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Cooperative Bharat Taxi will end exploitation of drivers, users: Amit Shah

Avinash Nair
Ahmedabad

Accusing private ride-hailing companies of exploiting both drivers and passengers, Union Home Minister Amit Shah on Saturday said the co-operative Bharat Taxi platform was created to end practices such as high commission deduction, delayed payments and arbitrary cancellation of drivers' registrations.

Without naming ride-hailing companies, Shah said the rapid growth of app-based taxi services had come at the cost of drivers, who were forced to part with a significant share of their earnings while having little say in how platforms operated.

MANY COMPLAINTS

"Different kinds of complaints used to come. At some places, commissions used to be cut from driver's profit, for many days profits and rents never used to reach the drivers, registrations used to be cancelled on customer complaints without hearing the driver's side of the story. Thus, we thought of introducing a service that will be based on the cooperative model which will also end all the exploitation," Shah said while formally launching the Bharat Taxi services in 14 cities of Gujarat including Ahmedabad.

Shah also suggested that the launch of Bharat Taxi has already begun influencing pricing in the ride-hailing market. He claimed that incumbent platforms had started lowering fares in cities where Bharat Taxi has started operations. "These tactics can work anywhere in the world, but not in India," Shah said, arguing that unlike venture-backed platforms, a drivers owned co-operative would not be forced to retreat because of



Union Home Minister
Amit Shah

pricing pressure.

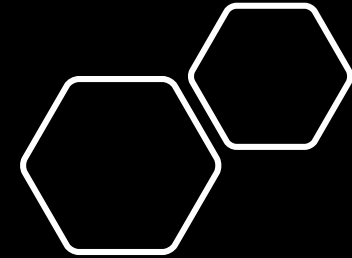
DRIVER OWNER

According to Shah, the co-operative model seeks to fundamentally alter that equation by making drivers stakeholders rather than mere service providers. Every driver joining Bharat Taxi becomes a shareholder of the cooperative by buying shares worth ₹100, giving rise to its tagline, '*Saarthi Hi Maalik*' (the driver is the owner). Besides retaining their earnings through a zero-commission model, drivers are promised access to insurance, loans, pensions and government social security schemes.

The platform, registered under the Multi-State Co-operative Societies Act, has been promoted by Sahkar Taxi Cooperative Ltd with support from eight of India's largest cooperative institutions including GCMMF (Amul), IFFCO, KRIBHCO, NDDDB, NAFED, NABARD, NCDC and NCEL.

BIG EXPANSION

Bharat Taxi unveiled an aggressive expansion roadmap. Jayen Mehta, chairman of Sahkar Taxi Cooperative Limited, said the platform has onboarded 7 lakh drivers and nearly 40 lakh customers since its launch in February. Over the next year, Bharat Taxi plans to expand to 30 State capitals and 125 cities, while Shah set an even more ambitious target of reaching over 500 cities in three years.



- **Key Terms and Explanations**

- **Platform Capitalism & The Gig Economy:** This refers to an economic model where digital tech giants act as intermediaries, matching service providers (like drivers or delivery partners) with consumers. While it offers immense flexibility, it often treats workers as "independent contractors" rather than employees, stripping them of standard labor protections.
- **Platform Cooperativism:** A corrective business model that marries the technological efficiency of a digital platform with the democratic governance and co-ownership of a cooperative. The users, workers, and stakeholders own the digital infrastructure.
- **Multi-State Cooperative Societies (MSCS):** These are cooperative societies whose objects and operational jurisdictions are not confined to a single state but serve the interests of members across multiple states. They are registered under the Central Act (Multi-State Cooperative Societies Act) to ensure uniform governance across state borders.
- **Zero-Commission Architecture:** A revenue model where the aggregating platform does not deduct a percentage cut from the worker's earnings for individual transactions. Instead, the entire consumer fare is transferred to the service provider, save for nominal maintenance overheads.
- **Predatory Pricing & Venture-Backed Subsidies:** A market strategy where venture-capital-funded corporations intentionally price services below cost to eliminate competition and alter consumer behavior. Once a monopoly or duopoly is established, they increase prices for consumers and compress margins for workers.

- **Main Arguments and Substantive Parts**

- The contemporary debate surrounding urban mobility and gig work centers on a fundamental conflict between extractive capital and democratic labor.
- **The Core Thesis**
 - The conventional venture-backed aggregator model inherently relies on an asymmetrical distribution of power. By leveraging algorithmic opacity, these platforms extract high commissions, enforce arbitrary deactivations, and leave workers economically vulnerable. The remedy lies in shifting the ownership of the digital asset from distant shareholders to the primary wealth creators: the workers themselves.
- **The Mechanism of Democratic Ownership**
 - Transitioning from a corporate-led ecosystem to a model like **Sahkar Taxi Cooperative Ltd** fundamentally redefines the labor equation.
- **The "Saarthi Hi Maalik" Principle:** By enabling a driver to become an equity shareholder through a minimal financial threshold (such as purchasing shares worth ₹100), the driver is elevated from a mere service provider to a co-owner.
- **The Retention of Value:** Eliminating the intermediary's commission ensures that the financial fruits of labor remain within the local economy, directly raising the standard of living for the workforce.
- **Institutional Backing as a Buffer:** Individual cooperatives often struggle against the deep pockets of multi-national corporations. However, when backed by a coalition of national cooperative giants—such as GCMMF (Amul), IFFCO, KRIBHCO, NDDDB, NAFED, NABARD, NCDC, and NCEL—the cooperative model gains the structural resilience needed to withstand predatory pricing wars without retreating from the market.

- **Historical Evolution of the Issue**

- **Pre-Independence Era (The Genesis):** The cooperative movement in India began as a defensive mechanism against rural indebtedness. The passing of the *Cooperative Credit Societies Act of 1904* sought to free farmers from usurious moneylenders, establishing the principle that collective credit could break exploitative monopolies.
- **Post-Independence State-Led Growth:** The mid-20th century witnessed the institutionalization of cooperatives within India's Five-Year Plans, aiming for a "Cooperative Commonwealth." The landmark success of the White Revolution via **AMUL (GCMMF)** proved that fragmented, small-scale producers could collectively achieve economies of scale capable of competing with multinational corporations.
- **The Liberalization and Big-Tech Boom (1990s–2010s):** The post-1991 Liberalization, Privatization, and Globalization (LPG) era opened the doors to massive foreign direct investment and venture capital. By the mid-2010s, smartphones enabled the rise of the app-based gig economy. This shifted urban transport from traditional, unionized black-and-yellow taxis to highly centralized corporate aggregators.
- **The Modern Regulatory and Digital Cooperative Turn (Present Day):** Over time, growing discontent over falling driver incomes and rising consumer complaints highlighted the limits of unregulated platform capitalism. This catalyzed a dual response: a legislative shift toward protecting gig workers (e.g., the *Code on Social Security, 2020*) and an operational shift toward using digital technologies to revitalize the cooperative model, scaling from local initiatives to nationwide networks covering hundreds of cities.

- **Way Forward**

- **Technological Upgradation and UI/UX Excellence:** To compete effectively with private options, cooperative platforms must match their technical quality. This requires maintaining a highly responsive, user-friendly mobile application interface, accurate GPS routing, and robust digital payment systems.
- **Financial Deepening via Inter-Cooperative Credit Synergies:** The cooperative network should leverage its internal financial strength. Institutions like NABARD and cooperative banks can establish low-interest credit lines for driver-owners, enabling them to transition to electric vehicles (EVs) and lower their long-term operational costs.
- **Strategic Convergence with Smart City Infrastructure:** Municipal corporations and state governments can actively support these initiatives by integrating cooperative transport platforms into urban transit hubs, providing dedicated airport parking lanes, and incorporating them into public smart city applications.
- **Algorithmic Transparency as a Benchmark:** Cooperative platforms should lead by example by implementing open-source, auditable algorithms. This guarantees that ride allocations, surge pricing computations, and distance calculations are handled transparently, building deeper trust with both drivers and consumers.



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PARADIGM SHIFT IN THE GIG ECONOMY: PLATFORM CAPITALISM TO PLATFORM COOPERATIVISM

HISTORICAL EVOLUTION



MULTIDIMENSIONAL ANALYSIS



RELEVANCE IN CIVIL SERVICES EXAMS (PYQs)

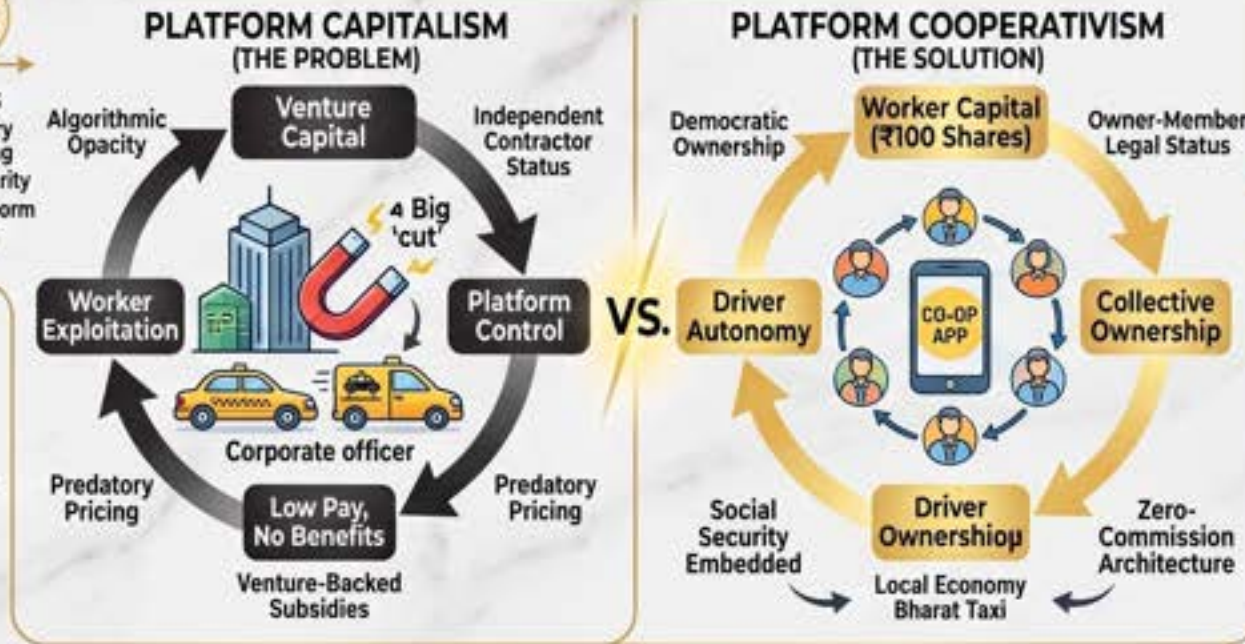
PRELIMS QUESTIONS:

e.g., Multi-State Co-ops Act provisions; Constitutional Constitutional Amendments.

MAINS QUESTIONS:

e.g., Challenges of informal labor; Gig economy social security; The cooperative model as a solution.

THE CORE THESIS: EXTRACTIVE CAPITAL VS. DEMOCRATIC LABOR



KEY CONCEPTS & PHILOSOPHICAL BASE



LINKAGES WITH NCERT & UPSC CSE

NCERT

- Ch 7: Employment: Growth, Informalisation...
- Ch 10: Social Change and Development...
- Ch 3: Labour and Trade Unions.

UPSC CSE Syllabus

- GS Papers 1 & 2
- Social Empowerment
 - Effects of Globalization
 - Welfare Schemes
 - Role of Cooperatives
 - Industrial Policy
- GS Papers 3 & 4
- Inclusive Growth Architecture
 - Inclusive Growth Industrial Policy
 - Corporate Governance
 - Ethical Concerns

- Relevant Optionals:
- Sociology (Work & Economic (Growth & Development, Labor)
 - Public Administration (Organizations, Decentralization)

WAY FORWARD



Aarogya Setu 2.0 tops slew of digital initiatives coming on Monday for easy health-care access

Our Bureau
Mumbai

A series of digital initiatives in the health sector, including the Aarogya Setu 2.0 — a personal health record application (PHR) for citizens — will be unveiled on Monday, June 29, by Union Minister for Health and Family Welfare JP Nadda.

The initiatives being launched include “citizen-facing applications, provider-focused solutions, interoperability frameworks, registries and data standards,” according to the Health Ministry.

ONE PLATFORM ACCESS

The revamped Aarogya Setu 2.0 app is built on the Covid experience and provides a gateway to multiple digital health services through a single platform, the Ministry said. “The application enables creation and management of ABHA (Ayushman Bharat Health Account), access to and sharing of digital health records, consent-

based health information exchange, AI-powered health insights and smart health reports, wearable device integration, OPD registration through Scan & Register, hospital payments through Scan & Pay, medication reminders and family health management,” it said.

The app would also help locate nearby healthcare facilities and doctors, ambulance services, blood banks with blood unit availability, and Jan Aushadhi Kendras. The application also provides access to PM-JAY services, including search for PM-JAY empanelled hospitals, access to AB PM-JAY (Ayushman Bharat Pradhan Mantri Jan Arogya Yojana) wallet, etc., the note added.

HEALTH INSURANCE

The enhanced Ayushman app will also serve as a one-stop digital platform for beneficiaries of AB PM-JAY health insurance scheme.

Also being launched is Ayushman Sarathi, a WhatsApp chatbot for beneficiaries of Ayushman Bharat PM-JAY, to



deliver PM-JAY services through a conversational interface.

CLAIMS PROCESSING

The Ministry also pointed to the National Health Claims Exchange (NHCX), a digital public infrastructure for health claims processing, that would enable standardised exchange of health claims information between providers and payers across public and private health insurance programmes — reducing administrative burden and facilitating faster and more efficient claims

processing, it said.

A Unified Health Interface (UHI) will enable digital applications to connect citizens with healthcare service providers through a common framework, facilitating easier discovery and access to healthcare services.

The e-Sushrut Clinic will be unveiled “as a plug-and-play clinic management solution that enables healthcare providers to digitise clinical workflows, maintain electronic health records and seamlessly integrate with the Ayushman Bharat Digital Mission ecosystem,” it added.

A ‘Drug Registry’ will also be launched to standardise medicine-related information across the healthcare ecosystem, it said. “By enabling uniform coding of medicines across digital health applications, the registry will strengthen prescribing, dispensing and healthcare data exchange,” it said.

UNIFORM STANDARDS

Recognising that interoper-

ability is built upon common standards and shared vocabularies, the government will launch the Common LOINC Codes for India (CLCI), a nationally curated subset of international laboratory standards tailored for Indian healthcare needs, developed by NRCeS, the Ministry said.

“By enabling standardised representation of laboratory observations and diagnostic information, CLCI will support seamless exchange of laboratory data across hospitals, laboratories and digital health platforms, while improving consistency, data quality and clinical decision-making,” it added.

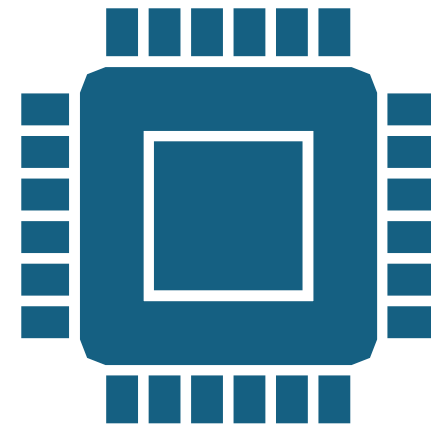
STANDARDISED CODE

The Bharat Health Terminology Service, also developed by NRCeS, will provide access to standardised healthcare terminologies, code systems and value sets to support semantic interoperability across digital health systems by enabling consistent interpretation and exchange of health information, it said.

- **Key Terms and Explanations**

- **Digital Public Infrastructure (DPI) in Healthcare:** Think of this as the digital equivalent of laying down national highways, but for health data. It refers to open, interoperable digital platforms designed for the public good, enabling various private and public entities to build applications on top of a unified foundational network.
- **Ayushman Bharat Health Account (ABHA):** A unique 14-digit health identification number assigned to citizens. It acts as the foundational key to an individual's digital health identity, seamlessly anchoring their medical history, diagnostic reports, and prescriptions across different hospitals and clinics nationwide.
- **Personal Health Record (PHR) Application:** A patient-facing digital application (such as the evolved Aarogya Setu 2.0 platform) that allows individuals to pull, aggregate, store, and manage their clinical records from multiple healthcare providers under a singular, consent-driven dashboard.
- **Unified Health Interface (UHI):** Mirroring the revolutionary architecture of the Unified Payments Interface (UPI) used for financial transactions, UHI is an open network protocol. It enables citizens to discover, book, and utilize health services—such as teleconsultations, ambulance booking, or lab tests—across different service providers using a single application.
- **National Health Claims Exchange (NHCX):** A specialized digital public infrastructure gateway that standardizes and automates the flow of insurance claims data between healthcare providers (hospitals) and payers (insurance companies). It replaces slow, manual paperwork with instant, secure data exchange.
- **Semantic Interoperability:** The capability of computer systems to exchange data with an unambiguous, shared meaning. In healthcare, it ensures that if a doctor in Kerala writes a prescription or notes a clinical observation, a computer system or practitioner in Assam interprets the exact same medical meaning without formatting or linguistic distortions.
- **Common LOINC Codes for India (CLCI):** LOINC (Logical Observation Identifiers Names and Codes) is an international standard for identifying medical laboratory observations. CLCI represents a nationally curated subset tailored for Indian diagnostic needs, ensuring that a "Complete Blood Count" test has the exact same digital code across every laboratory in the country.
- **Bharat Health Terminology Service:** Developed by the National Resource Centre for EHR Standards (NRCeS), this service acts as a centralized digital dictionary providing standardized healthcare vocabularies, clinical terminologies, and code sets to maintain uniform data interpretation across all health platforms.

- **Main Arguments and Substantive Parts**
 - The architectural blueprint of India's digitized health network rests on moving away from fragmented, siloed operations toward a deeply integrated, citizen-centric ecosystem.
- **The Core Thesis**
 - The central argument posits that true healthcare equity and efficiency cannot be achieved merely by building physical hospitals; they require an open-source, federated digital architecture. By introducing standardized vocabularies, open communication protocols, and streamlined insurance clearinghouses, the state can dramatically reduce structural transaction costs, curb out-of-pocket medical expenses, and bridge the massive rural-urban healthcare divide.
- **Key Supportive Pillars**
 - **Empowering the Citizen through Unified Portals:** By repurposing existing pandemic-era digital assets into comprehensive Personal Health Record (PHR) applications, the individual is placed at the center of the data pipeline. Citizens gain a singular gateway to view health records, handle OPD registrations via scan-and-share mechanisms, check blood bank availability, and utilize conversational AI chatbots like *Ayushman Sarathi* to access PM-JAY welfare benefits.
 - **Frictionless Financial Ecosystems:** The deployment of platforms like the National Health Claims Exchange (NHCX) tackles a major operational bottleneck: administrative delays in health insurance processing. A standardized, automated claims pipeline reduces the overhead costs for public and private insurers, directly accelerating the discharge times for patients and optimizing institutional cash flows.
 - **Democratizing Provider Infrastructure:** Solutions like the *e-Sushrut Clinic* offer plug-and-play clinic management software. This allows small-scale, standalone practitioners and rural clinics to digitize their daily workflows, maintain electronic health records, and integrate directly with the wider digital health ecosystem without facing prohibitive capital costs.
 - **Universal Standardization of Diagnostics:** The roll-out of CLCI and the Bharat Health Terminology Service remedies the chaotic variation in medical reporting. Standardizing laboratory observations and drug registries prevents diagnostic errors, removes ambiguity from electronic prescriptions, and fuels high-quality data collection essential for evidence-based policymaking.
- **Critical Counterarguments and Operational Challenges**
 - **The Digital Divide and Accessibility:** Critics point out that an architecture reliant on smartphone applications, WhatsApp chatbots, and QR-code scanning risks alienating marginalized, digitally illiterate populations who lack reliable internet connectivity.
 - **Data Security and Privacy Vulnerabilities:** Consolidating highly sensitive, deeply personal clinical information onto digital rails heightens the risk of systemic data breaches, unauthorized commercial profiling by private pharmaceutical companies, and state surveillance concerns if consent architectures are compromised.



- **Historical Evolution of the Issue**
- **The Early Formative Years (Pre-Independence to 1990s):** Initial structural blueprints, dating back to the seminal Bhore Committee Report in 1946, focused entirely on expanding physical primary health infrastructure. Healthcare data collection was manual, fragmented, paper-based, and prone to severe bureaucratic delays.
- **The Incremental Digital Phase (2000–2016):** The National Health Policy (NHP) 2002 made preliminary mentions of utilizing information technology. However, implementation was restricted to individual corporate hospitals deploying proprietary software, creating isolated data silos that could not communicate with one another.
- **The Strategic Pivot (NHP 2017):** The National Health Policy 2017 marked a major conceptual shift, explicitly calling for the creation of an integrated digital health ecosystem. It recommended establishing a dedicated National Digital Health Authority to steer the application of digital tools across public health management.
- **The Architectural Blueprint (2019):** The release of the National Digital Health Blueprint (NDHB) in 2019 established the core framework for a federated architecture, ensuring that patient data remains decentralized while being accessible through secure, consent-based unified building blocks.
- **The Pandemic Acceleration & Institutionalization (2020–Present):** The COVID-19 pandemic served as a massive proof-of-concept. The rapid adoption of platforms like Aarogya Setu (for contact tracing) and CoWIN (for vaccine distribution) demonstrated the viability of population-scale digital health operations. This culminated in the launch of the Ayushman Bharat Digital Mission (ABDM), leading directly to modern iterations featuring universal terminologies (CLCI), conversational insurance portals (NHCX), and patient-centric health record systems.
- **Way Forward**
- **Implementing Phygital (Physical + Digital) Bridging Mechanisms:** To ensure that citizens lacking smartphones are not excluded, the digital network should be embedded within existing grassroots health systems. Frontline health workers, such as ASHA and ANM workers, should be equipped with digital toolkits to manage ABHA registrations and service bookings for rural communities directly on the ground.
- **Enforcing Strict Privacy-by-Design and DPDP Alignment:** The National Health Authority (NHA) must ensure all platforms strictly adhere to the Digital Personal Data Protection (DPDP) framework. This requires continuous security audits, robust end-to-end encryption for health data transfers, clear data minimization protocols, and easily understandable consent screens in regional languages.
- **Designing Comprehensive Incentive Structures for Medical Professionals:** Digital infrastructure is only useful if clinicians actively maintain electronic health records. The government should offer targeted financial and administrative incentives—such as expedited public payouts, simplified licensing renewals, and streamlined compliance credits—to doctors and clinics that actively adopt solutions like *e-Sushrut* and the NHCX portal.
- **Expanding Public Awareness and Literacy Campaigns:** A concerted effort is needed to educate the public on data rights, teaching citizens how to securely share, view, and revoke access to their health records within their PHR applications.
- **Establishing Independent Dispute Resolution Systems:** As automated claims processing via the NHCX scales up, the state should set up a dedicated, fast-track grievance redressal mechanism. This ensures that any technical glitch, delayed insurance payment, or systemic error can be contested and resolved quickly without burdening the judiciary.

How saving elephants helps forests breathe easier

Rahul Karmakar
GUWAHATI

Protecting the endangered Asiatic elephant (*Elephas maximus indicus*) indirectly helps safeguard India's forests as powerful carbon stores, a new scientific study has said.

The research, however, warned that long-term carbon stabilisation cannot be ensured merely by declaring more areas as elephant reserves but by improving habitat quality, restoring wildlife corridors, and strengthening forest management. Carbon stabilisation, a vital mechanism for removing greenhouse gases and mitigating climate change, is the process of trapping atmospheric carbon and locking it into stable, solid forms (such as in soil or organic matter). This helps resist decay, erosion, or the release of carbon back into the atmosphere.

The study, published in the latest issue of the *Journal of Threatened Taxa*, assessed the relationship between elephant conservation efforts, the expansion of elephant reserves, and wildlife-associated carbon stock enhancement in India from 1992 to 2025. Noida-based Amity University's Tarun Kathula and Tanu Jindal are its authors.

The researchers found that India's elephant reserve network expanded from 18,297 sq. km. (across three elephant reserves) to 80,777 sq. km. (33 elephant reserves), while the elephant population increased by about 6.7% from 25,604 estimated during 1992-93. Despite the marginal increase in the number of pachyderms, the estimated carbon stored within the elephant reserves increased by 38%.

The increase should not be interpreted as the ele-



Elephants remain ecologically vital, despite their limited contribution to faunal biomass, the researchers said. THULASI KAKKAT

phants directly creating more forest biomass, the researchers said, as it "primarily reflects enhanced protection and reduced degradation of pre-existing forest carbon stocks."

The study estimated that about 95% of the increase in carbon storage resulted from the expansion of protected forest areas. However, elephant reserves are not uniformly conserved in the same

manner as legally designated national parks or tiger reserves.

Ecosystem engineers

Elephants, often described as ecosystem engineers, remain ecologically vital, despite their limited contribution to faunal biomass, the researchers said. The gentle giants, they pointed out, disperse seeds, enrich soils with dung, create space for di-

verse vegetation, and help maintain healthy forests capable of storing carbon over the long term.

The researchers also found a weak relationship between the number of elephant reserves and the elephant population growth, suggesting that administrative declarations alone cannot secure the species' future if habitats remain fragmented or poorly managed.

Declining numbers

The study further underlined a worrying trend – the decline in elephant numbers under a new census methodology called Synchronised All-India Elephant Estimate (SAIEE) 2021-25, while the number of elephant reserves has stabilised. The SAIEE count of 22,446 was 4,065 elephants fewer than the 2017 estimate, but the enumerators asserted that the two different counting

methods should not be compared.

Comparable patterns were observed in the African savannah ecosystems, where mega-herbivore management improved vegetation carbon stocks by 20-30%. "Such consistency across regions supports the ecological principle that mega-fauna protection complements forest-carbon goals," their study said. "Policy integration of these results can strengthen India's commitments to achieve 2.5-3 billion tCO₂ (total carbon dioxide) equivalent additional carbon sink by 2030. Incorporating wildlife-inclusive accounting within REDD+ frameworks could generate measurable ecosystem-service credits while ensuring co-benefits for biodiversity," the study said. REDD expands to 'Reducing Emissions from Deforestation and Forest Degradation'.

- **Key Terms and Explanations**

- **Asiatic Elephant (*Elephas maximus indicus*):** An endangered large mammal that serves as a flagship species for India's forest ecosystems. Beyond its cultural significance, it acts as a keystone species whose survival directly dictates the health of the entire ecological community.
- **Carbon Stabilization:** The long-term process of capturing atmospheric carbon dioxide and locking it into stable, solid reservoirs—such as deep forest soils and long-lived tree biomass. This process prevents carbon from decaying, eroding, or escaping back into the atmosphere as greenhouse gases. *Example:* A dense, undisturbed canopy traps carbon in its trunk for centuries, while its leaf litter incorporates carbon into the soil structure.
- **Ecosystem Engineers:** Species that drastically alter their physical environment, creating, modifying, or maintaining habitats for themselves and other organisms. Elephants achieve this by clearing paths through dense brush, knocking down old trees to let sunlight reach the forest floor, and digging for water during droughts.
- **Synchronised All-India Elephant Estimate (SAIEE):** A comprehensive institutional mechanism deployed to assess elephant populations across state boundaries simultaneously. By shifting away from isolated regional counts, this methodology attempts to eliminate double-counting errors caused by the migratory nature of elephants across porous state borders.
- **REDD+ (Reducing Emissions from Deforestation and Forest Degradation):** A global climate framework developed under the United Nations Framework Convention on Climate Change (UNFCCC). The '+' signifies the inclusion of sustainable forest management, conservation, and the active enhancement of forest carbon stocks, offering economic incentives to developing nations for keeping their forests standing.

- **Main Arguments and Substantive Parts**

- **The Core Thesis**

- Protecting endangered mega-herbivores like the Asiatic elephant acts as an indirect, highly effective shield for forest carbon storehouses. By conserving the expansive habitats these animals require, we naturally insulate major forest blocks from human encroachment, degradation, and fragmentation.

- **Supporting Evidence and Mechanisms**

- **The Power of Habitat Scaling:** Long-term data tracking from 1992 to 2025 demonstrates that expanding the protected elephant reserve network in India—from roughly 18,297 square kilometers across three reserves to over 80,777 square kilometers across 33 reserves—yielded a staggering 38% increase in the carbon stored within those boundaries.
- **The Biomass Shield Effect:** Analysis indicates that 95% of this carbon storage boost does not stem from elephants physically creating new forest biomass. Instead, it reflects the *enhanced protection* of pre-existing old-growth forests. When an area is declared an elephant habitat, commercial logging and illegal degradation drop, preserving massive, established carbon stocks.
- **Biological Contribution:** Elephants act as biological catalysts. Their feeding habits disperse seeds across vast distances, and their nutrient-rich dung enriches forest soils. This fosters a diverse, resilient vegetation structure capable of sustained carbon sequestration over decades. Similar patterns in African savannah ecosystems show that mega-herbivore management improves vegetation carbon stocks by 20% to 30%.

- **Key Caveats and Challenges**

- **The Paper-Reserve Paradox:** Data shows a weak relationship between simply increasing the number of declared elephant reserves and actual elephant population growth. Administrative declarations on paper cannot secure a species' future if the physical habitats remain highly fragmented, bisected by highways, or poorly managed.
- **The Legal Protection Deficit:** Unlike Tiger Reserves or National Parks, Elephant Reserves in India do not uniformly possess the same strict legal teeth under environmental laws. This creates structural vulnerabilities where developmental projects can easily slice through crucial habitats.
- **Volatile Population Trends:** Under newer methodologies like the SAIEE, data reveals a drop to 22,446 individuals—representing thousands fewer elephants than recorded in previous cycles. While changing census techniques mean these numbers shouldn't be compared directly, it warns against complacency.

- **Historical Evolution of the Issue**

- **Pre-Independence Era (Colonial Exploitation):** Elephants were historically viewed as tools for warfare, royal prestige, or heavy labor in timber extraction. Forests were managed purely for commercial revenue, leading to large-scale land clearances for railways and plantations, which fractured ancient elephant migratory routes.
- **Post-Independence to the 1970s (The Legislative Awakening):** As elephant numbers dwindled due to habitat loss and poaching, the Government of India enacted the **Wildlife (Protection) Act, 1972**. The Asiatic elephant was placed under Schedule I, granting it the highest level of legal protection against hunting and commercial exploitation.
- **The 1990s Milestone (Institutional Focus):** Realizing that isolated parks could not sustain wide-ranging mammals, the government launched **Project Elephant in 1992**. This marked a shift toward landscape-level management, focusing on securing wildlife corridors and mitigating human-elephant conflict.
- **The 2000s to 2010s (Network Expansion):** Over these two decades, the elephant reserve footprint grew dramatically to cover 33 distinct areas. However, this era also witnessed India's rapid economic expansion, leading to severe fragmentation of these reserves due to linear infrastructure like railways, mining, and highways.
- **The Present Era (Climate-Biodiversity Convergence):** Today, conservation has evolved beyond just saving a species from extinction. Elephant conservation is now recognized as a critical tool for meeting international climate targets, linking wildlife protection directly to national carbon budgets and global carbon credit frameworks.

- **Way Forward**

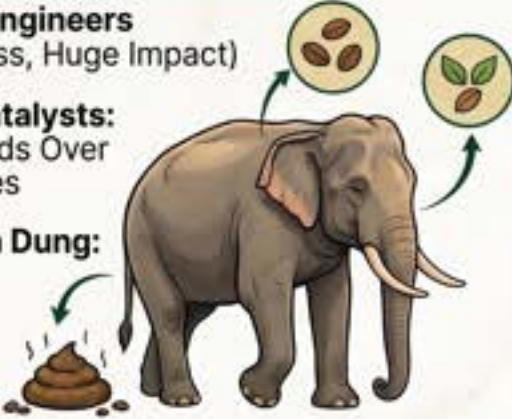
- **Elevate Legal and Institutional Protection:** The Ministry of Environment, Forest and Climate Change should amend the Wildlife (Protection) Act to grant Elephant Reserves the same statutory protection and institutional backing enjoyed by Tiger Reserves. This will prevent arbitrary land diversions for mining and infrastructure inside critical habitats.
- **Prioritize Corridor Restoration and Smart Infrastructure:** Rather than focusing solely on expanding the total area on paper, resources must target securing and restoring the country's fragmented wildlife corridors. Mandatory eco-ducts, underpasses, and overpasses must be integrated into all linear infrastructure cutting through elephant habitats.
- **Adopt Wildlife-Inclusive Carbon Accounting:** India should actively incorporate mega-fauna metrics into its national REDD+ strategy. By proving that elephant protection enhances carbon sink quality, the country can issue premium, high-value ecosystem-service credits on the international carbon market, generating new revenue streams for conservation.
- **Empower Communities through Co-Management:** The state must transform local communities from victims of human-elephant conflict into direct stakeholders in carbon conservation. A portion of the financial returns from carbon credits should flow directly to local Gram Sabhas and Eco-Development Committees (EDCs), funding community solar fencing, rapid crop-compensation schemes, and sustainable eco-tourism livelihoods.



ELEPHANTS: KEYSTONE SPECIES FOR FOREST HEALTH & CLIMATE MITIGATION

ECOLOGICAL IMPACTS

- **Ecosystem Engineers**
(Small Biomass, Huge Impact)
- **Biological Catalysts:**
Disperse Seeds Over Vast Distances
- **Nutrient Rich Dung:**
Enriches Soil Structure
- **Clearing Forest Floor for Diversity:**
Lets sunlight reach understory vegetation



95% of increase in carbon storage from protected forest areas

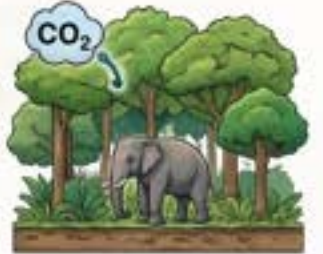


CARBON SEQUESTRATION MECHANISMS

- **Enhanced Protection of Existing Forests**
(Prevents Degradation)



VS



- **Fosters Diverse, Resilient Vegetation**
(Capable of Long-term Sequestration)
- **Stable Carbon Stores**
(Deep Soil & Long-lived Tree Biomass)

POLICY & COMMITMENTS



- **REDD+ Integration:**
Generating Ecosystem-Service Credits
- **Wildlife-Inclusive Accounting**
- **Meeting NDC Commitments:**
2.5-3 B tCO₂ Additional Sink by 2030
- **Strengthening Forest Management & Wildlife Corridors**



38% increase
in estimated carbon stores within reserves (1992-2025)



Which document proves Indian citizenship?

Why is the Indian passport not considered a conclusive proof of Indian citizenship? What purpose does Aadhaar serve? Does presence on the electoral rolls or possession of an Electoral Photo Identity Card determine citizenship? What happens in case of a dispute?

Rishi Lia M.
Priscilla Jhauai

The story so far

The Indian passport is not a "document of citizenship," a senior official of the Ministry of External Affairs (MEA) said in response to a query from *The Hindu* this week. So, if a passport is not proof of citizenship, what is?

Is it a new development that a passport cannot be used as a document to prove Indian citizenship?

A passport by itself is not conclusive proof of Indian citizenship, and this is not a new development or announcement. Last week, the senior MEA official was responding to a question from *The Hindu* on whether the Indian passport can be used to challenge exclusion from the voters' list through the special intensive revision (SIR) of electoral rolls that is currently underway in 16 States. The official said: "The passport is a travel document, not a document of citizenship, and theoretically speaking, that distinguishes the passport from other documents. Even though while travelling abroad, the passport attests to your nationality, it is not a document of citizenship."

This stance is based on existing law. The government's Passport Manual says that "a passport provides evidence of the holder's nationality, but this is placed in the same category as any other evidence of the citizenship status of an individual". In other words, a passport is strong evidence that its holder is an Indian citizen. However, in law, it is not treated as conclusive proof of citizenship. If a person's citizenship is disputed, courts may examine it alongside other relevant evidence.

According to *Maneka Gandhi v Union Of India* (1978), issuance of passport is based on conclusive proof that the holder is an Indian

national, and is "entitled by virtue of their Indian nationality and passports to the protection of the Indian Republic and assistance of its Diplomatic Missions abroad."

Under Section 62(6a) of the Passports Act, 1967, the authorities can refuse a passport if the applicant is not a citizen of India. But under Section 20 of the Act, the Union government may issue a passport or travel document to a person who is not a citizen of India if it thinks that it is necessary to do so in public interest.

The MEA's response distinguishes between evidence of citizenship and conclusive proof of citizenship. While citizenship is determined under the Citizenship Act, 1955, and passports are issued under the Passports Act, 1967, the existence of a passport cannot by itself be called a conclusive or definitive proof of citizenship in a dispute.

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Can the Aadhaar card be used to prove Indian citizenship?

When the Aadhaar was introduced one and a half decades ago, it was promoted as a one-stop digital identification document which could replace the many documents that Indians had to furnish to avail themselves of benefits from multiple government schemes. However, from the beginning, the Unique Identification Authority of India has emphasised that Aadhaar can only be treated as proof of identity and address, not of citizenship. In fact, non-Indian citizens who are legally resident in India are eligible to get an Aadhaar, and often require the identity card to avail themselves of many basic services, from banking to cooking gas.

In its judgment of May 27 this year, when the Supreme Court upheld the constitutional validity of the SIR, it held that an Aadhaar card does not constitute proof of citizenship and, therefore, cannot be relied upon for that purpose. However, it is among the documents which may be produced for the limited purpose of establishing the identity of a person, it said.

Does a voter ID prove Indian citizenship?

Only Indian citizens are eligible to vote in Indian elections, but one's presence on the electoral rolls or possession of an Electoral Photo Identity Card does not determine citizenship or conclusively prove it.

In the case of *Lal Bahu Shastri v. Electoral Registration Officer* (1995), the Supreme Court unequivocally held that electors whose names appear on electoral roll are entitled to a presumption of citizenship, and that this presumption cannot be displaced except by following the procedure prescribed by law.

However, in this year's SIR judgment, the Court emphasised that the Election Commission's role is confined to determining

eligibility for electoral rolls. It cannot adjudicate citizenship, and the citizenship of an individual under the Citizenship Act will not cease on account of their ineligibility to register in the electoral rolls, pursuant to the SIR.

In fact, the passport was one of the 11 'indicative' documents listed by the Election Commission as proof of citizenship. Some voters purged from the draft SIR in Uttar Pradesh, for instance, used their passports to prove that they are citizens of India and should be included in the final electoral roll. However, there have been reported cases of people in West Bengal who hold Indian passports, but who were still deleted from the draft electoral lists during the SIR.

So what document proves citizenship?

While responding to a question in the Lok Sabha on August 12, 2025, the Home Ministry did not specify the "categories of valid documents" required for people to prove citizenship in India. "The citizenship of India is governed under the provisions of the Citizenship Act, 1955, and rules made thereunder," the Minister of State for Home, Nitin Kumar Rai, said in a written reply.

Under the Citizenship Act, citizenship can be acquired by birth, by descent, by registration, by naturalisation and by incorporation of territory.

Citizenship certificates are generally issued to people who acquired citizenship by registration or naturalisation, and can act as a conclusive proof document. The majority of Indians, however, are citizens by birth or descent, and do not have a citizenship certificate. Instead, they rely on different evidence that prove their date of birth, place of birth, or their parentage, depending on the context of the dispute.

Anyone born in India between January 26, 1950 and July 1, 1987 is a citizen by birth, irrespective of their parents' nationality. Such people would have to produce documents proving their place and date of birth to establish their citizenship. Given that mandatory birth certificates were not issued in this period, many people use a combination of other documents, including educational certificates and Aadhaar.

For those born between July 1, 1987 and December 3, 2004, proof of their own place and date of birth is insufficient as they must also prove that at least one parent was an Indian citizen. For those born on or after December 3, 2004, one parent must be an Indian citizen while the other should not be an illegal migrant, complicating the documentary proof required.

India does not prescribe one universal citizenship document. An effort to create such a document through the National Register of Citizens became politically contentious amid fears of a nationwide verification exercise that could exclude many due to incomplete documents. As former Foreign Secretary Nirupama Rao said in a post last week, the lesson is that "India needs stronger and more comprehensive civil registration, universal birth registration and reliable archival records so that citizenship can never become hostage to missing or inconsistent paperwork."



An Indian passport, G07H H4G25

- **Key Terms and Explanations**

- **Conclusive Proof vs. Presumptive Evidence:** Conclusive proof is a legal standard where a piece of evidence is definitive and cannot be contradicted or overridden by other facts in a court of law. Presumptive evidence, or *prima facie* evidence, is accepted as true at face value but remains open to challenge and can be disproved if conflicting evidence is presented.
- **Travel Document vs. Document of Citizenship:** A travel document is an official administrative asset issued by a government to facilitate international travel, certifying the holder's nationality for foreign jurisdictions. A document of citizenship is a domestic legal certificate that irrefutably confirms an individual's status as a full constituent member of the state, carrying complete constitutional rights and obligations.
- **Jus Soli (Right of Soil) vs. Jus Sanguinis (Right of Blood):** *Jus soli* grants citizenship based on the territory where an individual is born, regardless of parental nationality. *Jus sanguinis* determines citizenship based on the nationality of one or both parents. India's citizenship architecture has progressively transitioned from a liberal interpretation of *jus soli* toward a strict application of *jus sanguinis*.
- **Special Intensive Revision (SIR):** A rigorous administrative exercise undertaken by the Election Commission of India to clean up, verify, and update electoral rolls in specific states. This process involves door-to-door verification to eliminate duplicate, deceased, or ineligible entries, often bringing individual citizenship status under bureaucratic scrutiny.
- **Functional Identity (Aadhaar) vs. Political Identity:** Functional identity refers to biometrically verified credentials used exclusively to prove who you are for service delivery, financial inclusion, and welfare benefits. Political identity defines an individual's sovereign allegiance to the state, granting democratic rights like voting and holding public office. Aadhaar is strictly a functional identity document and holds zero validity as a political identity or proof of citizenship.

- **Main Arguments and Substantive Parts**

- The core debate centers around a structural paradox within Indian governance: the most widely held and trusted identification documents do not legally constitute conclusive proof of citizenship during domestic legal disputes.
- **The Passport Paradox**
 - The Indian passport is universally recognized abroad as an official assertion of Indian nationality under the Passports Act of 1967. However, domestic jurisprudence treats the passport merely as a robust travel instrument rather than definitive proof of citizenship. Legally, the government can refuse or revoke a passport if citizenship is questioned. In internal legal disputes or citizenship verifications, courts treat the passport as strong corroborative evidence, but it remains rebuttable and open to challenge alongside other foundational documents.
- **The Functional Limitation of Aadhaar**
 - When introduced, Aadhaar was envisioned as a universal digital bridge to streamline governance and welfare distribution. Over time, both the Unique Identification Authority of India (UIDAI) and the judiciary have reaffirmed that Aadhaar is strictly proof of identity and residence, not of citizenship. Because legal foreign residents living in India are eligible for Aadhaar to access basic services like banking or utility connections, possessing the card does not signify political belonging to the Indian Republic.
- **Voter ID and the Boundaries of the Electoral Roll**
 - Inclusion in the electoral roll and possession of a Voter ID card create a strong legal presumption of citizenship, as only Indian citizens are constitutionally permitted to vote. Landmark judicial rulings have historically protected citizens by stating this presumption cannot be arbitrarily dismissed without due process.
 - However, recent administrative evaluations during Special Intensive Revisions (SIR) have separated electoral management from citizenship adjudication. The Election Commission's mandate is restricted to managing voter eligibility; being excluded from a voter list does not automatically terminate an individual's citizenship under the Citizenship Act of 1955, just as being included does not offer an absolute legal shield against citizenship disputes.
- **The Statutory Vacuum**
 - The Ministry of Home Affairs (MHA) maintains that Indian citizenship is governed entirely by the Citizenship Act of 1955 and its accompanying rules. However, the state has not officially designated a single, universally accessible document as the absolute proof of citizenship for the general public. While citizenship certificates are granted to those who naturalize or register, the vast majority of Indians who are citizens by birth or descent possess no single master document. Instead, they must rely on a shifting matrix of birth records, parental lineages, and educational certificates to prove their status when challenged.

- **Historical Evolution of the Issue**

- **1950: The Constitutional Inception:** At the launch of the Republic, the Constitution via Articles 5 to 11 established an inclusive framework. Influenced by the trauma of Partition, it embraced a broad *jus soli* approach, granting citizenship to almost everyone born on Indian soil, irrespective of parental origin, provided they were domiciled in India.
- **1955: The Statutory Foundation:** Parliament enacted the Citizenship Act of 1955, creating clear legal pathways for acquiring citizenship through birth, descent, registration, naturalization, and the incorporation of territory. At this stage, documentation demands were minimal, and local community standing or basic residency markers were generally sufficient.
- **1978: The Passport Interpretation:** In the landmark *Maneka Gandhi v. Union of India* case, the Supreme Court evaluated the executive's power to withhold travel documents. The case established that while a passport is issued under the presumption that the holder is an Indian national entitled to state protection abroad, it remains a statutory instrument under the Passports Act of 1967, separate from the core constitutional adjudication of citizenship.
- **1987: The Shift from Pure Soil to Lineage:** Driven by demographic anxieties and irregular migration concerns in border states, the first major amendment to the Citizenship Act went into effect. It declared that anyone born between January 26, 1950, and July 1, 1987, was a citizen by birth. However, for those born after July 1, 1987, birth on Indian soil was no longer enough; at least one parent had to be an Indian citizen. This created the first major historical gap in documentation, as millions born after 1987 suddenly needed to prove their parents' legal status.
- **1995: Safeguarding the Voter Roll:** In *Lal Babu Hussein v. Electoral Registration Officer*, the Supreme Court stepped in to protect marginalized citizens from arbitrary disenfranchisement. The Court ruled that inclusion in the electoral roll creates a powerful presumption of citizenship that cannot be overturned without following strict, transparent legal procedures.
- **2004: The Strict Lineage Era:** The Citizenship Act was amended again to enforce even stricter rules. For individuals born on or after December 3, 2004, it was no longer enough for one parent to be a citizen; the other parent could not be an "illegal migrant." This amendment placed a heavy burden of proof on individuals, requiring them to produce verified documentary evidence of both parental identities and legal statuses.
- **2025–2026: The Modern Administrative Phase:** Recent developments, including clarifications by the Ministry of Home Affairs and judicial rulings on Special Intensive Revisions (SIR), have clearly separated functional identity from political identity. These actions confirm that Aadhaar, Passports, and Voter IDs are separate functional tools, highlighting India's lack of a single, universal citizenship document.



- **Way Forward**

- **Institutionalizing a Universal Civil Registration System**

- The most reliable solution to document vulnerability is ensuring universal, immediate birth registration across all states. India must strengthen the Civil Registration System (CRS) so that every birth is automatically recorded with verifiable digital back-ups. Over time, a robust, fraud-proof birth certificate should become the primary, undisputed foundation for citizenship by birth, reducing the need to track down multi-generational ancestral records.

- **Codifying a Standardized "Document Matrix"**

- The Ministry of Home Affairs, in consultation with legal experts, the judiciary, and regional governments, should issue a clear, legally codified list of acceptable documents for verifying citizenship. Instead of leaving the standard ambiguous, the state should outline a transparent tier-based system of evidence. For example, a valid Indian passport combined with a verified birth certificate or a specific combination of school and parental records should be legally recognized as sufficient proof, avoiding unpredictable case-by-case decisions.

- **Separating Welfare, Voter Management, and Citizenship Adjudication**

- The government should maintain a clear administrative distinction between everyday identification tools and political status verification. Aadhaar must remain focused on financial inclusion and welfare delivery without being burdened by citizenship requirements.

- Similarly, updating voter rolls should be treated as an exercise in political inclusion; removing a name due to a change of residence or a clerical error must be legally uncoupled from a challenge to an individual's citizenship status.

- **Implementing Decentralized Digital Archives**

- To protect rural and marginalized populations from losing paper records to climate disasters, floods, or displacement, the state should expand decentralized digital record lockers managed at the Panchayat and municipal levels. Helping citizens securely store birth, land, and educational certificates in a verified digital format ensures that a "document deficit" does not turn into an administrative crisis for vulnerable families.



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UNRAVELING THE CITIZENSHIP DEBATE: DOCUMENTS, LAW, & DOCTRINE (India)

A Comprehensive Analysis of Proof vs. Evidence for UPSC CSE and APSC

WHICH DOCUMENT PROVES INDIAN CITIZENSHIP?

Indian Passport

TRAVEL DOCUMENT & NATIONALITY EVIDENCE

- Rebuttable prima facie evidence of nationality
- Under Passports Act 1967
- Courts may examine other relevant evidence if citizenship is disputed

Conclusion: Presumptive, not conclusive domestic proof

Aadhaar Card

FUNCTIONAL IDENTITY & RESIDENCE PROOF

- Universal digital identification
- For service delivery & benefits
- Explicitly not proof of citizenship
- Legally resident non-citizens can possess

Conclusion: Non-proof of citizenship

Voter ID

STRONG PRESUMPTION OF CITIZENSHIP

- Only citizens are eligible to vote
- Inclusion in electoral roll creates strong presumption
- Presumption cannot be displaced except by due process
- Election Commission role is limited

Conclusion: Strong presumption, but still rebuttable

UPSC SYLLABUS & NCERT LINKAGES

[GS Paper II]

- Polity
- Constitution
- Statutory Frameworks

[GS Paper IV]

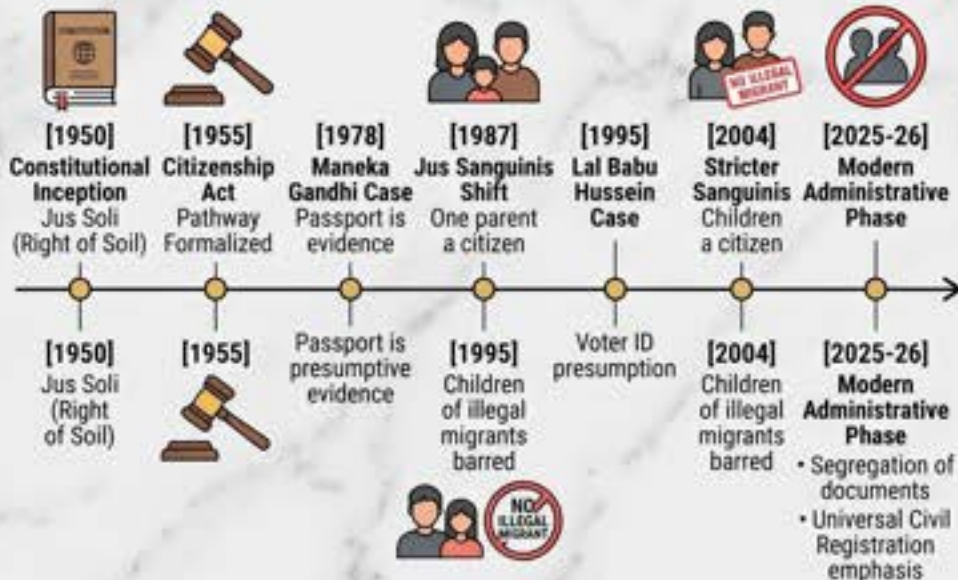
- Ethics
- Responsibility
- Social Contract

[Class 11 Pol Science]

- "Indian Constitution at Work" (Fundamental Rights)
- "Political Theory" (Citizenship)

INDIA DOES NOT PRESCRIBE ONE UNIVERSAL CITIZENSHIP DOCUMENT.

HISTORICAL EVOLUTION OF CITIZENSHIP LAW



LOGICAL & PHILOSOPHICAL BASE

Shift from territorial inclusivity (Jus Soli) to defensive exclusion (Jus Sanguinis)

Bureaucratic burden of proof placed on the individual

Balancing state sovereignty (social contract) vs. individual dignity and belonging

MULTIDIMENSIONAL ANALYSIS



WAY FORWARD: PRACTICAL SOLUTIONS



PYQS

PREVIOUS YEARS' QUESTIONS (PYQs)

- Simulated Mains questions (GS Paper II, 15m, 250w) on Jus Soli vs Jus Sanguinis, passport vs citizenship
- Simulated Prelims options about Aadhaar as conclusive proof, Aadhaar vs. citizenship and Deprivation

What do the amended FCRA Rules say?

How does the Ministry of Home Affairs regulate foreign donations? What are the key changes in the FCRA Amendment Rules, 2026? How do the new Rules affect the purposes for which NGOs can receive foreign funds? What penalties apply for violations?

Yijaita Singh

The story so far

In June 22, the Union Ministry of Home Affairs (MHA) notified the Foreign Contribution (Regulation) Amendment Rules, 2026, to amend the Foreign Contribution (Regulation) Rules, 2011. This is the tenth amendment to the Rules under the Foreign Contribution (Regulation) Act, 2010 (FCRA).

How does the MHA regulate foreign donations?

The MHA regulates foreign donations in India through the FCRA to ensure that such funds do not adversely affect the country's internal security. The legislation was first enacted in 1976. In 2000, it was repealed and replaced with a new legislation. The 2010 Act came into force on May 1, 2011 and has been amended in 2016, 2018, and 2020. The FCRA registration is valid for five years, after which the NGO has to apply for a renewal. Since 2015, the FCRA registrations of more than 18,000 NGOs have been cancelled. As on June 22, there are 14,456 FCRA-registered NGOs active in the country.

What are the broad amendments proposed to the FCRA Rules?

All NGOs and associations registered under the FCRA, 2010, are required to disclose their

The Rules impose a fee for registration for each specified purpose and for each State or U.T. in which an NGO operates

specific activities and the geographical scope of their programmes. The Rules no longer allow general permission under the FCRA and indicate tighter scrutiny on how NGOs utilise foreign funds.

Any new registration will have to follow the said norms. The Rules further broaden the definition of 'key functionary' of an NGO beyond office bearers and directors to include trustees, partners, the Karta of a Hindu undivided family, governing body members, or anyone controlling or managing the organisation.

They also require NGOs to mandatorily disclose social media accounts, websites, and declare whether the association or its key functionaries has brought out any publication during the year, which includes books, magazines or newspaper articles.

The Rules also impose a fee for registration for each specified purpose and for each State or Union Territory (U.T.) in which an NGO operates. So, NGOs operating across multiple sectors or regions now face higher registration costs.

What amendments apply to the programmes or purposes for which an NGO intends to receive foreign donations?

NGOs can receive foreign contributions for social, educational, religious, economic, and cultural programmes. The amended Rules state that the certificate of registration or the application form for new registrations shall specify the purpose or purposes for which registration is granted, chosen only from the list of purposes as specified in the Schedule appended to the rules; and the States or U.T.s in which the NGO proposes to undertake activities.

Those with existing FCRA registrations are expected to update the purpose and intimate the Central government within a year. Some categories specifically exclude political activities.

The educational purpose lists 22 activities, but adds the qualifier "strictly non-political in nature" to the category covering awareness programmes on constitutional rights, fundamental duties, and civic responsibilities.

Under cultural purpose, there are 18

categories, including "promotion of contemporary arts inspired by Indian traditions." The Rules specify that these must exclude political or ideological content.

As many as 16 categories of religious activities have been permitted which includes "conduct of religious education, moral instruction, satsangs, discourses, and meditation retreats (excluding proselytisation)" and "burial/cremation ground development and maintenance."

There are 19 categories under the economic purpose and 30 items under the social category.

What are the penalties for violations?

The MHA has also notified an order specifying penalties for FCRA violations, including excess administrative spending, speculative investments, misuse of funds, unauthorised receipt or utilisation of foreign contributions, and the use of funds for unapproved purposes or in States/U.T.s not covered by an NGO's registration or prior permission.

Any utilisation of funds for purposes other than those for which they were received can attract a penalty of up to 30% of the amount misused or ₹1 lakh, whichever is higher. Likewise, using foreign contributions for purposes or in areas not covered by an NGO's registration or prior permission invites a penalty of 30% of the amount involved or ₹1 lakh, whichever is higher.

In addition, spending beyond the permitted administrative expense limit or engaging in speculative use of funds will be penalised with fines calculated as a percentage of the amount involved, subject to a minimum of ₹1 lakh.

What is the Opposition saying?

Opposition members have said that the new Rules will adversely affect the functioning of civil society organisations. Congress General Secretary (Organisation) K.C. Venugopal said that forcing NGOs to choose from a "rigid, government-mandated list" of activities and restricting their operational geography would undermine their ability to respond to emergencies. John Brittas, Communist Party of India (Marxist) Rajya Sabha member, wrote to Home Minister Amit Shah raising constitutional concerns. "Collectively, these changes signify a decisive shift from regulating foreign contribution to regulating voluntary organisations themselves," he wrote.



File photo of Opposition MPs demanding the withdrawal of the Foreign Contribution (Regulation) Amendment Bill, 2026. [ANI](#)

- **Key Terms and Explanations**
- **Foreign Contribution (Regulation) Act (FCRA):** A vital internal security and regulatory legislation enacted to ensure that foreign hospitality and monetary contributions do not compromise India's sovereign integrity, democratic electoral processes, or internal security matrix.
- **Key Functionary:** An expanded statutory classification that extends legal liability beyond conventional office-bearers (like Presidents or Secretaries). It encompasses trustees, organizational partners, the *Karta* of a Hindu Undivided Family (HUF), or any individual exercising operational or managerial control over an association.
- **Speculative Investment:** The deployment of foreign donations into high-risk, market-linked financial instruments—such as equity shares, mutual funds, or derivative trading—rather than utilizing the capital directly for the socio-economic, educational, or cultural projects for which it was originally sanctioned.
- **Proselytisation:** The systematic practice or attempt to convert individuals from one religion or faith to another. Under the current legal framework, while genuine religious education and moral discourses are permitted within strict ambits, activities linked to proselytisation are explicitly disqualified from receiving foreign funding.
- **Prior Permission vs. Registration:** Statutory pathways under the law where "Registration" grants a five-year blanket window to receive foreign funds for a verified purpose, whereas "Prior Permission" is a project-specific, time-bound approval granted to an unregistered entity for a singular, designated foreign transaction.
- **Main Arguments and Substantive Parts**
- The contemporary discourse surrounding the governance of voluntary organizations rests on a delicate balancing act between state sovereignty and civic autonomy. The core thesis and underlying structural arguments include:
- **The Core Thesis**
- The overarching objective of the regulatory transition—culminating in the 2026 rules—is a shift from the mere monitoring of foreign capital inflows to the micro-regulation of the voluntary sector itself. The state asserts that granular oversight is imperative to protect domestic policy, cultural heritage, and internal security from external ideological or financial engineering.
- **Key Supporting Arguments**
- **Geographical and Functional Precision:** Organizations must explicitly map their functional targets and geographic footprints. By eradicating general permissions and requiring distinct state-wise and purpose-wise registrations, the administration aims to prevent the diversion of foreign capital across unrelated sectors or volatile frontier regions.
- **Insulation of Civic Discourse from Political Undercurrents:** Educational and cultural programs are being structurally decoupled from political overtones. For instance, awareness campaigns regarding fundamental rights or constitutional duties must remain strictly non-political, preventing foreign-funded entities from morphing into shadow pressure groups or political lobbying fronts.
- **Enhanced Individual and Institutional Accountability:** By broadening the definition of key functionaries and mandating the absolute disclosure of social media handles, digital websites, and annual publications, the framework establishes deep trace-ability. This minimizes the risk of shelf-NGOs operating as channels for illicit financial flows.

- **Historical Evolution of the Issue**
- **Pre-Independence to Post-Independence (Early Decades):** Voluntary associations primarily operated as organic extensions of the freedom struggle and socio-cultural reform movements (e.g., the Sarvodaya movement). Funding was largely localized, transparent, and driven by community philanthropy, with minimal state intervention.
- **The 1976 Landmark Enactment (The Cold War Context):** Enacted during the Emergency, the original FCRA was a direct product of geopolitical anxieties regarding foreign intelligence agencies (such as the CIA or KGB) meddling in India's domestic political choices, trade unions, and electoral mechanisms. The primary focus was keeping foreign money out of Indian politics.
- **The 2010 Recodification (The Internal Security Paradigm):** The older framework was repealed and replaced by a more comprehensive statutory mechanism, which became operational in May 2011. This introduced a mandatory five-year sunset clause on registrations, forcing NGOs to undergo rigorous background checks every five years, and shifting the focus toward internal security threats.
- **The 2015–2020 Compliance Crackdowns:** This phase witnessed an unprecedented regulatory tightening. The 2020 amendments drastically cut permissible administrative expenditure from 50% to 20%, banned the sub-granting or transferring of foreign funds between registered NGOs, and mandated that all foreign contributions flow exclusively into a single designated account at the State Bank of India's Main Branch in New Delhi. This period saw the cancellation of over 18,000 NGO registrations due to compliance deficits.
- **The 2026 Spatial and Granular Governance Phase:** The latest policy shift focuses on micro-level monitoring. Active registrations stand at 14,456. The current phase utilizes targeted financial penalties (up to 30% of misused funds) and strict geographical limitations to regulate the day-to-day operations of voluntary organizations.
- **Way Forward**
- **Introduction of a Proportional Regulatory Framework**
- The state should move away from a one-size-fits-all regulatory model. Small-scale grassroots NGOs working on local healthcare or primary education should be subject to simpler compliance requirements, while large transnational organizations handling substantial foreign funding face more comprehensive scrutiny.
- **Transition to a Co-Regulatory Governance Model**
- To reduce bureaucratic friction, India should consider establishing an independent, statutory Civil Society Regulatory Authority. Comprising retired judicial officers, respected civil society leaders, and administrative experts, this body would handle registration renewals and disputes. This would replace the current centralized model with a fairer, peer-assisted process.
- **Creation of a Single-Window Digital Portal**
- The multi-layered fee system for different purposes and states should be integrated into a unified digital portal. NGOs should be able to declare their geographical expansions and project shifts via a single-window interface, reducing administrative delays while maintaining real-time tracking for the Ministry of Home Affairs.
- **Strengthening Domestic Philanthropy and CSR Pipelines**
- To reduce the voluntary sector's reliance on foreign funds, the government could reform domestic funding mechanisms. Aligning Corporate Social Responsibility (CSR) mandates under the Companies Act with grassroots NGO operations, alongside offering tax incentives for domestic individual donations, would help build a self-reliant, locally funded civil society network.



COMPREHENSIVE ANALYSIS: FCRA (AMENDMENT) RULES, 2026



HISTORICAL EVOLUTION OF FCRA



1976:
Cold War
Origins



2010:
Recodification
(New Act)



2020:
Stricter
Amendments



2026:
Granular spatial
Governance

KEY CHALLENGES



Rigid Geographic Limits



Higher Compliance Costs



Chilling Effect on Rights Awareness

WAY FORWARD



Proportional Regulations



Single-Window Digital Portal



Promoting Domestic CSR Philanthropy



Independent Regulatory Body

KEY TERMS & CONCEPTS



FCRA: Regulates Foreign Contribution



Key Functionary: Trustees & Managers



Speculative Investment: High-Risk Capital



Prior Permission: Project-specific



Fake patents are poisoning India's race for academic excellence

Researchers have reported some firms selling U.K. design registrations to Indian academics to artificially boost institutional rankings; these registrations, often granted in 11 days without novelty checks, are misrepresented as international patents

T.V. Padma
NEW DELHI

A worrying new trend of 'fake patents', in which education companies sell thousands of patents registered in the U.K. to academics from India and elsewhere, has raised concerns among research integrity experts.

Authors, from the U.K. and the U.S., of a report published in the *International Journal of Educational Integrity* wrote "eight firms ... are likely involved in the sale of thousands of U.K. registered designs to Indian academics for the purpose of academic reputation manipulation."

Patent offices don't examine design applications for novelty, innovation or uniqueness, and they award them quickly. This is unlike the more stringent process for patents, which are typically used to commercialise a new discovery, Subhash Lakhota, Distinguished Professor at the Cytogenetics Laboratory at Banarasi Hindu University, Varanasi, said.

Not all filed patents are accepted either, and only a small fraction of the accepted ones end up being used by industry. "Thus, the real value of a patent is when it is used by industry for a process or product," Prof. Lakhota, who is also on the advisory board of India Research Watch, a watchdog on Indian research, said.

'Fake' patents, filed without any original research by the person (or persons) in whose name the patent is filed, "refer to

Red herrings

"Eight firms ... are likely involved in the sale of thousands of U.K. registered designs to Indian academics."

- Academics are buying U.K. design registrations in a bid to manipulate their professional evaluations

- Design registrations are granted without rigorous novelty reviews, unlike actual patents that require innovation and uniqueness

- The misuse of these fake patents is driven by institutional rankings that prioritise quantitative data over quality

- Intense competition for jobs and rankings in India makes these unethical practices particularly attractive to many local academics

- These purchased roles are fraudulent because the designs cover only appearance and involve no actual scientific invention

- Experts have recommended removing quantitative IP metrics from rankings to discourage this unethical practice



Rubber stamping: Some unscrupulous agencies exploit individuals or institutions' desire to secure better ranks by selling fake patents or research papers. (iStockphoto.com)

a non-existing entity," he said. "This unhealthy and ... unethical act is promoted by shady companies acting as patent filing or facilitating agencies - they sell the authorship of a patent for a non-existing entity to academics, who gain by earning academic points during assessment for academic excellence."

In the report, the authors spotlighted firms selling inventorship positions on design patents in the U.K., but 'sales' have also been recorded from India and Australia. However, these countries don't issue design patents; they issue design registrations. Reese Richardson, a postdoctoral fellow at the Center of Science and Innovation at Northwestern University, U.S. and one of the authors of the report, said. According to her, design patents issued in the U.S. have to

pass a novelty review and have a good chance of being rejected. Design registrations, on the other hand, are usually granted with minimal review.

Look and function

In the U.K., the design registrations Dr. Richardson's team studied were usually granted in around 11 days. "What clients are actually buying are ownership positions on these design registrations", she said. "Moreover, because these registrations are for 'designs', they cover the way an object looks, not how it functions," she added. So when an academic buys an "inventorship" on a "U.K. design patent", "there are a number of lies taking place," she added. "The academic has not invented anything; the device does not exist (let alone work); what they have ob-

tained is not a patent; and it does not cover the functionality of the product even if it did work."

Yet these academics can then tell their employers they have obtained an "international patent", helping them towards a promotion. "As far as I am aware, selling fake patents has only emerged on the academic black market in India," Dr. Richardson said.

Prof. Lakhota identifies three factors that contribute to this distinction: the large population seeking education and jobs, the use of quantitative metrics without any serious assessment of quality, and the reliance of nearly all international and national academic ranking agencies on quantitative parameters.

"Other related problems have emerged because of the insistence of Indian

rankings on patents," Dr. Richardson added. "For instance, many private Indian universities have been filing thousands of utility patents in India in the hopes of pumping up their numbers, often more than the IITs, combined. However, ... less than 2% of these patents actually wind up being granted."

According to Prof. Lakhota, an urgent step to curb the growing global menace of fake patents and papers is to stop all institutional rankings based on quantitative data. In the absence of independent verification, institutions unethically inflate these data, he said.

"The mere filing of a patent ... must not be used for assessment," he explained, and that only patents used by industry should be included. And "the agencies that brazenly broker such fake patents and research publications must be taken to task severely." "We need to have stronger mechanisms to identify, catalogue, and respond to scientific misconduct," Anant Bhan, adjunct professor at Vennepalli (deemed) University, Mangaluru, and an expert on bioethics, said.

Some research funders in India, like Anusandhan National Research Foundation, and some regulators have been looking into using retractions as indicators. "We do need to ramp up efforts and have a nimble regulatory oversight and governance system," Dr. Bhan added.

(T.V. Padma is a science journalist based in New Delhi. tpadma@igya-hou.co.in)

- **Key Terms and Explanations**

- **Utility Patents vs. Design Registrations**

- Intellectual Property Rights (IPR) are often incorrectly treated as a homogenous category, but they serve fundamentally different functions. A **Utility Patent** protects the functional, structural, and operational aspects of an invention. It requires a rigorous, multi-year examination process verifying absolute novelty, inventive steps, and industrial applicability.

- In contrast, a **Design Registration** protects only the visual, aesthetic, and ornamental appearance of an object—such as its shape, configuration, or surface ornamentation. It involves no assessment of technological innovation or functionality, and foreign offices often grant them within days without comprehensive novelty checks.

- **Metric Manipulation (Goodhart's Law in Academia)**

- This concept is derived from the socio-economic principle known as Goodhart's Law: *"When a measure becomes a target, it ceases to be a good measure."* In academic governance, when regulatory bodies assign specific numerical points to patent applications to rank institutions or decide faculty promotions, the underlying objective of fostering genuine innovation is displaced. Academics begin to manipulate the system by generating or purchasing superficial outputs solely to satisfy the statistical threshold.

- **Predatory Patent Facilitators (IP Brokers)**

- These are unscrupulous commercial entities acting as patent-filing intermediaries. They exploit jurisdictional gaps and automated registration processes in foreign intellectual property systems. These firms manufacture non-existent entities or generic designs, register them quickly abroad, and then sell "authorship" or "inventorship" slots to researchers looking for unearned institutional credits.

- **Quantitative vs. Qualitative Assessment Metrics**

- **Quantitative Metrics:** Evaluation systems based purely on numerical volume, such as the total number of papers published or patents filed, without verifying their real-world impact or technical validity.

- **Qualitative Assessment:** Evaluation frameworks that scrutinize the actual value, peer-reviewed credibility, commercial licensing success, or translational utility of an innovation.

- **Scientific Misconduct and Retractions**

- Scientific misconduct involves any practice that violates the integrity of the research record, including fabrication, falsification, plagiarism, or the fraudulent acquisition of intellectual credentials. When such behavior is exposed, academic journals or patent registries issue a **retraction**, which officially invalidates the record to preserve the purity of global scientific data.

- **Main Arguments and Substantive Parts**
- **The Illusion of International Innovation**
 - The central issue rests on the systemic misrepresentation of foreign design registrations as prestigious international utility patents. Researchers purchase slots in rapidly approved foreign registries to project an image of advanced scientific breakthrough. Because these registrations focus exclusively on how an item looks rather than how it functions, they do not represent actual technological progress, yet they are aggressively used to claim academic merit.
- **Structural Drivers of Unethical Behavior**
 - The proliferation of fraudulent intellectual property is directly driven by intense institutional competition. National ranking frameworks, performance-based career advancement schemes, and the commercial marketing needs of private universities place immense pressure on academics to perform numerically.
 - Private universities frequently outpace premier public research institutes in the sheer volume of patent filings. However, the substance of these filings is exceptionally low, with less than two percent of these bulk utility filings ultimately surviving rigorous examination to be officially granted.
- **Institutional Vulnerabilities and Lack of Verification**
 - A major structural loophole is that current institutional evaluation mechanisms often reward the mere *filing* of a patent application rather than its final *grant* or commercial adoption. Regulatory bodies and internal university selection committees rarely possess the specialized auditing mechanisms required to cross-verify the authenticity, substance, or jurisdictional nature of the intellectual property claims submitted by candidates.
- **The Displacement of Genuine Research Focus**
 - When fraudulent shortcuts are normalized, funding, promotions, and reputational rewards flow disproportionately toward those who manipulate the system. This creates a highly discouraging environment for honest scientists engaged in long-term, high-risk, and deeply authentic translational research, ultimately diverting critical human and financial capital away from actual scientific problems.



- **Historical Evolution of the Issue**

- **Pre-Independence to Early Post-Independence Era (1947–1970s)**

- During this foundational era, Indian higher education focused primarily on establishing teaching standards and core institutional infrastructure, such as the Indian Institutes of Technology (IITs) and the Council of Scientific and Industrial Research (CSIR). The intellectual property regime was governed by older, restrictive models until the passage of the landmark Patents Act of 1970.

- This Act deliberately prioritized process patents over product patents, especially in sectors like pharmaceuticals, to encourage domestic reverse-engineering and self-reliance. Academic institutions during this period remained largely detached from commercial IP generation, viewing research through a lens of public utility rather than proprietary market metrics.

- **The Post-WTO and TRIPS Realignment Era (1995–2010s)**

- With India signing the TRIPS (Trade-Related Aspects of Intellectual Property Rights) agreement under the WTO, the national legal framework underwent a major shift, culminating in the introduction of product patents by 2005. This transition forced a policy realignment within higher education.

- The government began encouraging universities to set up Intellectual Property Cells to protect indigenous innovations. However, the primary focus during this phase remained protective and bureaucratic, as institutions adapted to global IP standards without yet tying these metrics directly to individual career progression.

- **The Era of Quantitative Financial Incentivization (2010s–2020)**

- To elevate Indian universities in global rankings, the University Grants Commission (UGC) and the Ministry of Education introduced competitive evaluation frameworks, most notably the Academic Performance Indicator (API) scores and the National Institutional Ranking Framework (NIRF).

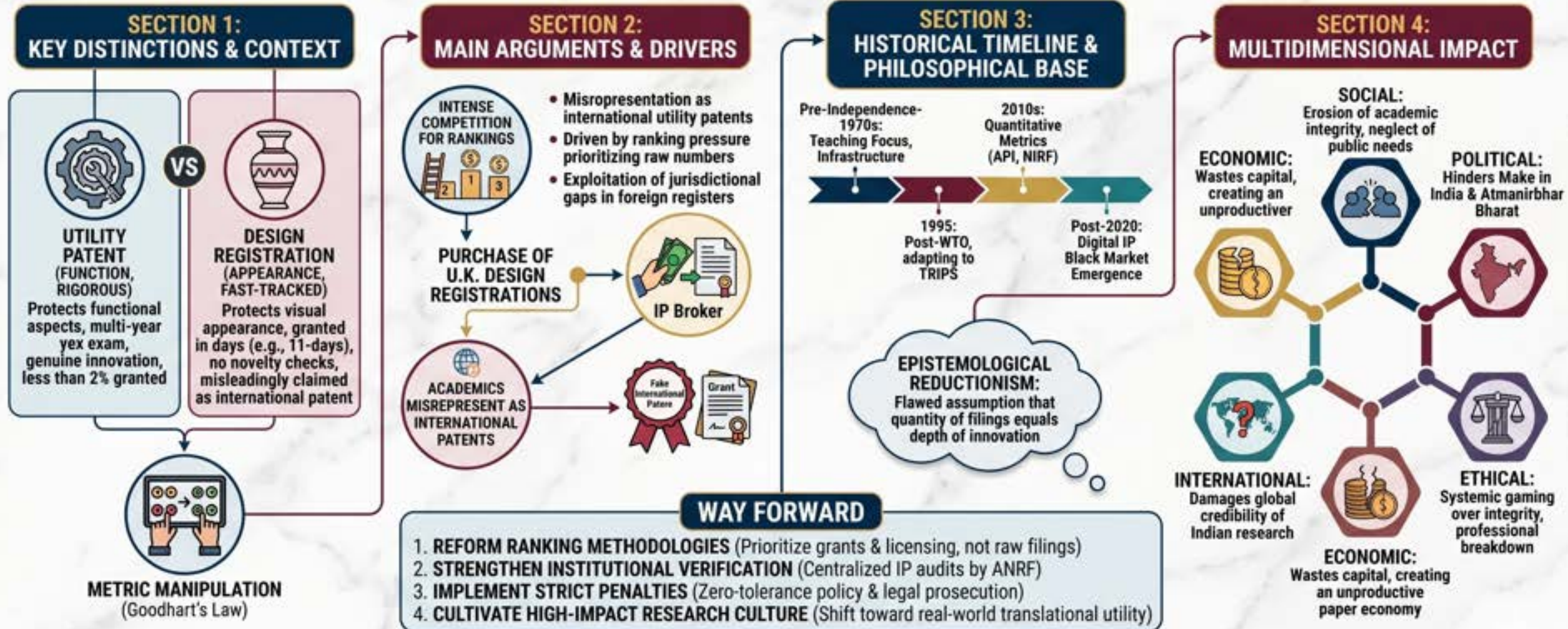
- These systems integrated quantitative targets for research papers and patent generation into the evaluation process. This period marked a major turning point, as institutional funding and individual faculty promotions became directly dependent on numerical outputs, inadvertently creating a powerful incentive to prioritize quantity over quality.

- **The Emergence of the Digital IP Black Market (2020–Present Day)**

- The rapid digitization of global patent registries, combined with fast-track registration options in international jurisdictions, created a new vulnerability. Predatory intermediaries quickly realized they could exploit foreign design registries to satisfy India's rigid domestic quantitative requirements.

- This led to the current institutional challenge: a sophisticated, highly commercialized black market for intellectual credentials that threatens the global reputation of Indian research and development.

FAKE PATENTS POISONING INDIA'S ACADEMIC RACE



- **Key Terms and Explanations**
- **Modus Vivendi:** A Latin phrase meaning "way of living." In international relations, it signifies a temporary or provisional arrangement between warring or conflicting parties, allowing them to coexist peacefully until a permanent settlement is reached.
- **Hegemon / Hegemony:** The political, economic, or military predominance of one state over others within the international system. A shipwrecked hegemon describes a dominant global power whose structural capacity to dictate political outcomes, enforce security architectures, or deter adversaries has severely degraded due to overextended or miscalculated interventions.
- **The Carter Doctrine:** A foreign policy initiative proclaimed by U.S. President Jimmy Carter in January 1980. It explicitly stated that the United States would use military force, if necessary, to defend its national interests in the Persian Gulf region against external aggression.
- *Significance:* This doctrine operationalized the extensive network of forward-deployed American military bases throughout the Gulf, a framework that faces severe structural stress when these bases transform from security guarantees into vulnerable targets for regional missile systems.
- **Asymmetric Warfare:** A conflict dynamic where the relative military power, strategies, and technology of the opposing belligerents differ significantly. Instead of engaging in conventional, force-on-force battles, the structurally weaker actor leverages unconventional tactics, proxy networks, localized drone technologies, and geographical vulnerabilities to neutralize the adversary's technological edge.
- **Strait of Hormuz:** A narrow, strategically vital waterway connecting the Persian Gulf with the Gulf of Oman and the Arabian Sea. It serves as the world's most critical energy transit corridor, facilitating the passage of approximately one-fifth of global seaborne petroleum. Control over this choke point grants immense economic leverage, capable of destabilizing global supply chains when disrupted.
- **Main Arguments and Substantive Parts**
- The geopolitical narrative surrounding recent West Asian flashpoints challenges the long-held assumption that absolute conventional military superiority guaranteed by an external superpower can seamlessly enforce regime change or dictate permanent political outcomes.
- **The Limits of Decapitation Strategies**
- A central thesis emerging from this strategic assessment is that modern state systems, particularly those anchored in deeply embedded ideological frameworks, possess significant institutional resilience. The execution of high-intensity, pre-emptive strikes targeting top-tier political, military, and strategic leadership does not automatically trigger systemic state collapse.
- Instead, structured bureaucratic mechanisms allow for rapid succession—as demonstrated by the swift appointment of a new wartime administration and leadership hierarchy. The assumption that widespread civilian unrest would immediately topple the regime under the weight of external shock often miscalculates the rallying effect of national sovereignty under foreign attack.
- **Asymmetric Retaliation and Economic Weaponization**
- The core operational argument demonstrates how a middle-tier regional power can successfully counter a major military offensive without relying on matching conventional capabilities. The strategy relies on two primary pillars:
- **Targeting Host Infrastructure:** Transforming forward-deployed foreign military installations into strategic liabilities by utilizing localized missile and drone strikes, thereby forcing host nations to reconsider the utility of housing external forces.
- **Maritime Access Choking:** Disrupting critical global trade arteries, specifically the Strait of Hormuz. By driving up maritime insurance costs, halting commercial shipping, and triggering a sharp escalation in global crude oil prices, the regional actor shifts the economic burden of the war onto the global community, creating immediate pressure on the offensive coalition to seek a diplomatic exit.
- **The Realignment of Regional Subsystems**
- The ultimate outcome of this conflict dynamic is the visible fracturing of established security architectures. Finding themselves directly in the line of fire, regional powers like the Gulf states are recognizing that external security guarantees can introduce vulnerability rather than safety. This realization drives a structural shift away from absolute zero-sum alliances toward strategic multi-alignment, characterized by direct, localized diplomatic engagements with regional adversaries to ensure baseline stability.

- **Historical Evolution of the Issue**

- **1953 – The Genesis of Intervention:** The joint Anglo-American intelligence operation (Operation Ajax) that overthrew the democratically elected Iranian Prime Minister Mohammad Mossadegh after he nationalized the nation's oil industry. This intervention cemented a deep-seated domestic skepticism toward Western strategic objectives in the region.
- **1979 – The Structural Fracture:** The Islamic Revolution fundamentally altered the regional balance of power, transforming a key pro-Western monarchy into a revolutionary republic. This structural shift caused an immediate realignment, prompting Western powers to build security partnerships with Gulf Arab monarchies to contain the export of revolutionary ideologies.
- **1980 – The Institutionalization of the Carter Doctrine:** Prompted by the Soviet invasion of Afghanistan and potential vulnerabilities in the Persian Gulf, Washington formally committed to using military force to maintain dominance over regional energy lanes. This led to the creation of the U.S. Central Command (CENTCOM) and the gradual buildup of massive air and naval facilities across Qatar, Bahrain, the UAE, and Saudi Arabia.
- **Post-9/11 and the "Axis of Evil" Paradigm:** The early 2000s saw a massive expansion of forward military presence in the region. The containment strategy shifted toward active encirclement, fueling deep security anxieties that incentivized regional powers to develop advanced ballistic missile programs and asymmetrical proxy networks as a deterrent against potential regime-change campaigns.
- **The JCPOA to Contemporary Conflict Matrix:** The brief diplomatic opening of the 2015 Joint Comprehensive Plan of Action (JCPOA) was rapidly undone by the unilateral reinstatement of the "maximum pressure" campaign. This cycle of economic strangulation and tactical assassinations set the stage for the high-stakes kinetic confrontations and subsequent maritime standoffs.

- **Way Forward**

- **Institutionalizing an Inclusive Regional Security Architecture**

- The current crisis demonstrates that relying entirely on external security umbrellas can create long-term vulnerabilities. West Asian nations should work toward establishing a permanent, locally driven security forum—similar to the Organization for Security and Co-operation in Europe (OSCE). This institution must include all regional powers, notably Iran and Saudi Arabia, providing a structured venue to manage friction, implement confidence-building measures, and prevent localized incidents from escalating into broader conflicts.

- **Neutralizing and Safeguarding Maritime Choke Points**

- Given the vital role of the Strait of Hormuz in global energy security, the international community must work to insulate crucial maritime trade corridors from localized political conflicts.

- **UN-Led Maritime Frameworks:** Establishing United Nations-backed maritime observation forces to monitor international straits and ensure the unhindered passage of commercial shipping under the rules of UNCLOS.

- **Developing Alternative Transit Infrastructure:** Investing in overland pipelines and alternative deep-water ports outside narrow choke points (such as facilities bypassing the Persian Gulf entirely via the Arabian Sea) to reduce the global economy's vulnerability to single maritime bottlenecks.
-



AXIA
IAS ACADEMY
RISE ABOVE THE REST

COMPREHENSIVE ANALYSIS: THE SHIPWRECKED HEGEMON & REGIONAL POWER SHIFTS



KEY TERMS



Hegemony vs. Decline

Hegemony vs. Decline is between roles and economic stance in democracies.



Unipolarity to Multipolarity

Unipolarity to Multipolarity to multipolarity power shift to new regional nodes.



Modus Vivendi

Modus Vivendi is collective of eliminating power to establish new regional nodes.



Deterrence Failure

Deterrence failure, deteriorations of strategic structure, challenges to regional nodes.



Strategic Multi-alignment

Strategic Multi-alignment factor power and composed to new regional nodes.



HISTORICAL CONTEXT (UPSC CSE FOCUS)



**SHIPWRECKED HEGEMON:
DECLINE OF
U.S. GLOBAL
LEADERSHIP**



REGIONAL DYNAMICS: IRAN & GULF STATES



UPSC CSE MAINS: MULTIDIMENSIONAL IMPACTS



SOCIAL

Refugee Crisis,
Internal Tensions,
Social Frictions



POLITICAL

Regime Failure,
Failed Pre-emptive
War, Internal
Legitimacy Crisis



LEGAL

UN Charter Strain,
International Law
Violations, State
Sovereignty Issues



ETHICAL

Moral Costs,
Humanitarian Toll,
Accountability
Dilemmas



INTERNATIONAL

Shifts in Alliances,
Asian Rebalancing
(Eurasian Power),
Receding Influence



ECONOMIC

Supply Chain
Disruptions,
Energy Price Volatility,
Dollar Strain

WAY FORWARD



UPSC CSE SYLLABUS & PYQ LINKAGES



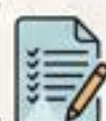
✓ GS Papers 1-4

✓ Essay Topics

(e.g., Global
Governance, Ethics)

✓ PSIR & History
Optionals

✓ General PYQ
reference type



Hezbollah calls U.S.-Israel-Lebanon deal 'grave blunder', deems it void

Naim Qassem condemns the trilateral framework agreement as 'humiliating' and a 'surrender of sovereignty'; the deal includes a pilot plan where Lebanese soldiers take control of two Israel-occupied areas, and a process to disarm Hezbollah

Agence France-Presse
BEIRUT

Hezbollah leader Naim Qassem condemned the U.S.-Israel-Lebanon framework agreement on Saturday, saying it is a major mistake by the government and that his group deems it null and void.

The agreement – which includes a pilot effort in which Lebanese soldiers take control of two areas currently occupied by Israel, as well as a process aimed at disarming Hezbollah – was signed in Washington on Friday after five rounds of talks.

"The framework agreement in Washington is hu-



Hezbollah supporters block the old airport road during a protest against the trilateral agreement, in Beirut on Saturday. AFP

milating, shameful, and a surrender of sovereignty. This agreement is null and void, and the provisions of the Iranian-American memorandum of understanding must be imple-

mented," Mr. Qassem said in a statement, referring to the deal to end the broader West Asia war, which includes a ceasefire in Lebanon.

Mr. Qassem called on

the government to withdraw from "its sins that are ruining Lebanon".

He accused Lebanese authorities of committing a "grave blunder" and "legitimising the continuation of the [Israeli] occupation for many years," which "may even lead to the annexation of these lands".

Hezbollah strongly rejects direct negotiations between Lebanon and Israel, which have been ongoing since April.

Meanwhile, Hezbollah supporters took to the streets of Beirut late Friday to protest the agreement between Israel and Lebanon, as a lawmaker from the Iran-backed group warned enforcing the deal

risked sparking civil war.

The state-run *National News Agency* reported that "Hezbollah supporters rode motorbikes through the streets of Beirut" including central areas and along a road leading to the airport "in protest at the framework agreement announced between Lebanon and Israel".

Lebanese "authorities will be unable to impose the implementation of the agreement signed in Washington unless they go, with American support, to civil war," Hezbollah lawmaker Hassan Fadlallah said.

Later, the Lebanese military vowed to maintain public order, urging citizens "to act responsibly".

- **Key Terms and Explanations**
- **Non-State Armed Actors (NSAAs) and Hybrid Actors**
 - Non-State Armed Actors are organizations that use force to achieve political, ideological, or religious objectives but are not part of the formal military apparatus of a sovereign state. When an entity possesses significant military might alongside a legitimate political wing, participates in democratic elections, and provides social services, it transforms into a **hybrid actor**.
 - **Contextual Example:** Hezbollah functions as a classic hybrid actor in Lebanon. It operates a standing army stronger than the national military while simultaneously holding seats in the Lebanese parliament and cabinet, effectively running a state-within-a-state.
- **Westphalian Sovereignty**
 - Originating from the Peace of Westphalia (1648), this concept asserts that every sovereign state has exclusive sovereignty over its territory. It dictates that external powers must not interfere in a nation's domestic affairs and that the state must maintain an absolute monopoly on the legitimate use of physical force within its borders.
- **Trilateral Framework Agreement**
 - A diplomatic instrument negotiated among three distinct political entities to resolve complex cross-border or security disputes. In highly sensitive geopolitical contexts, these agreements are frequently brokered by an influential global superpower acting as an intermediary when direct bilateral channels between adversaries are non-existent or politically toxic.
- **Disarmament, Demobilization, and Reintegration (DDR)**
 - A foundational framework utilized in post-conflict peacebuilding. **Disarmament** involves collecting and controlling weapons from combatants; **Demobilization** entails the formal disbanding of armed factions; and **Reintegration** is the long-term process of transitioning former combatants into civilian employment and mainstream political life.
- **Main Arguments and Substantive Parts**
- **The Core Thesis**
 - The central conflict revolves around a fundamental structural dilemma: the attempt to restore complete state authority and territorial control to a sovereign government via a foreign-mediated framework agreement directly threatens the existential survival of deeply entrenched domestic armed groups. This creates an intense friction between international diplomacy, national military policy, and heavily armed sub-national factions.
- **Key Pillars Supporting the De-escalation Strategy**
 - **Restoration of State Monopoly on Violence:** The framework prioritizes the deployment of regular national defense forces to contested or occupied border zones. This aims to re-establish the central government as the sole legitimate security guarantor of the nation.
 - **Territorial Reclamation via Diplomacy:** By utilizing multilateral negotiation tracks, a weak state can systematically reclaim control over territories previously occupied or patrolled by foreign militaries, doing so without entering a devastating, asymmetrical war.
 - **De-linking from Regional Proxy Wars:** Neutralizing independent armed factions inside a state breaks the cycle of proxy confrontation, shielding the domestic populace from retaliatory strikes launched by external adversaries.
- **Arguments Raised by Counter-Factions and Armed Groups**
 - **The Perceived Loss of Defensive Deterrence:** Armed resistance groups argue that state militaries are often under-equipped and structurally incapable of deterring powerful neighboring nations. They view their private arsenals not as a challenge to the state, but as a vital, asymmetrical deterrent.
 - **Accusations of Capitulation and Illegitimacy:** Factions opposed to foreign-brokered pacts argue that direct or indirect negotiations with historical adversaries legitimize past foreign occupations. They brand such agreements as null, void, and a complete surrender of national dignity.
 - **The Spectre of Internal Fracture:** Opposing political blocks frequently issue warnings that any forced compliance or state-led attempt to disarm heavily armed domestic groups will inevitably rupture the national fabric, plunging the country back into a sectarian civil war.

- **Historical Evolution of the Issue**

- **The Pre-Independence and Post-Mandate Era (1920s–1943)**

- The foundational vulnerabilities of the region trace back to the collapse of the Ottoman Empire and the subsequent imposition of European mandates. When borders were carved out, highly diverse ethnic and religious groups were consolidated under single administrative setups. In Lebanon, the **National Pact of 1943** established a rigid, confessional power-sharing system where political offices were distributed strictly along sectarian lines (e.g., a Christian President, a Sunni Prime Minister, and a Shia Speaker). While this initially maintained a fragile peace, it institutionalized sectarian divisions and weakened the evolution of a unified, secular national identity.

- **The Civil War and the Rise of Resisting Factions (1975–1990)**

- The inherent instability of the confessional system, combined with demographic shifts and the influx of armed external political movements (such as the Palestine Liberation Organization), caused a complete collapse of state authority in 1975. The multi-decade Lebanese Civil War turned the nation into a battleground for regional powers.

- Following the 1982 foreign invasion of southern regions, a powerful Shia insurgent movement emerged with direct ideological and financial backing from Iran. This group, which evolved into **Hezbollah**, positioned itself as a defensive resistance movement against foreign occupation. The **Taif Agreement of 1989** eventually brought an end to the civil war and demanded the disarmament of all domestic militias. However, an exception was made for Hezbollah, allowing it to retain its arsenal under the official classification of a "national resistance force" tasked with liberating occupied territories.

- **The Post-Occupation and Resolution Era (2000–2006)**

- When foreign forces completely withdrew from southern territories in 2000, the primary justification for Hezbollah's armed wing faced intense domestic and international scrutiny. The international community sought to formalize state control through institutional mechanisms:

- **The Contemporary Era of Multi-Layered Crises (2020s–2026)**

- Over the last several years, the situation has grown increasingly volatile. The complete collapse of the domestic economy, hyperinflation, and persistent political vacuums have severely degraded the capabilities of the official state armed forces.

- As regional proxy wars intensified across West Asia, border skirmishes escalated into major combat operations. This deterioration forced international stakeholders, led by the United States, to pursue direct diplomatic interventions. These efforts culminated in contemporary trilateral framework agreements designed to permanently delineate borders and formally resolve the status of armed factions.

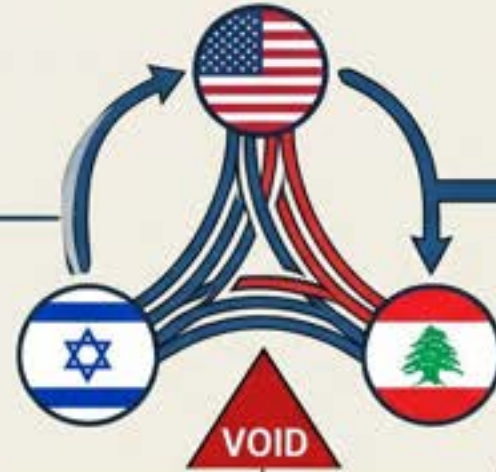
- **Way Forward**
- **A Phased, Consensus-Driven Internal Dialogue**
 - Any attempt to force the immediate, coercive disarmament of deeply entrenched hybrid actors is highly likely to trigger a destructive civil war. Instead, the central government must initiate a structured, domestic national defense dialogue. This process should aim to gradually integrate the military expertise and assets of non-state factions into the official national command structure under a unified **National Defense Strategy**, ensuring clear civilian and constitutional oversight.
- **Strategic Capacity Building of State Institutions**
 - The international community must pivot away from merely brokering top-down political treaties and focus on directly strengthening the sovereign state apparatus. This requires providing substantial, non-political financial and material assistance to the **National Armed Forces**. Elevating their defensive capabilities, border surveillance infrastructure, and logistical systems ensures they can credibly safeguard national sovereignty, effectively neutralizing the argument that non-state arsenals are necessary for national defense.
- **Delinking Local Stability from Regional Proxy Networks**
 - Long-term stability requires reducing external geopolitical interference. Broad diplomatic channels must be established to encourage regional powers—specifically Iran, Saudi Arabia, and the United States—to insulate local border disputes from their wider geopolitical competitions. Brokering localized grand bargains can help prevent internal political factions from being utilized as forward deterrents or proxy instruments by foreign capitals.
- **Binding Security Agreements to Economic Recovery**
 - Security arrangements should be paired with tangible socio-economic incentives. International financial institutions, including the IMF and the World Bank, should coordinate with donor nations to link specific, verifiable security milestones with immediate economic relief packages, infrastructure investments, and debt-restructuring programs. Demonstrating that state-led stability leads directly to economic recovery and improved living standards can help build broad public support for formal state institutions over parallel sub-national networks.



COMPREHENSIVE ANALYSIS: U.S.-ISRAEL-LEBANON DEAL & THE HEZBOLLAH CHALLENGE (UPSC/APSC PREPARATION)



THE TRILATERAL FRAMEWORK (SIGNED IN WASHINGTON)



STATE MONOPOLY
ON THE USE OF FORCE
(WEBERIAN STATE)



LEGITIMATE
LEBANESE
STATE ARMY

PILOT PLAN
(TERRITORIAL
RECLAMATION)



MULTIDIMENSIONAL ANALYSIS

GS Paper • Bilateral, region groupings
• diaspora interest



GS-2
Bilateral,
regional
groupings,
diaspora interest



GS-3
Internal
security,
organized
crime

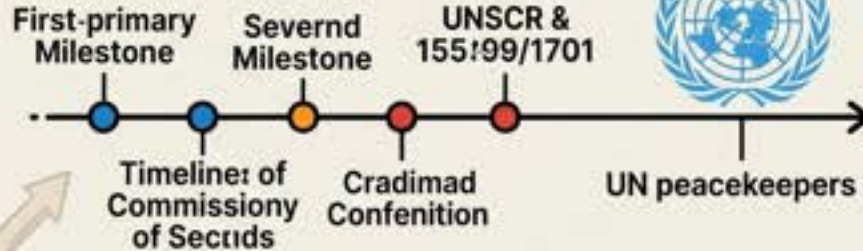


GS-4
International
ethics, conflict
resolution



Essay

• Historical Context:
TAIF ACCORD & UNSCR 1559/1701



HEZBOLLAH'S CHALLENGE & HYBRID ACTOR DYNAMIC

- Surrender of Sovereignty
- Lost Deterrence Asset
- Risk of Internal Civil War
- 'Humiliating' capitulation

GRAVE
BLUNDER



**INDEPENDENT
MILITARY ASSETS**

- ASSEMETRICAL DETERRENT
- PROXY NETWORK leverage

GEOPOLITICAL & ECONOMIC IMPLICATIONS



WAY FORWARD: PROPOSED SOLUTIONS

- Phased Dialogue & Integration
- Stronger State Armed Forces
- Delinking Proxies
- Security Linked to Economic Aid

Will the old adage of 'dumb money' now come back into play?

Kamar Shankar Roy

For much of market history prior to the COVID crash in March 2020, retail money was often termed 'dumb money', but as with everything in markets, nothing lasts forever. Post the crash, retail investors turned the tables and bought aggressively. In fact, they made institutions look dumb – the GameStop short squeeze being one among many examples. But with the prolonged market correction since September 2024, concerns are emerging over whether the old adage is making a comeback.

After the Indian stock market peaked on September 24, 2024, the reward system changed. Stocks began to crumble, market breadth narrowed, and the easy phase of the bull market gave way to a more punishing one. Yet, individual investors appear to have stuck to the old script – buy more of what has fallen the most. A Bloomberg analysis of 1,993 NSE-listed companies using Capitaline data shows that the deeper the stock's fall since the September 2024 peak, the more likely individuals were to increase their ownership.

Sample this. Total individual stake rose in about 37% of stocks that were flat or delivered positive returns since September 2024. But the proportion climbed steadily as losses deepened.

In the 0-20% stock-decline bucket, total individual stake rose in 44% of companies.

The figure increased to 54% in the 20-40% decline bucket, climbed to 68% among stocks that fell 40-60%, and exceeded 83% in



Individual investors appear to have stuck to the old script – buy more of what has fallen the most. (NCA screenshot)

Individual investors would do well to buy based on fundamentals, valuations and the direction of a company's business

stocks that corrected by more than 60%.

It is in this last set that price corrections were the deepest. Take Ola Electric. The stock is down around 60%, but total individual stake has surged 285%. Go Fashion is down nearly 70%, yet individual ownership has jumped a massive 362%.

Small retail, big dreams
While changes in total individual stake capture the combined shareholding of both small retail investors and larger individual/INI investors, trends among small retail investors (resident individuals holding below ₹2 lakh nominal share capital) reveal the 'catching falling knives' syndrome – even more

starkly. In the 71% of the universe that has delivered negative returns, small retail investors have increased their holdings in every one of those 1,418 stocks. That 100% hit rate is not even the most striking part. In more than 1,000 of those stocks, small retail investors have at least doubled their holdings.

For instance, in Kaynes Technology (down 42% since September 2024), small retail investors have increased their stake by 131% – from 2.8% in the September 2024 quarter to a whopping 18% by March 2026. In Brainbees Solutions, which itself went public only in 2024, small retail stake has risen 185%. In fact, across all the 1,418 stocks that have fallen since September 2024, small retail investors have increased exposure by at least 30%.

Not the same appetite
The contrast with institutions is stark. Among stocks that have fallen more than 60% from their

September 2024 peaks, total individual stake rose in 83.5% of companies. FIIs raised holdings in only 20.3%, mutual funds in 6.3% and insurers in just 5.1%.

In Adco Logistics, individual stake rose 140% even as combined institutional ownership (FIIs, mutual funds and insurers) fell 34%. Sterling & Wilson Renewable Energy showed a similar pattern, with individual stake up 57% and institutional ownership down 52%.

Lower valuations may have supported the buying case in some stocks, but the broader behaviour appears to have been driven more by price damage than by valuation discipline. Consider high P/E stocks such as Epuck Durable (128x), Entero Healthcare (171x) and Easy Trip Planners (141x). Total individual and small retail holdings have increased even though these stocks have become more expensive on valuation metrics.

Trillion-dollar question

The trillion-dollar question is not whether the old needle-hunting instinct of individual investors has survived the market's turn.

It is whether buying fallen stocks will once again be rewarded. In the current phase, many investors are no longer picking needles from a rising haystack. They are averaging down in a field that has, in its entirety, started to prick.

Individual investors would do well to buy based on fundamentals, valuations and the direction of a company's business – not merely on how far a stock has fallen from its peak.

(The writer is with The Hindu businessline research bureau)

- **Key Terms and Explanations**

- **Dumb Money vs. Smart Money:** "Smart money" refers to capital controlled by institutional investors, market professionals, and central banks who possess deep analytical tools, systemic information, and dedicated research teams. Conversely, "dumb money" is a traditional market colloquialism for investments made by retail or non-professional investors, often driven by emotional biases, social media trends, or simple price tracking rather than fundamental valuations. For instance, when institutional funds exit an overvalued tech firm based on macroeconomic indicators, and retail investors simultaneously aggressively buy the drop, the latter is historically termed "dumb money."
- **Catching Falling Knives / Averaging Down:** "Catching a falling knife" is a market metaphor for buying an asset during a rapid price decline, under the speculative assumption that it has hit a floor. "Averaging down" is the tactical extension of this, where an investor keeps purchasing more shares as the price drops further to lower the average purchase cost. An example is an investor buying a stock at ₹100, and then buying double the quantity at ₹40 without checking if the underlying business model has fundamentally broken down.
- **Price-to-Earnings (P/E) Ratio:** This is a key valuation metric calculated by dividing a company's current share price by its earnings per share. A high P/E ratio implies that investors are paying a high premium for every unit of profit, expecting massive growth ahead. If a stock's P/E climbs to extreme levels (such as 100x or 400x) while its revenue declines, it indicates a severe disconnect between price and actual business performance.
- **FII, DII, and Retail Stakes:** Foreign Institutional Investors (FIIs) represent international capital flowing into domestic markets, whereas Domestic Institutional Investors (DIIs) include Indian mutual funds, insurance companies, and pension funds. "Retail stakes" represent individual investors, specifically "small retail" which refers to resident individuals holding below ₹2 lakh in nominal share capital in a single entity.
- **Market Breadth:** This indicates the overall health of a stock market by measuring how many stocks are advancing in price relative to those that are declining. When the market breadth narrows, it means only a handful of large companies are keeping the stock market indices high, while the vast majority of individual companies are losing value.

- **Main Arguments and Substantive Parts**

- The structural reality of modern capital markets highlights a profound behavioral divergence between institutional capital and individual household savings. The core thesis revolves around the resurgence of speculative retail behavior in the face of an extended market correction, bringing back old concerns regarding retail market maturity.
- **The Retail-Institutional Cleavage**
 - Data from a broad universe of listed corporations reveals an inverse relationship between a stock's price health and its retail ownership concentration. As institutional investors systematically prune their exposure to overvalued equities to mitigate risk, small retail investors are stepping in as the primary liquidity providers, absorbing these shares at a rapid pace.
- **The Illusion of Cheapness**
 - A critical issue identified is the confusion between a "damaged stock price" and a "cheap valuation." Retail market participants are disproportionately targeting companies that have witnessed steep drops from their historical peaks (often exceeding 40% to 70%). However, an examination of their financial health shows that even after these steep drops, these companies frequently trade at high P/E multiples, making them expensive on fundamental valuation metrics.
- **Quantitative Trends in Ownership Shift**
 - The structural shift in shareholding patterns highlights the scale of this issue:
 - In companies experiencing severe equity price declines, the individual retail stake has risen significantly, sometimes doubling or tripling its historical base.
 - Among underperforming equities, institutional ownership (comprising FIIs, mutual funds, and insurance firms) has dropped substantially, revealing a coordinated institutional exit.
 - Even in newly listed entities and new-age tech firms where market corrections have been deep, retail holdings have surged by triple-digit percentages, ignoring the absence of a proven path to profitability.

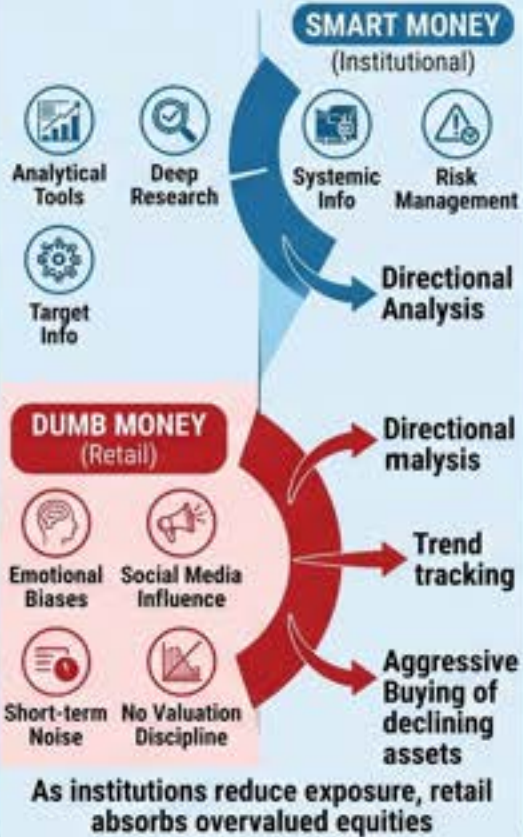
- **Historical Evolution of the Issue**
- **The Pre-1992 and Structural Reform Era**
 - Prior to 1992, Indian equity markets were characterized by physical share certificates, open outcry pits, and significant structural opacity. Retail participation was limited to a small, urban elite, and events like the 1992 Harshad Mehta scam highlighted the vulnerabilities of retail capital in an under-regulated system. The subsequent establishment of the Securities and Exchange Board of India (SEBI) as a statutory body and the introduction of National Securities Depository Limited (NSDL) led to dematerialization, laying the groundwork for safer retail onboarding.
- **The 2008 Global Financial Crisis and Its Aftermath**
 - The mid-2000s bull run saw a massive influx of retail investors into infrastructure and power sector stocks, largely driven by IPO hype. However, the 2008 Global Financial Crisis resulted in massive wealth destruction for retail portfolios. This led to a decade-long aversion to direct equities among Indian households, who shifted their savings back into physical assets like gold and real estate, or traditional banking instruments.
- **The Post-COVID Digital Explosion (2020-2024)**
 - The pandemic marked a major turning point. The combination of lockdowns, zero-brokerage discount trading platforms, social media financial content ("finfluencers"), and direct-to-consumer digital infrastructure led to an unprecedented surge in retail demat accounts. Globally exemplified by events like the GameStop short squeeze, and domestically by the aggressive buying of market dips, retail money was briefly celebrated as a stabilizing force that countered foreign capital flight.
- **The Current Structural Correction Phase**
 - Following the market peaks of late 2024, the Indian equity landscape entered a more challenging phase characterized by high interest rates, global geopolitical tensions, and moderating corporate earnings. This phase has tested the resilience of retail strategies, highlighting the persistence of behavioral biases as small investors face a prolonged market correction without the safety net of an immediate bull market rebound.



- **Way Forward**
- **1. Reforming the Financial Literacy Architecture**
 - India needs to transition from basic financial literacy campaigns (like opening bank accounts) to comprehensive **risk-literacy programs**. The National Centre for Financial Education (NCFE), in partnership with educational boards and universities, should design modules focused on fundamental valuation metrics, behavioral biases, and the long-term compounding benefits of mutual funds over speculative direct stock picking.
- **2. Implementing Regulatory Valuation Safeguards**
 - Retail investors often lack an understanding of when valuations become disconnected from reality.
 - SEBI could introduce regulatory requirements for discount brokerage applications to implement **valuation alerts**. For instance, if a retail investor tries to increase their stake in a company with an exceptionally high P/E ratio or declining net profits, the platform could display a mandatory pop-up illustrating the company's financial health relative to its industry peers.
- **3. Incentivizing Professionally Managed Investment Channels**
 - To steer retail capital away from speculative stock picking, policy frameworks should make managed investment routes more attractive:
 - Introducing targeted tax incentives for long-term Systematic Investment Plans (SIPs) in diversified equity mutual funds.
 - Revising the capital gains tax structure to favor long-term, professionally managed holdings over high-frequency direct equity trading.
 - Encouraging low-cost index funds to help retail investors capture broad economic growth without exposing themselves to individual company risks.
- **4. Tightening Listing and IPO Valuation Norms**
 - Regulators should enhance corporate governance requirements for companies planning public listings, particularly new-age technology firms. This involves enforcing stricter disclosure mandates regarding profitability timelines, realistic IPO pricing models, and preventing institutional pre-IPO investors from completely exiting their stakes onto retail buyers without a mandatory post-listing lock-in period.



THE INVESTMENT POLARITY: Retail vs Institutional



RETAIL INVESTOR TRAPS & BEHAVIORAL BIASES



STRUCTURAL MARKET IMBALANCE: THE SEPTEMBER 2024 SHIFT



MULTIDIMENSIONAL IMPACT ANALYSIS



SYLLABUS & EXAM LINKAGES FOR IAS PREPARATION



THE PATH TO MARKET RESILIENCE: ESSENTIAL REFORMS



Iran accuses U.S. of violating peace agreement; both sides exchange fire

Agence France-Presse
TEHRAN

Iran on Saturday accused the U.S. of violating their deal to end the war, after Washington launched strikes on Iranian territory and Tehran responded with attacks on U.S. targets in the Gulf.

The trading of fire, which came after Washington accused Tehran of attacking a cargo ship in the Strait of Hormuz, raised doubts about efforts to keep the crucial waterway open while both sides negotiate a final deal.

U.S. Central Command (CENTCOM) said the latest American strikes, which targeted Iranian missile and drone storage sites and coastal radar positions, were a response to "unwarranted aggression against commercial shipping by Iranian forces" that "clearly violated the cease-



Vessels seen in the Strait of Hormuz near Bandar Abbas in Iran following the signing of the deal with U.S. to end the war. REUTERS

fire". It described the latest strikes as "a powerful response" to the "attack on a commercial ship that was transiting the Strait of Hormuz".

"Violence will be met with violence" if Iran carries out any further attacks, U.S. Vice-President J.D. Vance said.

Iran said "these brutal attacks... are a blatant violation" of the deal to end the war, which began with U.S.-Israeli strikes on Iran

in late February. Its Revolutionary Guards said they had struck U.S. sites in the Gulf region and that "if the aggression is repeated, our response will be broader".

Strikes in Bahrain

Bahrain said it was targeted by several Iranian drones early on Saturday and accused Tehran of "sabotaging peace efforts".

Also on Saturday, British maritime security agency UKMTO said an "unidenti-

fied projectile" damaged an oil tanker in the strait.

On the U.S. strikes, Iranian media reported an explosion at a pier in the southern city of Sirik late on Friday. It quoted a military source saying a "projectile impact" caused the blast. "Sirik Port is operating normally," Mehr news agency later said.

U.S. President Donald Trump had earlier denounced what he described as an Iranian drone strike on the vessel as "a foolish violation of our ceasefire agreement".

Iran has warned vessels not to enter or leave the Gulf through the strait without permission, but ships have continued to move, some using a route not authorised by Tehran.

A SHIPWRECKED HEGEMON

» PAGE 9

'GRAVE BLUNDER'

» PAGE 12

- **Key Terms and Explanations**
 - **The Strait of Hormuz:** A vital maritime chokepoint and the world's most crucial oil transit artery, separating Iran from Oman and the United Arab Emirates. It connects the Persian Gulf with the Gulf of Oman and the Arabian Sea. To visualize its importance, consider that nearly one-fifth of the world's liquid petroleum passes through this narrow strait daily, making it the economic jugular vein of global energy markets.
 - **Maritime Chokepoint:** A narrow channels along high-volume global sea routes that is highly vulnerable to military blockades, piracy, or regulatory disruption. Because alternative routes are often non-existent or prohibitively expensive, any closure of a chokepoint like the Strait of Hormuz or the Bab-el-Mandeb immediately triggers a global economic shockwave.
 - **Asymmetric Warfare:** A conflict scenario where the military capabilities of opposing belligerents differ significantly in strategy, scale, and technology. In this theater, a regional power like Iran utilizes unconventional tactics—such as fast-attack craft, loitering munitions (drones), and coastal radar networks—to counter the conventional superiority of a superpower like the United States.
 - **Freedom of Navigation Operations (FONOPS):** Operational principles drawn from international maritime law asserting that ships must be allowed to transit through international straits without unlawful interference from littoral states. Superpowers use naval deployments to actively enforce these principles against localized maritime blockades.
 - **United States Central Command (CENTCOM):** A theater-level combatant command of the U.S. Department of Defense. Its area of responsibility includes West Asia, Central Asia, and parts of North Africa, acting as the primary instrument of American military execution in the Persian Gulf region.
 - **UKMTO (United Kingdom Maritime Trade Operations):** A Royal Navy capability that acts as a critical information conduit between military forces and the international commercial shipping community, tracking maritime security incidents and issuing real-time alerts in high-risk waters.
- **Main Arguments and Substantive Parts**
 - The core strategic challenge in the Persian Gulf centers on a recurring cycle of fragile ceasefires followed by rapid military escalations along critical maritime trade routes.
- **The Core Thesis**
 - Fragile, short-term peace agreements in West Asia remain structurally unstable due to a profound trust deficit, divergent interpretations of strategic deterrence, and the constant threat of tactical miscalculations along critical maritime chokepoints.
- **The Security Dilemma and Conflicting Perspectives**
 - **The Paradigm of Armed Enforcement:** From the Western perspective, active military intervention targeting coastal radar and drone storage facilities is framed as a defensive necessity. The core argument asserts that allowing regional actors to disrupt commercial shipping lanes with impunity undermines global trade security and violates established ceasefire agreements.
 - **The Sovereignty and Retaliation Paradigm:** Conversely, regional actors like Iran interpret unilateral Western naval enforcement as a direct infringement on their territorial sovereignty and a violation of bilateral understandings. They view their actions as a legitimate counter-response to external provocations, asserting that maritime routes within their sphere of influence cannot be utilized by hostile entities without strategic oversight.
- **The Reality of Tactical Escalation**
 - **The Vulnerability of Ceasefires:** Temporary agreements often fail to address the root systemic causes of conflict. Consequently, minor tactical friction—such as an unverified drone strike or the tracking of a commercial tanker—can instantly unravel months of diplomatic negotiations.
 - **Regional Spillover and Asymmetric Assets:** The conflict rarely remains isolated. The use of drone capabilities to target regional neighbors like Bahrain demonstrates how localized friction quickly expands into a wider regional security challenge, dragging multiple nations into the fray.

- **Historical Evolution of the Issue**
- **Pre-1979: The Twin Pillar Strategy:** During this era, Iran under the Shah was a cornerstone of Western foreign policy in West Asia. Alongside Saudi Arabia, Iran acted as a regional policeman safeguarding Western energy interests in the Persian Gulf, ensuring that the Strait of Hormuz remained a stable, uninterrupted transit corridor.
- **1979: The Islamic Revolution:** The overthrow of the monarchy and the establishment of the Islamic Republic of Iran fundamentally transformed the region's geopolitics. Iran shifted toward an anti-imperialist posture, leading to a permanent rupture in U.S.-Iran diplomatic ties and redefining the Persian Gulf as a primary theater of ideological and military friction.
- **1980–1988: The Tanker War Phase:** During the prolonged Iran-Iraq war, both nations aggressively targeted commercial oil tankers belonging to each other and their regional backers in the Gulf. This era established the historic precedent for modern maritime disruptions, prompting direct U.S. naval escorts for commercial vessels (Operation Earnest Will) and highlighting the vulnerability of the Strait of Hormuz.
- **Post-9/11 and the Escalation of Deterrence:** The post-9/11 expansion of U.S. military footprints in Iraq and Afghanistan left Iran feeling strategically encircled. This led Tehran to systematically develop its asymmetric military capabilities, focusing on ballistic missiles, drone technology, and localized naval deterrence to offset conventional disadvantages.
- **2015–2018: The JCPOA Highs and Lows:** The signing of the Joint Comprehensive Plan of Action (JCPOA) in 2015 offered a temporary diplomatic thaw. However, the unilateral withdrawal of the U.S. from the nuclear deal in 2018 and the subsequent "Maximum Pressure" sanctions campaign plunged the region back into active hostilities, targeting maritime shipping as a tool of economic leverage.
- **The Contemporary Era:** The security paradigm is characterized by short-lived, brittle ceasefires and sudden bursts of tactical violence. The integration of highly sophisticated drone warfare, paired with the involvement of smaller regional states like Bahrain, has created a complex security environment where localized incidents have immediate global ramifications.

- **Way Forward**

- **Establishing a Inclusive Regional Maritime Security Architecture:** Rather than relying on unilateral or ad-hoc naval coalitions, the international community should foster a institutionalized maritime framework. This structure must include all Persian Gulf littoral states alongside major global energy consumers like India, China, and the European Union to jointly police trade lanes under a UN-mandated framework.
- **Operationalizing Direct De-escalation Hotlines:** To prevent minor tactical missteps or unverified drone encounters from escalating into full-blown regional wars, direct, 24/7 communications hotlines must be established between CENTCOM, regional maritime centers, and naval command structures.
- **Transitioning to Structured, Comprehensive Dialogue:** Temporary ceasefires offer short-term relief but remain highly vulnerable to collapse. Diplomatic focus must shift toward a comprehensive regional settlement that simultaneously addresses core interconnected grievances, including sanctions relief, maritime security guarantees, and state sovereignty concerns.
- **Strengthening Independent International Arbiters:** Empowering neutral international monitoring bodies, such as specialized UN maritime observation groups, can help verify compliance with transit passage regulations and investigate shipping incidents impartially. This would eliminate the justification for unilateral retaliatory strikes.



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STRATEGIC ANALYSIS: U.S.-IRAN CONFLICT IN THE STRAIT OF HORMUZ

KEY TERMS & DEFINITIONS



Strait of Hormuz: World's critical oil artery, connecting Persian Gulf to Gulf of Oman



Maritime Chokepoint: Narrow shipping lane highly vulnerable to blockades

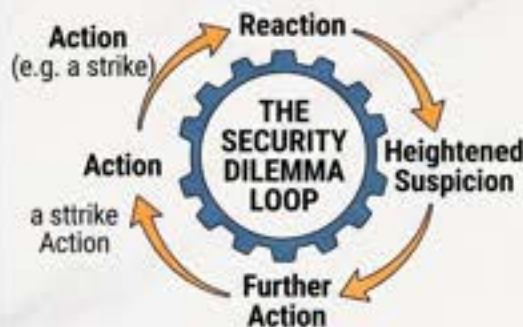


Asymmetric Warfare: Unequal military force capabilities using non-conventional tactics



CENTCOM: U.S. Central Command, responsible for West Asia military operations

EVOLUTION & SECURITY DILEMMA



Defensive actions trigger offensive interpretations, offensive interpretations, creating a cycle how defensive action too against hostile or otherwise offensive interpretations, creating a cycle.

HISTORIC TIMELINE



LINKAGES WITH NCERTs



Contemporary World Politics
Topics: Security, Globalisation



Fundamentals of Physical Geography
Topic: International Trade Routes



Sociology
Topic: Global Economy & Local Impact

MAIN ARGUMENTS & PERSPECTIVES



U.S./WESTERN PERSPECTIVE

Freedom of Navigation as a non-negotiable right.

Active military action framed as defensive (e.g., striking radar) to protect global trade



IRANIAN PERSPECTIVE

National Sovereignty and Counter-Provocation.

Right to monitor and regulate maritime routes in their periphery



MULTIDIMENSIONAL IMPACT



Social
Regional anxiety, safety of international diaspora.



Political
Domestic polarization, forcing smaller states to align.



Legal
Disputes over UNCLOS, maritime legal ambiguities.



Ethical
Endangerment of civilian mariners, weaponizing trade.



International
Alerting major energy consumers like India, China, Japan.



Economic
Global inflation, rising maritime insurance.

WAY FORWARD: PRACTICAL SOLUTIONS

1. Establish an **Inclusive Regional Maritime Security Architecture** involving all littoral states.
2. Operationalize direct **De-escalation Hotlines** between military commands.
3. Transition from temporary ceasefires to **Comprehensive, Structural Dialogue.**
4. Strengthen **Independent International Arbiters** for maritime verification.

PAST UPSC QUESTIONS (PRELIMS & MAINS)

Prelims: Strait of Hormuz connects which water bodies? (Multiple Choice: 1. Untins, 2. Marcs, and 4. Others)

Mains GS2 (West Asia): Analyze strategic challenges for India.

Mains GS3 (Maritime Security): Economical and security implications of disruption.



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