
5. **Balanced Regulation:** Create a **comprehensive digital currency law** that addresses CBDCs and provides clarity on stablecoin use.
6. **Exploration of Bilateral CBDC Corridors:** Partner with select countries (e.g., Singapore, UAE) to **pilot cross-border CBDC transactions**.
7. **Integration with Existing Systems:** Combine CBDCs with platforms like **UPI, RTGS, and SWIFT** for interoperability and wider reach.

**Conclusion:** The RBI's preference for CBDCs over stablecoins reflects a **proactive yet cautious approach** to digital financial innovation. CBDCs promise **efficiency, transparency, and sovereignty**, aligning with India's broader goal of a **digitally resilient economy**. However, realizing their full potential requires **international collaboration, robust regulation, and public trust**. As the global financial system transitions toward digital money, India's balanced stance could serve as a **model for emerging economies** seeking innovation without compromising monetary stability.

**Question:** Discuss the Reserve Bank of India's (RBI) stance on Central Bank Digital Currencies (CBDCs) vis-à-vis stablecoins. Examine the challenges in CBDC adoption and suggest the way forward

### India's travails in negotiating a friendless world

UPSC Syllabus Topic: GS Paper 2 -International relation.

### Introduction

India faces a harsher global landscape and shrinking diplomatic space. **Multilateralism has weakened, flexibility is lacking, and a trust deficit is growing.** India was absent or marginal in key events abroad and hesitant or helpless during churn in its neighbourhood. **The earlier "sweet spot" of being courted by major powers has eroded.** The result is a tougher, more transactional world in which **India must reset aims toward core security and economic interests.**

### Arguments for a decline in India's geopolitical relevance

1. **Marginalisation in key theatres:** **India was absent from the Gaza peace process.** The settlement was shaped by the United States with Türkiye, Egypt, Qatar, and others. India then **sent very low-level representation** to the reconciliation event, signalling reduced influence in West Asia.

2. **Weak presence amid neighbourhood upheavals:** India looked like a bystander in Nepal's Gen Z revolution. This happened despite proximity and stakes. Bangladesh and Nepal now appear more hostile, and Sri Lanka's surface calm still leaves room for external meddling.

3. **Adverse strategic alignments in West Asia:** Türkiye sided with Pakistan during the India-Pakistan conflict and gained visibility in West Asia. Saudi Arabia and Pakistan signed a Strategic Mutual Defence Agreement, reinforcing the perception that India is an outlier in a region where it earlier had comfort.

4. **Erosion across South Asia:** China became the top trading partner for Pakistan, Bangladesh, Nepal, and Sri Lanka. Maldives expelled Indian military personnel. Chinese projects moved faster than Indian ones in Nepal and Sri Lanka, pulling neighbours closer to Beijing. Backing Sheikh Hasina despite rights concerns hurt India's credibility in Bangladesh.

5. **From sweet spot to reduced leverage:** India earlier enjoyed a sweet spot. The U.S. courted India, China watched India's choices, and Russia stayed engaged. Global crises and India's firm autonomy on Russia reduced patience in Washington and made ties more transactional. The Russia-Ukraine war exposed over-expectations about India's leverage with Russia and its moral sway.

#### 6. China's pressure and reach

Since 2020, moves at the LAC changed facts on the ground; external partners could not reverse them. Beijing shifted to hard leverage and a hierarchical stance. It expanded influence to India's east through businesses, universities, research centres, and cyberspace. As U.S. influence wanes in parts of Asia, a China-led order is emerging in East and Southeast Asia, further shrinking India's leverage.

#### 7. Risky drift and north-west volatility

- After the Tianjin meeting in August 2025, relations briefly warmed. This encouraged some in India to treat the June 2020 Galwan clash as a "mere blip" and push for normalisation, even though little changed on the ground and talks lacked candour.
- India's influence in the Afghanistan-Pakistan region has weakened. It now watches events unfold rather than shaping them. India seems content with Taliban attacks on Pakistan, instead of actively using its own diplomatic or strategic tools.

#### Arguments against a decline in India's geopolitical relevance

1. **Growing economic weight:** India's economy is expanding. It now ranks among the top five. Rising heft sustains relevance.

2. **Proven balancing record:** India works with the Quad and the Shanghai Cooperation Organisation. It deepens ties with the United States while keeping links with Russia. Multi-alignment still gives options.

3. **Energy and sanction navigation:** India continued buying Russian oil after the Ukraine war. It protected energy security without a major diplomatic rupture. Room for manoeuvre remains.

4. **Technology and forum gains:** The iCET initiative opened doors in advanced tech. Hosting the G20 strengthened convening power. These platforms preserve India's visibility and voice.



**5. Ongoing engagement with China:** Diplomacy with China is **ongoing**. While fragile and risk-laden, channels exist. **Caution is advised**, but total breakdown is not preordained.

### What should be done

#### 1. Reset to cooperative neighbourhood diplomacy:

- **Abandon interventionist reflexes.** Treat neighbours as **equal partners** with their own priorities. Build **mutual respect** and **sovereignty-sensitive** engagement.
- **People-to-people links** and **cultural diplomacy** must counter alienation in Sri Lanka, Nepal, Maldives, and Bangladesh. **Re-invest in soft power** through education, exchanges, and shared heritage.

#### 2. Prioritise economic interdependence over political control

- Shift from **aid-as-leverage** to **growth-as-glue**. Deepen **trade, investment, supply-chain linkages, regional energy cooperation, and joint infrastructure**.
- Provide **predictable, timely financing** to compete with **fast Chinese disbursements**. **Delivery speed and scale** must become core metrics.
- **Reduce micromanagement**, avoid **implicit loyalty demands**, and **focus on tangible benefits**.

#### 3. Re-energise regional institutions

- Reform **SAARC** to make it functional: simplify procedures, curb unanimity-style blocks, and start joint programmes on climate, health, and security.
- In parallel, use **BIMSTEC** and **BRICS** to give South Asia a stronger voice and diversify engagement across multiple platforms.

#### 4. Calibrate great-power ties with realism

- With the **sweet spot** gone, **do not bank on positional bargaining** between Washington and Beijing.
- **Stabilise** ties with both on **specific levers**: technology, market access, targeted security cooperation, and crisis management.
- **Make capacity-building at home the core goal**—strong industry, defence, and technology—not optics or headline diplomacy.

#### 5. Hard-power revival and border prudence

- Accelerate **defence-industrial reform** and **joint ventures** to close capability gaps. Maintain **border vigilance** and avoid **complacency on the LAC**.
- In engagement with China, use candid exchanges and aim for real progress, not cosmetic patch-ups, which are risky.
- In the north-west, **limit Pakistan's harmful capacity** while **keeping war a last resort**.

### Conclusion



**India's diplomatic room has narrowed.** The earlier **sweet spot** created by U.S.–China rivalry and optimistic bets has **expired**. **China's pressure, U.S. transactionalism, regional pushback, and capability gaps** expose vulnerabilities. Yet **decline is not destiny**. If **India pivots to realism, prioritises core security and economic interests, treats neighbours as partners, delivers projects fast, reforms SAARC, and rebuilds hard power**, it can **stabilise influence and recover agency** in a tougher, more multipolar neighbourhood. **Eternal vigilance is the price of liberty.**

Question for practice:

Examine the factors that have reduced India's geopolitical leverage in recent years and the steps it should take to regain influence.

Source: The Hindu, [The print](#), [IAPSS](#)

### **We need a law to protect domestic workers**

**UPSC Syllabus Topic: GS Paper 2** -Governance-mechanisms, laws, institutions and Bodies constituted for the protection and betterment of vulnerable sections.

#### **Introduction**

In January, the Supreme Court directed the Union government to frame a comprehensive law on domestic workers' rights and to set up a committee to design the framework within **six months**. The current status of the report is unclear. The case that triggered the directive exposed confinement and trafficking and highlighted weak oversight, unsafe conditions, and poor access to remedies. This sets the context for the scale, challenges, and steps needed to protect domestic workers in India.

#### **Domestic workers and the current status of Domestic Workers in India**

According to the International Labour Organisation (ILO ) **Domestic Workers Convention**, 2011, Article 1:

- (a)** The term '**domestic work**' means work performed in or for a household or households;
- (b)** The term '**domestic worker**' means **any person engaged in domestic work within an employment relationship**;
- (c)** A person who performs **domestic work only occasionally or sporadically and not on an occupational basis is not a domestic worker**.

Based on everyday working hours and nature of employment, domestic workers are classified into part-time, full-time and live-in workers.

Categorisation Of Domestic Workers	
Category	Definition

<b>Part-Time Worker</b>	Works for more than one employer for a specified number of daily working hours or performs specific tasks for each of the multiple employers everyday.
<b>Full-Time Worker</b>	Works for a single employer everyday for a specified number of hours, and returns to her/ his home every day after work.
<b>Live-In Worker</b>	Works full time for a single employer and stays in the premises of the employer or in a dwelling provided by the employer and does not return to her/his home every day after work.

source: SPRF

### Status

- India is estimated to have **4 million–90 million** domestic workers.
- Most are women and girls. **A large share belong to Scheduled Castes and Scheduled Tribes**, which makes them more **vulnerable to power imbalances and abuse**.
- Their work is essential in households and workspaces, but their **visibility and bargaining power are low**.
- India supported the **International Labour Organization Convention No. 189 (2011)** on rights of domestic workers but **has not ratified it**.

### Challenges faced by Domestic Workers in India

1. **Invisible workplaces and weak oversight:** Work happens inside private homes, which **atomises workers**. Routine inspections are almost impossible. Risks include **harassment, abuse, and segregationist practices**. **Child labour is rampant**.
2. **Precarious work patterns:** Some work full time for one household; others rotate across many homes for a few hours. This makes **minimum wages, fixed hours, and leave** hard to set and enforce.
3. **Migration vulnerability:** Many are **inter-State** or **cross-border migrants**, needing protections across jurisdictions.
4. **Legal gaps and weak enforcement**
  - There is **no dedicated central law**. Earlier proposals like the **National Commission for Women's draft (2008–10)** and the **Draft Policy on Domestic Workers (2017)** did not advance.

- Domestic work entered the **Minimum Wages Act, 1948** schedules around 2011, but **implementation is poor**. Only **13 States/UTs** require minimum wages for domestic workers.
- The **Unorganised Workers' Social Security Act, 2008** asks States to set up welfare boards, yet **several States have not complied**.

## 5. Data deficit and recognition issues

- Reliable numbers are missing. Estimates vary from **4 million to 50 million**, and even higher in some counts. **Poor data blocks planning and resource allocation**.
- Key labour laws like the **Industrial Disputes Act, EPF Act, and Factories Act** do not treat domestic workers in private households as “workers.” This weakens rights and remedies.

6. **Intermediaries: Informal placement agencies and housekeeping firms** operate with little scrutiny. They are more focused on their own profits and care little about the rights of the workers.

7. **Poor Unionisation:** Only a small fraction of domestic workers are unionised or are part of organised groups. Lack of unionisation **reduces their bargaining power** to demand better wages. In the absence of any union, **no support mechanism** is available to workers facing exploitation and physical abuse.

## Steps taken for the welfare of Domestic Workers

### 1. Constitutional and legal safeguards

- **Article 23** prohibits trafficking, begar, and forced labour. **Article 39(e)** urges protection of health and strength from abuse.
- Domestic workers are covered under the **Unorganised Workers' Social Security Act, 2008** and the **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)**.
- **The Child Labour Act** has included domestic work in prohibited employment for children only up to age of 14 years.
- **The Juvenile Justice Act, 2000** has been effective to some extent in the rescue of workers below the age of 18 years.

### 2. State initiatives:

- **Tamil Nadu** has a welfare board under the **Tamil Nadu Manual Worker Act, 1982**. Registered workers can get pensions, maternity benefits, education aid, and accident relief. **Very few are registered. Minimum wage is ₹37–₹39 per hour**, but workers often receive less, as they are treated as “part-time.”
- **Karnataka (draft, Oct 2025):** Karnataka **announced the Domestic Workers (Social Security and Welfare) Bill, 2025**. It requires **compulsory registration, written contracts with wages and hours, minimum wages, overtime, weekly holidays, and an employer contribution of 5% of wages to a welfare fund**.

### 3. Schemes and Other Initiatives:

- The **Rashtriya Swasthya Bima Yojana (RSBY)** was extended to cover domestic workers. They are now covered under the **Pradhan Mantri Jan Arogya Yojana**.
- The **e-Shram portal** aims to register 38 crore unorganised workers in the country.
- A Voluntary Employers' Pledge to **Promote Decent Work for Domestic Workers** in India was launched and adopted by All India Organizations of Employers and Employers Federation of India.
- The Union Minister for Labour and Employment has flagged off the first ever **All India Survey on Domestic Workers (DW)**.

### 4. Global Initiatives:

- The **Palermo Protocol**, part of the United Nations Convention on Transnational Organized Crime, provides the definition of '**trafficking in persons**'. A definition of trafficking that is in accordance with the **Palermo Protocol has been integrated into the domestic law of India**.
- The **International Labor Organization (ILO)** and the **European Commission** have collaborated to establish operational indicators of trafficking in humans.
- **Convention 29** of the International Labor Organization was passed in 1930. It has **defined forced or compulsory labour**.
- **Convention 189** of the ILO **mandates decent working conditions for domestic workers**.

### Way forward

1. **National Framework:** Enact a central law that clearly defines rights, wages, hours, leave, safety, and grievance redress. Give domestic workers seats on every committee and welfare board. Enable **inter-State coordination** and issue a **simple Model Act that States can adapt**.
2. **Wages and Standards:** **Notify minimum wages in every State** and revise them regularly. **Standardise task categories**—cleaning, cooking, childcare, and elder care—so pay is clear for part-time and live-in roles. This helps monitoring and reduces disputes.
3. **Registration and Records:** **Mandate registration** of employers, placement agencies, and workers. Keep the **process simple and available both online and offline**. Maintain a monthly workbook via a tripartite board to record wages, hours, and leave.
4. **Grievance and Safety:** Create local complaint committees at panchayats and urban bodies under the **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013** framework so access is close to workers. Integrate anti-trafficking units and move toward comprehensive labour-trafficking legislation.
5. **Data, Portability, Housing:** Run **regular surveys and improve migrant worker data**. Make benefits and grievance access portable across States. Provide predictable **housing support linked to registration, not only during crises**.

**6. Worker Voice : Support unions and collectives** with training, legal aid, and outreach. **Build sustained political and social commitment** so standards are enforced and abuse is deterred.

### Conclusion

Domestic workers face low wages, weak protection, and limited voice despite their essential role. A time-bound central law, real enforcement, worker representation, updated data, local grievance access, and portable benefits across States are necessary. With clear rules and steady implementation, dignity and decent work can become the norm for domestic workers in India.

### Question for practice:

Discuss the current status, key challenges, and necessary policy actions for ensuring the rights and welfare of domestic workers in India.

Source: The Hindu

## The tailwinds from lower global oil prices

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

### Introduction

Lower global oil prices are shifting power across the energy system. Competition between OPEC+ and other producers, along with cautious consumer behaviour, is nudging the market toward surplus. For India, this phase supports lower costs, easier inflation, and more fiscal space, but the benefits are cyclical. Converting this opening into durable strength requires prudent policy, steady efficiency gains, and vigilant risk management.

### Status of crude oil market trend and forecast

#### Global Status of crude oil market

- Crude oil remains the world's most traded commodity.
- Daily production exceeds 100 million barrels per day, and nearly half of this volume enters global trade.
- At current prices, the daily value of crude trade is above \$3 billion.
- In 2025, global crude demand is expected to increase by only 1.3 mbpd (1.2%).
- **Prices are sliding:** Brent is near \$61/bbl, down 16% this year.
- **Divergent Outlooks for 2026:** OPEC expects a small supply shortfall of about 50,000 bpd, whereas the IEA projects an overhang of about 4 mbpd.

#### India's Status of crude oil market

- India ranks as the world's third-largest oil consumer, with daily consumption exceeding 5 million barrels.
- India imports approximately 85% of its crude oil requirements.



- Domestic oil production has remained relatively stagnant at around 30-32 million tonnes annually over the past decade, while consumption grows at approximately 4-5% yearly.

### Reason for the Reason for the decrease in crude oil prices

1. **Tech-driven supply rise:** New drilling methods raised oil output outside OPEC. Production grew in the U.S., Canada, Brazil, Guyana, and Argentina. At the same time, OPEC+ began reversing its pandemic cuts. Together, supply became larger than demand, creating a surplus.
2. **Weak demand signals:** Rich economies are growing slowly after COVID-19. Electric vehicles are reducing fuel use at the margin. China's slowdown is also curbing oil consumption. These trends keep demand growth weak.
3. **OPEC+ choices and split:** Saudi Arabia wants to restore output quickly to regain market share. Russia, under sanctions, prefers a slower approach. This difference makes coordinated action harder and adds uncertainty.
4. **Stockpiles and strategic buying:** Consumers used lower prices to refill their strategic reserves. Producers stored over 100 million barrels of unsold crude on tankers at sea. These buffers softened the price drop but show that extra supply still exists.
5. **Geopolitics and sentiment:** A cease-fire in West Asia reduced fears of supply disruption. Trade tensions lowered expectations for global growth. Both factors removed price support and reinforced downward pressure on oil.

### It's Impacts on India

1. **Current account gains:** Lower crude prices shrink India's import bill. Oil imports were **\$137 billion in 2024-25**. Every **\$1 fall** in crude improves the **current account deficit by about \$1.6 billion**. This strengthens external stability.
2. **Inflation and fiscal room:** Cheaper oil **reduces subsidies burden** and **cools inflation**. When the Centre keeps most of the price gains, the **fiscal balance improves**. This allows **higher capital spending**, which supports growth.
3. **Industry impact:**

Lower crude is **negative for upstream** producers like **ONGC** and **Oil India**. Each **\$1 drop** can cut **ONGC revenue by ₹300-₹400 crore**. It is **positive for downstream** refiners (**HPCL, BPCL, IOC**).

Other sectors that benefit include automobiles, aviation, paints, and FMCG.
4. **Monetary policy space:** Every **\$10 drop** can save **about \$15 billion** on the oil bill. This eases inflation and can give the **RBI** more room for an accommodative stance when conditions permit.
5. **Trade and geopolitics:** An **oil surplus** can **lower dependence on discounted Russian**, which may **ease tariff frictions with the U.S.** But if **West Asian growth slows**, **remittances, exports, and investments** from the region can **stagnate**, muting some benefits.

### Way forward

**Use buffers wisely.** Release small volumes from strategic reserves to calm prices, and keep expanding strategic petroleum reserves (SPR) capacity.

**Diversify fast.** Redirect cargoes and secure flexible term deals, drawing more on alternatives like U.S. light-sweet crude so no single source becomes a chokepoint.

**Substitute fuels.** Raise ethanol blending (toward E20) to cut petrol demand and import dependence, guided by government clarifications on vehicle compatibility.

**Coordinate internationally.** Work through trusted platforms (IEA/IEF) for information-sharing, coordinated stock actions, and shipping/security updates that stabilise markets.

**Keep refineries flexible.** Plan refinery maintenance for low-demand periods, so many plants aren't shut at once. Equip and run refineries so they can quickly switch between different crude types (light/heavy, sweet/sour). This way, if one supply source is tight or costly, India can use another grade and keep fuel flowing smoothly..

## Conclusion

Lower crude prices improve India's current account, inflation, and fiscal space, while aiding refiners and oil-linked industries. Risks remain from weak global growth, OPEC+ policy splits, and volatile geopolitics. India should bank the gains, manage exposure, and persist with consumption-mitigation—using counter-cyclical reserves and diversified sourcing—to handle quick turns and avoid short-lived relief.

## Question for practice:

Q. Discuss how lower global oil prices are shaping current market trends, the key reasons behind falling prices, their impacts on India's economy and sectors, and the practical way forward.

Source: [The Hindu](#)

## Impact of the U.S. Tariffs on India's Pharmaceutical Sector

Source: The post "**Impact of the U.S. Tariffs on India's Pharmaceutical Sector**" has been created, based on "**Exposure of Indian pharma to US tariffs**" published in "Business Line" on 23rd October 2025.

**UPSC Syllabus:** GS Paper -2- Effect of Policies and Politics of Developed and Developing Countries on India's interests

**Context:** The U.S. administration's prospective decision to impose tariffs on pharmaceutical imports marks a significant shift from the traditional policy of exempting essential medical products due to their public health importance. This proposal introduces uncertainty for India's pharmaceutical industry, a global leader in generic drug production and biosimilars. Given that the U.S. is India's largest export destination, the move could have wide-ranging economic and structural implications for the sector.

## Significance of India's Pharmaceutical Sector:

1. India's pharmaceutical sector has long held a **comparative advantage** in cost-efficient production, high-volume generics, and emerging biosimilar capabilities.
2. It forms a **critical link in global medical supply chains**, providing affordable medicines worldwide.
3. The industry contributes around **\$27 billion in exports annually**, with the **U.S.A accounting for approximately 35%** of India's total pharma exports.
4. Between **2019 and 2023**, the **U.S. consistently remained the top destination** for Indian pharmaceutical exports, with an export share close to **0.35 on the index scale**, significantly higher than other markets like the **UK, South Africa, Russia, and Nigeria**.
5. Major export categories include **generic medicines, key antibiotics, and biosimilars**, which rely on thin margins and economies of scale.

#### Potential Impact of the U.S. Tariffs:

1. If tariffs target **generic medicines**, it could severely affect India's export revenues and growth prospects.
2. Market reactions have already reflected this uncertainty, with **pharmaceutical stocks declining by about 2%**.
3. Tariffs could lead to **erosion of scale economies**, lower profitability, and **reduced investment incentives** for R&D and technological advancement.
4. **Firms with heavy exposure to the U.S. market** would face the brunt of the impact due to **limited diversification and regulatory restrictions** that hinder rapid redirection to alternative markets.

#### Demand Elasticity and Revenue Loss:

1. The impact depends on the **price elasticity of demand** in the U.S. market. If demand were **inelastic**, consumers would bear the price increase, and export volumes might remain stable.
2. However, **Indian pharma exports exhibit high elasticity**, meaning consumers and distributors are likely to **switch to alternative suppliers**.
3. A **50% tariff** could cause a **major drop in export revenues**, particularly for **HS 3004** (generic medicines and antibiotics), where exports to the U.S. could be nearly wiped out.
4. **Lower elasticity segments** like **HS 3005 (bandages, gauze)** and **HS 3006 (sterile surgical materials)** may experience moderate losses but remain relatively stable due to steady demand.

#### Key Challenges for the Indian Pharmaceutical Sector:

1. **Overdependence on the U.S. market:** Nearly one-third of India's pharmaceutical exports are directed to the United States, making the sector highly vulnerable to policy shifts and trade uncertainties arising from changes in U.S. administration decisions.
2. **Lack of diversification:** India's pharmaceutical export base remains concentrated, with limited penetration into alternative markets such as Latin America, Africa, and Europe, thereby constraining its ability to offset losses from potential U.S. market disruptions.
3. **Regulatory barriers:** The pharmaceutical industry is among the most heavily regulated sectors globally, and variations in regulatory standards across countries make it challenging, time-consuming, and costly for Indian exporters to reorient supply chains to new markets.
4. **Erosion of competitiveness:** The imposition of tariffs could significantly undermine India's cost advantage in generic medicines, weakening its competitiveness and damaging its reputation as a reliable global supplier of affordable pharmaceuticals.

5. **Reduced innovation incentives:** Declining revenues from tariff-affected exports would diminish the resources available for investment in research and development (R&D), regulatory compliance, and pharmacological innovation, potentially slowing the sector's long-term growth and technological progress.

#### Way Forward:

1. **Export Diversification:** Expand trade links with **Europe, Africa, Latin America, and Southeast Asia** to reduce market concentration risks.
2. **R&D and Value Addition:** Shift focus from low-margin generics to **high-value, patented formulations and biosimilars**.
3. **Strategic Trade Engagement:** Use **multilateral forums (WTO, WHO, UNCTAD)** to advocate for **fair trade norms** in essential medicines.
4. **Regulatory Harmonisation:** Strengthen domestic capacity to meet diverse regulatory standards, enabling faster entry into alternative markets.
5. **Supply Chain Resilience:** Build **localised and regional supply chains** to mitigate disruptions from tariff or policy shocks.
6. **Government Support:** Implement **export incentives, credit lines, and tax relief** for firms affected by tariff policies.

**Conclusion:** The proposed U.S. tariffs on pharmaceutical imports present a **serious challenge** to India's export-oriented pharmaceutical sector. With **high elasticity of demand** and **heavy reliance on the U.S. market**, the sector faces potential revenue losses and structural instability. However, India's proven **adaptability, technological strength, and global credibility** provide a strong foundation to overcome these hurdles. Through **strategic diversification, innovation-driven growth, and proactive policy engagement**, India can safeguard its leadership in the global pharmaceutical value chain and ensure resilience against shifting trade dynamics.

**Question:** Discuss the implications of the proposed U.S. tariffs on pharmaceutical imports, particularly for India's pharmaceutical sector. Highlight the major challenges and suggest the way forward.

### Indian Foreign Policy Toward Pakistan

**Source:** The post "Indian Foreign policy toward Pakistan" has been created, based on "The Pakistan Problem" published in "Indian Express" on 23rd October 2025.

**UPSC Syllabus:** GS Paper -2- India and its Neighbourhood- Relations

**Introduction:** Pakistan remains one of India's most persistent strategic challenges. Despite internal instability and economic fragility, Islamabad continues to command significant geopolitical influence. Its **strategic location, military power, and network of alliances** have allowed it to remain relevant to major powers and sustain its disruptive capacity in regional politics. Understanding these structural sources of Pakistan's leverage is crucial for shaping India's long-term foreign policy.

#### Pakistan's Strategic Location and Leverage:



- **Geopolitical positioning:** Pakistan borders **Afghanistan, Iran, China, and India**, placing it at the intersection of **South Asia, Central Asia, and the Middle East**. Its proximity to **the Persian Gulf and Arabian Sea** enhances its geostrategic importance.
- **Regional connectivity:** Through **Afghanistan**, Pakistan connects to Central Asia, allowing external powers to project influence deep into the region.
- **Strategic value to major powers:** Its location gives it enduring relevance to powers such as **the U.S., China, Russia, and Gulf countries**, all of whom have security or economic interests in the region.

#### Sources of Pakistan's Power and Influence:

##### 1. Military Power:

- Pakistan's **armed forces**, with around **half a million personnel**, are among the most formidable in the region.
- It possesses around **200 nuclear warheads**, possibly exceeding India's stockpile, which provides a deterrent as well as coercive leverage.
- Backed by **Chinese weapons systems** and **military intelligence**, Pakistan's military continues to project influence beyond its borders.

##### 2. Alliances and External Support:

- Islamabad enjoys support from **China, the U.S., and Saudi Arabia**, which see it as strategically indispensable.
- **China-Pakistan Economic Corridor (CPEC)** further strengthens this bond, making Pakistan a key node in Beijing's Belt and Road Initiative.
- Pakistan's links with the **Organisation of Islamic Cooperation (OIC)** amplify its diplomatic voice in the Muslim world.

##### 3. Diaspora and Religious Identity:

- Between **1995 and 2020**, about **6.14 million Pakistanis emigrated**, creating a diaspora of **11-14 million globally**, concentrated in the **Gulf, UK, and U.S.A.**
- The diaspora contributes remittances, lobbying influence, and soft power, particularly within the Islamic world.

#### Challenges for India:

1. **Enduring Strategic Relevance of Pakistan:** Despite internal crises, Pakistan remains **engaged with major powers**, limiting India's ability to isolate it diplomatically.
2. **China-Pakistan Nexus:** China's deepening ties, military cooperation, and CPEC investments give Islamabad significant backing, constraining India's regional strategic space.
3. **Use of Proxy and Asymmetric Warfare:** Pakistan's military-intelligence establishment continues to **sponsor cross-border terrorism** and **proxy conflicts**, particularly in Jammu & Kashmir.
4. **Geopolitical Leverage through Location:** Pakistan's geography allows it to serve as a **logistical hub** for major powers, particularly for operations in **Afghanistan and the Gulf**. This ensures continued international engagement with Islamabad.
5. **Ideological and Diplomatic Leverage:** Pakistan leverages its **Islamic identity to influence global narratives** through the **OIC and other forums**, occasionally mobilising support against India on issues like Kashmir.
6. **Diaspora Influence:** A **large and politically active diaspora** enhances Pakistan's visibility abroad, giving it a voice in Western capitals and international institutions.
7. **India's Policy Dilemma:** For India, Pakistan is not merely a troublesome neighbour but a **strategic actor backed by major powers**, making complete disengagement impractical.



## Way Forward

1. **Strategic Patience and Realism:** India must recognise that **Pakistan cannot be dismissed**; it will remain a **strategic irritant** that must be managed, not eliminated. India should engage with Pakistan with **clarity, composure, and consistency**.
2. **Cool-headed Diplomacy:** India's approach should combine firmness on terrorism with **measured diplomatic engagement**, avoiding overreaction or escalation that serves Pakistan's narrative.
3. **Strengthening Regional Alternatives:** Enhance connectivity with **Iran, Afghanistan (if politically feasible), and Central Asia** to reduce Pakistan's transit and geographic leverage.
4. **Countering the China-Pakistan Axis:** Strengthen partnerships with **the U.S., Japan, and Europe** while pursuing issue-based engagement with **China** to limit Islamabad's strategic utility to Beijing.
5. **Expanding Soft Power and Economic Leverage:** Promote **India's image as a stable, responsible power** and invest in **regional development and trade frameworks** that isolate Pakistan's confrontational approach.
6. **Intelligence and Security Preparedness:** Continue **counterterrorism coordination, modernise border security**, and maintain **deterrence credibility** to counter Pakistan's asymmetric tactics.
7. **Narrative Management:** Proactively engage global opinion through diplomacy and media to counter Pakistan's use of international platforms on issues like Kashmir and minority rights.

**Conclusion:** Pakistan's leverage is rooted in enduring structural factors — its geography, military power, and alliances. These make it both **indispensable and disruptive in South Asian geopolitics**. As Bajpai notes, **India must engage with Pakistan with a "cool-headed, clear-eyed realism," balancing deterrence with diplomacy**. For India, the goal should not be to isolate Pakistan entirely, but to **neutralise its disruptive potential** while continuing to strengthen its own regional and global standing.

**Question:** Discuss Pakistan's enduring geopolitical leverage and its implications for India's foreign policy, with reference to its location, power capabilities, and alliances. Highlight the major challenges and the way forward.

## PF Reforms Enable Social Security

India must build pensions that are adequate, sustainable, and accessible without burdening the budget. **Recent EPFO changes move from control to trust** and can support lifetime, Aadhaar-linked Citizen Social Security Accounts (CSSA). **India's pension system currently holds a D grade (43.8/100) in the 2025 Global Pension Index**, showing weak adequacy, low sustainability, and narrow coverage. The goal is to convert these reforms and design ideas into lower costs, wider coverage, and better service.

### About Pension Funds

#### 1. Three pillars

- Pensions are income for old age, built on **three pillars—government, employers, and individuals**.
- Ageing exposes different gaps across countries: **Europe must invest more, America must save more, and China must consume more**.
- India needs all three actions together. Strong pillars **raise old-age income, deepen domestic investment pools, and support formal non-farm jobs**.
- **Well-designed pensions strengthen public finances** by building savings instead of relying on unfunded promises.

## 2. Fiscal lessons from history

- Public pensions began under **Bismarck's Germany**, once promising benefits near **twice life expectancy**. Now, some European systems start **at almost half of life expectancy**. Such **unfunded promises become off-balance-sheet debt**, repaid later through taxes or inflation.
- **With India's public debt near 85% of GDP, large government-funded pensions are unaffordable**. India must rely on sound design, wider participation, and disciplined funding rather than new fiscal commitments.

### Challenge to Government Pension Fund

1. **Low global standing: India scores 43.8/100 (grade D) in the 2025 Mercer-CFA Global Pension Index**, signalling weak adequacy, sustainability, and integrity.
2. **Unequal coverage: About 85–90% of workers are in the informal sector** and lack formal retirement benefits, keeping overall adequacy low.
3. **Fiscal and demographic strain:** Rising life expectancy and limited fiscal space make future obligations hard to fund without structural changes and wider participation.
4. **Fragmented architecture: EPS, EPFO provident fund, employer DC plans**, and government-backed options **operate in silos**, diluting coherence, portability, and scale benefits for savers.
5. **Governance and investment limits:** Fragmented oversight, limited disclosure, and restricted investment flexibility reduce performance and trust.
6. **Participation and trust deficit:** Complex processes and uneven service discourage enrollment and persistence, weakening contributions and long-term savings discipline significantly.

### Recent Changes to EPFO

1. **From control to trust:** EPFO is moving away from rule-heavy control toward member trust, making access simpler while protecting long-term savings.
2. **Simpler categories:** 13 withdrawal reasons are consolidated into 3 groups, removing confusion for workers and employers. Three groups are:
  - **Essential needs:** Members can withdraw for education, marriage, and medical emergencies, recognising unavoidable household expenses.
  - **Housing:** Withdrawals are permitted to purchase or construct a home, supporting long-term asset creation.
  - **Special cases:** Retirement, permanent disability, retrenchment, voluntary retirement, and permanent relocation abroad allow specific or full withdrawals.

### 3. Withdrawal limits

- **Partial withdrawals** are capped at 75% to balance flexibility with future security.

- **Full withdrawals:** Full access is allowed only for retirement, permanent disability, or permanent relocation abroad.

4. **Waiting periods:** The post-exit wait is now 12 months for defined contribution balances and 36 months for defined benefit balances to curb impulsive withdrawals.

#### 5. Compounding protection

- **Minimum balance:** Members must retain at least 25% of their corpus, preserving compounding and sustainability.

- **Digital infrastructure:** Claims up to ₹5 lakh are auto-settled, a unified passbook is available, and pensioners can use digital life certificates.

6. **Foundation for CSSA:** The new design **positions EPFO to evolve into a lifetime, Aadhaar-linked CSSA** that can accept contributions from government, employers, and individuals. **Seamless balance portability and employee choice** are central, alongside **competition with NPS** to improve price and service.

#### Different Pension Schemes in India

Pension Scheme	Applicability	Features
Old Pension Scheme (OPS)	Applicable to all government employees appointed before January 1, 2004.	<p>a. It is a '<b>defined benefit scheme</b>' as the government employees were paid <b>50% of their last drawn salary plus Dearness Allowance (DA)</b> as pension after their retirement.</p> <p>b. Under this scheme, the <b>entire pension amount was borne by the government</b> while fixed returns were guaranteed for employee contribution to the <b>General Provident Fund (GPF)</b>.</p>
National Pension System (NPS)	<p>a. Introduced on <b>January 1, 2004</b>. All <b>central government employees joining after January 1, 2004</b>, were compulsorily enrolled in NPS</p> <p>b. It was <b>voluntary for the state governments</b> to join the NPS. Almost all the states except for West Bengal and Tamil Nadu migrated to the NPS.</p>	<p>a. The scheme is a "<b>defined contribution scheme</b>" as the government employees have to make <b>defined contribution of 10% of basic pay and dearness allowance (DA)</b>. There is matching contribution by the government.</p> <p>b. There is <b>no defined benefit</b>. The pension benefit is determined by factors such as the <b>amount of contribution made, the age of</b></p>

	c. Rajasthan, Chhattisgarh, Jharkhand, Punjab, and Himachal Pradesh announced a shift back to the OPS.	<b>joining, the type of investment and the income drawn from that investment.</b>  c. It remained voluntary for the workforce in the unorganized sector.
<b>Unified Pension Scheme</b>	a. It will be applicable from <b>April 1, 2025</b> to all those who have retired under the NPS from 2004 onwards.  b. Employees <b>can still opt to remain under the NPS.</b>  c. Currently for central government employees, but states can also adopt it.	a. It is an <b>assured Pension Scheme</b> and does not leave things to vagaries of market forces.  b. The structure of Unified Pension Scheme (UPS) has the best elements of both OPS and NPS. Like OPS, it provides an assured pension and, like NPS, it has provisions of employee contribution to the pension corpus.  c. The UPS is a <b>funded contributory scheme</b> , while the OPS is an unfunded non-contributory scheme.

### Way forward

**1. Cost discipline:** EPFO's charge is 4% of contributions, about ten times an equivalent government securities fund from SBI. Transparent, benchmarked pricing can curb Baumol-style cost disease.( when work stays manual, wages rise but productivity doesn't, so fees stay high.)

**2. Separate roles: EPFO currently combines policymaker, regulator, and provider roles.** Separating these roles can drive better prices and service and also improves accountability and reduces conflicts.

**3. Bring competition:** Let employees choose between EPFO and NPS. Selection at joining and an annual switch window will pressure providers to cut costs and improve service. Interoperability must be seamless throughout.

**4. Employee control:** Salary belongs to employees. Allow them to decide on the 12% contribution and to opt out of diverting 8.33% of the employer's 12% to EPS.

**5. Universal CSSA:**Convergence of EPFO, NPS, Atal Pension Yojana, PM-SYM, PMVVY, and SCSS into CSSA can target universal social security by India@100. Aadhaar linkage, portability, and interoperability can unify contributions and entitlements over a lifetime and raise trust. One account simplifies saving and tracking.

**6. Portability and interoperability:**Ensure balances move seamlessly across jobs and between EPFO and NPS. Frictionless transfers raise trust and keep savings intact.

## 7. Expand coverage:

- **Simplify enrolment and add smart incentives** for informal workers. Wider participation improves adequacy and strengthens the system's sustainability.
- **Introduce a minimum income guarantee for the elderly** who are most vulnerable. This closes harsh gaps while bigger reforms take root.

**8.Stronger oversight:**Improve regulation and disclosure. Allow prudent investment diversification to enhance returns while safeguarding integrity.

## 9. Adopt best global practises:

**Singapore (CPF).** Singapore runs a compulsory, defined-contribution system that gives universal coverage. It follows prudent investment rules and relies minimally on government subsidies.

**Netherlands.** The Netherlands operates a well-funded, transparent, and sustainable pension system. It balances public and private participation to maintain stability and trust.

**Iceland.** Iceland also has a well-funded, transparent, and sustainable model. It uses a balanced public-private approach to support long-term reliability.

## Conclusion

Recent EPFO reforms create a solid base for universal, fiscally responsible social security. India should **separate roles, enable EPFO-NPS choice, cut costs, expand coverage, and merge schemes into CSSA** with full **portability** and **employee control** to achieve **adequate, sustainable, trusted** social security without new fiscal burdens.

## Question for practice

**Q.** Discuss how recent reforms in the Employees' Provident Fund Organisation (EPFO) can contribute to building a sustainable and inclusive pension system in India.

**Source:** [Indian Express](#)

## Immunity of international organisations is no free pass

**UPSC Syllabus Topic: GS Paper 2 - Justice.**

### Introduction

International organisations exist to implement treaties and manage cooperation. **They need autonomy to function, yet immunity cannot become a shield for abuse.** Courts now face a hard question: when, and how far, should immunity yield so that individuals are not left without justice—especially in host states like India that house many organisations.

### The immunity of international organizations (IOs)



**Sources and scope:** Immunity flows from the **founding treaty**, the **headquarters agreement with the host state**, and any **domestic law** setting up the body. The common theory is “**functional necessity**”: immunity is granted **only to the extent needed** for the organisation to do its job without interference or unequal pressure from seat states.

**Judicial posture:** For decades, many national courts **dismissed suits against IOs**, especially **employment disputes** between staff and organisations, by invoking functional immunity. **The UN’s creation of internal tribunals** for staff disputes (backed as early as 1954) illustrated how IOs were expected to **pair immunity with internal justice**.

**Two interpretive approaches:** Courts have developed **two main approaches**. The “**no-conflict**” approach treats immunity as a built-in limit on access to court, **upholding immunity regardless of consequences**. The “**alternative-remedy**” approach accepts that immunity **may violate the right to a court** if claimants lack a **reasonable alternative remedy**.

### Significance of immunity of international organisation

1. **Operational independence:** Immunity lets organisations act without fear of local interference. It protects day-to-day decisions, budgeting, and staff actions, **helping programmes stay on schedule and deliver as intended**.
2. **Member-state parity:** By limiting the seat state’s leverage through courts, immunity prevents one member from dominating others. All states receive equal treatment in collective decisions.
3. **Stable host relations:** Clear immunity rules reduce litigation risks and regulatory surprises. This stability helps conclude headquarters agreements, hire staff, and manage vendors.
4. **Field access in tough settings:** Operations in conflict or disaster zones need quick moves, logistics and candid assessments. Immunity lowers the risk of local reprisals that could halt aid.
5. **Safeguarding institutional voice:** Technical bodies must speak frankly on health, climate, or security. Immunity protects reports and investigations from retaliation suits, preserving credibility.
6. **Link to accountability:** Immunity is not impunity. It gains legitimacy when paired with independent internal justice and effective alternatives for private disputes.

### Major concerns about the immunity of IOs (IOs)

1. **Inadequate alternative remedies:** Many IOs use internal tribunals for staff disputes. These can lack independence, transparency, and enforcement. As a result, they may not meet fair-trial standards.
2. **Erosion of human rights:** The right to a fair trial and access to a court is fundamental. Absolute immunity can conflict with these rights, especially when no effective remedy exists. As a result, justice may be denied.
3. **Accountability gap:** Immunity can hide arbitrary or discriminatory acts. Courts cannot review these decisions. As a result, accountability weakens.

4. **Employment disputes:** Staff cases are common. When courts step back, complaints stay internal. As a result, oversight weakens and resolution takes longer.

5. **Arbitration limits:** Citing arbitration is not enough. It works only with fixed rules, independent panels, and limited court oversight. As a result, rights remain unprotected if these features are missing.

6. **Judicial inconsistency and responsibility shifts:** Courts apply different tests across countries. Some redirect claims to contractors or member states. As a result, responsibility fragments and direct review of the IO is avoided.

### Way forward

1. **Respect with conditions:** Respect IO immunity **only** when staff have **effective, fair, and accessible** remedies. Internal justice must be **independent, impartial, and timely** for the specific dispute.

2. **Fit-for-purpose remedies:** IOs should **codify procedures**, define jurisdiction and timelines, and **appoint independent adjudicators**. Where arbitration is used, **affiliate with a recognised institution** and adopt its rules so processes are reliable and predictable.

3. **Natural justice test:** Courts should assess both **availability and adequacy** of alternatives against **natural justice**: independence, fair hearing, reasoned decisions, and **enforceability**. If any element is missing, **hear the case**.

4. **Limited judicial supervision:** For employment arbitration, IOs should **waive immunity to the extent needed** for **narrow supervisory review** and **enforcement of awards**. This preserves autonomy while securing due process.

5. **Access and transparency:** Provide **clear guidance**, multilingual support, and **basic legal aid panels**. Publish annual metrics on case volumes, timelines, outcomes, and **compliance rates** to demonstrate that remedies work.

6. **Host-state alignment:** Host states should **embed these standards** in headquarters agreements and conduct periodic compliance reviews. A simple gatekeeper question guides courts: **Is there a real, fair, and enforceable alternative?** If not, **jurisdiction should not be declined**.

### Conclusion

Immunity protects operational autonomy, not impunity. It should stand only where independent, impartial, and timely remedies give staff a fair hearing and enforceable outcomes. If such alternatives are absent or inadequate, courts should hear the case.. This balanced path respects autonomy, prevents denial of justice, and keeps human beings at the centre.

### Question for practice:

Q. Discuss whether the immunity of international organisations should depend on the availability of effective alternative remedies for individuals.

Source: [The Hindu](#)

## UN as a symbol of possibility

**Source:** The post “UN as a symbol of possibility” has been created, based on “The UN matters, as a symbol of possibility” published in “The Hindu” on 24th October 2025.

### UPSC Syllabus: GS Paper -2- International relations

**Introduction:** Eighty years after its establishment in the aftermath of World War II, the **United Nations (UN)** continues to be the cornerstone of global governance. Conceived to prevent another global conflict, uphold human dignity, and promote the rule of law, the UN remains a unique platform for international cooperation. Though it often struggles with bureaucracy and political limitations, it endures as the **most indispensable institution** for peace and collective progress.

### Evolution and Achievements of the UN

1. Since 1945, the UN has evolved from a wartime peacekeeping structure into a broad-based global institution addressing humanitarian, social, and developmental challenges.
2. Agencies like **UNHCR**, **WFP**, and **UNICEF** provide life-saving aid in conflict zones and disaster-hit regions.
3. UN **peacekeeping missions** have helped maintain fragile peace in areas such as East Timor, Namibia, and Rwanda.
4. Its **normative role**, through conventions and declarations, has strengthened global consensus on human rights, gender equality, and sustainable development.
5. Despite shortcomings, the UN continues to act as a **moral compass**, offering legitimacy and dialogue where power politics often fail.

### A Shifting Global Landscape

The contemporary world order differs vastly from the one that existed at the UN's founding.

1. The **post-war consensus** has eroded, and **multilateralism** faces increasing scepticism.
2. **Nationalism and protectionism** are on the rise, often used as a counter to international cooperation.
3. The **bipolar world** of the Cold War has given way to a **multipolar system** with new powers—such as India, Germany, Japan, Brazil, and South Africa—demanding greater representation.
4. Global challenges like **climate change**, **cyber warfare**, and **pandemics** transcend borders and defy traditional diplomacy.
5. This shifting landscape has made the UN both more necessary and more constrained.

### Structural and Functional Limitations

The UN's performance is hindered by deep-seated institutional issues:

1. **Outdated Security Council composition:** The permanent membership reflects 1945 power realities, not current geopolitical dynamics.
2. **Veto power misuse:** It often paralyses collective action in crises such as Ukraine or Gaza.
3. **Bureaucratic inertia:** Decision-making is slow and unresponsive to urgent humanitarian needs.
4. **Politicisation of aid and funding:** Resource allocation is sometimes influenced by political interests rather than human need.

5. **Lack of agility:** The organisation struggles to adapt to fast-evolving digital and security challenges.
6. Thus, while the UN remains relevant, its credibility and efficiency are under strain.

### The UN's Normative and Moral Relevance

Beyond political power, the UN's enduring strength lies in its **normative influence**.

1. It shapes global discourse through **declarations, resolutions, and treaties**, advancing universal values of justice, equality, and peace.
2. The **Sustainable Development Goals (SDGs)** exemplify the UN's capacity to inspire collective human progress.
3. Even when enforcement is weak, its **moral authority** remains a critical reference point for international conduct.
4. In essence, the UN mirrors humanity's aspirations, holding the world accountable to its highest ideals.

### Strategic Autonomy and Relevance in a Divided World

1. In an era marked by **great-power rivalry** and **technological competition**, many nations pursue **strategic autonomy**.
2. Yet, the UN continues to provide the **only universal platform** where nations, big or small can negotiate, deliberate, and seek compromise.
3. Its relevance endures because it symbolises the **possibility of dialogue over domination**, even when consensus is hard to achieve.

### Way Forward

To remain effective and legitimate, the UN must adapt to 21st-century realities:

1. **Reform the Security Council:** Expand its membership to include emerging powers and ensure geographical equity and reform the veto system to enhance accountability and democratic legitimacy.
2. **Improve Agility and Efficiency:** Streamline bureaucratic procedures, empower field operations, and embrace digital tools for faster crisis response.
3. **Reclaim Credibility and Moral Voice:** Uphold universal values and combat misinformation, nationalism, and polarisation through transparency and fairness.
4. **Strengthen Independence:** Broaden financial support and reduce political manipulation of humanitarian actions to ensure impartiality.

### Conclusion

At eighty, the UN is both a **work in progress** and a **symbol of human aspiration**. Its achievements in peacekeeping, humanitarian aid, and norm-setting cannot be dismissed, even as its limitations are glaring. The institution's future depends on its willingness to **reform, adapt, and reclaim moral leadership**.

### Climate change as global challenge

**Source:** The post "Climate change as global challenge" has been created, based on "Should India take global leadership on climate change?" published in "The Hindu" on 24th October 2025.

## UPSC Syllabus: GS Paper -2- Effect of Policies and Politics of Developed and Developing Countries on India's interests

**Introduction:** Climate change has emerged as the defining global challenge of the 21st century. As the world approaches another round of climate negotiations at COP30 in Brazil, many traditional leaders of climate action — particularly developed nations — are showing reluctance to take on new responsibilities. In this context, the question arises: **should India assume a larger leadership role in driving global climate action?**

### Global Context and Leadership Vacuum

1. The **United States** withdrew from the **Paris Agreement**, and **European nations** are increasingly inward-looking due to domestic and geopolitical challenges.
2. **Brazil**, the upcoming host of COP30, appears focused on national implementation rather than global leadership.
3. This has created a **vacuum in climate leadership**, where emerging economies are expected to step up.
4. India, as a rapidly growing economy with a strong record in renewable energy and climate diplomacy, stands out as a natural candidate to fill this space.

### India's Climate Achievements and Commitments

1. India has already demonstrated significant progress:
  - a. Achieved **over 50% of electricity capacity from non-fossil fuel sources**, ahead of schedule.
  - b. Adopted ambitious **Nationally Determined Contributions (NDCs)** targeting 45% reduction in emission intensity by 2030.
  - c. Launched global initiatives like the **International Solar Alliance (ISA)** and the **Coalition for Disaster Resilient Infrastructure (CDRI)**, showcasing multilateral innovation.
2. India is now preparing to update its **National Adaptation Plan (NAP)**, integrating resilience measures for agriculture, water, and infrastructure.
3. These actions reflect not only commitment but also **credibility**, positioning India as a responsible stakeholder in global climate governance.

### Opportunities for India's Global Leadership

1. **Bridging the Global North-South Divide:**
  - a. India can act as a mediator between developed and developing countries, emphasizing *equity* and *common but differentiated responsibilities (CBDR)*.
  - b. Its leadership can help steer climate negotiations towards practical cooperation rather than ideological division.
2. **Showcasing Scalable Solutions:**
  - a. India's emphasis on **low-cost renewable energy, solar electrification, and community-driven adaptation** models can inspire other developing nations.
  - b. Policies like solar rooftop programmes, EV promotion, and biofuel blending demonstrate scalable climate strategies.
3. **Green Finance and Technology:**
  - a. India can mobilize **innovative climate financing**, such as blended public-private models, to fund adaptation and mitigation projects.



- b. It can also advocate for **technology transfer** mechanisms to make clean technologies accessible globally.

### Challenges in Assuming Leadership

1. **Domestic development priorities:** Poverty alleviation, industrial growth, and energy security limit India's fiscal space for large-scale climate financing.
2. **High adaptation costs:** India estimates a financing need of over **\$1.3 trillion** to meet its NDCs by 2030.
3. **Global inequities:** Developed nations' reluctance to meet their own financial commitments or share technology undermines trust.
4. **Energy transition complexity:** India still relies heavily on coal for energy and employment, making rapid decarbonisation socially and economically challenging.

### Way Forward

India's leadership should focus on **practical, inclusive, and cooperative approaches** rather than mere symbolism:

1. **Lead by example:** Continue to expand renewable energy, promote sustainable agriculture, and reduce carbon intensity without compromising growth.
2. **Drive South-South cooperation:** Build alliances with other developing nations to share best practices and pool climate resources.
3. **Champion adaptation:** Advocate for global focus on adaptation measures — water resilience, flood protection, and agriculture — which are vital for vulnerable nations.
4. **Promote just transition:** Ensure that the shift from fossil fuels to renewables is fair and inclusive, safeguarding livelihoods.
5. **Engage constructively in global forums:** Use COP30 and other multilateral platforms to promote equitable climate governance.

### Conclusion

India's role in global climate action is not merely a question of responsibility, but of **opportunity and necessity**. As developed nations hesitate and climate threats intensify, India is well-placed to provide **moral, technological, and diplomatic leadership**. By pursuing a strategy rooted in equity, innovation, and cooperation, India can redefine global climate leadership — not through dominance, but through example. Its leadership would signal that climate action and development are not opposing goals, but **mutually reinforcing pathways** to a sustainable future.

## The Mirage of Port-led Development in Great Nicobar

UPSC Syllabus Topic: GS Paper 3 – Ecology and Environment And Infrastructure

### Introduction

Supporters claim a mega port at Galathea Bay will make India a regional hub for security and trade. Critics warn of risks to indigenous communities and fragile ecology. A closer look shows **advantages are overstated and structural flaws are ignored**. The question is whether the promises of economic and strategic transformation match on-ground realities.

## About Great Nicobar Island Development Project

**The Great Nicobar Island Development Project** involves a comprehensive Rs 72,000-crore infrastructure upgrade on Great Nicobar Island. It is being implemented by the Andaman and Nicobar Islands Integrated Development Corporation (ANIIDCO).

The Great Nicobar Island Development project includes development of following:

- An International Container Transshipment Terminal (ICTT)
- A greenfield international airport
- Two greenfield cities
- A coastal mass rapid transport system
- A free trade zone
- International cruise terminal (New addition)
- A ship breaking yard (New addition)

### Concern related to the port-led development in Great Nicobar

- 1. Weak demand logic:** Building capacity will not by itself attract traffic. Hubs grow from **networks, feeder links, cargo base, and carrier loyalty**.
- 2. Missing logistics ecosystem:** Great Nicobar has **no hinterland or industry**, and sits ~1,200 km from the mainland. Everything—fuel, staff, and provisions—must be shipped, which raises costs and disrupts routes.
- 3. Overambitious volume targets:** Colombo ports handles **under eight million TEU** with established networks. Great Nicobar **aims to double that** without committed lines. **This lacks credibility**.
- 4. Strategic rationale misaligned:** INS Baaz already enables surveillance in the Indian Ocean. A commercial port is unnecessary for those security functions. If stronger defence posture is needed, state it openly and pursue it directly—not justify it as commercial development.
- 5. Not a linchpin for a “maritime arc”:** Vizhinjam and Vadhavan are mainland ports with **their own routes and markets**. Great Nicobar is **too distant and has no local cargo** to connect or anchor them. So it **cannot act as the central link** of any single, seamless network.
- 6. Ecological risk:** The Andaman & Nicobar Islands are a major global biodiversity hotspot and a carbon reservoir; the mega-plan will affect **13,000 hectares of pristine forests**, threatening island ecology.
- 7. Forest rights & due process:** Serious doubt whether the **Tribal Council of Little and Great Nicobar** was allowed to certify settlement of rights under the Forest Rights Act **before** forest diversion; a report alleges **false representation** that rights were settled.
- 8. Pattern of “planned disasters”:** The project echoes a wider pattern where **big multipurpose projects** proceed despite environmental law **failing to protect ecology**.

**9. Undermining international obligations:** The Galathea Bay Wildlife Sanctuary located in the Great Nicobar Island forms part of a UNESCO World Heritage Site. Hence the preservation of this pristine biodiversity is an International Obligation of India.

**10. Seismic Vulnerability:** The proposed port which is an integral part of this project, is located in a seismically volatile zone, which experienced permanent subsidence of around 15 feet during the 2004 tsunami. This raises concerns about the safety and viability of constructing such a large-scale infrastructure project in a high-risk, disaster-prone area.

### Way forward

**1. Build networks first:** Prioritise **carrier ties, feeder services, pricing, and turnaround** before adding capacity. Publish **credible traffic paths**, realistic timelines, and **clear subsidy limits** so lines see **reliable savings** and lower risk.

**2. Choose viable sites with full safeguards:** Complete **ecology assessments, community consent** (including FRA compliance), and **lifecycle-cost** reviews. Prefer locations with **lane proximity, logistics bases, and organic cargo**; avoid sites needing **permanent subsidies**.

**3. Respect tribal rights:** Follow **Shompen Policy (2015)** and ensure **rights take priority** over large projects.

**4. Separate security from commerce:** If security upgrades are required, **pursue them transparently** and **independently** of commercial port claims.

**5. Learn from past failures:** Use lessons from **Tehri, Koel Karo, Sardar Sarovar** to insist on **community-centred decisions** and island-appropriate safeguards.

**6. Eco-friendly construction:** The construction of infrastructure should be done using eco-friendly practices like strict adherence to GRIHA code for building construction.

**7. Transparency in data and process:** The government should release the data on the rationale, the process of creation, consulted groups etc. in public domain. This will give a holistic view to critics and supporters.

**8. International cooperation:** India should enhance Cooperation with countries like Japan, South Korea etc. This will help in developing successful island development models.

### Conclusion

Great Nicobar's plan **overpromises and underprepares**. Without networks, cargo base, cost advantages, and clear consent and safeguards, capacity will idle. **Separate security from commerce**, choose **viable, low-risk sites**, and insist on **transparent economics and ecology reviews**. Otherwise, the project risks becoming a **costly lesson**, not a regional catalyst.

### Question for practice:

Examine the main concerns about the port-led development in Great Nicobar.

Source: [The Hindu](#)

## Making India a Scientific, Technological Powerhouse

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

### Introduction

India plans to attract “Indian-origin star faculty” in STEM for longer stints in premier institutes. The move uses the US policy squeeze on research as a push and offers posts and substantial set-up grants as a pull. It promises experience, competence, and pride returning home. The promise is strong, but execution risks are real: slow procurement, complex hiring, cultural adjustment, urban living costs and air quality, and morale issues. Durable gains need higher R&D spending, ease-of-doing-research, stronger universities, and assured long-term funding.

Initiatives for Harnessing NRI Talent to Make India a Scientific and Technological Powerhouse

1. Vaishvik Bharatiya Vaigyanik (VAIBHAV) Fellowship: Connects the Indian STEM (Science, Technology, Engineering, Mathematics, and Medicine) diaspora with Indian academic and R&D institutions for collaborative research.
2. Visiting Advanced Joint Research (VAJRA) Faculty Scheme: Provides adjunct or visiting faculty assignments to overseas scientists, including NRIs, to conduct collaborative research in Indian public-funded institutions.
3. Ramanujan Fellowship: Attracts high-caliber Indian researchers under 40 who are working abroad to return and work in Indian institutions.
4. Ramalingaswami Re-entry Fellowship: The Department of Biotechnology offers this fellowship to Indian nationals in life sciences and biotechnology working overseas who wish to return to India to conduct research.
5. Global Initiative for Academic Network (GIAN): Taps into the global talent pool of scientists and entrepreneurs to augment academic resources in India's higher education institutions.
6. Scientists/Technologists of Indian Origin (STIO) Scheme: The Council of Scientific and Industrial Research (CSIR) has positions for eminent scientists of Indian origin to work at CSIR labs on a contractual basis.
7. PRABHASS (Pravasi Bharatiya Academic and Scientific Sampark): An online portal launched to connect the Indian diaspora with academic and research institutions for collaboration.

Challenges in Harnessing NRI Talent to Make India a Scientific and Technological Powerhouse

1. Administrative hurdles: Funds may be approved, but buying equipment still gets stuck in tenders, finance queries, and slow releases. Researchers often chase files instead of doing research. Hiring qualified staff passes through multiple approvals. These frictions waste time and blunt motivation.
2. Adapting to work norms: Returnees often enter institutes with long-set ways of working. Committees, hierarchies, and slower decisions can feel unfamiliar. Adjusting to these norms takes time and can dampen early momentum.
3. Pay and status gaps: Even after PPP adjustments, salaries and research allowances are lower than what many expected. This gap can surprise returnees and affect satisfaction.
4. Living conditions and public services: Daily life can overwhelm newcomers. Public services are weak. Suitable housing and children's schooling are hard to arrange. Most institutes are in metros with unhealthy air quality, which worries families and can be a major deterrent.
5. Impact on existing teams: Special incentives for returnees risk breeding resentment among long-serving faculty and staff. Officially sanctioned privileges can demoralise existing teams and hurt long-term cohesion.

Way forward

1. Boost R&D spending: Dramatically increase public and private investment to raise India's Gross Expenditure on R&D (GERD) above its current 0.7% of GDP to align with the global average of 1.8%.
2. Streamline research bureaucracy: Simplify and accelerate the procurement of equipment, hiring procedures, and dispersal of funding through a "single-window" system to improve the ease of doing research.

3. Target specific talent. Launch focused schemes to address specific needs. The recent "India Reimagined Fellowship" offers grants to global talent in biomedical and public health research, while the "Ramalingaswami Re-entry Fellowship" is for scientists in life sciences.

4. Streamline entry processes. Introduce a "Global Science Residency Card" to offer extended residency and settlement options. Create a "Bharat Return" initiative with fast-track visas and tax incentives to facilitate smooth transitions.

5. Initiate mega-projects. Fund large-scale, mission-mode projects in sunrise sectors like AI, semiconductors, and quantum technologies. These "Aspirational Mega-Projects" can act as magnetic focal points to attract top talent by offering compelling, globally competitive research opportunities.

6. Learn from China: China's Thousand Talents Plan worked because of large start-up grants, housing, easier visas, fast procurement, strong universities, and steady R&D funding. India should adopt these enablers with transparent, performance-based rules and shared facilities to prevent privilege and protect returning researchers' morale.

#### Conclusion

NRI talent can accelerate capability only if daily frictions are removed and support systems are robust. Prioritise higher R&D, friction-free procurement and hiring, broad-based universities, and stable funding. Learn pragmatically from China's incentives without creating tiers. With these foundations, returning becomes the natural, high-impact choice.

#### Question for practice:

Examine the challenges India faces in harnessing NRI scientific talent and the key measures needed to overcome them.

**Source:** [Indian Express](#)