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**VIDHVATH IAS KAS ACADEMY**  
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**STUDY CENTRE**

# DAILY CURRENT AFFAIRS

**FOR UPSC CIVIL SERVICE EXAMINATION**

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## I. \$12-Billion RDI Scheme to Boost Indian Tech and Electronics

### 1. What is the \$12-Billion RDI Scheme?

- The Union Cabinet has approved a **₹1 lakh crore (approx. \$12 billion) Research, Development, and Innovation (RDI)** scheme.
- It will be implemented under the **Anusandhan National Research Foundation (ANRF)** of the Department of Science and Technology.
- It will *not offer direct incentives* but provide *long-term, low-interest capital* for deep-tech R&D through a Special Purpose Fund.
- An executive council, investment committee, and a group of secretaries under the Cabinet Secretary will govern fund allocations.

### 2. Why Was This Scheme Needed?

- India's **R&D spending is just 0.6% of GDP**, far below that of global peers (e.g., Google: 15%, China: 2.4%, Japan: ~3%).
- India is heavily dependent on **foreign patents** for critical technologies such as chips, routers, CCTVs, etc.
- The 2020 **Galwan cyberattacks** exposed India's vulnerability in tech security.
- *Geopolitical independence in technology* requires building indigenous innovation capabilities.



### 3. Expected Impact on Indian Tech Sector

- Currently, India is a **low-value assembler** in the electronics value chain despite having a strong design talent base.
- The scheme aims to help Indian firms *own Intellectual Property (IP)*, build entire products domestically, and reduce reliance on foreign firms like AMD, Intel, Nvidia, and Qualcomm.
- Targeted sectors: Electronics, AI, chips, satellites, routers, Wi-Fi devices, biotech, health-tech, and agritech.

### 4. Timeline and Strategic Vision

- True technological **indigenization will take time—likely until 2030**.
- India's R&D push will emphasize **interoperability with global systems** rather than isolated growth.
- The scheme aligns with India's **vision for global leadership** in strategic and sunrise technologies.

### 5. Eligible Sectors and Focus Areas

- Companies in **green energy, biotechnology, pharma, AI, quantum computing, robotics, medical devices, space, financial tech, agriculture, and education** are eligible.



- Aimed to **boost private sector participation** in R&D which has so far been minimal compared to global peers.

### Additional Key Constitutional & Legal Context

- **Article 51A(h)** of the Indian Constitution encourages citizens to develop a scientific temper, humanism, and the spirit of inquiry and reform.
- **National Intellectual Property Rights (IPR) Policy 2016** aligns with the goals of promoting innovation and IP ownership in India.
- **Digital India & Make in India Missions** will be key platforms through which this R&D support will be channeled.

### Key Definitions

- **R&D (Research and Development):** Systematic activity combining basic and applied research to innovate products or processes.
- **IP (Intellectual Property):** Legal rights resulting from intellectual activity in industrial, scientific, literary, or artistic fields.
- **Interoperability:** Ability of systems to work seamlessly with others across platforms and borders.

### Conclusion

The \$12-billion RDI fund represents a **strategic investment in India's technological sovereignty**, aimed at transitioning from being a service-oriented tech hub to a **product-owning, innovation-driven economy**. While the benefits will take time to materialize, especially given global competition and the long R&D cycle, this policy marks a **turning point in India's journey toward self-reliance in electronics and advanced technologies**.

## 2. India's Performance in Sustainable Development Goals (SDGs): A Decadal Review (2016–2025)

### 1. India Breaks into Top 100 in SDG Index (2025)

- In 2025, India **ranked 99th out of 167 countries** in the United Nations' **Sustainable Development Goals (SDG) Index**, marking its **first-ever entry into the top 100**.
- This milestone reflects **gradual progress over the past decade**, especially in areas like poverty reduction, health, education, and gender equality.

### 2. Understanding the SDG Index

- The **SDG Index** ranks countries based on their performance on the **17 Sustainable Development Goals**, part of the **UN's 2030 Agenda for Sustainable Development**.
- Goals include: No Poverty, Zero Hunger, Good Health, Quality Education, Gender Equality, Clean Energy, Climate Action, and more.



- Each country is **scored out of 100** based on national data and progress indicators.

### 3. India's Ranking and Score Trend (2016–2025)

Year	Rank	Score (/100)
2016	110/149	61.1
2017	116/157	61.9
2018	112/156	64.1
2019	115/162	65.7
2020	117/166	66.7
2021	120/165	62.8
2022	121/167	64.7
2023	112/166	66.5
2024	109/167	64.0
2025	<b>99/167</b>	<b>67.0</b>

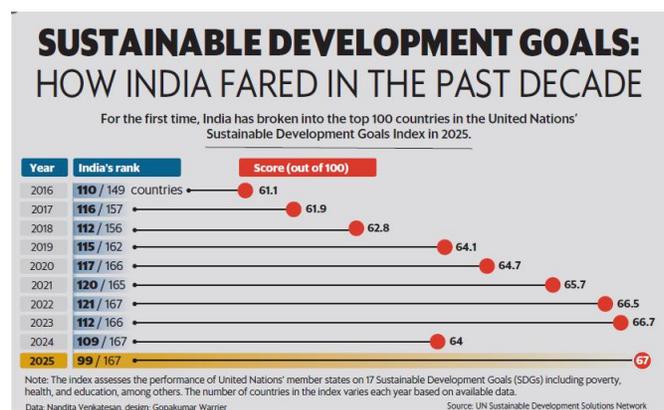
- After a **brief stagnation and dip during 2021–2022**, India saw **accelerated progress post-2023**.

### 4. Drivers of Improvement

- **Reduction in extreme poverty**, improved **maternal and child health indicators**, and **better sanitation coverage** (e.g., Swachh Bharat Mission).
- Major schemes: **Jal Jeevan Mission**, **Ujjwala Yojana**, **Ayushman Bharat**, **National Education Policy**, and focus on **renewables (Solar Mission)**.
- Digitization of welfare services and **direct benefit transfer (DBT)** systems helped improve SDG metrics.

### 5. Constitutional and Policy Frameworks Supporting SDGs

- **Article 21**: Right to life includes the right to health, clean environment, and dignity.
- **Directive Principles of State Policy** (Articles 39, 41, 47, 48A): Stress on health, education, environment, and welfare of the people.
- India's **National Indicator Framework (NIF)** developed by NITI Aayog helps monitor SDG progress.
- The **Localisation of SDGs (LSDGs)** aims to align **Panchayati Raj Institutions** with global goals.



### Key Definitions



- **Sustainable Development:** Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
- **SDG Index:** A composite score and ranking system created by the UN and SDG partners to assess country-wise progress towards achieving the 2030 goals.

## Conclusion

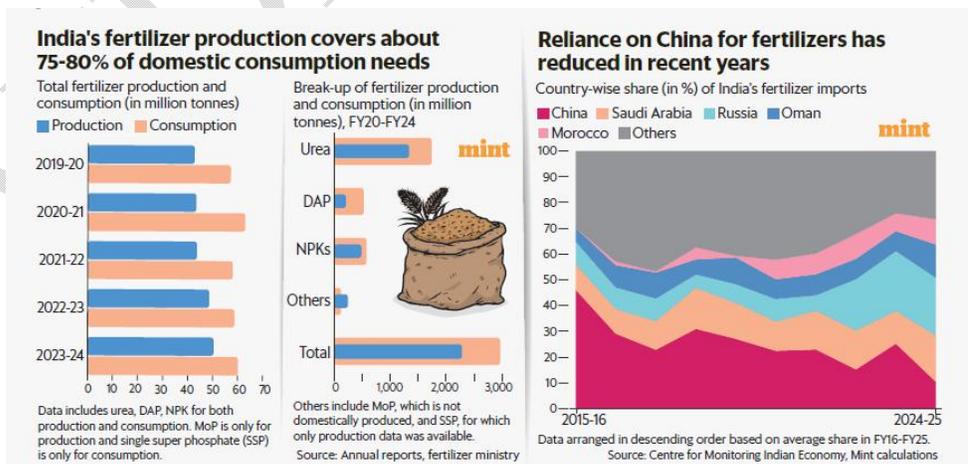
India's entry into the **top 100 countries in the SDG Index in 2025** marks a **significant step** in aligning national development with **global sustainability goals**. While substantial progress has been made in areas like health, education, and poverty alleviation, challenges remain in **climate action, gender equity, and reducing inequalities**. Achieving the 2030 Agenda will require **sustained investment, grassroots implementation, and robust monitoring mechanisms**.

## 3. China's Fertilizer Export Curbs and India's Import Dependency: A Strategic Challenge

### 1. India's Fertilizer Dependency and China's Recent Curbs

- China has imposed **export restrictions on speciality fertilizers and DAP (diammonium phosphate)** to India, raising strategic concerns.
- Though **India now produces 75–80% of its total fertilizer requirement**, it is **still heavily import-dependent for certain types**:
  - Only **40% of DAP** is produced domestically.
  - **Muriate of Potash (MoP)** is **100% imported**.
  - Around **90% of rock phosphate**, a raw material for phosphatic fertilizers, is imported.
- China's reduced role in Indian imports has been **compensated by Russia, Oman, and Saudi Arabia**, but new curbs test this resilience.

### 2. Strategic Importance of Fertilizers to Indian Economy





- Fertilizers are critical for **India's agriculture**, which:
  - Employs **45% of the workforce**,
  - Contributes **14% to GDP**, and
  - Supports India's status as a **net exporter of food** (12% of total exports).
- India is the **second-largest consumer of fertilizers globally**, after China.

### 3. Impact of Geopolitical and Global Price Risks

- Fertilizer prices spiked during the **COVID-19 pandemic** and the **Russia-Ukraine war**, and are now rising again due to:
  - **China's export curbs**,
  - **Israel-Iran and Israel-Hamas conflicts**,
  - Tensions in the **MENA region**, which supplies **30% of nitrogen fertilizers globally**.
- This volatility threatens India's **food security** and **inflation control efforts**.

### 4. Fiscal Implications: Rising Fertilizer Subsidy Bill

- India **heavily subsidizes fertilizers** to shield farmers and consumers from global price shocks.
- Between FY21 and FY23, fertilizer subsidies saw steep increases:
  - **+58% in FY21**,
  - **+20% in FY22**,
  - **+63% in FY23**.
- While FY24 and FY25 showed a decline, **recent global tensions and price spikes may disrupt subsidy targets for FY26**.

### 5. Structural Weakness: Import Dependence on Raw Materials

- Despite reduced urea import dependency, India lacks critical inputs for complex fertilizers:
  - **Potash, phosphoric acid, ammonia, and rock phosphate** are largely imported.
- Experts emphasize that India must **secure raw material sources, diversify import markets, and invest in domestic mining and innovation**.

### Key Definitions for UPSC

- **Speciality Fertilizers**: Advanced fertilizers that provide targeted nutrients, often customized for specific crops or soil conditions.
- **Muriate of Potash (MoP)**: A potassium-rich fertilizer essential for crop growth, fully imported by India.
- **Subsidy**: A financial aid provided by the government to reduce the cost of essential commodities like fertilizers for consumers.



## Constitutional and Legal Provisions

- **Article 39(b):** Directive Principle – Resources of the community should be distributed to subserve the common good.
- **Essential Commodities Act, 1955:** Fertilizers are notified under this Act to regulate supply and pricing.
- **National Policy on Fertilizers:** Encourages balanced use, subsidy reform, and self-reliance.

## Conclusion

China's fertilizer export curbs have **exposed India's strategic vulnerability** in its agriculture-dependent economy. While diversification of sources and rising domestic production offer some buffer, India remains **exposed to price shocks, geopolitical disruptions, and raw material shortages**. Long-term resilience will depend on policies that enhance **domestic self-sufficiency**, ensure **raw material security**, and **rationalize subsidy burdens** without compromising on food security and farmer welfare.

## 4. Quad Critical Minerals Initiative: Strategic Response to China's Dominance

### 1. Quad Launches Critical Minerals Initiative to Counter China

- The **Quad countries** — India, US, Japan, and Australia — have launched the **Quad Critical Minerals Initiative** to ensure **secure, diversified, and resilient supply chains** for critical minerals.
- This move comes amid **China's increasing weaponization of its dominance in rare earth elements and critical minerals**, which are vital for defense, clean energy, telecom, EVs, and electronics.

### 2. China's Dominance and Strategic Use of Critical Minerals

- China controls a **major share of global rare earth reserves and processing capacity**.
- It has used its control over supply chains as a **geo-economic tool** — imposing export restrictions, causing **price manipulations, supply disruptions**, and threatening **global industrial and national security**.
- China's monopoly includes midstream processes like **refining and derivative production**, which most nations lack.

### 3. India's Bilateral and Multilateral Push for Mineral Security

- India has already secured concessions in **Argentina** via its PSU **KhanijBidesh India Ltd (KABIL)** for **lithium and rare earths**.
- PM Modi's visit to **Ghana, Trinidad & Tobago, Argentina, Brazil, and Namibia** focuses on expanding access to **critical mineral reserves**.





- India, Japan, and Australia are also holding separate **bilateral trade talks with the US** to deepen cooperation in the mineral value chain.

#### 4. Quad Strategy: Division of Roles and Industrial Synergy

- Under the emerging Quad framework:
  - **Australia** will act as the **raw material supplier** (e.g., lithium, cobalt, rare earths).
  - **US and Japan** will provide **technology, refining, and processing know-how**.
  - **India** is expected to serve as a **manufacturing and demand hub**.
- The initiative seeks to **reduce global dependence on China**, especially for clean energy transitions and industrial growth.

#### 5. Constitutional and Legal Context in India

- **Article 39(b)** (DPSP): Calls for distribution of community resources for the common good — supports diversification of critical mineral access.
- **National Mineral Policy, 2019**: Emphasizes securing access to strategic minerals and boosting exploration through international cooperation.
- **Mines and Minerals (Development and Regulation) Act, 1957 (amended)**: Empowers India to form **joint ventures abroad** for mineral acquisition.

#### Key Definitions for UPSC

- **Critical Minerals**: Minerals essential for the economy and national security but with vulnerable supply chains — e.g., lithium, cobalt, rare earths.
- **Rare Earth Elements (REEs)**: A group of 17 metals used in electronics, defense, renewable energy technologies, and batteries.
- **Geoeconomics**: Use of economic tools for geopolitical influence — e.g., trade barriers, investment restrictions, or commodity control.

#### Conclusion

The Quad's Critical Minerals Initiative is a **strategic signal to China**, reflecting the growing geopolitical importance of **resource security and supply chain resilience**. For India, the partnership offers a chance to secure mineral inputs crucial for **energy transition, industrial expansion, and technological autonomy**. Implementation success will depend on **coordinated action, investment in domestic capacity, and robust international partnerships**, making this initiative vital for India's national security and economic future.

### 5. CBDT Revises Cost Inflation Index (CII): Implications for Capital Gains Taxation

#### 1. What is the Cost Inflation Index (CII)?

- The **Cost Inflation Index (CII)** is a **taxation metric used to adjust the purchase price of long-term assets for inflation**, thereby reducing the taxable portion of **long-term capital gains (LTCG)**.



- **Capital Gain = Sale Price – (Indexed Purchase Price + Improvement Costs).**
- The CBDT has increased the CII from 363 to 376 for FY26 (AY 2026–27), offering greater tax relief by lowering capital gains on sale of certain assets.

## 2. Scope of the Revised CII and Changes Post Finance Act 2024

- Under the **Finance Act 2024**, capital gains tax was restructured.
- Indexation benefits are **limited to assets acquired before 23 July 2024**.
  - Resident individuals and **Hindu Undivided Families (HUFs)** can choose between:
    - **20% LTCG tax with indexation**, or
    - **12.5% flat tax without indexation**.
  - **Non-resident Indians, LLPs, and companies** are **not eligible** for this option.
- This “**grandfathering clause**” aims to protect earlier asset holders from abrupt tax changes.

## 3. Assets Eligible for Indexation

- Prior to July 23, 2024, **indexation applied to LTCG on land, buildings, gold, securities, patents, etc.**
- Post-reform, **only land and buildings acquired before 23 July 2024** remain eligible under the **20% with indexation option**.
- This year’s CII revision (376) benefits **only those transactions** falling under this limited scope.

## 4. Impact on Tax Planning and Compliance

- A **modest 3.3% rise** in CII offers **partial inflation relief** amid rising asset prices.
- Delay in issuing CII notification and ITR forms for FY25 reflects **slower tax calendar**, potentially affecting:
  - **Advance tax estimation**,
  - **Audit schedules**,
  - **Investor planning and compliance**.
- Experts have urged for **greater administrative consistency**.

## 5. Constitutional and Legal Provisions Relevant to the Topic

- **Article 265 of the Constitution:** "No tax shall be levied or collected except by authority of law" — ensures taxation transparency and legal basis.
- **Income Tax Act, 1961:** Sections 48 and 55 deal with **computation of capital gains** and **application of indexation benefits**.





- The **Finance Act 2024** is the legislative tool through which **capital gains taxation was simplified**, aiming for **clarity, equity, and ease of compliance**.

### Key Definitions for UPSC

- **Long-Term Capital Gain (LTCG)**: Profit from the sale of capital assets held for more than 24 or 36 months (depending on asset type).
- **Indexation**: Adjustment of asset cost using the CII to neutralize inflation's effect on gains.
- **Grandfathering Clause**: A provision that allows old rules to continue for pre-existing cases despite a change in law.

### Conclusion

The revision of the **Cost Inflation Index (CII) to 376** by the CBDT offers **partial tax relief to asset holders**, especially for land and buildings purchased before July 2024. However, with indexation benefits now **significantly narrowed** under the Finance Act 2024, the change underscores the government's move toward **simplified, lower-rate taxation over inflation-adjusted exemptions**. The development reflects a broader shift in India's **capital gains tax regime**, balancing **administrative efficiency with fairness**.

## 6. RBI Panel Favors Retaining 4% Inflation Target: Implications for Monetary Policy

### 1. Current Inflation Target Likely to Continue

- An **internal RBI committee** is expected to recommend retaining the **existing inflation target of 4%**, with a **tolerance band of 2%–6%**.
- This framework has been in place since **2016**, under the **Flexible Inflation Targeting (FIT)** regime introduced through amendments to the **RBI Act, 1934**.

### 2. Consumer Price Index (CPI) to Remain as Anchor

- The panel supports **CPI (headline inflation)** as the benchmark for targeting inflation, rejecting suggestions to exclude volatile food prices (i.e., using core inflation).
- CPI is seen as more **comprehensive and reflective of household expenses**, especially in a food-sensitive economy like India.

### 3. Effectiveness of Current Inflation Framework

- The existing policy has helped **manage inflation volatility**, even during **geopolitical supply shocks** such as the COVID-19 pandemic, Russia-Ukraine war, and oil price surges.
- Retaining the framework ensures **predictability and stability** for investors and markets.

### 4. Five-Year Review Cycle and Future Outlook

- The **inflation targeting framework is reviewed every five years**, and the current one is valid till **March 2026**.



- The upcoming review will involve consultations between the **RBI and the Ministry of Finance**, reflecting India's **dual responsibility model** of monetary policy governance.

## 5. Constitutional and Legal Context

- **Section 45ZA of the RBI Act, 1934** (amended in 2016):
  - Empowers the **Central Government to set the inflation target in consultation with the RBI**.
  - The **Monetary Policy Committee (MPC)** is legally mandated to maintain inflation within the target band.
- **Price stability** is now a **statutory objective** of RBI's monetary policy, as per the amended Act.



## Key Definitions for UPSC

- **Flexible Inflation Targeting (FIT)**: A monetary policy approach where central banks aim to maintain inflation around a target while also considering output and employment.
- **CPI (Consumer Price Index)**: Measures the average change in prices paid by consumers for goods and services, used as the main measure of inflation in India.
- **Monetary Policy Committee (MPC)**: A 6-member body responsible for fixing the benchmark interest rate (repo rate) to control inflation and ensure economic growth.

## Conclusion

The RBI panel's preference to retain the **4% inflation target with a 2%–6% tolerance band** underlines the success and credibility of India's **inflation-targeting regime**. It balances **price stability with growth**, especially in a volatile global environment. Retaining the **CPI-based framework** ensures consistency, transparency, and alignment with the **legal provisions under the RBI Act**, providing **confidence to markets and investors** about the continuity of India's monetary policy approach.

## 7. India Seeks Social Security Pact in US Trade Deal: Safeguarding Indian Workers Abroad

### 1. India Advocates Social Security Provisions in FTAs

- India is negotiating a **social security agreement** as part of its ongoing **Free Trade Agreement (FTA)** talks with the **United States**, aiming to protect Indian workers posted abroad.
- This aligns with India's new policy of integrating **social security components in all FTAs**, as recently seen in the **India-UK trade deal (May 2025)**.

### 2. Objective: Seamless Coverage for Indian Workers Overseas



- The goal is **mutual recognition of social security programmes**, so Indian employees working abroad do not lose benefits accrued under Indian schemes like the **Employees' Provident Fund Organisation (EPFO)**.
- This ensures continuity of social security coverage for at least **three years**, which matches the typical foreign assignment duration in the **IT and tech sector**.

### 3. Avoidance of Double Contribution and Double Taxation

- Without such agreements, Indian employees **face double contributions** — to both Indian and foreign social security systems — or risk **losing benefits upon return** due to procedural barriers.
- Mutual recognition would allow them to **transfer benefits back to India** and **avoid financial losses and redundant deductions**.

### 4. Legal Provisions and EPFO Mandates

- Under the **Employees' Provident Funds and Miscellaneous Provisions Act, 1952**, firms with 20+ employees must register under **EPFO**, with **12% contribution each by employer and employee**.
- These contributions form a retirement corpus ensuring **social security, pension, and post-retirement income** for Indian workers.



### 5. Strategic Significance for Indian Economy and Labour Mobility

- India is among the top **labour-exporting countries**, particularly in sectors like **IT, healthcare, engineering, and education**.
- Such provisions in trade deals **enhance labour rights, promote ease of doing business for Indian MNCs**, and **encourage international mobility** without welfare loss.

### Key Definitions for UPSC

- **Social Security Agreement (SSA)**: A bilateral arrangement that ensures employees working abroad retain social security benefits and avoid double contributions.
- **Free Trade Agreement (FTA)**: A pact between two or more countries to reduce trade barriers and enhance economic cooperation.
- **EPFO**: Government-backed organization managing retirement savings under the Provident Fund, Pension, and Insurance schemes for salaried employees.

### Constitutional and Legal Context

- **Article 41 of DPSPs**: Mandates the state to secure **public assistance in cases of unemployment, old age, sickness, and disablement**.
- **Labour Code on Social Security, 2020**: Consolidates laws relating to **EPF, ESI, gratuity, and welfare** of gig and platform workers.



## Conclusion

India's push for a **social security provision in the US FTA** reflects a strategic move to **protect Indian workers' welfare**, enhance **labour mobility**, and **integrate social protections into global trade policy**. By ensuring the portability of benefits and preventing double taxation, such arrangements strengthen India's commitment to **inclusive and humane globalization**, backed by legal mandates and constitutional vision.

## 8. China Challenges U.S. Dominance in Global AI Race

### 1. Rise of Chinese AI Models in Global Market

- Chinese firms like **DeepSeek, Alibaba, Tencent, and Baidu** are rapidly gaining market share in the **global artificial intelligence ecosystem**, providing cheaper and competitive alternatives to U.S. models like **ChatGPT**.
- Even **American firms like AWS, Microsoft, and Google** are offering access to Chinese models like **DeepSeek**, despite security concerns from the U.S. government.

### 2. Strategic Implications: AI as a Geopolitical Tool

- **AI is increasingly viewed as a critical strategic asset**, central to **defence, telecommunications, surveillance, and industrial competitiveness**.
- The **U.S.-China tech rivalry in AI** has been compared to a new form of **technological Cold War**, where countries are being forced to **align with either the U.S. or China's AI ecosystems**.



### 3. China's Strength: Open-Source Models, Cost, and Accessibility

- Chinese AI companies are gaining traction by releasing **open-source models** (e.g., Qwen by Alibaba) and offering them at significantly **lower prices** (e.g., DeepSeek is said to be **17 times cheaper** than ChatGPT).
- Open-source flexibility is especially attractive to **developing nations in Africa, Latin America, and Southeast Asia**.

### 4. U.S. Response: Export Controls, Data Concerns, and Policy Push

- The U.S. has **restricted chip exports (like Nvidia's H20)** and banned use of Chinese AI apps on government devices, citing **data security and surveillance risks**.
- A **bipartisan U.S. bill** seeks to ban federal agencies from using **Chinese-developed AI**, reflecting rising techno-nationalism.

### 5. Lost Opportunities and Global Standard-Setting Power

- The **fracturing of the global AI ecosystem** is reducing collaboration, causing **U.S. companies to lose billions in sales** and weakening America's ability to **set global AI norms and standards**.



- Experts warn of the risk of **AI-powered misinformation, propaganda**, and lack of **international governance** on AI safety.

### Key Definitions for UPSC

- **Artificial Intelligence (AI)**: The simulation of human intelligence in machines that are programmed to think, learn, and act autonomously.
- **Open-Source AI**: AI models whose underlying code is freely available to developers, allowing for customization and innovation.
- **Technological Cold War**: A geopolitical rivalry where countries compete to dominate emerging technologies like AI, semiconductors, and quantum computing.
- **AI Superintelligence**: A hypothetical form of AI that surpasses human intelligence in all respects.

### Constitutional & Legal Relevance (India-specific angle)

- While not directly covered in Indian law yet, India's **Draft Digital India Act and Data Protection Act, 2023** may influence AI governance.
- **NITI Aayog's National Strategy for AI (2018)** promotes **AI for All**, but India is yet to establish a regulatory framework for AI.

### Conclusion

The **U.S.-China race in AI development** represents not just an economic competition but a **battle over values, standards, and strategic supremacy** in a digital world. China's open-source, cost-effective approach is gaining traction globally, especially in the Global South. For India, this rivalry offers both **opportunities for partnerships** and a **cautionary tale** about technological dependence. It underscores the urgency to develop a robust **national AI strategy**, balance innovation with ethics, and secure a **sovereign AI ecosystem** aligned with **democratic values and global cooperation**.

## 9. Iran Suspends Cooperation with IAEA: Implications for Global Nuclear Governance

### 1. Iran Formally Halts Cooperation with IAEA

- On **26 June 2025**, Iran officially **suspended its cooperation** with the **International Atomic Energy Agency (IAEA)** following **Israeli and US military strikes** on its nuclear facilities.
- The decision was made after **Iran's Parliament** passed legislation by a large majority, aiming to safeguard the country's **sovereign nuclear rights**.

### 2. Trigger: Iran-Israel Conflict and Nuclear Escalation

- The move came in the aftermath of a **12-day conflict between Iran and Israel (13–25 June)**.
- The **conflict disrupted ongoing nuclear negotiations** and increased distrust between Iran and Western nations regarding **uranium enrichment and weaponization concerns**.



### 3. Iran's Justification and Treaty References

- The Iranian law refers to **Article IV of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT)**, which affirms a country's **right to peaceful use of nuclear energy**.
- Iran insists its **uranium enrichment** is for **civilian energy purposes** and denies pursuing nuclear weapons, a claim contested by **Israel and some Western powers**.

### 4. Implications for Global Non-Proliferation Norms

- Iran's suspension of IAEA cooperation **undermines the global nuclear inspection regime** and raises concerns over potential **nuclear weapon development**.
- The IAEA's ability to monitor nuclear sites is **central to transparency** under international nuclear law, especially under the **NPT Safeguards Agreement**.

### 5. India's Position and Strategic Implications

- India, as a **responsible nuclear power and NPT non-signatory**, supports **non-proliferation without discrimination** and calls for peaceful resolution of disputes.
- The Iran issue affects regional stability in **West Asia**, impacting **India's energy security, diaspora safety, and Chabahar port strategic interests**.

### Key Definitions for UPSC

- **IAEA (International Atomic Energy Agency)**: A UN body that promotes peaceful use of nuclear energy and ensures nuclear non-proliferation through inspections.
- **NPT (Non-Proliferation Treaty)**: A multilateral treaty aimed at preventing the spread of nuclear weapons while promoting peaceful nuclear energy use.
- **Uranium Enrichment**: A process of increasing the percentage of uranium-235 isotope to be used in nuclear reactors or potentially in weapons.



### Constitutional & Legal Angle (India Context)

- India is **not a signatory to the NPT** but adheres to **civilian nuclear safeguards under IAEA** post the **Indo-US Civil Nuclear Deal (2008)**.
- India's nuclear doctrine emphasizes **"No First Use"** and **credible minimum deterrence**.

### Conclusion

Iran's withdrawal from cooperation with the IAEA marks a **serious setback to global non-proliferation efforts**. It escalates geopolitical tensions in **West Asia** and complicates diplomatic efforts to revive nuclear agreements. For India, this crisis underscores the importance of **strategic autonomy, regional engagement, and energy diplomacy** in maintaining regional stability and safeguarding national interests.



## 10. Rephasing Global Development Finance: India's Role and Emerging Modalities

### 1. India's Growing Development Cooperation with the Global South

- India's development aid has nearly **doubled from \$3 billion (2010–11) to \$7 billion (2023–24)**, primarily through **Lines of Credit (LoCs)** under the **Indian Development and Economic Assistance Scheme (IDEAS)**.
- India's cooperation includes **capacity building, technology transfer, market access, grants, and concessional finance**, forming a comprehensive five-pronged engagement framework.
- The **Global Development Compact (GDC)**, introduced during the **3rd Voice of Global South Summit (2024)** by PM Modi, emphasizes a **balanced use of all five modalities** for effective cooperation.

### 2. Challenges from Sovereign Debt and Shrinking Global Aid

- Rising **sovereign debt levels** in the Global South and **liquidity challenges** have reduced the viability of concessional loans and LoCs.
- Traditional **Official Development Assistance (ODA)** is shrinking—from **\$214 billion (2023)** to a proposed **\$97 billion**, a nearly **45% drop**.
- Western aid agencies like **USAID** and **FCDO (UK)** are facing internal budget cuts, weakening traditional aid mechanisms.

### 3. Shift Towards Triangular Cooperation (TrC)

- **Triangular Cooperation (TrC)** brings together a traditional donor (Global North), a pivotal actor (e.g., India or Brazil), and a beneficiary (Global South) to jointly fund and execute development projects.
- Examples include **India-Germany cooperation** in Africa and **Japan-Indonesia projects** in ASEAN.
- Preliminary data suggests TrC is valued between **\$670 million to \$1.1 billion**, with India's role increasing post **2022 Joint Declaration** with Germany.

### 4. Strategic Outcomes and Sectoral Gains

- TrC efforts are improving **physical infrastructure, digital connectivity, health, and education** in countries like **Ghana, Malawi, Cameroon, and Peru**.
- Under India's **G20 Presidency**, TrC partnerships expanded to include **France, U.K., EU, and USA**, with initiatives like the **Global Innovation Partnership (GIP)**.



### 5. India's Policy Leverage and Diplomatic Soft Power

- India's south-south cooperation helps enhance **strategic autonomy, diplomatic outreach**, and builds **India's soft power** as a development partner, especially in Africa and Latin America.



- India's approach stands in contrast to **OECD-DAC's** conditional model and aims for **demand-driven, mutually respectful collaboration**.

### Key Definitions and Concepts for UPSC

- **Official Development Assistance (ODA):** Government aid designed to promote the economic development and welfare of developing countries.
- **Line of Credit (LoC):** A concessional financial arrangement extended to partner countries for development projects.
- **Triangular Cooperation (TrC):** A development partnership model involving a donor from the Global North, a pivotal country from the Global South, and a beneficiary nation.
- **Indian Development and Economic Assistance Scheme (IDEAS):** Government of India scheme for development cooperation through LoCs, grants, and technical support.

### Constitutional & Legal Linkage (India)

- While foreign aid is an executive function, India's **foreign policy** and development partnerships align with **Article 51 of the Constitution** (promotion of international peace and security).
- Budgetary allocations for LoCs and aid are approved via **Annual Financial Statement** under Article 112.

### Conclusion

India must **restructure its development finance strategy** in light of **global financial constraints and rising debt**. The shift from concessional finance to **diversified modalities** and **Triangular Cooperation** marks a sustainable, inclusive, and effective path forward. This approach aligns with India's aspiration to become a **leading voice of the Global South**, balancing geopolitical interests with developmental responsibilities.

## 11. Tiger Deaths in Karnataka: A Wake-Up Call for Wildlife Protection and Environmental Governance

### 1. Recent Incident and Immediate Fallout

- In a tragic incident, a **tigress and four cubs** were **poisoned** in **MM Hills Wildlife Sanctuary, Karnataka**, triggering national outrage.
- Three individuals were arrested, and forest officials were suspended. Two separate investigations were initiated — one by the **Karnataka Forest Department** and another by the **National Tiger Conservation Authority (NTCA)**.

### 2. Systemic Issues in Wildlife Protection

- The incident reflects **larger governance lapses**, including:
  - **Shortage of forest manpower**



- **Delayed wages and compensation**
- **Lack of patrolling and intelligence on poaching networks**
- The **low conviction rate** in wildlife crime cases fails to act as a deterrent. Example: a 2023 tiger poisoning case in Bandipur remains unresolved.

### 3. Escalating Human-Wildlife Conflict in Karnataka

- Karnataka faces **rising cases of human-wildlife conflict**, especially crop damage by elephants and cattle loss due to tigers/leopards.
- As per Forest Department data (2024–25):
  - **35,580 conflict cases** reported
  - Compensation approved in only **20,147 cases**, with **14,245 pending** and **918 denied**
- Delayed and partial compensation worsens public resentment and retaliation against wildlife.

### 4. Contradictory Environmental Policies

- Despite being home to the **highest elephant (6,400)** and **second-largest tiger population (563)**, Karnataka's policy decisions raise concerns:
  - Reversal on **Goa-Tamnar power line** through **Kali Tiger Reserve**
  - Push for the **Sharavathi storage hydel project**, threatening Western Ghats biodiversity
  - Approvals to **linear infrastructure** in ecologically fragile zones, escalating habitat loss and conflict



### 5. Conservation vs Development: A Policy Dilemma

- Projects often lead to **habitat fragmentation, encroachments**, and force wildlife into human settlements, exacerbating conflicts.
- Conservation success cannot be based on **population numbers alone** if **environmental policies** undermine long-term habitat security.

### Key Definitions & Constitutional Linkages

- **Wildlife Protection Act, 1972**: Provides for protection of wild animals and establishment of protected areas.
- **National Tiger Conservation Authority (NTCA)**: Statutory body under the Act ensuring tiger protection and habitat security.
- **Article 48A** (Directive Principles): Duty of the State to protect and improve environment and wildlife.



- **Article 51A(g)** (Fundamental Duty): Citizens must protect and improve the natural environment including wildlife.

## Conclusion

The MM Hills tiger deaths expose the **fragility of wildlife protection mechanisms** and **administrative apathy** in Karnataka. While committee probes are ongoing, real reform lies in **strengthening forest governance**, ensuring **prompt compensation**, enhancing **legal deterrents**, and reconciling **development with ecological integrity**. **Wildlife conservation** must move beyond statistical success and focus on **sustainable, inclusive, and proactive environmental governance**.

## 12. Custodial Deaths and Police Accountability in Tamil Nadu and India

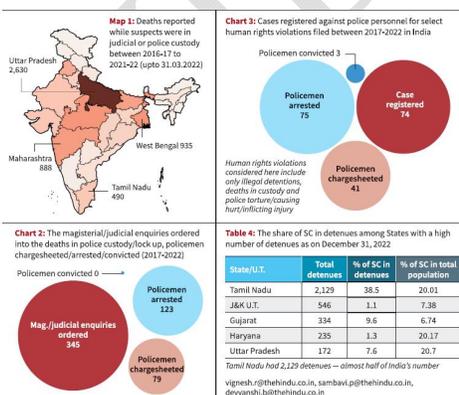
### 1. Alarming Rise in Custodial Deaths and Brutality

- The recent **custodial death of Ajith Kumar** in Sivaganga, Tamil Nadu, follows a disturbing pattern of **police brutality** in the state.
- Tamil Nadu has recorded **490 custodial deaths (2016–2022)** — the **highest in southern India**.
- Notable past incidents include the **Sathankulam father-son death (2020)** and **Ambasamudram torture case (2023)**.

### 2. Zero Convictions Despite Arrests

- Across India, **no police officer has been convicted for custodial deaths** between **2017 and 2022**, including in Tamil Nadu.
- Out of **345 judicial/magisterial inquiries** into custodial deaths:
  - **123 arrests** made
  - **79 police personnel chargesheeted**
  - **0 convictions**

### 3. Broader Pattern of Impunity in Human Rights Violations



- From 2017–2022:
  - **74 human rights violation cases** (e.g., torture, illegal detention, custodial deaths) filed.
  - Only **3 convictions** despite 41 police personnel being chargesheeted.

• Reflects **institutional impunity**, poor investigation, and lack of judicial follow-through.

### 4. Caste-Based Disparities in Detention

- **Scheduled Castes (SCs)** bear the brunt of police excesses.



- In 2022, **38.5% of detainees** in Tamil Nadu were SCs, despite forming only **20% of the state population**.
- Tamil Nadu had **2,129 detainees** — almost **half of India's total**, indicating possible misuse of **preventive detention laws**.

## 5. Legal & Constitutional Provisions

- **Article 21**: Right to life includes protection from custodial torture.
- **Article 22**: Safeguards against arbitrary arrest and detention.
- **Section 176(1A) CrPC**: Mandates judicial inquiry in cases of custodial deaths.
- **SC Guidelines (DK Basu v. State of West Bengal, 1997)**: Laid down preventive measures for custodial violence.
- **Prevention of Atrocities Act, 1989**: Special protections for SCs/STs, often violated in such incidents.

## Key Definition

**Custodial Death**: Death of an individual while in police or judicial custody. These may arise from **natural causes, negligence, torture, or denial of medical care**.

## Conclusion

The persistence of **zero convictions** despite rising custodial deaths highlights a **deep systemic failure** in **police accountability, legal enforcement, and human rights protection**. The **disproportionate targeting of Dalits** in Tamil Nadu points to **caste-based institutional bias**. Addressing these issues requires **police reforms, fast-track courts, independent oversight, and a strict enforcement** of constitutional protections. Justice cannot prevail unless the **State machinery is held accountable** for its excesses.

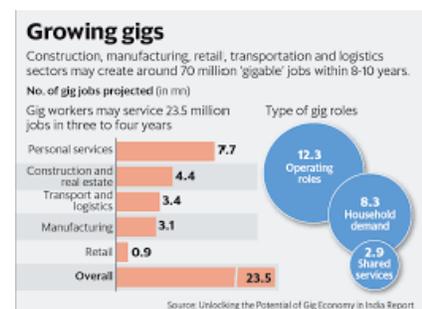
## 13. Gig Workers and Labour Data in India: A Policy and Statistical Gap

### 1. Legal Recognition but Statistical Invisibility

- **Gig workers** were legally recognized under the **Code on Social Security, 2020**, which defines them as individuals earning from work arrangements outside traditional employer-employee relationships (Sec 2(35)).
- Despite this, India's **Periodic Labour Force Survey (PLFS) 2025** fails to specifically classify gig or platform workers, leading to their **statistical invisibility** in official datasets.

### 2. Inadequacies in PLFS Classification

- PLFS continues to subsume gig workers under vague categories like **'self-employed', 'casual labour', or 'own-account workers'**.





- This **misrepresents their employment nature**, which is often **algorithm-driven, multi-platform, task-based**, and lacking formal contracts or job security.
- Hence, gig work's unique vulnerabilities — like **income volatility, lack of social protection**, and algorithmic control — go unrecorded.

### 3. Implications for Policy and Social Security Access

- **Clause 141 of the Social Security Code, 2020** mandates creation of a **Social Security Fund** for gig workers.
- Yet, schemes like **e-Shram portal, digital ID cards**, and **Ayushman Bharat health cover** depend on PLFS data for targeting — which fails to isolate gig workers.
- This leads to **exclusion errors** and **uneven access to benefits**.

### 4. Discrepancy between Ground Reality and Survey Methodology

- A gig worker working on Swiggy and Zomato may be recorded as “self-employed” without capturing the **algorithmic control, absence of safety nets, and multi-app engagement**.
- The **2025 PLFS revision** improved sample size and rural coverage but **did not update the occupational classification system** to reflect digital labour's complexity.

### 5. Constitutional and Institutional Context

- **Article 43 of the Constitution (DPSP)** mandates the State to secure a **living wage and decent conditions of work** for all.
- The **National Social Security Board** under Section 6 of the 2020 Code is tasked with formulating schemes, but lacks robust data inputs due to PLFS's gaps.
- **NITI Aayog (2022)** projected **23.5 million gig workers by 2029-30**, indicating the need for timely statistical alignment.

### Key Definitions

- **Gig Worker:** An individual engaged in income-earning activities outside of a traditional employment contract, often via online platforms.
- **Platform Work:** A subcategory of gig work involving digital intermediaries like apps/websites to connect service providers with consumers.

### Conclusion

While **policy intent exists** to include gig and platform workers within the welfare and social security net, **absence of a clear statistical identity** in national labour surveys like PLFS **undermines inclusivity and evidence-based governance**. To ensure true representation and effective policy delivery, India must **revise labour classification codes** and **introduce dedicated modules on digital labour** in national surveys. Without **data-backed recognition**, formal welfare remains out of reach for India's growing gig economy.