DATE 29 August 2026

BRIEF ISSUE 135

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
Amit Pratap Singh
| ForumIAS |

SOURCES SCANNED TODAY

Centre for Policy Research · World Focus · Carnegie Endowment for International Peace · Foreign Affairs · The Hindu · The Diplomat · BBC · Vivekananda International Foundation · idsa Institute for Defence Studies & Analyses · The Economist · Project Syndicate · Frontline · ORF Observer Research Foundation · DW · mint · PRS Legislative Research · The Indian Express · EPW Economic & Political Weekly · Indian Council of World Affairs

ARTICLE 01

Tricky balance in BRICS : Telegraph India

ARTICLE 02

A shared disaster, beyond borders & geopolitics: The Hindu

ARTICLE 03

Economy weathered West Asia shock : Indian Express

Tricky balance in BRICS

Tricky balance

The principal challenge is that BRICS is not a strategically coherent bloc. The durability of India's BRICS diplomacy will depend on its ability to compartmentalise competing interests

Context India hosts 18th BRICS Summit and New Delhi's task is to keep the grouping focused on economic cooperation without letting it into an anti-western bloc.

Facts

- India's fourth BRICS presidency theme : "Building for Resilience, Innovation, Cooperation & Sustainability."

- India's three working pillars : shock-resistant supply chains ; innovation and digital integration led by Digital Public Infrastructure and Cooperation i.e. reformed multilateralism.

Analytical Crux

India's BRICS problem is not about what BRICS should demand, but about what it can agree on. Every member wants the global order rewritten but they want it rewritten in different directions. So India's presidency is built on the low-politics floor i.e supply chains, payments, the NDB where consensus is still reachable, and away from the high-politics ceiling where it collapses. The argument is that India is a reformist inside the order, not a challenger to it, which is what separates New Delhi from Moscow and Tehran inside the same room.

Verbatim Quotes

"The trick for India will be to maintain its reformist orientation amid the divergent political preferences of an increasingly heterogeneous membership."

A shared disaster, beyond borders & geopolitics

A shared disaster, beyond borders and geopolitics

Bhaskar Koirala

Nepali scholar based in New Delhi and the founder of the Nepal Institute of International and Strategic Studies, which launched the first Nepal-India-China Trilateral Track II Dialogue in 2014

On Wednesday, August 26, 2026, at approximately 8.44 a.m. Nepal time, what initially appeared to be a 4.4-magnitude earthquake struck near the Nepal-China border. It triggered the collapse of an enormous glacial slab, which plunged a kilometre below to the valley floor, resulting in devastating flash floods. The United States Geological Survey later confirmed that the seismic activity was, in fact, the glacial collapse itself and the landslide (later registered as equivalent to an earthquake measuring 5.2) rather than by tectonic shifts. Preliminary estimates suggest that 579 people have perished in Nepal, with nearly 2,000 people missing, many of them believed to be foreigners.

Entire villages and towns that this writer has previously travelled through have been swept away. Vital infrastructure, such as bridges and hydropower stations, has been completely decimated. A staggering 475 megawatts of generating capacity has been wiped off Nepal's electricity grid. This may go down as the most devastating natural disaster Nepal has ever witnessed.

Nature's fury knows no borders

For Nepal and its two neighbours, India and China, which ordinarily see themselves caught up in geopolitical contestations in the country, the catastrophic force of Mother Nature is a reminder that the political dimensions of geography are relevant only insofar as nature does not intervene, unexpectedly and destructively. The natural world does not recognise political boundaries in the same way that the custodians of nation-states do. China and India both suffered substantial losses from Wednesday's floods. Human and property losses continue to mount in all three countries, including Nepal.

China's Gyirong Port, the largest land trade port in the Tibet Autonomous Region and the primary gateway between Nepal and China, was designated an international-standard land port. An upgrade in August 2017 led to its transformation, upgrading it from a bilateral crossing to a fully recognised international gateway.

Built at a cost of $175.8 million, the port and the services it provided are now effectively buried beneath heavy sediment and debris.

Access roads on the Chinese side leading to the Nepal border, as well as power supplies and local communication links, have been completely severed or severely damaged. There are reports of fatalities on the Chinese side – a number that is almost certain to rise. There are also reports of people missing in Tibet's Gyirong County, including foreign nationals.

The loss of human life for India is tragic, with the Ministry of External Affairs (MEA) confirming that Indian nationals are missing or untraced. Most of them were tourists-cum-pilgrims headed to the abode of Lord Shiva at Kailash Mansarovar. This is a route this writer has travelled on more than a few occasions. The pilgrims would have driven from Kathmandu through the lush, rocky and distinctly narrow river valley to reach Gyirong Port, before proceeding further upwards to the majestic Tibetan Plateau.

For Nepal, India and China, the devastating cross-border floods are a stark reminder of nature's fury, and that cooperation must transcend the boundaries of geopolitics

Flood fallout for India

For India, the downstream flood threats to its States have been severe, although the immediate threat from some of these events may have passed. Floodwaters reached the Gandak, Kosi and Ganga rivers in Bihar, prompting authorities in Patna to go on maximum alert and deploy large teams, particularly to the Valmikinagar Barrage and along vulnerable embankments, to monitor alarmingly high water levels. Riverside communities were evacuated to safer locations. Authorities in Uttar Pradesh also went on alert, with the State's Relief Commissioner tracking developments in real time, as overflowing rivers from Nepal naturally flow into Indian territory.

Border districts such as Maharajganj and Kushinagar stepped up emergency surveillance and deployed emergency personnel. India's National Disaster Response Force (NDRF) deployed teams across the Bihar-Uttar Pradesh border area. New Delhi also activated an extensive Humanitarian Assistance and Disaster Relief programme. The Indian Air Force dispatched more than 47.5 tonnes of emergency relief material to Nepal, including medical supplies, rations and tents.

A case for cooperation

All of this underscores how severely this calamitous event has affected all three countries – Nepal, India and China. The question that arises, therefore, is how to transcend some of the parochial features of geopolitics, while by no means ignoring the compulsions of realpolitik, and create a feasible framework for collaboration and coordination.

There is little doubt that Nepal, India and China will need to effectively address increasingly unpredictable cross-border natural phenomena such as the one we have just witnessed. There is equally little doubt that such events are likely to recur in the future.

The past few days have underscored the need to find ways to compartmentalise the harder political dynamics of the China-India-Nepal relationship and create space for cooperation when confronted with events that remind us of the fickleness of nature, the fragility of human life, and the physical interconnections that inextricably link the three countries.

Context A glacial collapse on the Nepal-China border has devastated all three neighbours at once, & exposes how little institutional cooperation India, Nepal & China have built.

Facts

- Gyirong Port : largest land trade port in the Tibet Autonomous Region and the Nepal-China gateway built at a cost of $175.8 million buried under sediment and debris.

- India activated Humanitarian Assistance and Disaster Relief (HADR) : IAF sent medical supplies, rations, tents.

Analytical Crux

The Himalayan border is drawn on maps, not on watersheds, and a glacier proved it in 90 seconds. India, Nepal and China spend their diplomatic energy competing over Kathmandu, and all three lost people, power & infrastructure. Geopolitics should be set aside and keeps realpolitik in the picture. There is no shared early-warning, no cross-border data sharing & no joint response protocol. India's response was fast and generous, but it was relief, not architecture. The trilateral cooperation is needed on the low-politics floor of hazard monitoring & disaster response.

Verbatim Quotes

"The natural world does not recognise political boundaries in the same way that the custodians of nation-states do."

"The fickleness of nature, fragility of human life, and the physical interconnections inextricably link the three countries."

— Bhaskar Koirala

Economy weathered West Asia shock

Economy weathered West Asia shock. Now, reform for sustained growth

Sajid Z Chinoy

THE MACRO news over the next week will elicit some cheer. The final tally on the subsidised FCNR flows, a stop-gap measure to buy time on the external front, is expected to be impressive. More importantly, India's GDP growth for last quarter could print as high as 8 per cent, bucking fears the economy was dented by the Middle East conflict. Strong high-frequency data — autos, credit, exports and corporate earnings — have been presaging this outcome for a while.

Three factors explain the pick-up and resilience through the conflict.

First, policymakers executed a joint fiscal-monetary-regulatory stimulus in 2025. Direct taxes were cut in February, GST was rationalised in September, policy rates were cut effectively by 150 basis points accompanied by some regulatory easing in the financial sector.

Second, non-oil exports have begun to accelerate, likely underpinned by the near 15 per cent depreciation of the real effective exchange rate since 2025, a reduction in US tariffs and resilient global growth.

Third, the policy response to the Middle East conflict was swift and nimble. India scurried to diversify energy imports — crude from Russia, LNG from the US and Oman — to prevent domestic shortages. Paradoxically, India imported 17 per cent more energy than normal last quarter. Further, the fisc absorbed the bulk of the oil price shock to insulate the private sector, though this will increase fiscal pressures.

The good news: Growth has been relatively unaffected by the conflict. The cautionary warning: There is no room for complacency because much of the recent pick-up is cyclical, induced by tax and interest-rate cuts and fuelled by strong credit. At some point these impulses will wane, and growth rates will be shaped by the structural underpinnings of the economy.

Perhaps the most important barometer of long-term growth is the investment rate. Here the news is more sobering. Fixed investment remains at its decadal average of 32 per cent of GDP and has not lifted in recent years. This is despite rising public investment and real estate capex, because corporate capex continues to languish around 10-11 per cent of GDP. Balance sheets of the top 1,000 listed companies reveal there was no discernible pick-up in corporate capex in 2025-26. The imperative for corporate capex to lift is only increasing because both real estate and public investment have begun to slow. Central capex underpinned the post-Covid recovery, growing 30 per cent between 2020 and 2023, but then slowed to 11 per cent in 2024 and just 1.6 per cent in 2025, as last year's tax cuts cannibalised fiscal space. With the fisc absorbing the bulk of the oil shock, central capex will be under pressure again this year. Meanwhile, cash transfers on demand pose a clear and present danger to state capex, which is now growing below nominal GDP.

What then will it take for corporate capex to broaden and deepen? Quite simply, more demand visibility. With capacity utilisation stuck in the 75-76 per cent range over the last decade, and ever-increasing Chinese overcapacity flooding the world, including India, it's understandable why corporates remain cautious. Only strong, sustained consumption and export demand will shake them out of their stupor. It was 16 per cent export growth between 2003 and 2012 that crowded in private capex. In contrast, post-pandemic private consumption and exports grew at just about 5 per cent, before last year's stimulus.

What's needed is for consumption and export growth rates to rise more structurally. The former is inextricably linked to the employment challenge. White-collar jobs created through GCCs and service exports have been key to urban consumption. But the AI writing is on the wall. Service export growth (in nominal dollars) has halved to 8 per cent over the last year from 16 per cent the previous four years. Total employment across the major IT firms has been flat. To be sure, PLFS data show India's employment rate is rising, but a significant fraction of the new jobs are "self-employed" vis-à-vis "salaried-jobs" even though, encouragingly, the mix has improved in 2025. Sectorally, the share of the population working in agriculture, though reducing, is still higher than pre-pandemic levels.

For now, consumption is being fuelled by credit. Armed with healthy balance sheets, NBFC lending to households is growing at 20 per cent and the momentum of banks' unsecured personal lending has risen to 25 per cent. This comes on the back of a sharp increase in household leverage in recent years. For this not to backfire in the coming years, accelerating household incomes are the key.

The challenge, however, is more fundamental: How can labour be made a more attractive factor of production vis-à-vis capital in a world of increased automation and AI? India's capital-labour ratio has been rising for more than two decades. Bending this curve should be our top policy priority. The challenges are new but the constraints are old: Ramping up education, skilling, health, rationalising labour laws, which push up the cost of labour, directing scarce fiscal resources to labour-intensive sectors.

What's needed is for consumption and export growth rates to rise more structurally. The former is inextricably linked to the employment challenge

Exports will need to complement private consumption. India's goods exports have declined from 17 per cent of GDP a decade ago to 11 per cent. Policymakers must be commended for not succumbing to export pessimism and signing a slew of FTAs, beginning to rationalise tariffs and QCOs and allowing the exchange rate to depreciate. But for India's exports to become more structurally competitive, factors of production will have to become much more enabling, tariffs and non-tariff barriers rationalised more decisively, and stifling overregulation slashed more holistically.

Boosting consumption and investment more structurally is the key to a sustained private capex cycle. In turn, private capex is the key to crowding in FDI and stabilising the balance of payments.

A strong cyclical pick-up and a raft of capital inflows is unambiguously good news. But these should be thought of as a means, not an end. They provide a bridge over troubled global waters. They buy India time to address the structural underpinnings of the economy. The good news: Corporate and financial sector balance sheets are clean, infrastructure is being ramped up and agriculture is in a sustained surplus. If we can boost demand structurally, the next growth cycle could be a long one.

But in a world where AI is sucking up capital, white-collar jobs are threatened, trade is getting more fragmented and weaponised, and the global order has broken down, the ask is only getting more daunting. The clock is ticking and there is no time to waste.

The writer is head of Asia Economics at J.P. Morgan

Context India's economy came through the Middle East conflict far better than feared but the pick-up is cyclical & borrowed, and the structural machinery has not moved.

Facts

- India imported 17% more energy than normal last quarter & fiscal absorbed the bulk of the oil price shock to insulate the private sector.

- Central capex growth collapsed from 30% (2020-23) to 1.6% (2025).

- Goods exports down from 17 to 11% of GDP; service export growth halved from 16 to 8 per cent.

Analytical Crux

India absorbed an oil shock without losing growth, and that is a real achievement but state paid for it. Strip out the tax cuts, the rate cuts and the credit surge and what remains is an investment rate that has not moved in a decade. Capacity utilisation frozen at three-quarters, and central capex growth that has fallen from 30% to under 2%. Firms will not build until they can see demand, and demand depends on household borrowing rather than household income, which is the fragile version of consumption. The old prescriptions of education, skilling, health, labour law, tariff and regulatory rationalisation are unglamorous, and they are still the answer.

Verbatim Quotes

"In a world where AI is sucking up capital, white-collar jobs are threatened, trade is getting more fragmented and weaponised, and the global order has broken down, the ask is only getting more daunting."

– Sajid Z. Chinoy

UPSC LINK

- **PSIR 2025, Paper II:** "Discuss the potential role India can play in initiating a possible phase of trilateral economic engagement among India, China and Nepal."

- **GS 2025, Paper 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?"

- **PSIR 2024, Paper II:** "Discuss the potential role that India could play as the leader of the Global South in realising the goal of establishing a new international economic order in the 21st century."

- **GS 2024, Paper III:** "Discuss the merits and demerits of the four 'Labour Codes' in the context of labour market reforms in India. What has been the progress so far in this regard?"

- **PSIR 2023, Paper II:** "Narrate the various ways in which rapid environmental degradation is posing a serious threat to human security. Illustrate your answer with suitable examples."

- **GS 2023, Paper III:** "Most of the unemployment in India is structural in nature. Examine the methodology adopted to compute unemployment in the country and suggest improvements."

ForumIAS | PSIR OPTIONAL

ADMISSIONS OPEN

FOUNDATION COURSE · FOR MAINS 2027

PSIR Optional Foundation 2027

Political Science & International Relations · UPSC Civil Services, Mains

Not just a foundation course — a complete journey, from your first class to the final stage.

CHOOSE YOUR PLAN

Crucible

THE CORE COURSE · YOUR MODE

- ✓ **100 core sessions** — full Paper I & II
- ✓ **PSIR Dynamics** — both phases, till Mains
- ✓ **Class notes, quote bank** & enrichment
- ✓ **One-to-one mentorship**, all year
- ✓ **Online · Offline · Hybrid** — your choice
- ✓ **PSIR Test Series** — available as add-on

FLAGSHIP

Magnus

THE COMPLETE JOURNEY · ONE FEE

Everything in Crucible, and—

- ✓ **+25 PSIR Praxis sessions** — GS, Essay & Ethics
- ✓ **Full PSIR Test Series** — included
- ✓ **OGP Advanced** for Mains 2027 — free
- ✓ **OIGP Interview Guidance** — free
- ✓ **Any mode** — one fee, switch anytime

STARTS 24 AUGUST • 2:00–4:30 PM • ONLINE | OFFLINE

ADMISSION & ENQUIRY

Call / WhatsApp 93117 40432

Faculty channel · t.me/psirbyamitpratap

Amit Pratap Singh

PSIR FACULTY ForumIAS

ForumIAS

PSIR OPTIONAL · COHORT 6

PSIR TEST SERIES 2027

400+ QUESTIONS · 4 LAYERS OF TESTS

O-AWFG

BALANCED

05 SEPTEMBER

35	DAILY ANSWER WRITING TESTS
2	OPTIONAL SIMULATORS

O-AWFG PRIME

MOST INTENSIVE

05 SEPTEMBER

35	DAILY ANSWER WRITING TESTS
8	REVISION TESTS
2	FULL-LENGTH TESTS
2	OPTIONAL SIMULATORS
◆	PSIR DYNAMICS CLASSES

ATS

EXAM REALISM

06 SEPTEMBER

4	SECTIONAL TESTS
6	FULL-LENGTH TESTS
2	OPTIONAL SIMULATORS

CONTENT BLUEPRINT ◆ MODEL ANSWERS ◆ EXPERT EVALUATION ◆ PERSONALISED MENTORSHIP

TO ENROL OR FOR GUIDANCE, CALL

93117 40432

AMIT PRATAP SINGH

PSIR FACULTY ◆ ForumIAS

ForumIAS

ONLINE & OFFLINE

PSIR OPTIONAL · UPSC CIVIL SERVICES MAINS

PSIR OGP 2027

OPTIONAL GUIDANCE PROGRAM

COHORT 2 STARTS **MONDAY, 14 SEPTEMBER 2026**

WHAT THE PROGRAMME CARRIES

35 — **AWSM CLASSES**
Every topic and its PYQs → answer framework

35 — **DAWT MINI TESTS**
Seven questions, next day, model answers

8 — **REVISION TESTS**
Cumulative — after every block of classes

2+2 — **FULL LENGTH TESTS & SIMULATORS**
Paper I & Paper II — exact UPSC pattern

✦ — **STUDY MODULES & WORKSHEETS**
Whole syllabus, with self-assessment

✦ — **ONE-TO-ONE MENTORSHIP**

FORUMIAS PSIR — ForumIAS PSIR toppers are among India's PSIR toppers — **Rakhi, Rank 65 (269 Marks)**

Plot No. 36, 3rd Floor (Above Kalyan Jewellers), Pusa Road, New Delhi 110005
academy.forumias.com · admissions@forumias.academy · **9311740400 | 9311740404**

Amit Pratap Singh
PSIR FACULTY · FORUMIAS