

PSIR & GS-2 Daily Brief

About this initiative : Briefs, scans the best academic platforms, national newspapers & leading think tanks to pick the most relevant articles & research. It converts them into crisp, high-impact points you can directly use in your mains answers.

PSIR
Optional by
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| ForumIAS |



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Article - 1 : Trade, supply chains and economic statecraft

Trade, supply chains and economic statecraft

The past decade has collapsed the old boundary between economics and geopolitics, creating a world in which supply chains, trade routes, energy corridors and technology ecosystems have become the real battlegrounds of power. What once belonged to corporate strategy decks is now the daily fare of national security briefings. Tariffs behave like sanctions, semiconductor alliances resemble defence pacts, and the flow of critical minerals can tilt influence as decisively as troop deployments once did. In this new order, states compete not only with armies or ideologies but with regulatory regimes, infrastructure networks and the capacity to anchor global production. The fusion of markets and statecraft is no longer a trend; it is the organising principle of 21st century geopolitics.

Trade as strategic leverage
This shift has also exposed the fragility of the older globalisation consensus – the belief that trade naturally fosters cooperation and shared prosperity. Increasingly, economic ties are being repurposed as instruments of strategic leverage. Tariffs, export controls, supply-chain restrictions and energy dependencies have become tools through which states attempt to shape the behaviour of others. The scramble over critical minerals, the weaponisation of interdependence (with China's curbs on the export of rare earths allowing it to flex its muscles against the United States and India), and the resurgence of tariff politics (used by U.S. President Donald Trump to punitive effect) all underscore how easily commerce can be turned into coercion. In such an environment, economic diplomacy is inseparable from national security, and countries must navigate a world where prosperity and power are intertwined.

For India, this shift has encouraged a more pragmatic approach to foreign policy, one that places greater emphasis on economic resilience and diversification. This fusion of economics and geopolitics has created a rare moment in which India's structural strengths align with the world's strategic needs. As companies and governments rethink their exposure to concentrated supply chains, India's scale, stability and reform trajectory have moved it from the periphery of globalisation to the centre of boardroom strategies and diplomatic calculations. A country once viewed in the West as a promising but difficult market is now seen as an indispensable node in a diversified global economy – large enough to matter, stable enough to trust, and open enough to absorb investment at scale.

Three shifts underpin this new positioning. First, India's domestic reforms – digitisation, infrastructure expansion, and targeted deregulation – have lowered transaction costs and improved predictability, making it easier for global firms to build long-term capacity.



Shashi Tharoor
Fourth-term Member of Parliament (Congress party, Lok Sabha) for Thiruvananthapuram, the Chairman of the Parliamentary Standing Committee on External Affairs and the Sahitya Akademi Award-winning author of 23 books, including 'Pax Indica' (2012) and 'The New World Disorder' (2020)

The new global order offers India unprecedented strategic and economic opportunities, making a case for balanced 'policy promiscuity'

Second, the geopolitical recalibration around China has created a structural demand for alternative production ecosystems, and India is one of the few economies with the labour force, political stability and market depth to meet that demand.

Third, India's own strategic imagination has expanded: it now sees trade agreements, technology partnerships and supply-chain diplomacy not as peripheral to national strategy but as central instruments of statecraft.

The new order and India
In this environment, India's relationships with major powers are increasingly shaped by economic security rather than traditional geopolitics alone. Semiconductor collaborations, critical-mineral partnerships, defence-industrial co-production and digital-public-infrastructure exports are all examples of how India is weaving economic resilience into its foreign policy. These are not merely commercial arrangements; they are strategic bets on a world where influence flows through production networks as much as through military alliances. It is a world where Pax Silica complements Pax Americana, but unlike the latter, does not require a military partnership.

At the same time, India must navigate the risks of this new order. Interdependence can empower, but it can also expose. Over-reliance on any single partner – whether for technology, minerals, or markets – creates vulnerabilities that can be exploited. The challenge is to build a diversified portfolio of economic relationships that enhances India's autonomy rather than constraining it. Promiscuity is not a virtue in inter-personal relationships, but in the trade world of the third decade of the 21st century, it may be the only viable "default mode" for India's conduct. Of course, like the other kind, trade promiscuity also requires precautions. Even as it pursues multiple partners, India must strike a careful balance: deepening integration without surrendering strategic space, attracting investment without becoming dependent on it, and embracing globalisation without repeating the mistakes of earlier eras. This global shift also places new demands on India's internal economic strategy. To anchor global supply chains, India must continue improving logistics, regulatory clarity and workforce skills. To lead in emerging technologies, it must invest in research, intellectual property and trusted digital infrastructure. To secure critical minerals, it must build resilient partnerships abroad and sustainable extraction policies at home. And to maintain credibility as a democratic alternative in a world of authoritarian efficiency, it must ensure that economic growth is matched by institutional strength and social cohesion.

The stakes are high because the opportunity is historic. For the first time since liberalisation, the global economy is not merely inviting India to

participate – it is actively seeking India's presence. The question is whether India can convert this moment of geopolitical demand into long-term economic capability.

As the global trading system fragments into overlapping coalitions and custom-tailored economic arrangements, India's task is not to retreat behind new walls but to remain confidently open on its own terms. The goal is neither complete individualism nor naive globalism, but a calibrated integration that avoids excessive dependence on any single partner. Serial dating works best when each partner is aware of your other relationships, knows multiple options exist but is not threatened by any of them. This is why energy security, technology partnerships and resilient supply chains have become central to India's external engagement: they are the arenas in which the next phase of global competition will be decided.

Economic diplomacy is no longer an adjunct to foreign policy; it is one of its organising principles. Countries that can align their economic strategy with their diplomatic posture will shape the emerging order rather than be shaped by it. This moment also coincides with a profound transition in the architecture of global trade. The multilateralism that defined the late 20th century – rooted in universal rules and broad consensus – has lost momentum under the weight of geopolitical rivalry and domestic political pressures. In its place, nations are turning to flexible bilateral and regional arrangements that allow them to tailor partnerships to strategic priorities. For India, this shift is not a setback but an opening. It creates space for a more agile, interest-driven diplomacy that can leverage India's scale, stability, and reform trajectory to build coalitions across geographies and sectors.

India at global crossroads
The convergence of these trends places India at a pivotal juncture. The world is searching for diversified production bases, trusted digital ecosystems and stable democratic partners. India can meet that demand – but only if it continues to invest in competitiveness at home and credibility abroad. The choices made now will determine whether India becomes a central anchor of the new global economy or remains merely one of its many participants. The opportunity is historic, but it is not automatic. It requires clarity of purpose, institutional steadiness and the confidence to engage the world without fear or favour.

In a world where prosperity and power now move through supply chains rather than shipping lanes, India's future will be shaped not by choosing between globalisation and self-reliance, but by mastering the art of engaging the world on terms that protect its autonomy while amplifying its ambition.

Context Trade, supply chains, technology & critical minerals have become tools of power politics and India must use economic diplomacy to protect autonomy and expand its global role.

Facts

Late 20th century multilateralism is losing momentum; flexible bilateral & regional arrangements are growing.

India's instruments of statecraft – trade agreements, technology partnerships and supply-chain diplomacy.

China's curbs on rare earth exports – example of the "weaponisation of interdependence."

Analytical Crux

There are shifts in debate from old globalisation to strategic globalisation. Trade is no longer about growth; it is about leverage, autonomy & security. India's opportunity lies in becoming a trusted node in a fragmented world economy, but it will work if domestic competitiveness improves. The safest path is not isolation and blind openness, but calibrated integration with many partners.

Verbatim Quotes

"Tariffs behave like sanctions, semiconductor alliances resemble defence pacts and the flow of critical minerals can tilt influence as decisively as troop deployments once did."
- Shashi Tharoor

"India's future will be shaped not by choosing between globalisation & self-reliance, but by mastering the art of engaging the world on terms that protect its autonomy while amplifying its ambition."
- Shashi Tharoor

Article - 2 : India-Bhutan connectivity & economic transformation



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Corridors of Growth: India-Bhutan Rail Connectivity and Economic Transformation

May 15, 2026 | Issue Brief



Sneha M

Research Analyst

Ms. Sneha M. is a Research Analyst at the

Context India-Bhutan rail connectivity can reduce Bhutan's landlocked constraints, support India's Northeast and deepen regional integration in South Asia.

Facts

- India's share in Bhutan's trade rose from 79.17% in 2023 to 79.88% in 2024.
- The rail project strengthens BBIN connectivity and Bhutan's access to Chittagong and Mongla ports in Bangladesh.

Analytical Crux

Connectivity is not just infrastructure ; it is foreign policy in physical form. For Bhutan, rail links reduce the handicap of being landlocked and open doors for industrial diversification. For India, the project strengthens the Northeast, supports the neighbourhood first policy and adds strategic depth to the Siliguri Corridor. The project's success will not depend on money or engineering, but on environmental care, land management & institutional coordination.

Verbatim Quotes

“The contemporary partnership between India & Bhutan is defined by deep economic interdependence, institutional coordination, environmental sensitivity and sustained economic.”

“The project acts an effective fiscal multiplier, accelerating the developmental transformation of India's Northeast & signifies a pivotal shift in South Asian connectivity.”

- Sneha M.

Article - 3 : India-Pakistan wars and crisis - Realism in Washington's policy

India-Pakistan Wars and Crisis: Realism in Washington's Policy

AUTHOR : KARTIK BOMMAKANTI

Published on May 15, 2026



US policy in the India-Pakistan crises has always been interest-driven. India will continue to retaliate without expecting automatic US support.

Author



Context US policy during India-Pakistan crises has been guided by American national interest, so India should not expect US support while responding to Pakistan-backed aggression.

Facts

■ During 1971 and 2001-02 war, Indian & American interests directly clashed.

■ India's retaliation pattern grown sharper from Balakot 2019 to post-Pahalgam 2025.

Analytical Crux

The realist US policy : Washington supports, restrains or ignores India according to its own interest. Pakistan thinks its usefulness to the US gives it protection, but history shows this shield is neither permanent nor complete. India's response to Pakistan has depended on military readiness, political will, domestic pressure and external pressure. The lesson is that India must not outsource deterrence to US support.

Verbatim Quotes

“ For the US, South Asia has been a tertiary or secondary theatre to its larger geopolitical goals. Washington will pursue its national interests as it deems fit.”

- Kartik Bommakanti

- **2025 GS III:** “What are the challenges before the Indian economy when the world is moving away from free trade and multilateralism to protectionism and bilateralism? How can these challenges be met?”
- **2025 PSIR Paper II:** “Trump’s unilateral imposition of reciprocal tariffs on scores of countries poses impending threat to the future of the rule-based multilateral global trading system under the WTO.”
- **2025 PSIR Paper II:** “Would you agree with the contention that India’s inclination to lean on a ‘more aggressive hyper-realist posture’ has gained a new momentum in the aftermath of the Pahalgam terrorist strike?”
- **2024 PSIR Paper II:** “Bhutan has historically been an ally of India, but the China-Bhutan border related issues have become a security issue for India. Discuss.”
- **2023 PSIR Paper II:** “What do you mean by offensive and defensive realism?”
- **2023 PSIR Paper II:** “What are the reasons for lack of ‘regionness’ in South Asia?”

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