AXIA IAS ACADEMY

DAILY NEWS ANALYSIS

JUNE 23

CONSISTENT COMPREHENSIVE AND CREDIBLE

UNIQUE AND BEST IN QUALITY

Direct talks with Iran laid a 'good foundation' for final deal: Vance

Agence France-Presse
BURGENSTOCK

U.S. Vice-President J.D. Vance declared on Monday that a "very good foundation" had been laid for negotiations towards a final deal with Iran, after a marathon session of direct talks in Switzerland. Tehran has agreed for inspectors from the UN's nuclear watchdog to return to the country, Mr. Vance said, a year after Iran suspended some cooperation and blocked inspectors from key nuclear sites bombed by the U.S. and Israel in the 12-day war of 2025.

Iranian Foreign Ministry spokesperson Esmaeil Baqaei said on Monday "a very brief discussion took place regarding the nuclear issue, but there was no discussion of details" and that nuclear talks had not begun.

Mr. Vance, meanwhile, said Tehran had agreed to invite International Atomic Energy Agency (IAEA) inspectors "back to their country", calling it "a major milestone... and the first step in permanently denuclearising" Iran.

J.D. Vance

The U.S. Treasury Department later on Monday issued a general licence for Iran that authorised the production, delivery, and sale of crude oil and petrochemical and petroleum products of Iranian-origin through August 21. The transactions authorised include imports into the U.S.

Mediators Pakistan and Qatar said the negotiators in Switzerland have reached agreement on a "roadmap towards reaching a final deal within 60 days", with technical talks to continue for the rest of the week. "We laid a very good foundation for a successful final deal," Mr. Vance told presspersons at Switzerland's luxury Burgenstock resort, adding that "the final deal is the house... We have not built the house, but we have laid a successful foundation to get to a good place for the American people".

"Encouraging progress has been made including the creation of a mechanism for further technical talks," the mediators said, detailing a contact channel set up to "avoid incidents and miscommunication" in the Strait of Hormuz.

'Constructive progress'

Switzerland said conditions had been set for technical talks to immediately follow, with the two sides at the beginning of a 60-day period to secure a long-term settlement.

"The Swiss facilitator welcomes the constructive progress made during the intensive diplomatic talks," the Swiss Foreign Ministry said, adding that the road map agreed during the first round of talks "creates the conditions for the immediate resumption of new technical discussions".

Last week, Tehran and Washington signed a memorandum of understanding laying the groundwork for the negotiations. The negotiators aim at tackling some of the most intractable issues that have dogged U.S.-Iranian ties for decades, including Tehran's nuclear programme.

Tehran and Washington have set up communication lines to end the fighting in Lebanon and to keep the vital Strait of Hormuz open, mediators said. Iran is also set to get some form of sanctions relief from Washington, with some assets unfrozen.

A "de-confliction cell", between the parties and the Lebanese authorities has also been agreed to prevent fighting from erupting again, they said.

(With Reuters inputs)

SANCTION WAIVER
» PAGE 12

- **Key Terms and Explanations**
- **International Atomic Energy Agency (IAEA):** Established in 1957 as the world's "Atoms for Peace" organization within the United Nations family. The IAEA acts as the global nuclear watchdog, verifying that states do not divert nuclear materials from peaceful energy programs to military weapons.
- **Sanctions Waivers and General Licenses:** Legal mechanisms used by a state's executive branch (such as the U.S. Treasury Department) to temporarily permit specific economic transactions that would otherwise be prohibited under active sanctions regimes.
- **Maritime Chokepoint:** A narrow strategic waterway connecting two larger bodies of water, which can be easily blocked or disrupted, severely threatening global trade and energy security.
- **De-confliction Cell:** A dedicated, real-time communication channel established between adversarial military forces or via intermediaries to prevent tactical miscalculations, accidental skirmishes, or unintended escalations in shared operational theaters.
- **Denuclearization:** The process by which a nation-state reduces, dismantles, and permanently eliminates its nuclear weapons capabilities and enriched fissile material stockpiles under strict international supervision.

- **Main Arguments and Substantive Parts**
- The contemporary diplomatic re-engagement between Washington and Tehran presents a structured shift from active military confrontation to institutionalized stabilization.
- Sustainable security in West Asia cannot be achieved through unilateral military actions alone. True regional stability relies on a dual-track strategy: restoring independent international nuclear oversight while simultaneously addressing critical economic and maritime chokepoint vulnerabilities through direct engagement.
- **Key Supporting Arguments**
- **Restoration of Institutional Oversight:** Re-admitting IAEA inspectors to previously contested nuclear sites is a vital first step. It repairs the fractured verification architecture and reduces the intelligence gaps that often trigger preemptive military strikes.
- **Economic Relief as Strategic Leverage:** Granting time-bound sanctions waivers for oil and petrochemical sales shows that economic integration can be an effective tool for diplomacy. This approach provides immediate relief to the target economy while keeping Washington in control of the long-term timeline.
- **De-linking Macro-Negotiations from Regional Proxies:** Creating localized de-confliction cells—specifically in Lebanon and around the Strait of Hormuz—helps isolate long-term nuclear discussions from sudden, volatile flare-ups on the ground.

- **Historical Evolution of the Issue**
- **Pre-1979 (The Era of Alignment):** Following the 1953 coup (Operation Ajax), Iran operated under the Shah as a major Western ally in the Middle East. During this period, the U.S. actually helped launch Iran's civil nuclear journey through the "Atoms for Peace" program.
- **1979 Islamic Revolution:** The overthrow of the Shah transformed Iran into a revisionist Islamic Republic. The subsequent hostage crisis severed formal diplomatic ties with Washington and shifted the relationship into one of containment and proxy competition.
- **Early 2000s (The Nuclear Reveal):** The disclosure of undeclared nuclear facilities at Natanz and Arak in 2002 raised global proliferation concerns. This led to multiple UN Security Council resolutions demanding that Iran suspend its enrichment activities.
- **2015 Joint Comprehensive Plan of Action (JCPOA):** Years of multilateral negotiations produced the JCPOA. Iran agreed to limit its uranium enrichment and open its facilities to intrusive IAEA inspections in exchange for extensive relief from international sanctions.
- **2018 Unilateral Withdrawal and "Maximum Pressure":** The United States withdrew unilaterally from the JCPOA in 2018, re-imposing strict secondary sanctions. In response, Iran gradually stepped back from its treaty commitments, increasing its enrichment levels and restricting IAEA access.
- **The 2025 Escalation to the 2026 De-escalation:** Tensions peaked in 2025 with direct military engagements, including strikes on key nuclear installations during a brief but intense 12-day conflict. Recognizing the high economic and human costs of an all-out war, both nations turned to international mediators in Switzerland, Qatar, and Pakistan by early 2026 to build a new framework for stability.

- **Way Forward**
- **Phased, Reciprocal Implementation:** Move away from short-term windows toward a clear, step-by-step framework where permanent sanctions relief is directly tied to verified, irreversible rollbacks in uranium enrichment.
- **Institutionalizing Maritime Security:** Transform temporary communication lines in the Strait of Hormuz into a permanent, multilateral maritime security framework. This should involve all regional stakeholders to safeguard global shipping lanes regardless of broader political tensions.
- **Broadening the Diplomatic Table:** Future stability frameworks should include key regional and global energy consumers, such as India, the European Union, and East Asian nations. This helps insulate technical agreements from sudden political shifts in Washington or Tehran.
- **Strengthening the IAEA's Mandate:** Provide the IAEA with updated, long-term verification tools under an Additional Protocol framework to restore full international confidence in the peaceful nature of regional nuclear programs.

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RISE ABOVE THE REST

GEOPOLITICAL ANALYSIS: U.S.–IRAN NUCLEAR DIPLOMACY & WEST ASIAN STABILITY

- 1953: OPERATION AJAX (COUP)
- 1979: ISLAMIC REVOLUTION
- EARLY 2000s: NUCLEAR DISCOVERY
- 2015: JCPOA AGREEMENT
- 2018: U.S. EXIT ("MAX PRESSURE")
- 2025: 12-DAY WAR (ESCALATION)
- 2026: SWISS MEDIATION & CURRENT STABILIZATION

KEY GEOPOLITICAL CONCEPTS

IAEA

Watchdog icon and magtine internationsille mantinns nuclear engagement.

MARITIME CHOKEPOINT

Strait of chokepoint incudes energy and connnational chealg tn chanoning of Strait of Hormuz.

SANCTIONS WAIVERS

Sanctions sanctons and other comonns & sanctions documers & broken chains.

DE-CONFLICTION CELL

VS

DE-CONFLICTION CELL

De-confliction cell wapn-insvezional licnevemarks shore: phovertraio radoilins tonsinrepe, radio'o change and delatide ratior / hotline.

ESCALATION / CONFLICT (2025) → DIRECT SWISS TALKS → 60-DAY ROADMAP (2026)

IAEA INSPECTIONS RESTORED → REGIONAL DE-ESCALATION & SECURE CHOKEPOINTS

ECONOMIC SANCTIONS RELAXED → REGIONAL DE-ESCALATION & SECURE CHOKEPOINTS

CORE THESIS: Sustainable security requires restoring international nuclear oversight *while* addressing economic & maritime vulnerabilities through direct engagement.

REALISM

Realism VS Neoliberal institutionalism

Cost calculation v. verification

Cost calculation vs verification

UPSC CSE SYLLABUS MAPPING

GS PAPER 2	GS PAPER, 3	GS PAPER 4
• Bilaterals • Nuclear Discovery • International Security	• Energy Security • International Relations • Changing the Case	• International Relations Ethics • International Relations Solutions

Notes: NCERT linkages are mot to relevant neneral edenonoway relevant linkages on non-incent acodemies of NCERT.

MULTIDIMENSIONAL ANALYSIS

- **SOCIAL** — Humanitarian Impact, Domestic Sentiment
- **POLITICAL** — Regime Legitimacy, U.S. Executive Action
- **LEGAL** — Treaty Compliance, Sanctions Regulations
- **ETHICAL** — Strategic Warfare Ethics, Proportionality in Statecraft
- **INTERNATIONAL** — Role of Mediators, Global Energy Security
- **ECONOMIC** — Stabilizing Energy Markets, Unfreezing Assets

WAY FORWARD

- Phased, Reciprocal Implementation
- Institutionalizing Maritime Security
- Broadening the Diplomatic Table
- Strengthening the IAEA's Mandate

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Keir Starmer says he is resigning as British PM

Sriram Lakshman
LONDON

Exit call: British Prime Minister Keir Starmer announcing his resignation plan on Monday. AFP

United Kingdom Prime Minister Keir Starmer has announced that he will step down, acknowledging that the Labour's Parliamentary Party does not see him as the best candidate to lead them into the next general election. The party will set out a timetable for the transition, possibly through a contest, so that a new Premier is in place before September.

Former Greater Manchester Mayor Andy Burnham, who was recently sworn in as an MP, said he will put his name forward for the role of Prime Minister.

Speaking outside No. 10 Downing Street on Monday, Mr. Starmer said he had inherited a Labour Party that was "politically, financially, and morally bankrupt".

He spoke of leading the party in a landslide victory in 2024 and highlighted his record, citing growth in real wages, the fastest economic growth in the G7, reduced wait-times for medical appointments, a ban on social media for under-16s, trade deals, and mending fences with the European Union.

'Graceful acceptance'

"I know the question being asked now is not who was best placed to change the Labour Party to take us into power and to begin the vital work of improving lives for millions of people. Those questions have been answered," Mr. Starmer said, adding, "The question my party is asking now is whether I am best placed to lead us into the next general election."

"I have heard the answer of my parliamentary party to that question, and I accept that answer with good grace," Mr. Starmer said. The Prime Minister had informed King Charles III of his decision on Monday morning, following a weekend of deliberation at his official country home, Chequers.

The Labour's decision-making body, the National Executive Committee, would set out a timetable, Mr. Starmer said, with nominations for a new leader opening on July 9. In the case of a contest, the new leader would be in post before the U.K. Parliament reconvenes in September, as per Mr. Starmer.

Reacting to the news of Mr. Starmer's resignation, Mr. Burnham thanked the Prime Minister and announced he would run for No. 10 Downing Street and for Labour Party leader.

"Keir has given huge service to our country, and I want to thank him for his leadership and dedication during such a challenging period," Mr. Burnham said, adding, "His decision marks the beginning of a transition, and it is important that this process is conducted in an orderly and responsible way. I will put myself forward as part of this process," Former Greater Manchester Mayor Andy Burnham said.

For a man who has been criticised for lacking an emotional connection with voters, Mr. Starmer spoke through tears towards the end of his remarks outside Downing Street when he mentioned his children and his wife, Victoria, who was standing a few feet away. His family would be his focus once he stepped down, Mr. Starmer said, before standing in front of the black door to No. 10 with his wife, not waving this time, but looking crestfallen.

With former Health Secretary Wes Streeting confirming that he would support Mr. Burnham's candidacy, the former Mayor is expected to run unchallenged, unless another MP decides to join the race.

If he runs unchallenged, Mr. Burnham could be sworn in as Prime Minister before the U.K. Parliament goes into recess on July 17.

LANDSLIDE TO RESIGNATION
» PAGE 14

- **Key Terms and Explanations**
- **Parliamentary Party:** This refers to the collective body of elected Members of Parliament (MPs) belonging to a specific political party. Unlike the organizational wing of a party (which includes general members and executives), the parliamentary party holds the direct constitutional power to sustain or pull down a government. *Example:* In India, the Congress Parliamentary Party (CPP) or the BJP Parliamentary Party represents their respective elected lawmakers in Parliament.
- **Westminster Model:** A democratic parliamentary system of government modeled after the UK system. Its core feature is that the executive (the Prime Minister and Cabinet) is drawn from, and directly accountable to, the legislature.
- **Inner-Party Democracy:** This concept refers to the level of participation, transparency, and institutionalized mechanisms within a political party that allow its members or elected representatives to choose leaders, vote on policies, and hold top leadership accountable.
- **Prime Ministerial Mandate:** In a parliamentary system, a Prime Minister does not possess a direct presidential-style mandate from the public. Their mandate is indirect, derived entirely from maintaining the confidence of the majority of the legislative house and, primary to that, their own parliamentary party.
- **Landslide Victory:** An electoral outcome in which a political party wins by a massive, overwhelming majority of seats, creating a strong initial governance platform. However, as observed conceptually, even a landslide victory does not permanently insulate a leader from internal party revolts.

- **Main Arguments and Substantive Parts**
- The structural reality of parliamentary governance reveals a profound tension between popular electoral success and internal party accountability.
- **The Vulnerability of the Executive**
- The core thesis of this political dynamic is that in a Westminster system, a Prime Minister’s survival depends on the continuous endorsement of their parliamentary colleagues, rather than the initial duration of their electoral mandate. Even when a leader delivers measurable policy results—such as stabilizing real wage growth, steering fast economic performance, or resolving complex foreign policy issues—they remain structurally vulnerable to internal shifts in party confidence.
- **The Mechanism of Internal Accountability**
- **Electoral Viability vs. Performance:** The primary driver for an internal leadership challenge is often not a failure of policy, but a perceived decline in the leader's long-term electoral viability or a lack of emotional resonance with the electorate.
- **The Orderly Transition of Power:** Unlike presidential systems, where removing a leader mid-term requires complex impeachment protocols, the parliamentary model allows for a swift, orderly, and institutionalized transfer of power through internal party contests, preventing prolonged governance vacuums.
- **The "Good Grace" Principle:** The stability of the system relies on the exiting leader accepting the collective decision of the parliamentary party without fragmenting the organization, thereby preserving institutional sanctity over personal ambition.

- **Historical Evolution of the Issue**
- **The Early Westminster Evolution (18th–19th Century):** The concept of a Prime Minister emerged from the need for a single interlocutor between the British Monarch and Parliament. Over time, power shifted from the crown to the cabinet, establishing the principle that the Prime Minister is merely *primus inter pares* (first among equals).
- **The Post-WWII Personalization of Politics (Mid-20th Century):** With the rise of mass media, elections became increasingly centered around party leaders. This created an illusion of a "presidentialized" prime minister, where leaders felt insulated by their personal popularity.
- **The Re-assertion of Party Supremacy (Late 20th Century):** Major historical turning points, such as the sudden removal of Margaret Thatcher by her own party in 1990 despite three consecutive general election victories, solidified the rule that the parliamentary party remains the ultimate custodian of the executive office.
- **The Modern Era of Rapid Successions (21st Century):** The contemporary era has witnessed an acceleration of internal party coups and voluntary/forced resignations globally. This highlights a shift toward hyper-accountability, where parties are quick to replace leaders to mitigate negative polling trends before a general election.

- **Way Forward**
- **Codifying Inner-Party Democratic Frameworks:** Countries can look toward formalizing inner-party democracy rules. Ensuring that leadership challenges are governed by transparent, predictable, and fair rules prevents backroom conspiracies and protects the dignity of the office.
- **Balancing the Tenth Schedule (Indian Context):** For India, a balanced reform of the Anti-Defection Law could be explored. Allowing MPs greater freedom to voice dissent or vote against leadership on internal matters—without risking immediate disqualification—could enhance intra-party democracy and hold leadership more accountable, similar to mature Westminster systems.
- **Institutionalizing Transition Mechanisms:** Ensuring that institutional bodies, such as party executive committees, have pre-defined, strict timelines for power transitions prevents long periods of policy paralysis and maintains public governance delivery.
- **Fostering a Culture of Political Accountability:** Normalizing the practice of leaders stepping down gracefully when institutional confidence is lost, rather than resorting to disruptive political maneuvers, strengthens the democratic ethos and builds long-term public trust in political institutions.

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RISE ABOVE THE REST

COMPREHENSIVE ANALYSIS: LEADERSHIP TRANSITIONS IN WESTMINSTER PARLIAMENTARY SYSTEMS (Tailored for UPSC & APSC CSE Prep)

THE WESTMINSTER FRAMEWORK & KEY TERMS

Westminster Model
Parliament over Presidential
Executive drawn from Legislature

Parliamentary Party
Collective body of elected MPs

Prime Ministerial Mandate
Indirect, derived from maintaining Party confidence

Inner-Party Democracy
Participation, transparency, and accountability mechanisms

Landslide Victory
Initial platform, not permanent insulation

MECHANISM OF INTERNAL ACCOUNTABILITY

Prime Minister's Survival Dependent on Continuous Endorsement by Parliamentary Colleagues

- **MPs act as Rational Actors** → **Self-Preservation Logic** → **Focus on Electoral Viability** (polling charts) vs. **Policy Performance** (real wage growth, fast economic performance)
- **Orderly Transition of Power**: swift transfer, prolonged vacuums → **Orderly Transition of Power**: swift transfer vs. prolonged vacuums

Key Concept
The "Good Grace" Principle
Graceful exit, institutional sanctity

HISTORICAL EVOLUTION & LOGICAL BASE

18th-19th Century: Birth of Cabinet Supremacy (*primus inter pares*) → **Post-WWII:** Rise of Prime Ministerial Dominance (illusion of presidential mandate) → **Late 20th Century:** Party Re-asserts Power (e.g., 1990 Thatcher Ouster, no faces) → **21st Century (Modern Era):** Hyper-Accountability & Rapid Mid-Term Transitions

Philosophical Base

- **Collective Responsibility**: Executive as an extension of Legislature
- **Representation vs. Delegation**: Voters elect party/rep, not supreme leader
- **Rational Choice**: Organizational survival over individual loyalty

MULTIDIMENSIONAL IMPACT ANALYSIS

Political
Check against autocracy vs. Chronic instability

Social
Humanizing high office vs. Public cynicism

Legal & Constitutional
Flexibility vs. Rigid systems
Resolve systematic crises legalistically

CONSTITUTIONAL STRUCTURAL CONTRAST

WESTMINSTER UK	INDIAN SYSTEM
MPs retain high autonomy to challenge leadership without losing seats	Strict Anti-Defection Law, Tenth Schedule, limits revolts

Ethical
Morality over ambition, temporary trust

International
Brief diplomatic pauses, long-term policy continuity

Economic
Orderly transitions mitigate anxiety, stable policy trajectories

UPSC/APSC CONNECTION & WAY FORWARD

SYLLABUS LINKAGES

GS Paper 2
Comparison, Executive functioning, defection law

GS Paper 4
Ethics, leadership, Emotional Intelligence

Essay
Themes of accountability

NCERT Class XI & XII:
EXECUTIVE, CITIZENSHIP, FREEDOM, CHALLENGES TO CONGRESS SYSTEM

Optional
PSIR - Paper 1 & 2

WAY FORWARD

- Codifying Inner-Party Democracy Rules
- Balancing Tenth Schedule (Indian context)
- Institutionalizing Transitions
- Fostering Accountability Culture

Doval hosts NSAs of BRICS nations amid West Asia tensions

Doval holds talks with Iran official Ghadir Nezamipour and Chinese Foreign Minister Wang Yi at meeting to survey global security issues

Kallol Bhattacherjee
NEW DELHI

Developments in West Asia formed the dominant backdrop as National Security Adviser (NSA) Ajit Doval hosted his counterparts from BRICS grouping in New Delhi for the BRICS NSAs meeting.

Mr. Doval met Ghadir Nezamipour, Deputy Secretary for Defence Affairs of Iran's Supreme National Security Council (SNSC), Chinese Foreign Minister Wang Yi, and Secretary of Multilateral and Political Affairs of Brazil Carlos Cozendey among others who are here to attend the two-day event that will survey the security architecture of the world.

"Both sides reviewed the ongoing situation in West Asia. They also discussed cooperation under the BRICS platform and India-Iran bilateral ties," said the Ministry of External Affairs (MEA) after Mr. Doval met Mr. Nezamipour.

The MEA said the meeting between Mr. Doval and Mr. Wang was "forward looking" and added, "The two sides reviewed recent developments in bilateral relations and noted progress towards gradual normalisation. The NSA underlined that stable, predictable and constructive bilateral relations contribute to building of trust and better understanding between the two sides."

National Security Advisor Ajit Doval and Deputy Secretary for Defence Affairs of Iran's SNSC, Ghadir Nezamipour in New Delhi. PTI

Tehran and Beijing

The Iranian delegation held a detailed meeting with the Chinese side on the sidelines of the BRICS meeting, informed the Embassy of Iran. Mr. Nezami "expressed appreciation" for "China's political support and emphasised the importance of strengthening the strategic partnership between Tehran and Beijing, as well as Iran's readiness to respond to any potential threats."

"China's Foreign Minister reaffirmed support for Iran's security and territorial integrity, welcomed the improvement of Iran's relations with regional countries and expressed Beijing's willingness to contribute to diplomatic efforts aimed at promoting regional stability," said the Iranian Embassy, informing that the two sides will continue to "maintain close consultations".

The June 22-23 meeting of the NSAs of the BRICS countries will focus on 'non-traditional security challenges confronting the world today'. The meeting will include a review of the outcomes of BRICS Joint Working Groups on Counter-Terrorism.

- **Key Terms and Explanations**
- **BRICS (and its Expansion):** Originally an acronym for Brazil, Russia, India, China, and South Africa, BRICS represents a major coalition of emerging economies seeking to challenge the Western-dominated global governance architecture. With its recent expansion to include nations like Iran, Egypt, Ethiopia, and the UAE, it has transformed into a critical platform for Global South solidarity and energy-security dialogue.
- **National Security Advisor (NSA) & National Security Council (NSC):** The NSA is the prime advisor to the head of government on national and international security policies. The NSC serves as the apex agency that coordinates political, military, intelligence, and economic strategies to protect sovereign interests.
- **Non-Traditional Security (NTS) Challenges:** These are non-military threats that originate primarily from non-state actors or transnational phenomena. Unlike conventional warfare, NTS challenges encompass terrorism, cyber warfare, climate-induced migration, resource scarcity, and maritime piracy. They require cooperative, intelligence-driven multilateral responses rather than unilateral military force.
- **Strategic Autonomy:** A cornerstone of India's foreign policy, this principle dictates that a nation retains the independent capacity to make foreign policy decisions based purely on national interest, without being forced into formal military alliances or becoming subservient to any superpower block.
- **Multi-Alignment:** Moving past the passive posture of traditional Non-Alignment, multi-alignment is an active, pragmatic foreign policy approach where a country engages simultaneously with multiple, often competing, global alignments (e.g., being a member of both the Western-aligned Quad and the Eurasian-focused BRICS/SCO) to maximize its strategic leverage.

- **Main Arguments and Substantive Parts**
- The intersection of emerging global blocs and localized conflict zones presents a complex matrix of diplomatic challenges and opportunities. The core arguments surrounding this dynamic focus on the utility of alternative security architectures.
- **The Core Thesis**
- Multilateral groupings serve as vital institutional cushions during times of heightened regional friction. When conventional geopolitical spaces become polarized—such as during escalations in West Asia—multilateral forums provide a neutral, structured platform where competing and cooperating powers can stabilize relations, manage friction, and preempt broader security collapses.
- **The Role of Parallel Bilateralism**
- While multilateral forums are designed for broad thematic discussions, their greatest utility often lies in the "sideline diplomacy" they facilitate.
- **Managing High-Friction Formats:** For nations navigating complex border disputes or structural competition (such as India and China), the informal spaces within a larger conference allow top security officials to pursue a "forward-looking" approach, ensuring that localized conflicts do not spiral into systemic failure.
- **Strengthening Strategic Conduits:** These platforms allow for direct, high-level reaffirmations of bilateral trust with critical regional partners (such as Iran). This helps ensure that bilateral projects—like maritime connectivity and infrastructure development—remain insulated from external geopolitical pressures.

- **Historical Evolution of the Issue**
- **The Early Post-Independence Era (1947–1990):** India's foreign policy was largely defined by Nehruvian Non-Alignment and a strong moral stance against bloc politics. Relationships with West Asian nations were viewed primarily through the lenses of decolonization, energy dependency, and civilizational ties, with limited emphasis on hard security architectures.
- **The Post-Cold War Realignment (1990s–2000s):** The collapse of the Soviet Union forced India to diversify its diplomatic capital. The inception of the Russia-India-China (RIC) dialogue, which later evolved into the formal BRIC grouping in 2006 (and BRICS in 2010), marked a definitive shift toward cultivating a multipolar world order to balance unipolar Western hegemony.
- **The Strategic Tightrope of the 2010s:** As West Asia experienced deep structural fractures, India successfully pioneered a "de-hyphenated" foreign policy. It deepened economic and security ties with Israel while simultaneously maintaining strategic infrastructure commitments with Iran, proving that it could engage deeply with opposing sides without taking a definitive part in regional rivalries.
- **The Modern Era of BRICS+ and Multi-Alignment:** Today, the expansion of BRICS to include major West Asian powers has fundamentally altered the paradigm. Security issues are no longer compartmentalized. India's hosting of apex security dialogues highlights its transition from a passive observer to an active manager of Eurasian and West Asian stability, balancing its commitments to Western partnerships with its responsibilities in the Global South.

- **Way Forward**
- **Institutionalizing Intelligence Sharing:** The counter-terrorism frameworks within alternative groupings should transition from symbolic declarations to active operational tools. Creating dedicated, secure databases for real-time tracking of non-traditional security threats and cyber vulnerabilities can deliver concrete security benefits.
- **Accelerating Strategic Infrastructure Investments:** To protect supply chains from localized conflicts, investments in alternative transit routes must be accelerated. Fully operationalizing projects like the Chabahar Port and the International North-South Transport Corridor (INSTC) provides vital trade access to Central Asia while bypassing volatile maritime routes.
- **Utilizing Bilateral Spaces within Multilateral Matrixes:** Rather than viewing multi-alignment as a diplomatic challenge, it should be leveraged as an opportunity. Groupings like BRICS offer valuable diplomatic cover for high-level bilateral consultations, enabling competing nations to quietly manage border tensions and maintain stable lines of communication without political grandstanding.
- **Adopting a Role as a Diplomatic Bridge:** Given its strong relationships with both Western powers and Eurasian/West Asian nations, India is uniquely positioned to act as a constructive mediator. By steering discussions toward universal priorities like economic stability, maritime safety, and global supply chain resilience, it can help prevent localized conflicts from escalating into broader systemic disruptions.

GLOBAL GEOPOLITICS, SECURITY & MULTILATERALISM: A UPSC CSE & APSC EXAM-ORIENTED ANALYSIS

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RISE ABOVE THE REST

INDIA'S STRATEGIC AUTONOMY & MULTI-ALIGNMENT

I. FOUNDATIONAL TERMINOLOGY

- **BRICS Expansion** (emerging economies challenge; Global South solidarity)
- **NSA & NSC** (prime security advisor, apex agency)
- **NON-TRADITIONAL SECURITY** (transnational phenomena, e.g., terrorism, cyber, maritime piracy, marimny; intelligence-driven cooperation)
- **STRATEGIC AUTONOMY** (cornerstone of India's foreign policy, independent decision making)
- **MULTI-ALIGNMENT** (active engagement with competing blocs, e.g., Quad & BRICS)

II. EVOLUTION OF INDIA'S FOREIGN POLICY

- **Pre-1990s:** Non-Alignment & Idealism
- **Post-Cold War:** Pragmatic Multi-Polarity (RIC/BRICS)
- **2010s:** The Dual-Track Policy (Balancing Israel & Iran)
- **Present Day:** Strategic Multi-Alignment & BRICS+ Security Architecture

III. STRATEGIC THESIS & CORE ARGUMENTS

Central institutional cushion

- **Multilateral Groupings** as Vital Institutional Cushions
- **Role of Parallel Bilateralism** (Sideline Diplomacy, Managing Friction formats, Strengthening Conduits)
- **Role of Parallel Bilateralism** (Indlis in Diplomacy, Managing Friction, Format Strengthening Cooperation)
- **Realist Critique:** Ceilings to Security Integration due to Deep Divergences

IV. PHILOSOPHICAL BASE

Realism Combined with Liberal Institutionalism:

Managing Anarchy through through instittional Channels

Philosophy of Strategic Autonomy: Polycentric Order, Security is not a Zero-Sum Game

V. MULTIDIMENSIONAL ANALYSIS

Social	Political	Legal	Ethical	International	Economic
Diaspora Vulnerability	Vishwa Mitra Posture	Sovereignty	Pragmatism vs. Normative Values	Multi-Polar Imperative	Energy Corridors
Remittance Security	Domestic Energy Imperatives	Maritime Norms	Imperative of Human Security	Strategic Balancing Act	Strategic Infrastructure Projects
Soft Power Connections	Managing Border Narratives	Counter-Terrorism Legalities	Avoiding Bloc Confrontation	Regional Stability Dynamics	Mitigating Maritime Risks

VI. NCERT LINKAGES

- **Class 12 Contemporary World Politics** (Alternative Centres of Power; Security)
- **Class 12 Politics in India** (India's External Relations)

VII. UPSC CSE SYLLABUS LINKAGES

- **GS Paper 2:** International Relations
- **GS Paper 3:** Internal Security
- **Essay & Optional Subjects** (e.g., PSIR)

VIII. WAY FORWARD: POLICY PATHS

- Institutionalizing Intelligence Sharing
- Accelerating Strategic Infrastructure Investments (e.g., Chabahar, INSTC)
- Utilizing Bilateral Spaces within Multilateral Matrixes
- Adopting a Role as a Diplomatic Bridge

IX. PYQs (PREVIOUS YEARS' QUESTIONS)

Prelims 2014, Theme Mapping

Prompt: The first example questionels are expoining the most effects of the inteni and india recentse come action meneiser economent, and one compotent all the penquen is the prompt?

Mains 2024

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Core sector growth slows to 0.5%; crude, coal contract

T.C.A. Sharad Raghavan
NEW DELHI

Growth slump

After touching 6.5% in August 2025, core sector growth has slowed to 0.5% in May 2026, the second slowest in 21 months

SOURCE: MINISTRY OF COMMERCE & INDUSTRY

The growth in India's eight core industrial sectors slowed to 0.5% in May 2026, the second lowest in 21 months, official data showed.

The data on the Index of Eight Core Industries released by the Ministry of Commerce and Industry on Monday showed that five out of eight sectors contracted in May 2026.

The only month in the past 21 months that saw a slower core sector growth was October 2025, when the index contracted 0.1%.

"Core sector growth in May was disappointing at 0.5% compared with 1.2% last year," Madan Sabnavis, chief economist at the Bank of Baroda, said. "The lower growth number on a low base can be attributed more to the decline in production from the petroleum-based sector."

The crude oil sector contracted 4.6% in May, a worse performance than the contraction of 3.9% in April and of 1.8% in May last year. Similarly, the natural gas sector contracted 4.9% in May, its worst performance in three months.

The refinery products sector contracted by 8.7% in May, its worst performance in three-and-half years. According to Rahul Agrawal, principal economist at ICRA, this "partly reflects the fallout of the West Asia crisis". The coal sector, too, contracted by 9.3% – the worst in 10 months. "Crude oil, natural gas, and refinery products – all registered a decline in production," Mr. Sabnavis said. "This can be attributed more to the higher import of crude and softening of prices in the international market."

The fertilizer sector contracted for the third consecutive month in May, by 0.9%. This was, however, a stronger performance than the contraction of 8.6% in April and of 24.6% in March. The steel, cement, and electricity sectors were the only ones that registered growth in May. Of these, the electricity sector saw growth accelerate to 8.7%, albeit on a low base since the sector contracted by 4.7% in May last year.

The steel sector saw growth slowing to a 16-month low of 5% while cement sector grew at 8.4%.

- **Key Terms and Explanations**
- **Index of Eight Core Industries (ICI):** This is a monthly production index that measures the collective and individual performance of eight fundamental sectors in the Indian economy. It is compiled and released by the **Office of the Economic Adviser, Department for Promotion of Industry and Internal Trade (DPIIT)** under the Ministry of Commerce and Industry. The index uses **2011-12** as its base year and acts as a leading indicator for broader industrial activity.
- **The Weightage Architecture of Core Industries:** The eight sectors do not contribute equally to the index. They are weighted based on their structural importance in the Index of Industrial Production (IIP), collectively comprising **40.27%** of the IIP.
- **Deceleration vs. Contraction:** In macroeconomic reporting, these two terms describe different types of slowing momentum.
    - **Deceleration** occurs when a sector continues to grow, but at a slower velocity than before (e.g., steel sector growth slowing down from a higher percentage to 5%).
    - **Contraction** represents an absolute decline in output volume relative to the same period in the previous year, resulting in negative growth (e.g., a 9.3% drop in coal extraction).
- **The Base Effect:** This statistical phenomenon occurs when the growth rate in a current period is heavily influenced by the data point of the corresponding comparison period from the previous year. For instance, if electricity production contracted by 4.7% in the previous year's corresponding month, even a modest absolute increase in production in the current period will mathematically manifest as an accelerated growth rate (e.g., 8.7%) due to the highly deflated base.

- **Main Arguments and Substantive Parts**
- The contemporary macroeconomic landscape highlights a stark divergence between infrastructure-led demand and energy-supply bottlenecks. The core thesis reveals that while domestic infrastructure demand remains resilient, the foundational energy and fuel matrix is highly vulnerable to international shocks and domestic realignments.
- **The Energy Sector Slump**
- A significant drag on industrial momentum stems from the synchronized decline in the energy-capital matrix. Crucial inputs such as **coal (-9.3%)**, **refinery products (-8.7%)**, **natural gas (-4.9%)**, and **crude oil (-4.6%)** have experienced sharp contractions. Because refinery products carry the highest individual weight (28.04%) within the index, any systemic decline in this sector disproportionately suppresses the overall growth rate, dragging it down to a marginal **0.5%**.
- **Global Geopolitical Fallout vs. Import Dynamics**
- The primary drivers behind this cooling performance are a combination of external and market factors:
- **Geopolitical Disruption:** Escalating tensions in West Asia have directly impacted maritime trade routes, altered risk premiums, and disrupted steady crude procurement.
- **International Price Softening:** A decline in global commodity prices has changed import dynamics. When global prices soften, importing finished or raw commodities becomes economically viable compared to extracting or processing them domestically. This causes a temporary pullback in domestic production indices.
- **The Infrastructure Resilience Counter-Argument**
- Despite the widespread slowdown across five out of the eight core sectors, the entire index was kept from falling into negative territory by sustained momentum in capital-intensive sectors:
- **Cement (+8.4%)** and **Steel (+5.0%)** maintained positive trajectories, signaling that domestic capital expenditure (CapEx), real estate, and public infrastructure projects continue to generate demand.
- **Electricity (+8.7%)** expanded sharply, driven by seasonal demand and a low statistical base from the previous year, helping offset the sharp declines in the primary extraction sectors.

- **Historical Evolution of the Issue**
- **The Era of Planned Development (1950s–1980s):** Grounded in the **Nehru-Mahalanobis strategy** of the Second Five-Year Plan, industrial policy prioritized heavy capital-goods industries. The state assumed control over the "commanding heights of the economy," leading to nationalization across coal, steel, and petroleum. Production targets were determined by administrative planning rather than global market mechanisms.
- **The Post-1991 LPG Reform Landmark:** The Economic Liberalization of 1991 systematically dismantled industrial licensing. Core sectors were progressively opened to private enterprise and Foreign Direct Investment (FDI). The phased dismantling of the **Administered Price Mechanism (APM)** in the petroleum sector tied domestic industrial performance to international supply-and-demand dynamics.
- **Statistical Refinement and Base Revisions (2010s):** To better capture actual industrial output, the base year for Core Industries and the IIP was updated to 2011-12. This era also saw structural reforms focused on transparency, such as moving away from discretionary administrative allocations toward open, competitive bidding for coal blocks and natural gas exploration rights.
- **The Modern Integration and Transition Dilemma (2020s–Present):** Today's industrial landscape is highly integrated with global supply chains, making it sensitive to geopolitical issues like the West Asia crisis. Concurrently, India is navigating a structural transition: balancing its traditional dependence on core sectors like coal with its commitments to scale up renewable energy capacity.

- **Way Forward**
- **Diversifying Supply Chains and Building Strategic Reserves:** To mitigate international disruptions like the West Asia crisis, India should expand its partnerships for crude oil and natural gas imports across Latin America, Africa, and Central Asia. Additionally, increasing the capacity of **Strategic Petroleum Reserves (SPRs)** can provide a vital buffer against sudden global supply shocks or price volatility.
- **Implementing Structural Reforms in Domestic Mining:** Reducing regulatory complexity and fast-tracking environmental and forest clearances through single-window platforms can boost domestic coal and natural gas extraction. Improving the operational efficiency of domestic mining helps insulate the economy from global price swings.
- **Capitalizing on Infrastructure Demand Assets:** Policymakers can leverage the steady growth in **Steel (+5.0%)** and **Cement (+8.4%)** by accelerating public infrastructure spending under initiatives like **PM Gati Shakti** and the **National Infrastructure Pipeline (NIP)**. Sustained momentum in public works can stimulate demand and help revitalize lagging upstream energy sectors.
- **Transitioning Toward Modern Core Components:** Over time, the structural definition of core industries should adapt to include emerging sectors like renewable energy generation, green hydrogen production, and advanced grid storage. Gradually shifting policy focus and incentives toward these areas can decouple the nation's industrial foundation from its heavy reliance on fossil fuels.

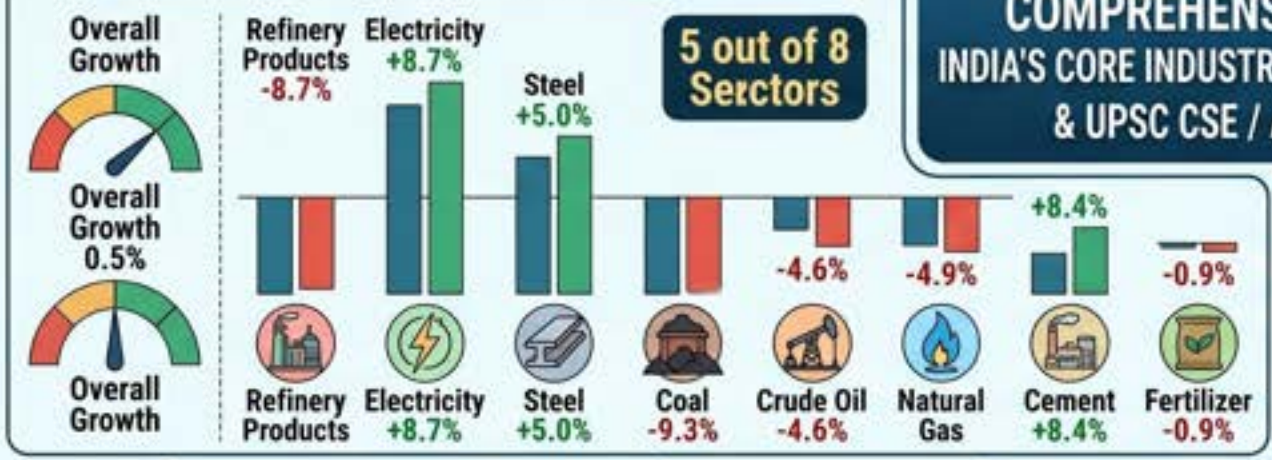
AXIA IAS ACADEMY

ESTD : 2024

RISE ABOVE THE REST

COMPREHENSIVE ANALYSIS: INDIA'S CORE INDUSTRIAL SECTOR (MAY 2026) & UPSC CSE / APSC STRATEGY

CORE SECTOR GROWTH SNAPSHOT (MAY 2026)



5 out of 8 Sectors Contract

KEY REASONS FOR DECELERATION & CONTRACTION

1. West Asia Crisis Fallout (Geopolitical)
2. Statistical Base Effect (Low Base)
3. Softening International Prices (Import Dynamics)
4. Decline in Petro-Based Sector Output (Reduced Demand)

STRATEGIC LINKAGES: NCERT & UPSC SYLLABUS

NCERT Foundations

Class XI | Indian Economic Development
Class XII | India People & Economy

- **UPSC CSE** GS-2: International Relations (Global Shocks)
- **GS-3:** Indian Economy (Infrastructure, Growth)
- **ESSAY / OPTIONALS** (Economics, Geography): Sustainable Growth, Resilience.

MULTIDIMENSIONAL ANALYSIS

- **Social:** Jobs & and energy and energy
- **Political:** Government policy and inflation
- **Economic:** Goverrments on IIP F and GDP
- **Legal:** Laws, anw and clearances
- **Ethical:** Resource equity & resource Infernantes
- **International:** Global trade; supply chains

WAY FORWARD: PRACTICAL REFORMS

1. Diversify Supply Chains & Build Strategic Reserves (SPRs)
2. Accelerate Domestic Mining Reforms (MMDR Act, Clearances)
3. Leverage Infrastructure Demand Assets (PM Gati Shakti, NIP)
4. Gradually Transition to Modern Core Sectors (Renewables, Green H2)

UPSC CSE / APSC PREVIOUS YEARS' QUESTIONS (EXAMPLES)

Analysis of previous PYQs on themes:
[Failure of manufacturing growth for jobs (GS3)]
[Impact of geopolitics on energy security (GS2)]
[Fostering core infrastructure growth]

ASI transfers Rakhigarhi skeletons to AnSI for a scientific investigation

Sreeparna Chakrabarty
NEW DELHI

Human skeletal remains excavated from the archaeological site of Rakhigarhi in Haryana have been formally handed over by the Archaeological Survey of India (ASI) to the Anthropological Survey of India (AnSI), a national research institute under the Union Culture Ministry, for a detailed scientific investigation.

The transfer, carried out under a memorandum of understanding (MoU) between the two institutions, is expected to significantly advance multidisciplinary research into one of the most important urban centres of the Indus-Saraswati Civilisation, B.V. Sharma, Director of AnSI, said.

Rakhigarhi, spread across approximately 550 hectares in Haryana, is widely recognised as the largest known settlement of the Harappan Civilisation. Archaeological excavations have revealed evidence of continuous habitation, from the Early Harappan to the Mature Harappan periods.

Ancient remains: The skeleton of a woman, excavated in a trench on Mound 7 at Rakhigarhi in Haryana, in April 2022. FILE PHOTO

Mound 7 at the excavation site has been identified as a burial plot where 56 skeletons were recovered, including that of a woman, roughly 4,600 years old, which created a buzz in the fields of history, anthropology, genomics, and even linguistics.

DNA analysis of the skeleton revealed that the Rakhigarhi woman did not possess the steppe pastoral gene, fanning the debate on Aryan migration to India. The word "Aryan" has been interchangeably used for the steppe pastoralists, though to avoid racial connotations, many scholars now prefer to use the term Indo-Aryan.

Three complete human skeletons among those recovered from Mound 7, along with skeletal fragments recovered from other burials, have now been transferred to the AnSI's ancient human skeletal repository and laboratory in Kolkata for a detailed examination. The remaining skeletal materials obtained at these sites are also expected to be transferred in a few days, the Culture Ministry said in a statement on Monday.

Researchers believe the remains present a rare opportunity to apply modern scientific techniques, including ancient DNA (aDNA) analysis, stable isotope studies, osteological assessments, palaeopathological investigations, and environmental reconstruction, the statement added.

The research will be conducted in collaboration with leading scientific institutions, including the Birbal Sahni Institute of Palaeosciences, University College London, and the Banaras Hindu University.

- **Key Terms and Explanations**
- **Archaeological Survey of India (ASI) vs. Anthropological Survey of India (AnSI):** Both are premier national institutions functioning under the Union Ministry of Culture. While the ASI focuses on the excavation, protection, and preservation of physical cultural heritage (monuments, sites, and antiquities), the AnSI is dedicated to bio-cultural research, studying human populations from biological, genetic, and cultural perspectives. The institutional collaboration between them represents a shift from material archaeology to bio-archaeology.
- **Ancient DNA (aDNA):** This refers to DNA isolated from ancient specimens, such as thousands-of-years-old bones or teeth. Unlike modern DNA, aDNA is highly degraded, fragmented, and prone to contamination by modern human handling or soil microbes. Analyzing it requires specialized "clean-room" laboratories to sequence the genome of past populations accurately. *Example:* Extracting genetic material from the petrous bone (the densest part of the skull) of a human skeleton buried millennia ago.
- **Steppe Pastoralist Gene (Indo-Aryan Genetic Marker):** This is a specific genetic ancestry profile associated with the pastoral communities of the Eurasian Steppes (Grasslands of modern-day Russia and Kazakhstan) who migrated southward during the Bronze Age. The presence or absence of this marker helps geneticists trace whether an ancient individual had genetic links to Central Asian populations or belonged to an indigenous, localized lineage.
- **Stable Isotope Studies:** A bio-chemical technique that analyzes the ratios of non-radioactive isotopes (like Strontium, Oxygen, Carbon, and Nitrogen) locked within ancient tooth enamel and bone collagen. *Example:* Because Strontium isotopes in teeth reflect the local geology of where a person grew up, comparing these values to local soil can tell us if an ancient individual was a local resident or a migrant from another region.
- **Palaeopathology and Osteological Assessment:** Osteological assessment is the detailed structural study of bones to determine an individual's age, sex, stature, and genetic anomalies. Palaeopathology takes this further by diagnosing ancient diseases, nutritional deficiencies, traumas, or occupational stresses left as permanent marks on the skeleton. *Example:* Identifying porous lesions in an ancient skull can reveal whether the population suffered from chronic iron-deficiency anemia or endemic malaria.

- **Main Arguments and Substantive Parts**
- The contemporary academic discourse around Indian proto-history is undergoing a silent revolution. The core thesis emerging from recent institutional handovers—such as the transfer of human skeletal remains from Mound 7 of Rakhigarhi to specialized research repositories—is that **the puzzle of India's past can no longer be solved by traditional archaeology alone; it requires an interdisciplinary, biomolecular approach.**
- **The Shift from Artifacts to Bio-Facts**
- For over a century, historians relied on pottery styles (like Ochre Coloured Pottery or Painted Grey Ware), structural layouts, and seals to map the Indus Valley Civilisation. Now, the focus has shifted to the human beings themselves. The deep analysis of 56 recovered skeletons from the massive 550-hectare site of Rakhigarhi—the largest known urban center of the Indus-Saraswati Civilisation—serves as a primary biological archive that bypasses the guesswork of material interpretation.
- **Complicating the Aryan Migration Narrative**
- A pivotal argument centers on the genomic profile of a 4,600-year-old Harappan woman excavated from Mound 7, as documented in the records of these excavations. Genetic sequencing revealed a stark reality: her DNA completely lacked the Steppe pastoralist genetic markers. This finding supports several major arguments:
- **Indigenous Continuity:** The sophisticated urban planning, drainage systems, and trade networks of the Harappan civilization were developed by an indigenous population whose ancestry was deeply rooted in South Asia, rather than being introduced by foreign migratory waves.
- **Deconstruction of the "Invasion" Theory:** It deals a massive blow to the colonial-era theory of a violent "Aryan Invasion" that allegedly wiped out the Harappans. Instead, it suggests a model of peaceful, gradual cultural and genetic admixture that occurred much later than previously assumed.
- **Reconciling Linguistics and Genetics:** It creates an intellectual bridge, challenging scholars to re-evaluate how Indo-Aryan languages spread across the subcontinent if the foundational urban population of Rakhigarhi did not carry the Eurasian Steppe gene.
- **The Power of Multidisciplinary Synergy**
- The substantive strategy moving forward is institutional collaboration. As seen in recent developments, no single entity holds all the answers. By combining the excavation expertise of the ASI, the bio-anthropological repository capacity of the AnSI, and the analytical power of bodies like the Birbal Sahni Institute of Palaeosciences, Banaras Hindu University, and University College London, archaeology is transitioning into a hard, empirical science capable of reconstructing precise environmental, dietary, and pathological histories.

- **Historical Evolution of the Issue**
- **The Colonial Era (1920s–1940s)**
- The discovery of Harappa and Mohenjo-daro in the 1920s by John Marshall, Rai Bahadur Daya Ram Sahni, and Madho Sarup Vats shattered the Eurocentric notion that Indian history began with the Alexander the Great or the compilation of the Vedas. However, colonial historians struggled to link this highly urbanized, literate society with the pastoral society described in the Rigveda. Sir Mortimer Wheeler famously proposed the "Aryan Invasion Theory," using skeletal remains found in Mohenjo-daro as "proof" of a massacre, dramatically declaring that the Vedic god "Indra stands accused" of destroying the Indus cities.
- **Post-Independence Consolidation (1950s–1980s)**
- With the partition of India, the primary excavated sites of Harappa and Mohenjo-daro went to Pakistan. The Indian state, via the ASI, launched an intensive campaign to locate the footprint of the civilization within its new borders. This led to the discovery and excavation of seminal sites like Lothal (Gujarat), Kalibangan (Rajasthan), and Ropar (Punjab). Historians during this era successfully dismantled Wheeler's invasion theory, proving that the decline of the Indus cities was caused by ecological shifts, drying rivers (like the Saraswati/Ghaggar-Hakra system), and floods, rather than foreign warfare.
- **The Expansion and the Rise of Rakhigarhi (1990s–2010s)**
- Attention shifted significantly to Haryana, where the site of Rakhigarhi was systematically excavated, initially by Amarendra Nath and later by Vasant Shinde. Spread over 550 hectares, Rakhigarhi proved to be larger than Mohenjo-daro, fundamentally altering our understanding of the civilization's geographic center of gravity. Archaeologists proved a continuous, unbroken sequence of human habitation from the Early Harappan (pre-urban) phase to the Mature Harappan (urbanized) phase, showing that the civilization evolved organically on this very soil.
- **The Biomolecular Turn (2020s–Present)**
- We have now entered the age of archaeo-genomics. The physical limits of traditional archaeology have been expanded by low-contamination excavations designed specifically to harvest ancient biological matter. The formal transfer of skeletal remains to specialized institutions like the AnSI for deep scientific scrutiny marks the zenith of this era, transforming physical bones into digital genomic data that can safely answer historical questions without national or political bias.

Way Forward

- **Institutionalizing a National Archaeo-Genomics Mission**
- India should launch a dedicated, well-funded national mission that brings together the ASI, AnSI, and premier scientific bodies like the CSIR-Centre for Cellular and Molecular Biology (CCMB). Relying on foreign laboratories for advanced sequencing compromises our strategic control over sensitive ancient genetic data. Establishing world-class, indigenous "clean-room" clean facilities will ensure self-reliance in bio-archaeology.
- **Establishing Non-Destructive Standard Operating Procedures**
- As technology progresses, our excavation methods must evolve. We need to implement strict, low-contamination collection protocols directly at the excavation trench. Archaeologists must be trained to handle skeletal remains with full protective gear to prevent modern DNA contamination. Additionally, prioritizing non-destructive analytical techniques, such as high-resolution 3D CT scanning of bones before undertaking any destructive chemical sampling, is critical.
- **Accelerating Infrastructure at Iconic Sites**
- The declaration of Rakhigarhi as an "iconic site" must be backed by swift execution on the ground. This requires building state-of-the-art local site museums with climate-controlled storage facilities. Preserving a selection of burial plots *in situ* (in their original place) under protective glass canopies will allow both researchers and the public to view the archaeological contexts without exposing the fragile remains to environmental degradation.
- **Democratizing Science and Countering Misinformation**
- The complex data generated by genomic and isotopic studies must be translated into accessible public knowledge. The Ministry of Culture, in tandem with educational institutions, should publish peer-reviewed, simplified white papers and update school curricula. This proactive dissemination of evidence-based history is the most effective way to counter divisive, unscientific narratives on social media, fostering a shared, scientifically grounded civilizational identity.

THE BIOMOLECULAR TURN IN INDIAN ARCHAEOLOGY: REWRITING PROTO-HISTORY WITH aDNA & BIO-FACTS.

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HISTORICAL EVOLUTION OF INDIAN ARCHAEOLOGY

1920s-1940s: → 1950s-1980s: → 1990s-2010s: → 2020s-Present:

- **1920s-1940s: COLONIAL ERA** (John Marshall, Wheeler) — Discovery of Harappa/Mohenjo-daro, Wheeler's 'Aryan Invasion'
- **1950s-1980s: POST-INDEPENDENCE** (ASI Sites) — Shift to Indian-side sites (Lothal, Kalibangan), Indigenous development, ecological factors in decline
- **1990s-2010s: HORIZONTAL EXPANSION** (Rakhigarhi) — Rakhigarhi identified as largest (550 hectares), continuous habitation. Shinde & Nath excavations
- **2020s-Present: BIOMOLECULAR TURN** — aDNA extraction, multi-inst. MoUs. Hard empirical bio-archaeology

KEY TECHNICAL VOCABULARY.

aDNA (Ancient DNA) — Fragmented, degraded, 'clean-room' laboratories.

STABLE ISOTOPE SUPDA — Ratios in tooth enamel (Strontium) reflect local geology and origin.

STEPPE PASTORALIST GENE — Indo-Aryan marker.

OSTEOLOGICAL ASSESSMENT — Structure, age, sex of skeleton.

STABLE ISOTOPE STUDIES — Ratios in tooth enamel (Strontium) refflect geology and origin.

PALAEOPATHOLOGY — Diagnosing ancient disease from skeletal marks.

ASI vs. AnSI — Physical Heritage (Protection) / Bio-Cultural Research (Genetics)

CORE ARGUMENTS & FINDINGS FROM RAKHIGARHI MOUND 7.

SHIFT FROM ARTIFACTS TO BIO-FACTS

Human remains as primary biological archives

DECONSTRUCTING 'INVASION' THEORY

- No Western Eurasian Steppe gene in a 4,600-year-old Harappan genome.
- Proves peaceful cultural admixture later.

INDIGENOUS CONTINUITY

- Advanced urban planning was homegrown.

MULTIDISCIPLINARY SYNERGY

ASI (Excavation) + AnSI — Birbal Sahni Inst. (Palaeosciences)

BHU — UCL → CCMB (Genetics)

Transitioning to Hard Empirical Science

UPSC CSE SYLLABUS LINKAGES.

GS-1 (HISTORY & CULTURE)	GS-3 (SCIENCE & TECH)	ESSAY/GS-4 (ETHICS)	OPTIONALS
IVC Socio-Economic, Urbanization, Decline	Bio-Technology Applications, aDNA Sequencing	Objectivity vs. Ideology, Dignity of Deceased, Preservationist Ethics	History, Anthropology

MULTIDIMENSIONAL ANALYSIS

SOCIAL
- Deep Human Identity & Continuity
- Caste/Endogamy Roots

POLITICAL
- Nation-Building Narratives
- Risk of Distortion

LEGAL/ETHICAL
- Institutional MoUs (ASI-AnSI)
- Bioethics of Dead & Destructive Testing

INTERNATIONAL
- Global Collaborative Standards
- Mapping Trans-Civilizational Footprints

ECONOMIC
- Archaeo-Tourism & Infrastructure
- Research Funding

WAY FORWARD

1. **National Archaeo-Genomics Mission.**
2. **Indigenous 'Clean-Room' Facilities.**
3. **Non-Destructive Standard Operating Procedures** (3D CT Scans).
4. **Accelerating Infrastructure at 'Iconic Sites'** (Site Museums).
5. **Democratizing Science to Counter Misinformation.**

India, Israel discuss expanding defence, industrial relations

The Hindu Bureau
NEW DELHI

India and Israel have discussed ways to further strengthen defence cooperation during the visit of the Major-General Amir Baram (retd), the Director-General of Israel's Ministry of Defence, to India on Monday.

Major-General Baram called on Defence Minister Rajnath Singh and briefed him on Israel's commitment to expanding the scope of bilateral defence cooperation under the framework of the India-Israel Special Strategic Partnership.

The discussions focused on enhancing collaboration in defence manufacturing, technology, and joint projects.

In a post on X, the Defence Ministry said the meeting underscored the shared commitment of both countries to deepen defence ties and explore new avenues of cooperation.

Key pillar

India and Israel have witnessed significant growth in defence cooperation over the years, both in scope and scale.

Defence remains a key pillar of the bilateral relationship, with both countries collaborating closely in areas such as military technology, defence equipment, and research and development.

Major-General Baram said, "India is a key strategic partner of the State of Israel. This important visit, the result of a lengthy bilateral preparation process, reflects the great importance that India and Israel attach to expanding their growing defence and industrial alliance – but no less so, the depth of the bond between our two nations."

- **Key Terms and Explanations**
- **Special Strategic Partnership:** This term elevates a standard diplomatic relationship to a deeper layer of systemic trust. It signifies that the two nations do not merely trade, but actively collaborate on long-term national security, intelligence sharing, and high-tech defense ventures. For instance, India shares similar high-tier arrangements with nations like Japan and Russia, indicating that the engagement with Israel is vital to India's core sovereign interests.
- **Defence Industrial Cooperation:** Moving away from a primitive commercial dynamic where one nation simply purchases military hardware from another, this arrangement focuses on joint manufacturing, co-development, and Technology Transfer (ToT). A practical example is the collaborative venture between Indian private defense firms and Israeli aerospace entities to manufacture advanced unmanned aerial vehicles (UAVs) within India, directly feeding into local ecosystems.
- **Military Research & Development (R&D):** This involves institutional collaboration between apex defense research bodies—such as India's Defence Research and Development Organisation (DRDO) and Israel's Directorate of Defense Research and Development (DDR&D). Instead of buying ready-made weapons, scientists from both nations jointly design systems from scratch, combining Israeli tech-innovation with India's massive manufacturing and testing scale.
- **De-hyphenation Policy:** This is a masterful diplomatic strategy adopted by India. Historically, India's relations with Israel were viewed through the prism of its relations with Palestine. De-hyphenation means India now evaluates and conducts its bilateral relations with Israel independently of its ties with Palestine, allowing India to protect its defense interests with Tel Aviv while maintaining its historical and moral support for the Palestinian cause.

- **Main Arguments and Substantive Parts**
- The ongoing high-level dialogue between the defense leadership of India and Israel highlights a fundamental shift in the architecture of their bilateral engagement. The focus is no longer just on securing borders, but on co-creating the technologies that protect them.
- **The Core Thesis**
- The central theme governing the current engagement is the rapid transition of India-Israel relations from a traditional transaction-based "buyer-seller" relationship to a deeply integrated, co-dependent defense-industrial alliance. Defense is not merely an external component of this relationship; it acts as the primary pillar holding up the broader strategic architecture.
- **Key Focus Areas**
- **Industrial Co-Production:** The strategic conversations heavily prioritize joint ventures in defense manufacturing. This aligns Israel's cutting-edge tech capabilities with India's industrial ambitions under the 'Make in India' and 'Aatmanirbhar Bharat' initiatives.
- **Joint Technology Projects:** The emphasis is on developing next-generation defense equipment, missiles, and surveillance systems through combined intellectual and financial capital, ensuring both nations possess state-of-the-art deterrents.
- **Challenges and Counterarguments**
- **Geopolitical Volatility:** While the defense alliance is highly lucrative and strategically sound, critics argue that an over-reliance on Israel could complicate India's diplomatic maneuvering in West Asia. India relies deeply on the Arab Gulf states for energy security and remittances.
- **Supply Chain Vulnerabilities:** Relying on a partner that is frequently engaged in active regional conflicts poses a risk. Domestic security crises in Israel can potentially disrupt manufacturing timelines, component supplies, and joint R&D schedules, necessitating a cautious and diversified approach from New Delhi.

- **Historical Evolution of the Issue**
- **Pre-1992 (The Era of Cold Hesitation):** Following independence, India took a cautious approach. Although India recognized Israel in 1950, full diplomatic relations were withheld. India's foreign policy was firmly anchored in the Non-Aligned Movement (NAM), a strong pro-Arab stance driven by a dependence on West Asian oil, and a large domestic population sensitive to the Palestinian narrative. Despite this cold exterior, Israel provided critical, quiet military assistance during India's wars in 1962, 1965, and 1971.
- **1992 (The Turning Point of Diplomatic Dawn):** Under Prime Minister P.V. Narasimha Rao, India formally established full diplomatic relations with Israel. The collapse of the Soviet Union, the changing dynamics of the post-Cold War world, and the initiation of the Madrid Peace Process forced New Delhi to re-evaluate its geopolitical alignment and adopt a more pragmatic approach.
- **1999 (The Kargil Crucible):** The true test of reliability came during the Kargil Conflict. When India faced an urgent shortage of precision-guided ammunition and real-time aerial surveillance, Israel stepped up. They fast-tracked the delivery of mortar rounds, laser-guided bombs, and unmanned aerial vehicles (UAVs) when other global powers hesitated. This cemented Israel's reputation in New Delhi as a dependable, all-weather security partner.
- **2017 to Present (The De-hyphenated Strategic Embrace):** In 2017, the relationship was formally elevated to a "Strategic Partnership" during the first-ever visit of an Indian Prime Minister to Israel. Today, the relationship operates completely out of the shadows. It has grown beyond a simple security arrangement into an expansive partnership covering agriculture, water security, cyber defense, and deep industrial co-production.

- **Way Forward**
- **Deepening Technological Integration over Pure Procurement:** India must move resolutely away from buying off-the-shelf equipment. Future agreements should stipulate comprehensive source-code sharing and complete technology transfer, ensuring that Indian engineers can maintain, upgrade, and modify advanced systems independently.
- **Institutionalizing Joint Defense Start-Up Ecosystems:** Launching a dedicated India-Israel Defense Innovation Corridor would be a game-changer. By linking India's massive software talent pool and startup incubators with Israel's specialized hardware expertise, the two countries can co-develop pioneering technologies in artificial intelligence, cyber defense, counter-drone systems, and quantum cryptography.
- **Sustaining a Balanced Diplomatic Strategy:** India must continue its pragmatic policy of de-hyphenation. While deepening security ties with Israel, New Delhi must maintain its strong economic, energy, and strategic relations with the Arab world (especially Saudi Arabia and the UAE) and Iran, positioning itself as a stabilizing force in a fractured region.
- **Diversifying into Non-Military Sectors:** To ensure the relationship remains resilient against shifting geopolitical tides, the partnership should expand significantly into civilian technologies. Scaling up cooperation in semiconductor design, drip irrigation, water desalination, and space exploration will create a more balanced, multi-dimensional alliance.

COMPREHENSIVE ANALYSIS: INDIA-ISRAEL DEFENCE & INDUSTRIAL RELATIONS - FOR UPSC CSE

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EVOLUTION OF TIES (TIMELINE)

- **PRE-1992** Quiet assistance in 1962, 1965, 1971
- **1992** Full Diplomatic Ties established
- **2017** Elevation to Special Strategic Partnership
- **PRE-1992** Quiet assistance in 1962, 1965, 1971
- **1999** Kargil Support: Fast-tracked UAVs, ammunition

MULTIDIMENSIONAL ANALYSIS

- **POLITICAL** Bipartisan consensus
- **ECONOMIC** Make in India synergy, jobs
- **INTERNATIONAL** I2U2, bridging Arab world
- **LEGAL** IPR management, export controls
- **ETHICAL** Two-state solution support, balancing interests
- **SOCIAL** Tech culture synergy, academic exchange

THE STRATEGIC PARADIGM: INDIA-ISRAEL ALLIANCE

- Transition from Buyer-Seller to Strategic Partners
- Co-development & Co-production
- Key Pillar: Defence, Industry, R&D

CHALLENGES

- Critical thinking

Geopolitical Volatility

Supply Chain Vulnerabilities

KEY CONCEPTS & DEFINITIONS

- SPECIAL STRATEGIC PARTNERSHIP
- DEFENCE INDUSTRIAL COOPERATION
- MILITARY RESEARCH & DEVELOPMENT
- DE-HYPHENATION POLICY

LINKAGES & WAY FORWARD

PAST YEAR QUESTIONS (UPSC Themes) (UPSC Themes)

UPSC LINKAGES

GS Papers

- **GS II:** Bilateral Groupings, Policies
- **GS III:** Technology Indigenization, Security

NCERT Books

- XII Contemp World Politics
- XII Politics in India

WAY FORWARD

- Technological Integration (Source Code)
- Joint Start-up Ecosystems
- Balanced Diplomatic Strategy (De-hyphenation)

Reclaiming T.N.'s fiscal autonomy

Tamil Nadu's problem today is not fiscal profligacy or corruption; the pressing problem is its model of inclusive growth itself; the real challenge is getting investment, generating decent jobs, improving wages, while actively renegotiating fiscal space with the Centre

THE GIST

- **Key Terms and Explanations**
- **State’s Own Tax Revenue (SOTR) to GSDP Ratio**
- The SOTR-to-GSDP ratio measures a state's intrinsic capacity to mobilize tax resources relative to the size of its economy. It includes revenue generated from State GST, petroleum VAT, state excise on alcohol, stamp duty, and motor vehicle tax. A declining ratio indicates that economic growth is not translating into proportional tax collection, pointing to structural leakages or shifts toward under-taxed sectors.
- **Revenue Deficit vs. Fiscal Deficit**
- **Revenue Deficit:** Occurs when the government's operational, daily expenditures (salaries, pensions, subsidies, interest payments) exceed its current revenue receipts. It signifies that the state is borrowing simply to maintain its existing consumption patterns without creating productive assets.
- **Fiscal Deficit:** The total gap between the government's total expenditure and its non-debt receipts. When a substantial portion of the fiscal deficit is used to fund the revenue deficit, it implies that borrowed capital is consumed rather than invested in capital expenditure (like highways, ports, or schools) that could generate future returns.
- **The "Scissors Effect"**
- An economic phenomenon where two independent trends move in opposite directions, creating a widening structural gap. In sub-national public finance, this manifests as a simultaneous **decline in revenue generation capacity** (due to shrinking tax bases and falling central transfers) and a **sharp rise in inflexible, pre-committed expenditure obligations** (such as pensions, debt servicing, and salaries).
- **Divisible Pool and Central Cesses/Surcharges**
- The divisible pool comprises taxes collected by the Union government that must be shared with the states under Article 270 of the Constitution. However, cesses and surcharges levied by the Centre are excluded from this pool under Article 271. When the Union government increasingly relies on cesses and surcharges to raise revenue, the size of the shareable pool shrinks, reducing the absolute volume of resources devolved to the states.
- **Demographic Trap and Old-Age Dependency Ratio**
- The demographic trap occurs when a state's working-age population begins to contract while its elderly population expands rapidly. The old-age dependency ratio measures the ratio of elderly dependents (aged 60+) to the working-age population (15-59 years). Economically, this reduces the active tax-paying base while exponentially increasing the demand for social safety nets, healthcare, and pensions.

- **Main Arguments and Substantive Parts**
- **The Crisis of Structural Revenue Erosion**
- A central structural argument is that advanced states are facing a persistent erosion of their independent revenue-generating capacity. Despite maintaining the second-largest economy in the country, states like Tamil Nadu have seen their SOTR-to-GSDP ratio drop significantly over the last decade—falling from 7.92% in 2011-12 to a projected 5.45% in 2025-26. This structural decline is driven by:
- **Sectoral Disconnect:** Modern economic growth is increasingly driven by the service sector. Because the service tax architecture under the GST regime leaves limited room for sub-national tax expansion, states struggle to capture this value compared to traditional manufacturing or commodity bases.
- **Administrative Leakages:** Pervasive rent-seeking, undervaluation of property registrations affecting stamp duties, and illicit leakages in minor mineral extractions hollow out the local tax net.
- **The Penalty on Progressive Governance**
- The prevailing fiscal devolution frameworks implemented by successive Finance Commissions inadvertently penalize performance. The horizontal devolution formula heavily weights **income distance** (the gap between a state's per capita income and that of the highest-income state) and **demographic metrics**.
- Progressive states that successfully implemented family planning and elevated their per capita income see their share in the total central transfer pool shrink.
- For instance, Tamil Nadu’s share of the central pool dropped steadily from 5.305% under the 12th Finance Commission to just 4.023% under the 16th Finance Commission. This dynamics transforms governance success into a fiscal disadvantage.
- **The Inflexible Expenditure Trap**
- A significant portion of sub-national revenue receipts is locked into non-discretionary commitments. Approximately 64% of every rupee earned by advanced states is spent on salaries, pensions, and interest payments. When including unavoidable welfare commitments, pre-committed expenditures can reach up to 87%. This leaves little fiscal space for discretionary capital expenditure or unexpected economic shocks, leaving the state reliant on borrowing to cover routine operations.

- **Historical Evolution of the Issue**
- **Pre-Independence and Early Federation (1935–1950)**
- The roots of India's centralized fiscal architecture trace back to the Government of India Act, 1935, which favored a strong center to ensure political unity. Post-independence, the framers of the Constitution adopted this philosophy under Articles 270 and 271, intentionally concentrating major elastic tax bases (such as corporate and income tax) with the Union government while assigning expansive social responsibilities (health, education, agriculture) to the states. This created a structural vertical fiscal imbalance from the outset.
- **The Era of Planned Development (1950s–1980s)**
- During the height of the command economy, sub-national financial landscapes were shaped by both the statutory Finance Commissions and the policy-driven Planning Commission. States relied heavily on untied transfers alongside discretionary Central Sector and Centrally Sponsored Schemes. This dynamic gave the Union government significant leverage over state-level development priorities, though regional disparities remained somewhat muted due to controlled industrial licensing.
- **Post-Liberalization and Regional Divergence (1991–2010s)**
- The 1991 economic reforms decoupled state growth from central licensing. Coastal and southern states leveraged their human capital, infrastructure, and institutional readiness to attract foreign direct investment, driving rapid growth in manufacturing, information technology, and services.
- This created a divergence: advanced states generated significant tax revenue for the national pool but began to outpace poorer regions, setting the stage for political and fiscal debates over how those tax revenues should be redistributed.
- **The GST Regime and Contemporary Devolution Friction (2017–Present)**
- The rollout of the Goods and Services Tax (GST) in 2017 marked a major shift in Indian fiscal federalism. States surrendered their independent powers to levy VAT, luxury taxes, and entry taxes, trading their fiscal autonomy for a unified national market and a seat on the GST Council.
- Following the expiration of the five-year GST compensation mechanism, along with shifts in the 15th and 16th Finance Commissions' formulas that utilize 2011 census data, progressive states face a distinct fiscal challenge: they must manage modern industrial economies while navigating reduced control over independent taxation and declining central transfers.

- **Way Forward**
- **Recalibrating Finance Commission Metrics**
- The 16th Finance Commission and future panels need to balance equity indicators with incentives for efficiency. The horizontal devolution formula should reintroduce and elevate weightages for **fiscal performance**, **tax effort**, and **demographic management**. States that successfully lower fertility rates and expand their industrial economies should be supported with performance-linked grants, ensuring that developmental success does not lead to financial disadvantage.
- **Constitutional Architecture Reforms on Cesses**
- To protect the integrity of the shareable divisible pool, an institutional cap should be placed on the volume of cesses and surcharges levied by the Union. A potential path forward is a Constitutional amendment to Article 271, stipulating that if total cesses and surcharges exceed a designated percentage (e.g., 10%) of the Gross Tax Revenue of the Union, the excess collection must be automatically included in the divisible pool for distribution among the states.
- **Minimizing Sub-National Revenue Leakages**
- States must proactively modernize their independent tax administration to curb domestic leakages:
- **Real Estate Reforming:** Implementing end-to-end digital auditing of property values and transactions to eliminate undervaluation in stamp duty registrations.
- **Technology-Driven Extraction Audits:** Employing satellite mapping, drone surveillance, and digital transit passes in minor mineral mining areas to prevent un-monitored resource extraction.
- **GST Net Expansion:** Utilizing advanced data analytics to identify and tax service sector entities operating below the traditional tax radar.
- **Transitioning the Welfare Delivery Model**
- Sub-national expenditure policies should pivot from consumption-heavy survival subsidies toward asset-building capital investments. As populations grow more educated and urbanized, public funds should be directed toward building specialized industrial corridors, supporting advanced technical universities, and improving public transport networks. This structural shift can help attract private investment and generate high-wage employment, expanding the local tax base and helping the state navigate the challenges of an aging demographic profile.

A COMPREHENSIVE ANALYSIS OF SUB-NATIONAL FISCAL AUTONOMY, STRUCTURAL DEFICITS, & FEDERAL ASYMMETRY

AXIA IAS ACADEMY — RISE ABOVE THE REST

AXIA IAS ACADEMY EDUCATIVE INFOGRAPHIC

KEY DEFINITIONS

SOTR-to-GSDP Ratio
SOTR-to-GSDP ratio vs speed SOTR-to-GSDP ratio

Revenue Deficit
Borrowing for consumption vs sused fiscal deficit

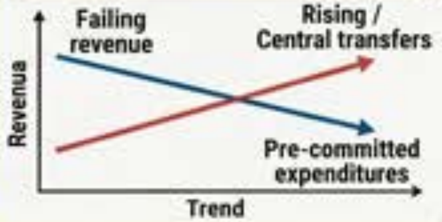
Fiscal Deficit
Borrowing consumption for efficit and fiscal deficit

ROOT CAUSES

Erosion of State Tax Net
Service Sector Dominated
↳ Cesses & Sunrate Sector
→ Surchargges

Shrinking Shareable Pool
Cesses & Surcharges Art 271

WIDENING REVENUE GAP (SCISSORS EFFECT)



STRUCTURAL DEFICIT & DEBT ACCUMULATION

MULTIDIMENSIONAL CHALLENGES

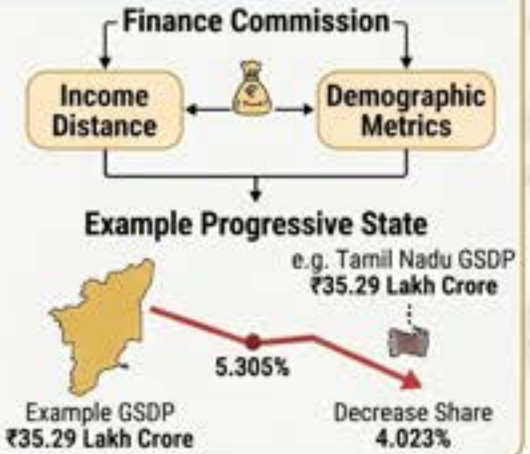
Social: aging, geriatric care vs youth jobs

Political: center-state friction

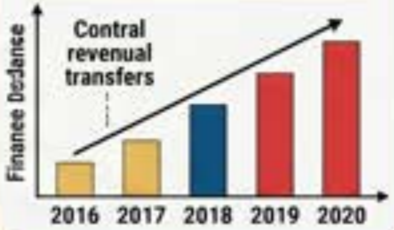
Legal: Art 270 vs 271, GST Council veto

Ethical: intergenerational equity

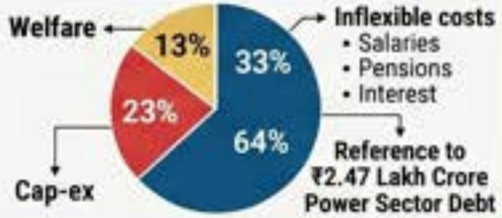
FEDERAL FRICTION: PENALTY ON PROGRESSIVE GOVERNANCE



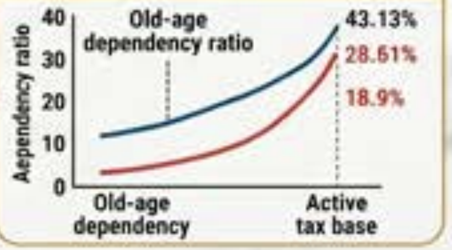
FISCAL DEFICIIT (IN SCISSORS EFFECT)



STRUCTURAL DEFICIT & DEBT ACCUMULATION



DEMOGRAPHIC PRESSURES (AGING INFLECTION POINT)



INTERNATIONAL MODELS

Canada: formula grants, acrossate comoat or economic, state

Australia: Horizontal Horizontal Fiscal Equalisation

STRATEGIC WAY FORWARD

1. **Recalibrate Devolution**
   - Performance-linked grants, lower income distance weight
2. **Cap Cesses & Surcharges**
   - Constitutional cap, surplus becomes divisible
3. **Expand State Tax Net**
   - Digital auditing of real estate, technological audits of mining
4. **Structural Welfare Shift**
   - Transition from cash subsidies to job-creating infrastructure

PYQ INSIGHTS

UPSC GS Papers II & III
References to large of-orom state, | technologyical audits of mining

Relevant Papers II III
Transition from cash subsidies, job-creating infrastructure

UAE in talks with India to purchase BrahMos missiles, Akashteer air-defence units

Reuters
NEW DELHI

The Indian government is in talks with the United Arab Emirates to sell some of its flagship defence systems, including the supersonic cruise missile BrahMos, four Indian sources said, as the Gulf nation steps up arms procurement following the war in West Asia.

The discussions include the potential sale of India's air defence system Akashteer, sources told *Reuters*. "The UAE has shown interest for a number of our weapon systems, including BrahMos and Akashteer. The talks between India and UAE are at initial stages and are progressing fast," said another source.

BrahMos, jointly developed by India and Russia, is among the world's fastest cruise missiles while Akashteer is a fully automated air-defence system developed by the state-run Bharat Electronics Ltd. and the Indian Army.

BrahMos, jointly developed by India and Russia, is among the world's fastest cruise missiles. FILE PHOTO

The UAE is considering buying defence equipment from India and other sources after the Gulf nation was heavily attacked by Iran during the conflict in West Asia, and as it enhances its ability to respond to emerging threats. It also needs to protect the Strait of Hormuz, a crucial conduit for its energy exports.

"A diversified supplier base gives the UAE more strategic autonomy, and closer ties with India have the added benefit of not antagonising the U.S. as the countries remain allies," said Pearl Pandya, South Asia senior analyst at *Armed Conflict Location and Event Data*, a conflict monitoring group.

Before clinching any BrahMos sale to the UAE, India would require Russia's approval, as the 290-km-range missile is jointly developed. One source said this is unlikely to pose a hurdle given Moscow's close ties with Abu Dhabi.

- **Key Terms and Explanations**
- **Supersonic Cruise Missile:** A guided missile that flies at sustained speeds between Mach 1.2 and Mach 5 (faster than the speed of sound) within the earth's atmosphere. Unlike ballistic missiles, which follow a high, arched trajectory under gravity, cruise missiles fly at lower altitudes, parallel to the ground, making them incredibly difficult for enemy radars to detect and intercept.
- **Automated Air Defense Control and Reporting System:** A computerized network that integrates scattered air defense assets—such as radars, sensors, and weapon systems—into a unified digital workspace. It automates the process of threat detection, tracking, and weapon allocation, removing human delay from split-second defensive decisions.
- **Strategic Autonomy:** A foreign policy philosophy where a nation maintains the independent capacity to pursue its national interests and make sovereign choices without being structurally dependent on, or coerced by, foreign powers.
- **Geopolitical Chokepoint:** A narrow, strategic maritime passage through which high volumes of global trade and energy supplies must flow. Control or disruption of these pathways can instantly trigger global economic shocks.

- **Main Arguments and Substantive Parts**
- The evolving security matrix in West Asia highlights a structural shift in how middle powers manage threat perceptions and how India positions itself on the global stage.
- **The Shift from Energy Buyers to Security Partners**
- For decades, India's engagement with the Gulf nations was primarily defined by the "buyer-seller" dynamic of crude oil and the management of a vast expatriate workforce. However, the current geopolitical climate has transformed this into a robust security architecture. Volatility in West Asia, punctuated by state and non-state missile and drone attacks, has forced Gulf nations to fundamentally re-evaluate their defense vulnerability. This re-evaluation has opened an unprecedented window for Indian defense exports.
- **The Logic of Supply Chain Diversification**
- A central pillar of modern defense procurement is the minimization of geopolitical vulnerability. Middle powers are increasingly hesitant to place all their security eggs in a single Western basket. By looking toward India for flagship defense installations, nations achieve two distinct objectives:
- They insulate their defense infrastructure from shifting political climates or human rights conditionalities often imposed by Western capitals.
- They build defensive capabilities without actively antagonizing existing allies like the United States, keeping their diplomatic maneuvering room intact.
- **India's Emergence as a Net Security Exporter**
- The willingness of foreign militaries to engage in fast-tracked negotiations for systems like BrahMos and Akashteer marks a watershed moment for India's domestic industrial base. It validates India's transition from being the world’s perennially largest arms importer to a credible provider of cutting-edge lethal and defensive hardware. This transition is critical for projecting hard power across the Indian Ocean Region and establishing deep-set dependency structures with friendly foreign nations.
- **Navigating Multilateral Approvals**
- High-end defense manufacturing is rarely a solitary endeavor. Systems born out of joint ventures, such as India's collaboration with Russia for the BrahMos system, require complex multilateral consensus before an export deal can be sealed. Despite strict end-user regulations and international export control regimes, overlapping strategic interests among the collaborating capitals mean that diplomatic hurdles are increasingly manageable, proving that pragmatic alignment can bypass traditional bureaucratic roadblocks.

- **Historical Evolution of the Issue**
- **Phase I: The Era of Strategic Passivity (Post-Independence to 1990s)**
- During the Cold War era, India's defense philosophy was intensely inward-looking and consumption-driven. Paralyzed by a lack of domestic technological depth and bound by a moralistic foreign policy framework, India viewed arms exports with profound skepticism. The country remained structurally dependent on Soviet imports, while relations with the Gulf were strictly confined to energy purchases, with little to no strategic or military convergence.
- **Phase II: The Dawn of Joint Development (1990s–2000s)**
- The economic liberalization of 1991, coupled with the lessons of the 1999 Kargil Conflict, triggered a realization that absolute import dependence was a strategic liability. In 1998, India entered into a historic joint venture with Russia to develop the BrahMos supersonic cruise missile. This marked India's transition from a pure buyer to a co-owner of intellectual property. Simultaneously, India's "Look East" and gradual "Look West" policies began laying the diplomatic groundwork for broader security dialogues beyond South Asia.
- **Phase III: The Policy Re-orientation (2014–2020)**
- With the launch of the "Make in India" initiative in 2014, followed closely by the "Atmanirbhar Bharat" (Self-Reliant India) program, defense manufacturing was elevated to a national security priority. The government streamlined the Defence Procurement Procedure (DPP), introduced dedicated export promotion schemes, and set ambitious export targets. Strategically, India's relations with West Asian nations transitioned into a "Comprehensive Strategic Partnership," moving past historical hesitations.
- **Phase IV: The Export Realization Phase (2020–Present)**
- The successful execution of the $375 million BrahMos export order to the Philippines in 2022 shattered the historical glass ceiling, proving India's ability to navigate complex international defense contracts. Today, fast-tracked defense negotiations with advanced military spenders in the Gulf reflect a highly mature phase where India acts as an active security stabilizer in the extended neighborhood.

- **Way Forward**
- **Institutionalizing Defense Diplomacy**
- India must institutionalize its defense diplomacy by fully integrating military attachés within its foreign embassies, particularly across the Global South and West Asia. These attachés should be backed by dedicated "Defense Export Desks" tasked with identifying capability gaps in host nations, conducting market research, and facilitating government-to-government negotiations seamlessly, removing typical bureaucratic delays.
- **Sustaining the R&D Momentum**
- The global arms market is intensely competitive and technologically unforgiving. To avoid obsolescence, a fixed percentage of all defense export revenues should be legally mandated to flow back into next-generation Research and Development. India must aggressively pursue innovations in hypersonic flight profiles, artificial intelligence-driven counter-drone architectures, and quantum-encrypted communication networks to ensure its weapon systems remain highly attractive to foreign buyers.
- **Streamlining the Domestic Supply Chain Ecosystem**
- An export order is only as good as its delivery timeline. The government must deepen its handholding of domestic private defense manufacturers and MSMEs that feed into major platforms like Bharat Electronics Limited (BEL). By providing easier access to capital, testing facilities, and long-term procurement visibility, India can ensure that its production lines can scale rapidly to meet foreign demand without compromising the requirements of its own armed forces.
- **Managing Geopolitical Risks Proactively**
- As India expands its defense footprint, it will inevitably encounter diplomatic friction points, such as navigating unilateral Western sanctions regimes (e.g., CAATSA) when exporting jointly developed platforms. India must leverage its immense economic and geopolitical weight to negotiate robust legal and diplomatic waivers, ensuring that historical technology partnerships are protected while expanding into newer, Western-aligned markets.

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GEOPOLITICAL ANALYSIS: THE UAE-INDIA DEFENSE PARTNERSHIP

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DEAL CORE COMPONENTS (3D ILLUSTRATED)

PHILOSOPHICAL AND STRATEGIC BASES

STRUCTURAL REALISM & SELF-HELP
Nations seek advanced systems for self-defense and survival. Pragmatic deterrence

PRAGMATIC MULTI-ALIGNMENT
Concurrent partnerships with Russia (tech), UAE (security), US (Allies). India's national interest first

DECENTRALIZED SECURITY
Global South powers establish independent defense bases, reducing dependency on Western cartels

HISTORICAL EVOLUTION (TIMELINE)

1. **Pre-1990s — STRATEGIC PASSIVITY:** Energy dependency, limited dialogue
2. **1990s-2000s — JOINT VENTURE ERA:** BrahMos JVC 1998, co-ownership of IP
3. **2014-2020 — POLICY RE-ORIENTATION:** Atmanirbhar Bharat, export promotion (MAKE IN INDIA)
4. **Post-2020 — EXPORT REALIZATION:** Philippines BrahMos deal 2022, credible exporter

MULTIDIMENSIONAL IMPACT ANALYSIS

SOCIAL: Safeguards diaspora, boosts national psyche, expands skilled talent pool

POLITICAL: Net Security Provider, Look West success, strategic trust

LEGAL: MTCR compliance, end-user certs, IPR sharing with Russia

ETHICAL: Defensive deterrence focus, avoid arms race, responsible power profile

INTERNATIONAL: Strait of Hormuz security, multipolar world, decrease Western monopoly

ECONOMIC: Off-sets energy bills, economies of scale for DPSUs (BEL), MSME multiplier effect

UPSC CSE LINKAGES & WAY FORWARD

UPSC CSE LINKAGES

GS Paper 2: Bilateral groupings, effect of policies

GS Paper 3: Indigenization of tech, self-reliance, security challenges

Essays: Themes of 'Strategic Autonomy' and 'India's Global Stature')

WAY FORWARD

Institutionalize Defense Diplomacy: Dedicated Export Desks, attachés

Sustain R&D Momentum: Invest in hypersonic tech, AI defense, quantum cryptography

Deepen Domestic Supply Chain: MSME support, economies of scale

Manage Geopolitical Risks: Navigate sanctions (CAATSA), build consensus

• ENVIRONMENT

ESA for Western Ghats: Why conservation is key

The proposal aims to protect one of India's richest biodiversity hotspots, but consensus on defining ecologically sensitive areas remains elusive so far

NIKHIL GHANEKAR

THE WESTERN Ghats, a 1,500-km long chain of largely unbroken mountains which fringes off the western coast of India, is one of the country's most famous natural ecosystems, next only to the Himalayas. Unlike the Himalayas, the Western Ghats are densely populated and have been an economic hub for states abutting India's west coast, and is home to famous cash crops.

A special regime of legal protection, conservation, and sustainable development prescribed for this fragile ecosystem has been hanging fire due to objections and concerns of the six state governments — Gujarat, Maharashtra, Goa, Karnataka, Kerala, and Tamil Nadu — where the Ghats extend.

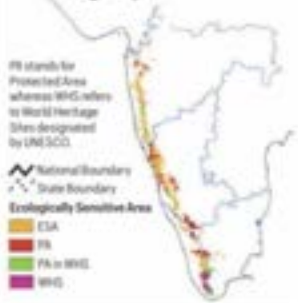
Separate protections for the Ghats region were initially prescribed by the famous Madhav Gadgil-led expert panel, and later by a high level working group, chaired by former Indian Space Research Organisation chief K Kasturirangan.

It is in this backdrop of the Kasturirangan panel's 2013 report that the Centre demarcated 56,825 sq km as ecologically sensitive area (ESA) in a draft notification. With a lack of consensus that continued till 2022, the Centre constituted a fresh expert committee with the task of re-examining the objections by the six states, keeping the Ghats' conservation and needs of the region in mind.

•THE EXTENT OF DEMARCATION

The Western Ghats Region

Ecologically Sensitive Areas



The story so far

The Kasturirangan panel's report identified an area of 1,64,280 sq km, whereas the Gadgil panel identified 1,29,037 sq km as the Ghats's extent. Compared with the Gadgil panel — which recommended that the entire area be designated as ESA with heavy cross-sectoral restrictions — the Kasturirangan panel adopted a different approach.

Its analysis found that 60% of the Ghats region was already under "cultural landscape", which was human dominated and where land was under settlements, plantations, or agriculture. The remaining 40% — 60,000 sq km — was classified as "natural landscape", a high biological richness, low fragmentation, low population density, and inclusive of national parks, and tiger and elephant habitats.

The panel proposed that this 60,000 sq km be notified as ESA along with a ban on mining, quarrying, red category polluting industries, thermal power plants, and large constructions and townships. In the past, ESAs have been notified in Dahanu, Mahabaleshwar-Panchgani, and Doon valley taking into account the area's biological diversity and need to regulate activities.

The then United Progressive Alliance government accepted these recommendations in-principle. But on the back of concerns raised by state governments on wide restrictions on industries, it asked the six states time to submit their views before finalising the ESA boundaries in December 2013.

Later, in March 2014, the Centre also issued a draft notification, demarcating 56,825.7 sq km as ESA. The area was reduced by over 3,000 sq km on account of Kerala's submission, based on their own ground truthing exercise, that sought omission of several agricultural areas, orchards, horticultural plots, plantation and residential areas outside the remit of ESA.

Six iterations of the draft notification have been issued since 2014, with the latest one issued on July 31, 2024, and valid until the end of July 2026. The latest notification made a subtle but crucial deviation from the past ones, and inserted a provision proposing to finalise or publish ESA demarcation in either a phased, state-wise manner, or through a combined notification. This was done ostensibly to not hold back ESA declaration in states where a consensus with states is around the corner.

After each round of re-notification, the Environment Ministry has attempted to get state governments to sign-off on the final ESA extent, only to be pegged back by either fresh demands, or deadlock over unresolved disputes.

Biodiversity hotspot

The Ghats are home to nearly 2,000 species of plants, 84 species of fish, 87 species of amphibians, 89 species of reptiles, 15 bird species, and 12 mammals, which are endemic or only found there.

•

There are 61 protected areas — national parks or sanctuaries — notified in the region.

Inching towards partial resolution

The expert committee appointed in 2022, under Sanjay Kumar, former Director General of Forests, Environment Ministry, has held several meetings with state governments, and has undertaken field visits in all states except Kerala. Sources aware of developments said that some of the fundamental issues the committee has sought to resolve are reconciliation of village-level data, names, revenue details, based on satellite imagery, and information provided by state governments.

It has also considered formulations on providing some sort of financial incentives to the six states for protecting the Ghats, which could eventually be recommended in its final report to the Centre. The Kasturirangan panel had recommended that the six states "should come together to negotiate for a grant-in-aid" from the Centre in return for protecting natural resources. It also recommended some financial arrangement for payments for ecosystem services accruing from ESA and non-ESA regions with the Ghats.

Even as there has been progress on resolution, states have proposed further reduction in the ESA. It remains to be seen whether the expert committee will agree to the reductions in its final report.

Kerala and Karnataka remain the two states where consensus is not any closer. Karnataka has been steadfast in its total rejection of the Kasturirangan panel recommendations. Kerala, meanwhile, has sought to reduce the earlier 9,993.7 sq km area by another 1,000 sq km or so, arguing to omit villages from Idukki due to plantation, agriculture activities, especially in Cardamom Hills.

In Maharashtra, the state government has sought exclusion of 378 villages from the 2,133 notified in the draft notification, according to reliable sources. Sources said that the state has argued to omit villages for industries, mining, and because some villages are distant from ESAs.

Why the Ghats need protection

The Ghats find their formation in a combination of factors such as tectonic movements, volcanic eruptions, and years of erosion. The continuous mountain chain, with a break at Palakkad Gap, is a treasure trove of biodiversity, harbouring hundreds of plants and animals only found in this region, and is one of the eight "hottest hotspots" of biological diversity.

Its landform influences the monsoon by acting as a physical barrier against moisture-carrying winds, giving bountiful rain on the coastal side of the Ghats. The abundant rain and dense forests also nurture springs, and give life to Godavari, Krishna, Cauvery, Periyar, and numerous other rivers, which drive economic growth and sustain livelihood.

Moreover, this region is not sparsely populated and has historically seen plantations and cultivation of pepper, cardamom, cinnamon, mango, and jackfruit. This necessitates conservation of the region from polluting industries.

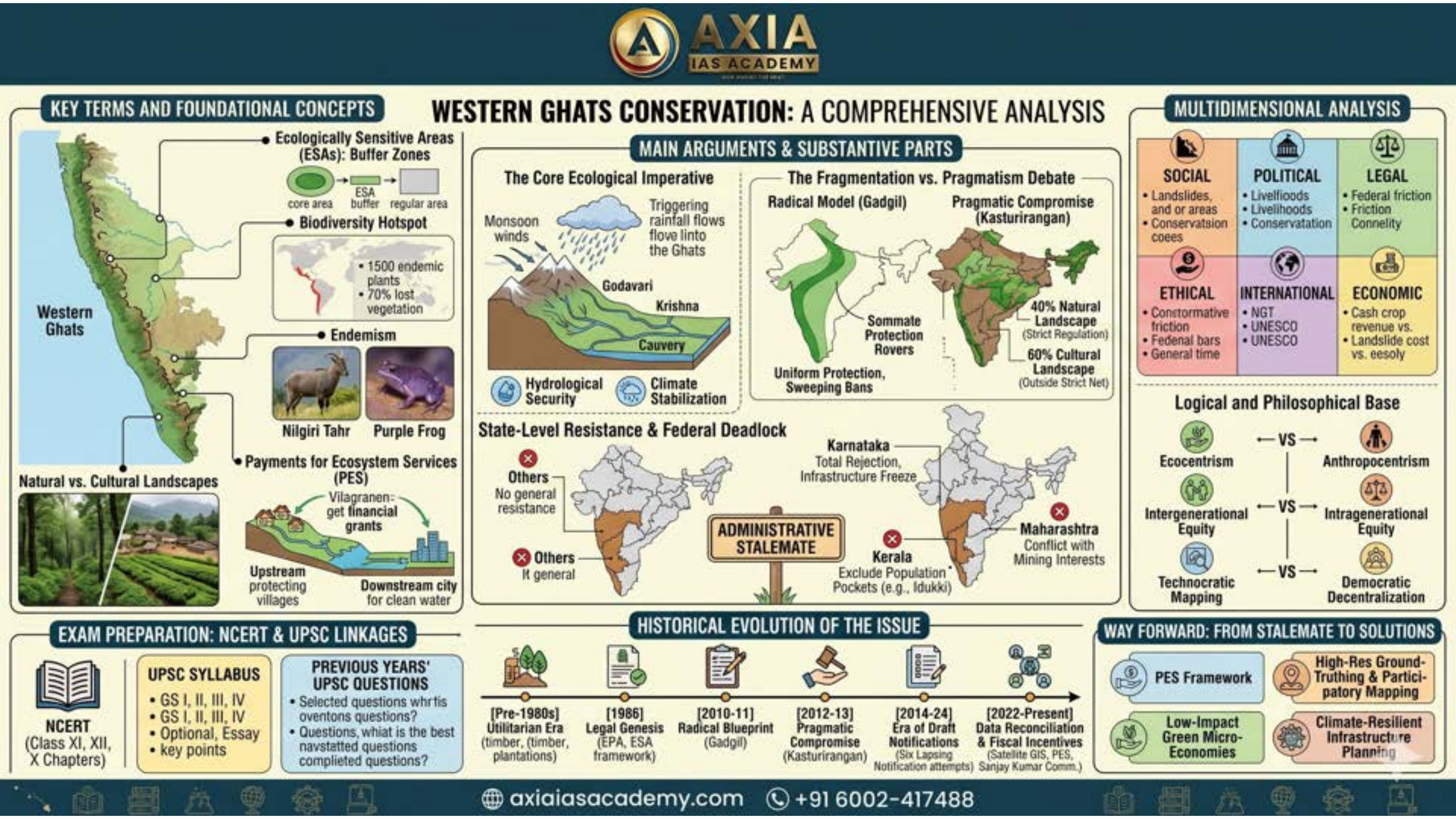
Kerala has seen civil society protests arguing for more protection and omission of villages from ESAs. Similar protests have also been seen in Goa, Karnataka, and Maharashtra.

- **Key Terms and Explanations**
- **Ecologically Sensitive Areas (ESAs):** These are socio-ecological units notified by the Central Government under the **Environment (Protection) Act, 1986**. They act as a buffer or "shock absorber" around highly protected zones like National Parks and Wildlife Sanctuaries. For example, within an ESA, highly polluting heavy industries are entirely prohibited, while low-impact human activities like organic farming or eco-tourism are permitted.
- **Biodiversity Hotspot:** A biogeographic region that possesses extraordinary levels of species endemism but is simultaneously under severe threat from human destruction. To qualify, a region must harbor at least 1,500 species of vascular plants as endemics and must have lost at least 70% of its original native vegetation. The Western Ghats stands as one of Earth's 36 recognized global biodiversity hotspots.
- **Endemism:** This biological term describes species that are natively unique to a defined geographic location and are found nowhere else on the planet. For instance, the **Nilgiri Tahr** or certain specialized purple frogs are endemic to the microclimates of the Western Ghats, meaning their extinction in this zone equals total global extinction.
- **Natural vs. Cultural Landscapes:** In conservation planning, a *Natural Landscape* refers to contiguous regions retaining high biological richness, low habitat fragmentation, and low human density. A *Cultural Landscape* represents areas heavily altered and dominated by human interaction, such as dense rural settlements, commercial cash-crop plantations, and agricultural fields.
- **Payments for Ecosystem Services (PES):** An innovative financial incentive system where the beneficiaries of ecological services (such as clean water, carbon sequestration, or flood mitigation) pay the landowners or communities who protect these natural resources. A practical example would be downstream urban centers or the Central Government providing direct fiscal grants to upstream forest-dwelling villages to compensate them for refraining from commercial logging or mining.

- **Main Arguments and Substantive Parts**
- The ongoing dialogue surrounding mountain range conservation balances the immediate needs of economic growth with long-term ecological survival.
- **The Core Ecological Imperative**
- The mountain chain running along India's western coast acts as a massive physical barrier that intercepts moisture-laden monsoon winds, ensuring bountiful rainfall across peninsular India. It serves as the cradle for major perennial rivers like the Godavari, Krishna, and Cauvery. Preserving this topography is not merely an exercise in wildlife protection; it is the cornerstone of hydrological security and climate stabilization for over a quarter of India’s population. The region contains thousands of endemic species whose survival depends entirely on the contiguity of these forest canopies.
- **The Fragmentation vs. Pragmatism Debate**
- A central point of contention lies in how conservation boundaries are drawn. Initial scientific assessments advocated for a sweeping, uncompromising protection model that covered nearly the entire mountain expanse. This approach recommended a near-total ban on large infrastructure, mining, and land-use change, prioritizing community-led, grassroot environmental governance.
- Subsequent expert panels attempted a more market-friendly compromise by splitting the region. They identified roughly 60% of the terrain as a human-dominated "cultural landscape" and recommended leaving it outside the strict regulatory net. They focused protection strictly on the remaining 40% (~56,825 sq km) of "natural landscape," proposing a ban only on highly polluting "red category" industries, large townships, and mining activities.

- **Historical Evolution of the Issue**
- **The Pre-1980s Utilitarian Era:** Historically, during the colonial and early post-independence periods, the mountain range was treated primarily as a source of commercial timber and a frontier for expanding lucrative cash crops like tea, coffee, rubber, and spices.
- **1986 – The Legal Genesis:** The passage of the **Environment (Protection) Act, 1986**, fundamentally altered India's legal landscape, granting the Central Government the statutory power to declare specific vulnerable regions as Ecologically Sensitive Areas to curb unchecked industrial expansion.
- **2010–2011 – The Radical Blueprint (Gadgil Committee):** The Ministry of Environment formed the Western Ghats Ecology Expert Panel (WGEEP) led by Madhav Gadgil. The panel recommended classifying the entire 1,29,037 sq km area into varying tiers of Ecologically Sensitive Zones (ESZ 1, 2, and 3), calling for an immediate halt to mining and large dams, while giving absolute veto power to local Gram Sabhas. This was rejected by states as overly restrictive.
- **2012–2013 – The Pragmatic Compromise (Kasturirangan Committee):** To break the deadlock, a High-Level Working Group led by K. Kasturirangan adjusted the boundary methodology. It trimmed the proposed protective cover to approximately 37% of the total area (~60,000 sq km), shielding agricultural and human settlements from severe regulations while banning heavy polluting industries in core forest zones.
- **2014–2024 – The Era of Draft Notifications:** Over the past decade, the Central Government issued six consecutive draft notifications based on modified versions of the Kasturirangan report. Each notification faced intense political pushback, local protests, and requests for exclusions, preventing them from being finalized.
- **2022–Present – Data Reconciliation and Fiscal Incentives:** Recognizing the empirical gaps, an expert committee led by Sanjay Kumar was appointed to undertake extensive ground-truthing. This committee uses high-resolution satellite imagery to reconcile village-level revenue maps while exploring financial compensation models to secure state cooperation.

- **Way Forward**
- **Institutionalizing Payments for Ecosystem Services (PES)**
- The Central Government should introduce a structured financial framework where downstream beneficiary states (such as Tamil Nadu, Andhra Pradesh, and Telangana) contribute to an ecological fund earmarked for upstream protector states (like Karnataka, Kerala, and Maharashtra). By compensating states for the revenue lost due to restrictions on mining or heavy industry, conservation can shift from an economic burden to a fiscally viable policy.
- **High-Resolution Ground-Truthing and Participatory Mapping**
- To address local concerns, the findings of the expert committee should be digitized using high-resolution GIS mapping and cross-referenced with local land-revenue records. This scientific boundary-setting must be paired with mandatory consultations with Gram Sabhas, ensuring that villages are not classified as protected zones due to bureaucratic errors, thereby preventing unnecessary panic among smallholder farmers.
- **Fostering Low-Impact Green Micro-Economies**
- Instead of enforcing a total economic freeze, policy frameworks should actively support alternative livelihoods. This includes providing financial assistance for organic farming, offering marketing support for geographical indication (GI) tagged mountain crops, and training local youth in community-led eco-tourism, turning conservation into an avenue for local job creation.
- **Implementing Climate-Resilient Infrastructure Planning**
- Given the increasing frequency of extreme weather events, states must replace piecemeal project clearances with Cumulative Environmental Impact Assessments (EIAs). Any public infrastructure permitted within the buffer zones—such as essential roads or power links—must follow strict eco-sensitive engineering practices, including a total ban on slope destabilization and quarrying in landslide-prone zones.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KEY TERMS AND FOUNDATIONAL CONCEPTS
WESTERN GHATS CONSERVATION: A COMPREHENSIVE ANALYSIS
MULTIDIMENSIONAL ANALYSIS
Ecologically Sensitive Areas (ESAs): Buffer Zones
core area
ESA buffer
regular area
Biodiversity Hotspot
• 1500 endemic plants
• 70% lost vegetation
Western Ghats
Endemism
Nilgiri Tahr
Purple Frog
Payments for Ecosystem Services (PES)
Vilagranen: get financial grants
Upstream protecting villages
Downstream city for clean water
Natural vs. Cultural Landscapes
MAIN ARGUMENTS & SUBSTANTIVE PARTS
The Core Ecological Imperative
Monsoon winds
Triggering rainfall flows flove linto the Ghats
Godavari
Krishna
Cauvery
Hydrological Security
Climate Stabilization
The Fragmentation vs. Pragmatism Debate
Radical Model (Gadgil)
Pragmatic Compromise (Kasturirangan)
Sommate Protection Rovers
Uniform Protection, Sweeping Bans
40% Natural Landscape (Strict Regulation)
60% Cultural Landscape (Outside Strict Net)
State-Level Resistance & Federal Deadlock
Others No general resistance
Others It general
ADMINISTRATIVE STALEMATE
Karnataka Total Rejection, Infrastructure Freeze
Kerala Exclude Population Pockets (e.g., Idukki)
Maharashtra Conflict with Mining Interests
SOCIAL
• Landslides, and or areas
• Conservatsion coees
POLITICAL
• Livelfioods
• Livelihoods
• Conservatation
LEGAL
• Federal friction
• Friction Connelity
ETHICAL
• Constormative friction
• Fedenal bars
• General time
INTERNATIONAL
• NGT
• UNESCO
• UNESCO
ECONOMIC
• Cash crop revenue vs.
• Landslide cost vs. eesoly
Logical and Philosophical Base
Ecocentrism — VS — Anthropocentrism
Intergenerational Equity — VS — Intragenerational Equity
Technocratic Mapping — VS — Democratic Decentralization
EXAM PREPARATION: NCERT & UPSC LINKAGES
NCERT (Class XI, XII, X Chapters)
UPSC SYLLABUS
• GS I, II, III, IV
• GS I, II, III, IV
• Optional, Essay
• key points
PREVIOUS YEARS' UPSC QUESTIONS
• Selected questions whrtis oventons questions?
• Questions, whatt is the best navstatted questions complieted questions?
HISTORICAL EVOLUTION OF THE ISSUE
[Pre-1980s] Utilitarian Era (timber, (timber, plantations)
[1986] Legal Genesis (EPA, ESA framework)
[2010-11] Radical Blueprint (Gadgil)
[2012-13] Pragmatic Compromise (Kasturirangan)
[2014-24] Era of Draft Notifications (Six Lapsing Notification attempts)
[2022-Present] Data Reconciliation & Fiscal Incentives (Satellite GIS, PES, Sanjay Kumar Comm.)
WAY FORWARD: FROM STALEMATE TO SOLUTIONS
PES Framework
High-Res Ground-Truthing & Participatory Mapping
Low-Impact Green Micro-Economies
Climate-Resilient Infrastructure Planning
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No one should own the law: why government standards should be public

As part of the implementation of the Jan Vishwas framework, it has been proposed that all edicts of government be centrally published and that any such edict not publicly accessible be treated as null and void — a principle that should extend to public safety standards as well

Carl Malamud

The principle that rules governing public life must be widely accessible is not new to India. The first Indian road safety standard dates back to Emperor Ashoka, who commanded that his edicts of government be broadly disseminated throughout the land. The 7th Pillar Edict, now located in Delhi, had an extensive section on road safety.

Today, this work continues under the auspices of the Indian Roads Congress. While ostensibly a non-profit association, it is actually an arm of the government; it is subject to Right to Information Act; its website is maintained by the Network Information Centre, and its governing council is predominantly composed of government officials. It is a law-making enterprise with the force of the state.

The Indian Roads Congress publishes hundreds of standards, guidelines, and specifications relating to road safety and construction. These documents cover a wide range of technical matters, including route signage for national highways, vehicle design dimensions and weights, and the design of prestressed concrete road bridges.

These standards are widely incorporated into government practice, appearing in subordinate legislation as well as in regulations issued by bodies such as the National Rural Infrastructure Development Agency and the Ministry of Road Transport and Highways. The standards are also an integral part of the road construction efforts by the States and are frequently referred to in judicial opinions.

For over a decade, I've been systematically purchasing, scanning, and posting these road edicts on my website and on the Internet Archive, a non-profit public library based in the U.S. Many of these standards have been accessed tens of thousands of times, with even government agencies themselves reproducing and hosting copies. This work is entirely non-commercial: no fees are charged for access, no intellectual property rights are asserted, and the source of every document is clearly identified. The underlying principle is straightforward – edicts of government constitute the raw materials of democracy, and a truly informed citizenry is indispensable to ensuring a government not merely for the people, but by the people.

Recently, a "takedown" notice was issued by the Indian Roads Congress – a demand for the immediate removal of its purportedly proprietary works – accompanied by threats of legal consequences for non-compliance. That demand has not been complied with, and it is necessary to explain why.

My nonprofit makes edicts of government available; it is the essence of our mission. In India, this included posting of over 14,000 Indian Standards issued by the Bureau of Indian Standards (BIS). Like the standards of the Indian Roads Congress, BIS standards are an integral part of public safety. It is impossible to meaningfully advance initiatives such as "Make in India" without ensuring "safe in India." These standards cover critical areas including the National Building Code, safety requirements for motorcycle helmets and drinking water, procedures for entering sewer systems, the operation of agricultural and textile machinery, and construction practices in areas prone to typhoons. Like the Indian Roads Congress, an elaborate law-making process is used before an Indian Standard is issued.

When BIS objected to my actions, myself and two Indian co-petitioners raised a Public Interest Litigation in the Hon'ble High Court of Delhi. Our suit went on for seven years, and then something interesting happened. During those seven years, we continued to post all the BIS standards for open access, yet during that time more and more people became aware of the standards and the sales of standards by BIS went up! But, here's the thing. Government doesn't make money selling these publications, but they are hard to procure.

It turns out BIS was loosing more and more money as their sales went up. Recognising the inefficiency of this model, a senior official in the Ministry directed that the standards be made freely available on the BIS website. This outcome aligned with the very relief that had been sought; accordingly, the matter was brought before the Chief Justice of the Delhi High Court, and a request was made to withdraw the petition. The court acceded to this request and disposed of the matter.

Parliament has recently passed the Jan Vishwas law, a move to "liberate governance from the steel cage". A recent post by business leaders Manish Sabharwal (co-founder of TeamLease) and Rahul Matthan (co-founder of Trilegal) called for the removal of "shadow instruments" – edicts that are not readily available to read. In addition to judicial decisions and primary legislation, they identify a wide array of non-statutory instruments that nonetheless carry the force of law, including regulations, circulars, master circulars, departmental and ministerial directions, office memoranda, public notices, general orders, guidance notes, advisories, press releases, schemes, consultation papers, standard operating procedures, policies, notifications, guidelines, government orders, departmental orders, and gazettes.

These instruments constitute what may properly be described as "edicts of government." Courts in other jurisdictions have affirmed that such edicts belong to the people. In the United States, the Supreme Court has held that "no man shall own the law," underscoring the principle that legal materials must remain in the public domain. Similarly, in the European Union, a constitutional bench has ruled that mandatory safety standards form an integral part of the law and that ensuring public access to them is of "overriding public importance."

As part of the implementation of Jan Vishwas, Mr. Sabharwal and Mr. Matthan have suggested that all edicts of government in India be posted on a central website, such as India Code, and that any such edict not publicly accessible should be treated as null and void. This proposal is both sound and necessary, and it ought to extend expressly to public safety standards as well.

It is important, however, to distinguish such edicts from other categories of government publications. Not all documents issued by the state carry normative or binding force; many are informational or cultural in nature, including the numerous publications produced by bodies such as the Publications Division, the National Book Trust, and the Archaeological Survey of India.

Edicts of government have a special protected place in constitutional law, but works of government are any documents issued by the state, and these public works have a special importance. I have also purchased and posted thousands of such documents from the Union and State governments, and as with edicts, have over the years received a number of takedown notices. As with the Roads Congress, I have stated my position and respectfully declined to remove the documents.

In the U.S., the "works of government" clause in the copyright act states that documents issued by the federal government are not eligible for copyright. In England, the government maintains "crown copyright" but has an open government data license permitting reuse. It would be a simple matter for India to adopt a works of government policy.

Edicts of government are the law, and must be available for democracy to function. Works of government are also vital, public knowledge paid for by the people. Making both edicts and works more readily available will enrich our society and make government ever more relevant to the citizenry. These are small steps we can all take as we walk together up that long twisted path towards a better democracy, towards that shining city on the hill.

Carl Malamud is the president and founder of Public Resource, a U.S.-based NGO and author of 9 books.

- **Key Terms and Explanations**
- **Edicts of Government:** These represent the formal, binding commands, laws, regulations, and public safety standards issued by state organs. Unlike mere advisories, an edict carries the coercive power of the state. For instance, the safety specifications for drinking water or motorcycle helmets issued by national bodies are edicts because non-compliance carries legal and structural consequences for manufacturers and citizens alike.
- **Shadow Instruments:** These are non-statutory administrative tools—such as master circulars, office memoranda, departmental directions, and press releases—that effectively hold the force of law but escape formal legislative scrutiny. A practical example is a sudden ministerial notification changing compliance procedures for cross-border trade; though not debated in Parliament, businesses must follow it or face penalties.
- **Jan Vishwas Framework:** A comprehensive legislative and policy initiative designed to reform Indian governance by decriminalizing minor offenses, streamlining compliance, and dismantling obsolete regulations. Its core philosophy is to liberate the domestic enterprise and ordinary citizens from the "steel cage" of bureaucratic overreach, replacing mistrust with proactive transparency.
- **Works of Government Clause:** A statutory legal doctrine, notably practiced in jurisdictions like the United States, which dictates that any material produced by government officials as part of their official duties cannot be protected by copyright. It ensures that the laws paid for by taxpayers remain entirely within the public domain, free for anyone to read, copy, or redistribute.
- **Normative vs. Informational Publications:** Normative publications establish binding rules, safety standards, and legal obligations that citizens must follow (e.g., the National Building Code). Informational or cultural publications, on the other hand, are published by the state for educational, historical, or cultural enrichment (e.g., books from the National Book Trust or the Archaeological Survey of India) and do not carry regulatory penalties.

- **Main Arguments and Substantive Parts**
- **The Democratic Imperative of Accessible Law:** The primary thesis argues that for a democracy to function meaningfully, the rules governing public life must be entirely transparent and universally accessible. If the raw material of democracy is an informed citizenry, hiding binding legal standards behind institutional paywalls strikes at the very root of constitutional governance.
- **The Paradox of Proprietary Public Safety Standards:** A major point of contention highlighted in image.png is the practice of state-affiliated entities, like the Indian Roads Congress (IRC) or the Bureau of Indian Standards (BIS), claiming private copyright over public safety codes. When these bodies issue "takedown notices" against open-access platforms, they effectively privatize the rules of public safety, making it harder for builders, engineers, and citizens to comply with the law.
- **The Administrative Threat of Shadow Instruments:** Governance is frequently clogged by a dense web of un-cataloged circulars and internal memoranda. Because these instruments are not centrally published, they create an unpredictable regulatory environment that stifles economic initiatives like "Make in India" and exposes small enterprises to arbitrary bureaucratic harassment.
- **Debunking the Revenue-Loss Myth:** Opponents of open access often argue that standard-setting bodies rely on the sale of these documents to sustain themselves. However, real-world evidence reveals a counter-intuitive truth: when thousands of Indian Standards were placed online for free public access during a historic seven-year legal battle in the Delhi High Court, public awareness surged, which paradoxically expanded institutional reach and actually drove up the demand and overall footprints for these organizations.
- **Global Best Practices as a Blueprint:** Advanced legal systems across the globe actively reject the privatization of law. The United States employs a strict "works of government" copyright exemption, the United Kingdom utilizes an open government data license for its Crown copyrights, and the European Union’s constitutional jurisprudence explicitly states that public access to mandatory safety standards is a matter of overriding public importance.

- **Historical Evolution of the Issue**
- **The Ancient Roots (Mauryan Era):** The principle of publicizing state laws is deeply embedded in Indian statecraft, tracing back to Emperor Ashoka. The 7th Pillar Edict, currently located in Delhi, stands as India's earliest recorded public road safety and governance code, purposefully carved onto stone pillars across the empire to ensure that the law was visible to every traveler and citizen.
- **Post-Independence Institutionalization (Mid-20th Century):** With the birth of the modern Indian republic, specialized technical bodies like the Indian Roads Congress and the Indian Standards Institution (later transformed into the Bureau of Indian Standards) were established. While they successfully drafted robust national frameworks, they adopted a restrictive, commercial model of distributing these documents via paid physical sales.
- **The Right to Information Revolution (2005):** The enactment of the Right to Information (RTI) Act marked a structural shift, legally establishing that state-affiliated standard-setting councils are public authorities subject to transparency. Despite this, the tension between intellectual property claims and the public's right to access statutory safety blueprints persisted.
- **The Era of Judicial Scrutiny (Past Decade):** The conflict escalated into the judicial arena through a landmark seven-year Public Interest Litigation (PIL) in the Delhi High Court. The litigation fiercely challenged the institutional monopoly over safety documents, testing whether technical benchmarks for drinking water, helmets, and infrastructure could legally be locked behind financial barriers.
- **The Contemporary Shift via Jan Vishwas (Present Day):** The conversation has now shifted from mere information disclosure to structural legal reform. Under the expanding Jan Vishwas governance framework, policy architects are actively proposing that all government edicts be centrally digitized on platforms like *India Code*, establishing the radical principle that any binding rule hidden from the public should be legally treated as null and void.

- **Way Forward**
- **Codification on a Unified National Platform:** India must mandate that every single binding edict, technical safety standard, and administrative circular be published on a single, comprehensive digital repository, such as the *India Code* portal, creating a definitive one-stop reference for all citizens and businesses.
- **Institutionalization of the "Public Visibility or Nullity" Rule:** The legislature should formalize the proposal raised within the Jan Vishwas framework into law: any regulation, office memorandum, or safety standard that is not made freely accessible on the designated national platform must be treated as automatically null, void, and legally unenforceable.
- **Amending the Indian Copyright Act:** A targeted amendment should be introduced to the Indian Copyright Act to include an explicit "Works of Government" clause. This amendment would clearly strip state-funded regulatory councils and standard-setting bodies of any intellectual property claims over documents that carry the force of law.
- **Restructuring the Funding of Regulatory Bodies:** To ensure financial sustainability without commercializing public laws, the revenue models of institutions like the Bureau of Indian Standards (BIS) and the Indian Roads Congress (IRC) should be restructured. They should transition away from selling public safety documents, relying instead on direct budgetary support or charging fees for testing and conformity certifications.
- **Maintaining a Clear Line Between Normative and Cultural Material:** Administrative guidelines must clearly distinguish between binding regulatory instruments (which must be entirely free) and promotional, educational, or cultural publications produced by entities like the Publications Division or National Book Trust, allowing the latter to retain standard copyright models to sustain their operations.

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DEMOCRATIZING THE LAW: WHY ALL GOVERNMENT EDICTS AND STANDARDS MUST BE PUBLIC.

A UPSC/APSC CSE PERSPECTIVE

CORE CONCEPTS

1 RULE OF LAW

Ignorance of the Law is No Excuse (Maxim). Law must be universally accessible and predictable.

2 WORKS PAID BY TAXPAYERS

Belong to the public. Treating state creations as proprietary is a contradiction.

3 DEMOCRATIC IMPERATIVE

Truly informed citizenry needs access to the law to function meaningfully.

THE CONFLICT & EVOLUTION

EDICTS OF GOVERNMENT → SHADOW INSTRUMENTS → PROPRIETARY SAFETY STANDARDS

HISTORICAL EVOLUTION OF OPEN LAW

BIC
BIS/IRC

- **Ancient India 300 BCE** — Ashoka's open public road safety codes
- **Post-Independence** — BIS/IRC established, restrictive sales
- **RTI Act 2005** — key in book
- **Judicial PIL past decade** — Delhi HC PIL challenges standard monetization

THE PARADOX & THE SOLUTION

LEFT — PRIVATE OWNERSHIP CLAIMS

BIS/IRC

bodies claim copyright on binding safety codes

RIGHT — THE JAN VISHWAS FRAMEWORK

dismantle bureaucratic steel cage

Dismantling the Cage

Dismantling the Cage

DEBUNKING THE REVENUE MYTH

Despite standard footprints in alentiure networks despite free online access.

MULTIDIMENSIONAL ANALYSIS

1 SOCIAL

Community
Helmet specs

Community enforcement of standards

2 LEGAL

Un-published edicts = Null & Void. Indian Copyright Amendment.

3 ECONOMIC

MSME

Slashes compliance costs. Boosts "Make in India."

4 ETHICAL

Administrative justice; rejecting penalties using hidden rules.

5 INTERNATIONAL

Align with US, UK, EU open law best practices.

6 ADMINISTRATIVE

Curtailing arbitrary power through hidden circulars.

WAY FORWARD: PRACTICAL REFORMS

CODIFICATION ON UNIFIED NATIONAL PLATFORM (INDIA CODE) → **MANDATORY PUBLICATION** (unpublished rule void) → ACT **INDIAN COPYRIGHT ACT AMENDMENT** (explicit Works of Government clause)

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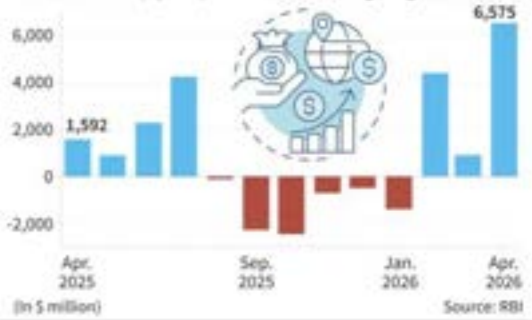
Net FDI jumped to $6.6 bn in April, highest in nearly 5 years

T.C.A. Sharad Raghavan
NEW DELHI

Net positive

Net FDI rose sharply in April 2026 due to a surge in gross inflows



Net FDI rose to $6.6 billion in April 2026, its highest level in nearly five years, driven by a 65% surge in gross inflows, an analysis of official data shows.

In other words, the data released by the Reserve Bank of India on Monday shows that the total amount of direct investment that entered the country in April 2026 exceeded the amount leaving it by $6.6 billion. The corresponding figure in March 2026 was $917 million. April's net FDI figure was the highest since May 2021.

The surge in gross inflows even overshadowed the fact that outward FDI by Indian companies also rose to a historic high in April 2026.

Nevertheless, the data for April marks a significant turnaround from just a few months ago, since net FDI had been negative for six consecutive months up to February 2026.

Gross FDI in April 2026, or the total amount of direct investment that entered the country that month, surged to $15.3 billion – the highest since at least March 2021, the earliest month for which data is easily available.

This figure was 65% higher than in April last year, and 131% higher than in March 2026.

To further put this figure into context, the gross FDI inflows in the single month of April 2026 was more than 16% of the amount that came in the entire financial year 2025-26.

"Source wise, more than 75% of the FDI flows came from Japan, Singapore and Mauritius," the RBI said in its monthly bulletin report.

Slower outflow growth

Gross outflows rose, too, but at a significantly slower pace, to $8.7 billion in April 2026 from $7.7 billion in April last year – a growth of 13.7%. Within this, outward FDI by Indian companies rose nearly 42% in April 2026 to $4.8 billion, the highest level since at least March 2021.

"As regards outward FDI, around 80% of the flows were directed to the U.S. and the Cayman Islands," the RBI said.

- **Key Terms and Explanations**
- **Gross FDI Inflows**
- This represents the total volume of foreign capital entering a country's boundaries within a specific period to acquire a controlling stake (typically 10% or more of voting power) in domestic enterprises. Unlike short-term portfolio investments, gross inflows represent long-term commitments to the nation's physical and economic infrastructure. For instance, when a Japanese conglomerate invests billions of dollars to establish an electric vehicle manufacturing facility in India, the entire transaction is registered as a gross inflow. As illustrated in **image.png**, these inflows can witness dramatic monthly surges based on large corporate deals and shifting global supply chains.
- **Gross FDI Outflows**
- This refers to the total capital flowing out of the domestic economy as domestic companies invest in overseas subsidiaries, joint ventures, or foreign assets. This process reflects the global expansion and maturation of domestic corporate entities. For example, an Indian software giant or pharmaceutical firm acquiring a research laboratory in Europe or setting up a digital hub in North America contributes to gross outflows. According to the structural trends highlighted in **image.png**, a significant portion of India's outward investments finds its way to destinations like the United States and the Cayman Islands, demonstrating both strategic market expansion and global tax planning.
- **Net Foreign Direct Investment (FDI)**
- Net FDI is the final balance derived by subtracting total gross capital outflows (which include repatriation of capital, divestments, and outward direct investments by domestic firms) from total gross inflows. It serves as a true indicator of net capital accumulation in the economy. A positive net FDI indicates that the influx of foreign productive capital exceeds the capital leaving the country. This metric is highly cyclical; as observed in **image.png**, net FDI can experience periods of contraction or negative growth before staging a robust turnaround driven by macroeconomic fundamentals.
- **Capital Repatriation and Divestment**
- Repatriation occurs when foreign investors liquidate their domestic holdings or transfer their profits, dividends, and original capital back to their home country. Divestment is the withdrawal of an investment or the sale of an asset by a multinational corporation. High repatriation can shrink net FDI even when gross inflows are strong. This dynamic explains why a gap always exists between the total money entering an economy and the actual capital retained for long-term domestic asset creation.

- **Main Arguments and Substantive Parts**
- **The Volatility and Turnaround Phase of Capital Flows**
- A central theme in modern macroeconomic analysis is the inherent volatility of long-term capital flows in emerging market economies. Capital flows do not move in a straight line; instead, they respond sharply to global headwinds and domestic policy shifts. The transition from a prolonged multi-month deficit in net capital flows to a sudden, multi-billion-dollar surplus—as visualised in the April 2026 data trend in **image.png**—underscores India’s capacity to stage rapid economic recoveries. This turnaround points to a strong underlying resilience, indicating that global capital treats India as a dependable destination despite short-term global liquidity contractions.
- **Disproportionate Source Concentration and Its Vulnerabilities**
- An essential element of India's foreign investment landscape is its heavy reliance on a narrow corridor of sourcing nations. When more than three-quarters of total inbound capital originates from just three jurisdictions—specifically Japan, Singapore, and Mauritius—it highlights a dual narrative. On one hand, it showcases highly successful bilateral economic diplomacy and deep corporate ties with these nations. On the other hand, it reveals a structural vulnerability. Over-dependence on a few specific channels exposes the domestic economy to regulatory updates or economic shifts within those specific partner countries.
- **The Changing Nature of Domestic Conglomerates**
- The steady rise in outward direct investments by Indian corporations indicates a maturing economy. Domestic businesses are no longer just passive recipients of global capital; they are transforming into transnational corporations. By deploying substantial capital into major Western markets and offshore financial centers, Indian enterprises are integrating themselves into global value chains. This outward push ensures better access to frontier technologies and natural resources, although it simultaneously reduces the pool of domestic capital available for immediate local deployment.

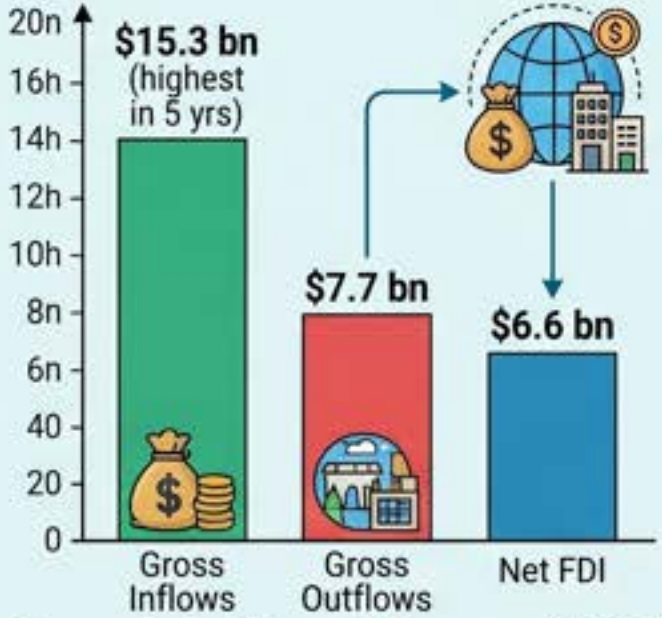
- **Historical Evolution of the Issue**
- **Pre-1991 Era: The Regime of Inward-Looking Insularity**
- Following independence, India adopted an import-substitution industrialization model guided by a socialist philosophy. Foreign capital was viewed with post-colonial skepticism and faced strict regulations. The enactment of the **Foreign Exchange Regulation Act (FERA) of 1973** marked the peak of this restrictive approach. FERA capped foreign equity participation at 40% for most industries, forcing many multinational corporations to liquidate their holdings and exit the country. During this period, foreign investment was permitted only in high-tech or export-oriented sectors where domestic capability was completely absent.
- **1991 Reforms: The Paradigm Shift to Liberalization**
- The balance of payments crisis of 1991 forced a complete dismantling of the "License Raj." The historic New Economic Policy introduced the concepts of Liberalization, Privatization, and Globalization (LPG). FERA was subsequently replaced by the investor-friendly **Foreign Exchange Management Act (FEMA) of 1999**, changing the regulatory focus from strict control to management. The government introduced the "Automatic Route" for foreign investments, allowing capital to enter specified sectors without prior approval from the Reserve Bank of India or central ministries, which triggered a steady rise in gross inflows.
- **The 2000s and 2010s: Sectoral Opening and Institutional Reforms**
- This period was characterized by the systematic lifting of sectoral caps across critical industries, including telecom, defense, civil aviation, single-brand retail, and insurance. The institutional architecture was streamlined by establishing the **Foreign Investment Promotion Board (FIPB)** to oversee the approval route. In 2017, the government abolished the FIPB to eliminate bureaucratic delays and move toward an entirely online processing system called the Foreign Investment Facilitation Portal (FIFP). This era established India as one of the top global destinations for greenfield investments.
- **Post-2020 Era: The Geo-Economic Realignment Phase**
- In recent years, the approach to foreign capital has adapted to global geopolitical shifts, such as the "China Plus One" strategy and the rise of "friendshoring." The introduction of the **Production Linked Incentive (PLI)** schemes across multiple manufacturing sectors has deliberately tied financial incentives to foreign and domestic capital deployment.

- **Way Forward**
- **Diversification of Capital Sourcing Corridors**
- To reduce the risks associated with relying on a small number of financial corridors, India needs to actively diversify its sources of inbound capital. Policymakers should target long-term, patient capital from sovereign wealth funds and large pension funds based in North America, Europe, and the Middle East. Attracting these institutional investors requires creating dedicated investment windows, offering stable tax treatments, and tailoring financial instruments to match the long-term horizons of global infrastructure funds.
- **Rationalizing the Model Bilateral Investment Treaty (BIT)**
- The decline in signed BITs over recent years highlights the need to revise India's 2015 Model BIT. The current requirement that foreign investors must exhaust all domestic judicial remedies for a set period before seeking international arbitration can make global capital hesitant to enter. Updating this framework to offer a balanced dispute resolution mechanism would protect investor interests while safeguarding the state's regulatory sovereignty, helping build a more predictable environment for large greenfield projects.
- **Deepening Structural Reforms to Support Inflows**
- To ensure that high gross inflows translate effectively into long-term industrial projects rather than short-term financial acquisitions, the government must address underlying structural bottlenecks. This involves fully operationalizing the National Single Window System (NSWS) across all states, simplifying land acquisition procedures, and modernizing logistics infrastructure through the PM Gati Shakti National Master Plan. Lowering the overall cost of doing business is essential to retaining mobile international capital within the domestic manufacturing sector.
- **Strengthening Tax Governance and Regulatory Oversight**
- Given the steady volume of gross outflows to offshore financial centers, regulatory bodies like the RBI and the Enforcement Directorate must maintain strong oversight without creating unnecessary administrative hurdles for genuine businesses. Consistently enforcing the General Anti-Avoidance Rules (GAAR) and aligning domestic tax laws with the OECD’s Base Erosion and Profit Shifting (BEPS) framework will help ensure that outward investments reflect true economic expansion rather than efforts to relocate tax liabilities.

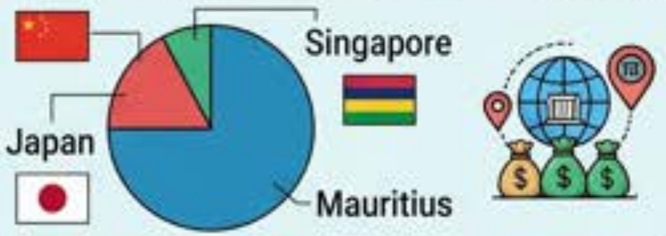
UPSC CSE ESSENTIALS: DECONSTRUCTING INDIA'S NET FDI SURGE ($6.6bn)

AXIA IAS ACADEMY
RISE ABOVE THE REST

India's FDI flows (April 2026)



Concentrated Inward Sources (>75%)



ESSENTIAL UPSC KEY TERMS & CONCEPTS

Gross FDI Inflows
Total volume of non-debt capital entering the country

Gross FDI Outflows
Total capital going to foreign assets

Net FDI
The difference between gross inflows and outflows

Capital Repatriation/ Divestment
When foreign investors liquidate holdings

DRIVERS OF THE SURGE AND ITS TRENDS

- 65% Surge in Gross Inflows → Highest since May 2021
- Slower Outflow Growth (13.7%) → Manageable level

Highlights

Historic High for Indian Outward FDI ($4.8bn)

U.S.
Cayman Islands
Tax Implications

MULTIDIMENSIONAL UPSC ANALYSIS

SOCIAL
Regional jobs, income inequality

POLITICAL
Policy trust, state competition

LEGAL/ETHICAL
Tax havens (Cayman/Mauritius), GAAR compliance

INTERNATIONAL
Friendshoring, Quad, Global supply chains

ECONOMIC
Capital formation, BoP stability, manufacturing via PLI

HISTORICAL
FERA (Control) → FEMA (Management) Liberalization