

# **DAILY** **CURRENT AFFAIRS**

**SPECIAL FOR UPSC & GPSC EXAMINATION**

**DATE : 28-06-25**



## The Hindu Important News Articles & Editorial For UPSC CSE

### Saturday, 28 June, 2025

## Edition: International Table of Contents

<b>Page 01</b> <b>Syllabus : GS 2 : International Relations</b>	<b>India, China to continue dialogue on border issues</b>
<b>Page 03</b> <b>Syllabus : GS 3 : Science &amp; Technology</b>	<b>India rejects 'supplemental award' on Kishenganga, Ratle hydropower projects</b>
<b>Page 05</b> <b>Syllabus : GS 3 : Internal Security</b>	<b>Assam, Mizoram draft rules to curb illegal immigration</b>
<b>Page 06</b> <b>Syllabus : GS 2 : Governance</b>	<b>No time to rest : India did well in climbing up SDG rankings, but falls short in governance</b>
<b>Page 08</b> <b>Syllabus : GS 3 : Science &amp; Technology</b>	<b>The big AI shake-up</b>
<b>Page 06 : Editorial Analysis:</b> <b>Syllabus :GS 2 : International Relations</b>	<b>A China-led trilateral nexus as India's new challenge</b>



## Page 01: GS 2 : International Relations

The recent bilateral meeting between India's Defence Minister Rajnath Singh and his Chinese counterpart Admiral Dong Jun on the sidelines of the SCO Defence Ministers' meet in Qingdao is a critical development in the evolving trajectory of India-China relations. At the core of the conversation was the reaffirmation of India's firm stance on border management and cross-border terrorism, alongside efforts to restore normalcy in bilateral ties post-2020 standoff.

# India, China to continue dialogue on border issues

**Saurabh Trivedi**  
NEW DELHI

Defence Minister Rajnath Singh firmly conveyed India's stance on cross-border terrorism to his Chinese counterpart, Admiral Dong Jun, during a bilateral meeting held on the sidelines of the Shanghai Cooperation Organisation (SCO) Defence Ministers' meeting in Qingdao, China, on Friday.

During in-depth discussions on the need to maintain peace and tranquillity along the India-China border, the two Ministers agreed to continue consultations at various levels to achieve progress on issues related to disengagement, de-escalation, border management and eventual delimitation through existing mechanisms.

Mr. Singh acknowledged the work being undertaken by both sides to bring back normalcy to the bilateral ties. He highlighted the necessity of solving complex issues through a structured road map of permanent engagement and de-escalation. He stressed border management and a permanent solution of border demarcation by rejuve-



**All for peace:** Defence Minister Rajnath Singh with his Chinese counterpart, Admiral Dong Jun, in Qingdao. PTI

nating the established mechanism on the issue.

The two Ministers discussed de-escalation, disengagement, demarcation, and Special Representatives-level talks. Mr. Singh emphasised the need to create good neighbourly conditions to achieve the best mutual benefits and to cooperate for stability in Asia and the world. He called for bridging the trust deficit created after the 2020 border stand-off, by taking action on ground.

He highlighted the important milestone of the 75th anniversary of the establishment of diplomatic relations between the two countries. He also appre-

ciated the resumption of the Kailash Manasarovar yatra after a gap of five years. Mr. Singh briefed his counterpart on the Pahalgam terror attack and India's Operation Sindoor aimed at dismantling the terrorist networks in Pakistan.

Mr. Singh held bilateral meetings with the Defence Ministers Lieutenant-General Victor Khrenin of Belarus, Lieutenant-General Sobrizoda Emomali Abdurakhim of Tajikistan, and Lieutenant-General Dauren Kosanov of Kazakhstan.

**EDITORIAL**  
» PAGE 6

### Key Highlights:

**1. Reaffirmation of India's Position:** India reiterated its unambiguous position on cross-border terrorism and the importance of peace and tranquillity along the Line of Actual Control (LAC). Mr. Singh also conveyed

concerns over recent terrorist incidents like the Pahalgam attack and emphasized the need to dismantle terrorist networks, particularly emanating from Pakistan.

**2. Structured Engagement Framework:**The dialogue stressed the need for a structured road map for resolution of border tensions. Key mechanisms such as disengagement, de-escalation, border management, and eventual delimitation were discussed under existing bilateral frameworks, including Special Representatives-level talks. This indicates a continuity in diplomatic and military communication channels, which are essential in managing on-ground friction.

**3. Strategic Messaging and Trust Deficit:**By invoking the importance of reducing the trust deficit post-2020 Galwan Valley clash, India has subtly signalled that strategic patience is conditional upon visible on-ground de-escalation and respect for existing border protocols. This meeting also marked a rare occasion of high-level defence engagement, suggesting an attempt to normalize communication without compromising on core interests.

**4. Geopolitical Significance in SCO Framework:**The meeting took place under the ambit of the SCO, a multilateral platform where both India and China are key members. This lends diplomatic legitimacy to the dialogue and highlights India's strategic choice to pursue engagement even with adversaries, in multilateral forums, while safeguarding its sovereignty.

**5. Broader Regional Stability:**The emphasis on building "good neighbourly conditions" and cooperation for regional stability ties the bilateral agenda to a larger Asian and global peace architecture. This aligns with India's aspiration to be a responsible regional power and a stabilizing force in South and Central Asia.

**6. Resumption of Cultural Diplomacy:**The resumption of the Kailash Manasarovar Yatra after five years signals a soft power approach to bilateral relations, attempting to revive people-to-people connections despite strategic tensions.

**7. Wider Diplomatic Engagement:**Mr. Singh's separate meetings with the defence ministers of Belarus, Tajikistan, and Kazakhstan also indicate India's expanding defence diplomacy in Eurasia. These ties are critical in balancing Chinese influence in Central Asia and maintaining a multipolar regional structure.

## Conclusion:

This development showcases India's calibrated diplomatic engagement with China—balancing firmness with dialogue. It reflects India's multi-pronged strategy of border management, counter-terrorism diplomacy, and multilateralism. The episode also reinforces India's reliance on established mechanisms, signalling its preference for rule-based order, even amid rising geopolitical friction. Understanding this layered approach is key to analysing India's foreign and defence policy in the Indo-Pacific and continental Asia.

## UPSC Mains Practice Question

**Ques :** The recent India-China Defence Ministers' dialogue highlights both the challenges and opportunities in restoring normalcy post-2020 border standoff. In this context, critically examine India's approach to managing its bilateral relationship with China while safeguarding its territorial integrity and regional interests. **(250 Words)**

## Page 03: GS 2 : International Relations

India's categorical rejection of the "supplemental award" issued by the so-called Court of Arbitration on the Kishenganga and Ratle hydroelectric projects marks a significant development in the interpretation and application of the Indus Waters Treaty (IWT). The dispute, primarily driven by Pakistan's objections to project designs, reflects deep-rooted geopolitical tensions and competing legal interpretations of water rights and sovereignty.

## India rejects 'supplemental award' on Kishenganga, Ratle hydropower projects

**Kallol Bhattacharjee**  
NEW DELHI

India on Friday "categorically rejected" the "supplemental award" by the Court of Arbitration on Kishenganga and Ratle hydroelectric projects in Jammu and Kashmir, saying that it "never recognised" the Court of Arbitration, a "serious breach" of the Indus Waters Treaty, which has been put "at abeyance" after the April 22 terror attack in Pahalgam.

"India has never recognised the existence in law of this so-called Court of Arbitration, and India's position has all along been that the constitution of this so-called arbitral body is in itself a serious breach of the Indus Waters Treaty and consequently any proceedings before this forum and any award or decision taken by it are also for that reason illegal and per se void," the External Affairs Ministry said after the World Bank's Court of Arbitration gave a "supplemental award" on the Kish-

**India said it has never recognised the existence in law of this 'so-called' Court of Arbitration**

enganga and Ratle projects.

### 'Unilateral action'

Pakistan had been raising objections about the design of the power projects, and the two sides held multiple rounds of discussions till 2015. In 2016, Pakistan approached the World Bank to establish a Court of Arbitration to resolve these technical disputes. Pakistan took three issues concerning Kishenganga and four concerning Ratle to the Court of Arbitration. India's position from the beginning has been that it was a "unilateral action" by Pakistan to approach the World Bank.

Reflecting that position, the Ministry said on Friday, "Today, the illegal Court of Arbitration, purportedly constituted under the Indus Waters Treaty 1960, al-

beit in brazen violation of it, has issued what it characterises as a 'supplemental award' on its competence concerning the Kishenganga and Ratle hydroelectric projects in the Indian Union Territory of Jammu and Kashmir."

The Ministry said that after the Pahalgam terror attack, India exercised "its rights as a sovereign nation under international law" and placed the Indus Waters Treaty in abeyance, "until Pakistan credibly and irrevocably abjures its support for cross-border terrorism". It described the Court of Arbitration's declarations as a "charade at Pakistan's behest".

"Until such time that the Treaty is in abeyance, India is no longer bound to perform any of its obligations under the Treaty. No Court of Arbitration, much less this illegally constituted arbitral body, which has no existence in the eye of law, has the jurisdiction to examine the legality of India's actions in exercise of its rights as a sovereign," the Ministry said.

## Key Highlights:

**1. India's Firm Rebuttal to the Arbitration Body:** India maintains that the Court of Arbitration (CoA) constituted in this case is illegally formed and has no legal jurisdiction. The Ministry of External Affairs stated that India has *"never recognised the existence in law of this so-called Court of Arbitration,"* and any award it renders is "per se void." This response stems from India's consistent stance that technical disputes under the IWT should be handled by bilateral mechanisms or Neutral Experts, not international courts.

**2. Unilateralism by Pakistan and Treaty Violation:** India alleges that Pakistan's approach to the World Bank in 2016 to constitute a CoA was a unilateral action, bypassing established dispute resolution protocols within the IWT. Pakistan raised three issues related to Kishenganga and four regarding Ratle projects, alleging violations of treaty provisions. However, India's view is that such technical matters should have remained within the bilateral framework, and that third-party adjudication violates the spirit and letter of the treaty.

**3. Treaty in Abeyance Post Pahalgam Attack:** The situation has escalated further as India has now put the Indus Waters Treaty in abeyance following the April 22 Pahalgam terror attack, citing Pakistan's continued support for cross-border terrorism. This move is significant and unprecedented, as it marks India's invocation of its sovereign rights under international law to suspend treaty obligations based on national security concerns.

**4. Strategic Messaging and Sovereignty Assertion:** India's response reflects a broader strategic assertion - that national security concerns override technical treaty obligations when one party is engaging in terrorism. By rejecting the legitimacy of the CoA and halting performance of treaty obligations, India is recalibrating the diplomatic space in which the IWT operates, pushing back against Pakistan's legal and geopolitical maneuvering.

**5. Implications for Indus Waters Treaty:** This standoff may have lasting implications for the future of the IWT, which has historically survived multiple wars and political crises. India's stance introduces a new dimension — linking terrorism and water cooperation, which has never formally been part of treaty mechanics. This reflects an evolving foreign policy where treaties are not isolated from broader strategic and security considerations.

## Conclusion:

India's rejection of the supplemental award on the Kishenganga and Ratle projects is not merely a legal dispute but a manifestation of deep-rooted distrust and strategic divergence with Pakistan. It illustrates how international treaties, while designed for cooperation, are vulnerable to breakdowns when foundational issues like trust, terrorism, and sovereignty are contested. It also showcases India's increasing use of strategic autonomy in international legal and diplomatic forums, aligning foreign policy with national security imperatives.



## UPSC Mains Practice Question

**Ques:** India's rejection of the supplemental award by the Court of Arbitration on the Kishenganga and Ratle hydropower projects reflects a shift in its approach to international treaty obligations in the context of national security. Critically examine this statement in light of the recent developments under the Indus Waters Treaty. (250 words)

## Page : 05 :GS 3 : Internal Security

The recent initiatives by Assam and Mizoram to tighten control over identification documentation and cross-border movement reflect a broader shift in India's internal security and demographic policy, especially in the sensitive northeast region. These developments emerge amidst growing concerns about illegal immigration from Bangladesh and the influx of Myanmar nationals due to ongoing civil strife.

## Assam, Mizoram draft rules to curb illegal immigration

Soon, only District Commissioners will have the power to issue Aadhaar cards, says Assam CM; in Mizoram, plans on to confiscate identity cards of Myanmar nationals who frequently cross border

**The Hindu Bureau**  
GUWAHATI

**T**wo northeastern States have toughened their stand on identification documents to curb unauthorised cross-border movements of Bangladesh and Myanmar nationals.

The Assam government has decided to implement a policy to issue Aadhaar cards to adult citizens only through the District Commissioners (DCs) to prevent Bangladeshi nationals from acquiring them, while the Mizoram government plans to retain the identity cards of Myanmar nationals to regulate movement across the border.

Assam Chief Minister Himanta Biswa Sarma said the need to toughen the rules of issuing Aadhaar cards was discussed at the State Cabinet meeting on Friday. "Usually, people who come to Assam and Bharat from Bangladesh [illegally] are adults. Since we have already achieved 100% Aadhaar coverage, we will thoroughly enquire into the applications of new adults," he told press-



**High vigilance:** BSF personnel patrol the India-Bangladesh border at Golakganj in Dhubri district of Assam. AFP

persons in Guwahati.

"Soon, only the DCs will have the power to issue Aadhaar cards. If such a policy is made, it will be difficult for Bangladeshi people to obtain Aadhaar. Detecting and pushing them back will be easy if they do not possess this document," he said, hours after announcing that 20 more illegal Bangladeshi immigrants were pushed back.

The Bharatiya Janata Party-led government has been working on plugging the vulnerabilities of Aadhaar since April, when, Mr. Sarma said, people who

did not apply for inclusion in the National Register of Citizens have been barred from getting the unique identification number.

In September 2024, he said that four Assam districts had more Aadhaar cardholders than their projected population. Bengali-speaking Muslims are a majority in these districts — Barpeta bordering Bangladesh, Dhubri, Morigaon, and Nagaon.

"We found that 103.74% of the population were issued Aadhaar cards in Barpeta, 103.48% in Dhubri, 101.74% in Morigaon, and 100.68% in Nagaon. Some

immigrants definitely managed to take Aadhaar," the Chief Minister had said.

In Aizawl, Mizoram Chief Minister Lalduhoma proposed the confiscation of the identity cards of Myanmar nationals who cross over into India frequently, amid the civil war in their country. He came up with this proposal at a meeting with Surinder Bhagat, Joint Secretary in the Ministry of External Affairs and Protector General of Emigrants, at the Chief Minister's Office recently.

Acknowledging the humanitarian crisis in Myanmar forcing many to take refuge in Mizoram, Mr. Lalduhoma said, "Many refugees are law-abiding, but there are some who continue to cross the border to and from Myanmar, exploiting the ongoing crisis there."

He warned of stern action against those misusing the shelter provided, including the seizure of their Myanmar-issued identity documents. He suggested that such IDs be collected from each Myanmar national for the duration of their stay in Mizoram.

## Key Issues and Developments:

**1. Assam's Aadhaar Issuance Reforms:** Assam Chief Minister Himanta Biswa Sarma has announced that only District Commissioners (DCs) will henceforth be authorized to issue Aadhaar cards to new adult applicants. This move is aimed at closing loopholes that allegedly allowed illegal Bangladeshi immigrants to acquire Aadhaar cards, often bypassing scrutiny.

- The CM pointed out alarming figures—districts like Barpeta and Dhubri reported Aadhaar coverage of over 103%, indicating issuance to individuals possibly outside the projected population.
- The government has linked the Aadhaar restrictions to the National Register of Citizens (NRC) process, denying Aadhaar to those not listed in the NRC.

**2. Mizoram's Regulation on Myanmar Refugees:** Mizoram Chief Minister Lalduhoma has proposed that the identity cards of Myanmar nationals be confiscated temporarily during their stay in India. While acknowledging the humanitarian nature of the crisis, he emphasized the misuse of India's hospitality by some who frequently cross borders under the guise of being refugees.

- The goal is to monitor movement and deter activities that may threaten security or violate asylum norms.
- It reflects a delicate balancing act between humanitarian assistance and national security imperatives.

**3. Cross-Border Security and Demographic Concerns:** Both states share porous international borders with countries undergoing socio-political turmoil.

- Assam's border with Bangladesh remains sensitive due to historical illegal migration.
- Mizoram shares a shared ethnic and cultural bond with Chin communities in Myanmar, complicating enforcement and deportation measures.

**4. Institutional Response and Data Integrity:** The attempts to plug Aadhaar loopholes and link them with NRC data show a convergence of demographic validation and digital governance. The proposed Aadhaar control mechanism is a step toward ensuring that welfare benefits and documentation do not reach unauthorized individuals.

## Broader Implications:

- Federal vs Humanitarian Obligations: Mizoram's action raises questions about how India treats refugees not covered under the UN Refugee Convention, especially when ethnic links and humanitarian concerns are involved.
- Aadhaar Governance: Assam's measures highlight the vulnerabilities in India's UIDAI-based identification system, especially in border regions. It raises the need for biometric and legal safeguards in high-risk areas.



- Internal Security and Demographic Management: These steps also reflect India's evolving approach to demographic control and illegal migration in politically sensitive regions.

**Conclusion:**

These developments underscore the intersection of national security, digital governance, refugee policy, and centre-state coordination. The evolving measures show that in regions like the Northeast, citizenship and identification are not just administrative processes but also tools of strategic statecraft.

**UPSC Mains Practice Question**

Ques: Border States like Assam and Mizoram face unique demographic and security challenges due to illegal immigration. Discuss how identification systems like Aadhaar and local governance frameworks can be effectively leveraged to manage such cross-border movements while balancing humanitarian concerns. (250 Words)

## Page 06 : GS 2 : Governance

India's entry into the top 100 in the Sustainable Development Report (SDR) 2025 by the UN's Sustainable Development Solutions Network (SDSN) is a commendable milestone. From a 110th rank in 2016 to 99th in 2025, the progress reflects sustained policy interventions, particularly in poverty reduction, electricity access, and infrastructure. However, this progress also conceals deeper governance, equity, and nutrition-related challenges that threaten sustainable and inclusive growth.

### Key Areas of Progress:

1. Poverty Reduction (SDG 1): India is recognized for making strides in reducing poverty, with proxy data suggesting a fall from 22% in 2012 to about 12% in 2023.

- However, this achievement is undermined by the absence of updated consumption expenditure data post-2018 and outdated poverty lines (e.g., Rangarajan Line), raising concerns about the credibility of estimation mechanisms.
- This shows the importance of data transparency for effective policy planning and international credibility.

2. Electricity Access (SDG 7): India has achieved near-universal household electrification, with notable growth in renewable energy (solar and wind).

- However, the quality, reliability, and regional disparity in electricity access continue to persist.
- India's status as the 4th largest renewable capacity deployer shows strong policy direction in green infrastructure.

3. Infrastructure and Digital Inclusion (SDG 9): India has improved in physical and digital infrastructure.

- Mobile and UPI-based digital penetration have expanded financial inclusion.
- Yet, the digital divide (especially rural-urban internet gap) exposed during COVID-19 continues to challenge equitable access to education (SDG 4) and public services.

## No time to rest

India did well in climbing up SDG rankings, but falls short in governance

India has been ranked among the top 100 countries in the Sustainable Development Report for the first time since this data began to be published by the Sustainable Development Solutions Network (SDSN) since 2016. The SDSN is an independent body under the aegis of the UN, whose publications are tracked by policy-makers and governments. In 2016, India was ranked 110th out of 157 countries, making steady progress to reach 99 this year out of an expanded basket of 167 nations with better metrics and more granular comparisons. But it is no time to rest on this laurel. India must look at why this incline, by 11 points, was not achieved any sooner and the gaps to focus on. From a developmental perspective, the SDSN ranks India as having fared better in poverty reduction (SDG 1) even as India's poverty estimation continues to be mired in controversy due to a lack of publicly available consumption expenditure data since 2018 and the poverty line (Rangarajan line - ₹33/day rural, ₹47/day urban) not having been updated. Proxy data suggest a considerable poverty reduction, almost halving between 2012 (22% based on NSSO data) and 2023 (World Bank - 12%).

But SDG 2 (zero hunger) has remained a cause for concern. It also reveals the wide disparity between income groups and rural and urban areas on access to a nutritious diet. The National Family Health Survey (NFHS) estimates that over a third of Indians (35.5%) were stunted (NFHS-5, 2019-21), only marginally better than 38.4% (NFHS-4, 2015-16). Similarly, wasting, which is low weight for height, reduced from 21.0% to 19.3%. Obesity in the working age population (15-49 years) has almost doubled between 2006 and 2021, and concentrated in wealthier urban areas. Electricity access (SDG 7) is another indicator where India has done well. While the country has achieved near universal household electrification in the past two decades, the quality of power and duration vary vastly based on regions and urban/rural fault lines. It is, however, laudable that India today ranks as the fourth largest renewables capacity deployer, mainly solar and wind. And while India has bettered its score in infrastructure provision (SDG 9), noteworthy additions being rapid mobile penetration and financial inclusion through UPI-linked digital payments gateways, COVID-19 revealed the stark difference between rural and urban Internet penetration, which must be addressed to achieve even higher educational outcomes (SDG 4). It is telling, however, that throughout the Modi years, India's performance in governance, the rule of law, press freedom and strong and independent institutions (SDG 16) has been lagging.

## Persistent Gaps and Challenges:

### 1. Hunger and Nutrition (SDG 2):

- Despite improvements, chronic undernutrition remains high:
  - Stunting: Still affects 35.5% of children (NFHS-5)
  - Wasting: Marginally reduced to 19.3%
  - Obesity: Nearly doubled among adults (15–49 years), especially in urban wealthier groups
- These highlight India's triple burden of malnutrition: undernutrition, micronutrient deficiency, and overnutrition.

### 2. Governance and Institutional Performance (SDG 16):

- India lags in rule of law, press freedom, judicial efficiency, and institutional independence.
- These governance-related deficits hinder not only SDG 16 targets but also erode public trust and democratic accountability.
- Institutional weakening can impact long-term development sustainability, making it a critical area of concern.

## Implications for Policy and Planning:

- India's SDG progress must not lead to complacency; instead, it should encourage course correction in weak areas, particularly governance and nutrition.
- Strong institutions, transparent data systems, and inclusive public service delivery mechanisms are essential for future gains.
- Aligning national policies with SDGs in a whole-of-government and whole-of-society approach remains central to achieving the 2030 Agenda.

### UPSC Mains Practice Question

**Ques:** India's rise in the Sustainable Development Goals (SDG) ranking reflects measurable success in infrastructure and poverty reduction but also highlights structural weaknesses in governance and nutrition. Critically examine India's progress in achieving the SDGs, with a focus on the role of data, decentralised governance, and inclusive development. **(250 Words)**



The proliferation of Artificial Intelligence (AI) in the Indian economy — particularly in IT, healthcare, finance, manufacturing, and services — is leading to a profound transformation of the workforce. Bengaluru, India's AI nerve centre, offers a microcosm of this transformation. With over one lakh AI professionals, and rising investment in AI adoption across firms, India stands at the cusp of a large-scale labour market disruption.

## The big AI shake-up



Illustration: Saheeb Vellinehi

**A**t a leading hospital in Bengaluru, an artificial intelligence (AI) enabled in voice digitisation system was implemented around four months ago. "Initially, the invoice details were documented on paper, and later entered manually into the system. Now, the job is being done by AI, which extracts details from the soft copies of invoices," says Vijay (name changed), who is overseeing the project and a few other AI initiatives at the hospital.

According to him, automation brought down human intervention in the process by at least 50%. "No one has been laid off. People were only repurposed," he says while admitting that the development may affect recruitments in the future. Hima (name changed), a consultant at one of the biggest accounting firms, was part of an office meeting recently where people were encouraged to share their apprehensions on the firm's AI implementation. "Some of our coders were very upset about the introduction of AI. There is a resource crunch in the coding team, and they are often very stretched. But with the firm investing in AI tools and code assistants, they say life has become easier for them," she notes.

**Multifaceted effects**  
As AI reshapes the workforce across sectors, its effects are proving to be multifaceted, and far from uniform. Bengaluru is today home to more than a lakh AI professionals. The city was also recently ranked among the top five AI ecosystems in the Global Startup Ecosystem Index. With Bengaluru positioning itself in the thick of AI advancements and the Karnataka government now on the cusp of launching the next IT policy, the State's Information Technology and Biotechnology Department recently launched a survey to assess the impact of AI on the workforce.

**Skills in general will undergo massive change. Those required in the new world of AI will necessitate a high level of digital literacy. AI/ML skills even in non-technical roles will be very essential now.**

**GURUPRASAD MUDALIAPUR**, vice-chairman of the Confederation of Indian Industry, Karnataka, vice-president of Bosch Group in India, and managing director of Bosch Ltd. While acknowledging the possibility of significant disruption across industries, he believes the net outcome will be positive.

Among other things, it aims to understand how AI is being integrated into day-to-day operations across organisations, which business functions are seeing the biggest changes, and which job roles are most vulnerable to automation.

The survey is an indication of the State taking serious note of the big shake-up that is on its doorstep.

**The AI-augmented future**  
From enhancing precision in surgeries to detecting fraud in banking and finance, enabling robotic automation in manufacturing, powering personalised recommendations in retail, and optimising traffic control in cities, AI is becoming increasingly ubiquitous and almost indispensable. According to the United Nations, the global AI market is projected to reach \$4.8 trillion by 2033.

The other side of this, however, is the fears of lay-off and displacement, especially in jobs involving routine and repetitive tasks, coupled with a growing sense of overwhelm as workers struggle to adapt to an ever-evolving workplace. A recent report by the United Nations Conference on Trade and Development predicted that

While Bengaluru is home to more than a lakh artificial intelligence professionals, AI has also brought with it fears of job loss. The launch of a survey recently by Karnataka's Department of Information Technology and Biotechnology to assess the impact of AI on the workforce is an indication of the State getting set to face up to this multi-dimensional issue, writes **Shilpa Elizabeth**

AI would impact 40% of the jobs worldwide and widen inequality. Amazon CEO Andy Jassy's recent comment about the company moving to a smaller corporate workforce due to the adoption of generative AI tools and agents has not helped allay fears, particularly as the tech giant has laid off more than 27,000 employees since 2022.

What is going to be the net result of this disruption and how is it going to play out in India? "I think, in the future, all of us will be AI augmented humans," says Guruprasad Mudaliapur, vice-chairman of the Confederation of Indian Industry, Karnataka, vice-president of Bosch Group in India, and managing director of Bosch Ltd. While acknowledging the possibility of significant disruption across industries, he believes the net outcome will be positive.

**Skills in general will undergo massive change. The skills required in the new world of AI will necessitate a high level of digital literacy. AI/ML machine learning skills even in non-technical roles will be very essential now,** remarks Mudaliapur.

According to him, while Bengaluru, or Karnataka at large, can boast of the highest AI ready to test pool, specialist AI talent — which is required to develop an AI model, for example — is in short supply. "We can see why we have not built a GPT of our own," he points out, while adding that universities also need to take note of the requirements of the future and act on training students accordingly.

**Initiatives in skilling**  
Karnataka's IT/IT Minister Priyanka Kharge notes that shaping strategic interventions under the government's skilling initiative, NIPUNA Karnataka, is among the aims of the AI survey. The survey is the first such initiative by a State government and a serious step in the direction of skilling.

"There is a strong need to understand the actual disruption that is happening. A lot of people are saying a lot of things, but is that disruption going to result in actual job loss, or is it something that can be addressed through reskilling or upskilling? It is to understand this that we have reached out to stakeholders through the survey... If you see the way AI and other emerging technologies have disrupted over the last four years, we would require some collective feedback from the industry so that we would be able to give out the most conducive policy for growth," he says.

With technology poised to change the way the IT and ITES sectors work, companies too have been moving in the direction of skilling.

"I'm constantly trying to repurpose my people to shift them towards the demand," says Ravi Vasanthraj, Global Delivery Head, Mphasis. "I'm now changing my talent management systems to start allowing for people to get trained or 'hyper-personalised' in their training. Let's say someone is a full stack Java developer, but we are seeing demand for people with React.js or Node.js skills. We will start prodding this person to get trained in them, showing his chances to get higher billing and hence higher compensation," says Vasanthraj who likes to see AI as "an intelligent assist" — like J.A.R.V.I.S. to Stark in *Iron Man*.

Shubha Gangadharan, MD of SAP Labs India and chairperson of the National Association of Software and Service Companies, notes that the company offers curated learning journeys tailored to individual skill profiles, leveraging internal platforms, global partners, and partnerships with institutions such as IIM Bangalore, IIT Bangalore, BITS Pilani, and Northwestern Kellogg. "The result is a future-ready workforce empowered to lead with an AI-first mindset. Today, 50% of our employees are already AI-enabled. Over the past year alone, they've completed more than 35,000 courses and clocked over 2,00,000 learning hours," she says.

**Multiplying demands?**  
With almost every corporate investing in AI and demand for AI agents and tools increasing, the number of AI roles has also risen, creating a large demand for people trained in the same. A recent report by Naukri Jobspeak recorded a 25% year-on-year increase in AI and ML roles in India. "It (AI) will create more than it will alter," says Vasanthraj, who believes that not only will the technology not take away jobs, but will probably multiply the demand 10 times and enhance the productivity of employees.

"The combined industry of North America, Europe, and Asia Pacific spends anywhere between \$8.8 trillion and \$19.9 trillion to support leg-

cy technology. This is known as tech debt. People are worried that they will lose their jobs to AI. But our premise is that these \$19.9 trillion will come in to the market because now it's viable."

According to him, the latent demand from clients who were earlier reluctant to deploy AI is now getting activated. Mphasis witnessed its pipeline jumping up by an unprecedented 70% between quarters three and four in the last financial year, he notes.

**The other half**  
The high demand for AI talent in IT and ITES is, however, only half the story, say sources within the industry. While there is demand, the elephant in the room is the immense pressure on AI development teams within companies, says Radhika (name changed), who works as a project manager at the Bengaluru office of a global technology and service supplier.

"Companies like ours have purchased AI technologies from behemoths like Google or OpenAI for huge prices. The investment has been massive, and they need returns. To get the desired results, they put immense pressure on AI development teams, often pushing them to the limit," she notes. According to her, most IT and ITES companies have so far not been able to achieve the expected efficiency or profits by deploying AI in place of people. "Coding assistance is the only use case that is working to some extent," she says. The way forward then, has been to extract more out of the remaining employees.

**Our industry evolves very quickly. This industry was written down after Y2K. But we are shape-shifters, and we keep learning. My view is that there will be a decoupling between revenues and headcount, which means that with the same number of people, you'll be able to multiply revenues.**

**RAVI VASANTHAJ**, Global Delivery Head, Mphasis. lower customer satisfaction after trying to replace executives with AI bots.

**Technology vs. labour**  
Itaji Parthasarathy, professor at IIT Bangalore and principal investigator of the Fairwork India project, argues that in India, the impact of AI on the workforce will pan out differently as compared with the West. He points out how some companies, for example, have obtained from deploying AI in certain roles in India, simply because the labour is cheap and plentiful, and labour laws are loosely enforced.

"If you look at the warehouses of big companies like Amazon in the U.S., there are high levels of automation. In many parts of the world, they are experimenting with drones for delivery. But in a country like India, where labour is relatively inexpensive, it doesn't make as much sense. It may, in fact, be costlier for companies to bring in these technologies. Here, workers are replaced easily because there is high levels of unemployment and labour rights are not strictly enforced."

**Sector-specific debate**  
He notes that the AI vs. jobs debate is also sector-specific and a function of whether the AI tools can deliver on the organisational priorities. "In areas where you require precision or the job is hazardous, deployment of AI or robotics is critical. If there are tasks that can be easily automated at very low costs, AI will be used for them. Then there are fields where the technology will enter but will require human beings to know how to use them to augment what they do, rather than displace them. I think the word 'augment' is not considered enough," says Parthasarathy.

The fear of job loss is not entirely baseless though, admits Mudaliapur. Repetitive manual skills may be the most vulnerable, and these might involve job roles such as coding, invoice processing, accounting, and research assistance. Mid-skilled white collar jobs like analyst might also get replaced if they do not have deep domain knowledge, he remarks.

"We see the coding efficiency going up by 30% if we adopt AI. GPTs and other tools to enhance the codes. But we can also say we may not require 30% of the software talent, but a positive way to look at it is this 30% could do more sophisticated work, like building models and so on," he says. "Overall, there will be a shake-up in the job market. That is very clear."

**The shape-shifters**  
Vasanthraj of Mphasis feels the anxieties, at least concerning the job losses in the IT/ITES sector, are part of the usual fears before any new technology takes off. "Our industry evolves very quickly. This industry was written down after Y2K. But we are shape-shifters, and we keep learning. My view is that there will be a decoupling between revenues and headcount, which means that with the same number of people, you'll be able to multiply revenues," he notes, attributing the lay-off at the companies to macro-economic factors rather than AI.

According to Vasanthraj, regulations, responsible AI, and data breaches should be the bigger concerns.

"If AI is combined with quantum, you have a real problem. Your Gmail could be hacked in 20 seconds. Given the kind of geopolitical situations, there will be characters that might start using it in an abuse manner. It's similar to nuclear energy in that sense. If you have a J.A.R.V.I.S. with Stark, you will also have a Thanos somewhere. But that's a problem for tomorrow," he says.



In contrast: Itaji Parthasarathy, professor at IIT Bangalore and principal investigator of the Fairwork India project, argues that in India, the impact of AI on the workforce will pan out differently as compared with the West. (IIT/IITM)

## **Key Dimensions of the AI Disruption:**

### **1. Automation vs Employment Anxiety:**

- AI has automated routine tasks like invoice processing, accounting, and basic coding. This has raised fears of job displacement, especially in mid-skill, repetitive roles.
- Yet, companies like Mphasis and SAP argue that AI is more of an "intelligent assistant" than a replacement, with most workers being repurposed or reskilled rather than fired.
- The UNCTAD estimates that 40% of global jobs will be impacted by AI, raising inequality concerns. India must prepare for this structural shift.

### **2. Augmentation vs Replacement:**

- AI's role in India may largely remain augmentative, especially in sectors like healthcare, logistics, and education, where human oversight, ethics, and contextual decision-making are critical.
- Experts like Balaji Parthasarathy note that due to low-cost labour and weak labour protections, companies may delay automation where human labour remains economically viable.

### **3. Sector-specific Impact:**

- IT & ITeS: The most immediate impact, with coding efficiency going up by 30%, but also raising questions about headcount reduction.
- Healthcare: AI is enhancing diagnostics, robotic surgeries, and hospital management.
- Finance and Retail: AI is powering fraud detection, personalized marketing, and predictive analytics.
- Customer Service: Early attempts to replace humans with bots have lowered satisfaction, showing limits of automation in emotion-driven roles.

## **Government and Industry Response:**

### **1. Karnataka's Proactive Survey:**

- The Karnataka IT-BT Department has launched a first-of-its-kind AI impact survey to assess how job roles are evolving and which sectors are most vulnerable.
- The goal is to shape strategic interventions under the NIPUNA skilling programme, ensuring a policy-ready workforce.

### **2. Industry-Led Skilling Initiatives:**

- Mphasis is focusing on hyper-personalised training and encouraging internal skill mobility.
- SAP Labs India has clocked over 2 lakh learning hours with 50% of its employees already AI-enabled, in collaboration with institutions like IIM Bangalore and BITS Pilani.

- The aim is to future-proof the workforce, where even non-technical roles will require AI-ML proficiency and digital literacy.

**Key Challenges:**

- Talent Shortage in Core AI: India has abundant AI-ready talent but lacks enough specialist AI researchers and developers to build large foundational models like GPTs.
- Employee Burnout and Unrealistic ROI: Many firms investing heavily in AI expect quick returns, putting unsustainable pressure on internal teams.
- Inequality in AI Impact: High-skilled workers benefit most, while lower-skilled and informal workers remain vulnerable due to limited access to reskilling.
- Ethical and Security Concerns: As noted, AI combined with technologies like quantum computing may pose cybersecurity threats, requiring robust regulation and international collaboration.

**Broader Implications for India:**

- AI will reshape employment metrics, productivity, and sectoral dynamics.
- It calls for transformational reforms in skilling, education, labour regulation, and data protection laws.
- With India's youth population and IT dominance, the challenge lies not in resisting AI, but in ensuring just and inclusive adaptation.

**UPSC Mains Practice Question**

**Ques:** "AI will not just replace jobs, it will reshape them." In light of recent developments, discuss how India can ensure workforce readiness in an AI-driven economy. **(250 words)**



## Page : 06 Editorial Analysis

# A China-led trilateral nexus as India's new challenge

Last week, China, Pakistan and Bangladesh held their first trilateral meeting in Kunming, China. The discussions focused on furthering cooperation and exploring the possibilities of deeper engagement. This meeting closely follows another trilateral meeting between China, Pakistan, and Afghanistan, held in May, with the aim of extending the China-Pakistan Economic Corridor and increasing cooperation. These trilaterals, led by China, come at a time of Pakistan's little relevance to the region, India's increasing relations with Afghanistan, and New Delhi's deteriorating ties with Bangladesh. The use of trilaterals underscores China's fresh attempts at making Pakistan a stakeholder in the region and keeping New Delhi preoccupied with immediate concerns.

### A war that shaped alignments

The 1962 war between India and China has largely shaped regional alignments and geopolitics. Following the war, China found Pakistan to be an ally that could keep India engaged with immediate threats and limit it from challenging Beijing's interests, security, and status. On the other hand, Pakistan deemed China to be a country that would unquestionably offer economic and military assistance to support its aggression against India. To date, Pakistan is highly dependent on China for assistance, investments and infrastructure development. In fact, by the end of 2024, Pakistan had a loan of over \$29 billion from China. It is estimated that over 80% of Pakistan's arms imports are from China. In addition, China has also shielded Pakistan-backed terrorists at the United Nations Security Council and other multilateral platforms.

This camaraderie was largely visible during India's Operation Sindoor in May 2025. China termed India's retaliation to the Pakistan-sponsored attack in Pahalgam as "regrettable" and urged a political solution and dialogue. It backed Pakistan's stance of initiating an investigation into the Pahalgam terror attack in April 2025. The latest escalation also saw Pakistan deploying various Chinese-made hardware and weapons that ranged from surveillance radars, drones, missiles, guidance



**Harsh V. Pant**

is Vice-President,  
Observer Research  
Foundation



**Aditya Gowdara  
Shivamurthy**

is Associate Fellow,  
Neighbourhood  
Studies, Observer  
Research Foundation

The Beijing-led trilaterals are aimed at challenging India's long-term interests

systems, and fighter jets. In the immediate aftermath of Operation Sindoor, Pakistan's Foreign Minister met his Chinese counterpart to reaffirm its "iron-clad friendship." The trilateral with Afghanistan and other countries likely emerged from this meeting.

### The resurfacing of an idea

This idea of China and Pakistan using plus one against India is not a new phenomenon. Even in 1965, Pakistan flirted with the idea of using East Pakistan, China and Nepal to cut off India from its strategic Siliguri corridor. This idea of using South Asian countries seems to have resurfaced as both China and Pakistan face a confident India. Pakistan-sponsored terror attacks in Uri (2016), Pulwama (2019), and Pahalgam have seen India retaliate in a befitting manner. It has shown that India will no longer tolerate Pakistan's nuclear blackmail. India has also used its diplomatic clout and growing economy to isolate Pakistan. India's suspension of the Indus Waters Treaty, halting trade, restricting port access, and targeting military installations – all as a part of its retaliatory measures against the Pahalgam attack – has damaged Pakistan military's operational capacities and confidence, highlighting Rawalpindi's limitations and weaknesses. India's military and diplomatic responses to Chinese border intrusions in Doklam and Galwan have also likely taken Beijing by surprise. New Delhi has also increased close cooperation with like-minded countries to limit Chinese aggressions.

At the same time, India's pragmatic engagement and domestic politics of the region have slowed down China's momentum in South Asia. In the Maldives, Beijing appears reluctant to trust President Mohamed Muizzu and the country's economy, despite his initial anti-India rhetoric. Mr. Muizzu has now turned to India to keep the country's economy afloat. In Nepal, despite signing the framework for Belt and Road Initiative (BRI) cooperation, major differences in funding remain unresolved and the progress of projects has been slow. In Sri Lanka, President Anura Kumara Dissanayake is developing close ties with India by respecting its redlines. Despite ideological and historical differences with Delhi,

he visited India before China. In the case of Bangladesh, despite differences, India has not hindered the trilateral energy cooperation with Nepal.

These increasing anxieties are likely to have motivated China to push for trilaterals with Afghanistan and Bangladesh. Before their respective regime changes in 2021 and 2024, both countries were staunch supporters of India's fight against both Pakistan and its state-sponsored terrorism. With the change in regimes, however, Pakistan and China have attempted to draw both countries closer to their orbit. They remain cautious of pragmatic engagement between India and the Taliban, fearing that Pakistan would lose its leverage. At the same time, Pakistan has increased security, economic and political engagements with the new government in Bangladesh.

Historically, both Bangladesh and Afghanistan have enjoyed close ties with Pakistan and provide a fertile ground for cross-border terrorism. Pakistan's influence, supported by China and its economic clout, could thus create new terror and security-related challenges. This will help Pakistan become a relevant country in the region, create rifts between India and its neighbours, and keep Delhi preoccupied with immediate security and terror-related challenges, making way for Chinese BRI projects, interests and investments in the region.

### China efforts and setbacks

The developments in the region demonstrate, once again, that China, and not Pakistan, is India's biggest challenge. With both Pakistan and China confronting a confident India, China sees an opportunity to challenge India through the trilateral nexus. At a time when India is seeking support from South Asian countries to fight terrorism, Chinese efforts will create new setbacks. South Asian countries will thus have to learn to balance between India and China, as Beijing uses Islamabad to create new complexities in the region. On its part, Delhi will have to continue to express redlines and convey the point that any misadventures by its neighbours could have severe economic, military, and political costs.

## Paper 02 International Relations

**UPSC Mains Practice Question:** The emergence of China-led trilateral groupings involving Pakistan and India's neighbours poses a new strategic challenge to India's regional leadership. Critically analyse the implications of such alignments for India's foreign policy and national security. (250 words)

## Context :

The recent China–Pakistan–Bangladesh trilateral meeting in Kunming, following a similar China–Pakistan–Afghanistan meeting, signals the emergence of a China-led trilateral strategy in South Asia. This approach, which echoes Cold War-era strategic encirclement tactics, aims to diplomatically isolate India, undermine its regional influence, and solidify China’s geopolitical and economic footprint through platforms like the Belt and Road Initiative (BRI).

## Key Strategic Takeaways:

### 1. China’s Regional Recalibration via Trilateralism:

- These China-led trilaterals are a departure from traditional bilateral alignments and signal an attempt to form regional clusters around Chinese interests.
- By integrating countries such as Bangladesh and Afghanistan — both of which have seen a dip in ties with India post-regime changes — China seeks to strategically encircle India and offset New Delhi’s growing global stature.

### 2. Pakistan’s Role as a Regional Spoiler:

- Pakistan, weakened economically and diplomatically, finds in China a lifeline and geopolitical amplifier.
- With over \$29 billion in Chinese loans and 80% arms dependency, Pakistan is acting as a willing enabler of China’s strategy to counter India.
- Its use of Chinese hardware in Operation Sindoor’s aftermath, and alignment over terror-linked narratives, demonstrates strategic synchronisation.

### 3. India’s Counter-Assertiveness and Evolving Strategy:

- India has responded with military resolve (surgical strikes, Balakot airstrikes, Operation Sindoor) and diplomatic leverage (Indus Waters Treaty suspension, economic sanctions).
- Increasing partnerships with regional players like Sri Lanka, Nepal, Maldives, and engagement with the Taliban regime in Afghanistan show India's adaptive and pragmatic diplomacy.

## Emerging Security Concerns:

- Bangladesh and Afghanistan, under new governments, may drift toward China–Pakistan axis, risking the resurgence of cross-border terrorism and intelligence infiltration.
- China’s shield over Pakistan-based terrorists at the UNSC further emboldens such threats.
- This geopolitical design could reduce India’s bandwidth to address long-term strategic priorities like Indo-Pacific partnerships, economic diplomacy, and border infrastructure.

**China's Strategic Objectives:**

- Use Pakistan as a gateway to project influence in South Asia, while India remains preoccupied with border tensions and terror concerns.
- Advance BRI connectivity by leveraging politically pliable regimes in neighbouring countries.
- Dilute India's soft power advantage in the region by undermining historical and cultural ties.

**India's Diplomatic Pushback:**

- India is reinforcing bilateral relationships with regional players on terms of mutual respect and economic interdependence.
- Despite differences with some neighbours, India has not obstructed regional energy or connectivity projects, indicating maturity in foreign policy.
- There is increasing realisation in countries like Maldives and Sri Lanka that overdependence on China carries economic and strategic risks.

**Conclusion:**

India must view the China–Pakistan trilateral axis not just as a diplomatic realignment but as a comprehensive security and strategic challenge. While China seeks to exploit regional fault lines, India's emphasis must remain on strategic resilience, proactive diplomacy, and hard redlines. The nexus of terrorism, economic coercion, and geopolitical manipulation emerging from this axis demands a recalibrated South Asia policy, balancing assertiveness with constructive engagement.