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IN ENGLISH

SPECIAL FOR UPSC & GPSC EXAMINATION

DATE : 30-08-25

The Hindu Important News Articles & Editorial For UPSC CSE

Saturday, 30 Aug, 2025

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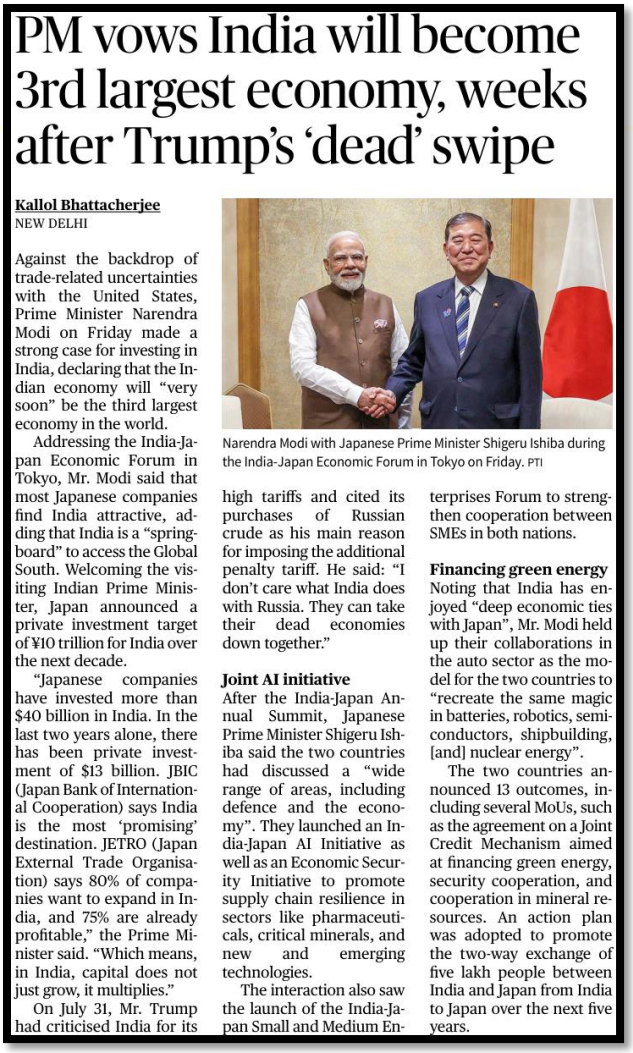
India's aspiration to become the third-largest economy is tied not only to domestic reforms but also to its strategic economic partnerships. Against the backdrop of U.S. tariff pressures and criticism from former U.S. President Donald Trump, Prime Minister Narendra Modi's remarks at the India-Japan Economic Forum in Tokyo underline India's efforts to position itself as a hub for global capital and a reliable partner for the Global South. Japan's commitment of ¥10 trillion private investment (approx. $65 billion) over the next decade adds weight to this vision.

Key Highlights and Analysis



PM vows India will become 3rd largest economy, weeks after Trump's 'dead' swipe

Kallol Bhattacherjee
NEW DELHI

Against the backdrop of trade-related uncertainties with the United States, Prime Minister Narendra Modi on Friday made a strong case for investing in India, declaring that the Indian economy will "very soon" be the third largest economy in the world.

Addressing the India-Japan Economic Forum in Tokyo, Mr. Modi said that most Japanese companies find India attractive, adding that India is a "springboard" to access the Global South. Welcoming the visiting Indian Prime Minister, Japan announced a private investment target of ¥10 trillion for India over the next decade.

"Japanese companies have invested more than $40 billion in India. In the last two years alone, there has been private investment of $13 billion. JBIC (Japan Bank of International Cooperation) says India is the most 'promising' destination. JETRO (Japan External Trade Organisation) says 80% of companies want to expand in India, and 75% are already profitable," the Prime Minister said. "Which means, in India, capital does not just grow, it multiplies."

On July 31, Mr. Trump had criticised India for its high tariffs and cited its purchases of Russian crude as his main reason for imposing the additional penalty tariff. He said: "I don't care what India does with Russia. They can take their dead economies down together."

Narendra Modi with Japanese Prime Minister Shigeru Ishiba during the India-Japan Economic Forum in Tokyo on Friday. PTI

Joint AI initiative

After the India-Japan Annual Summit, Japanese Prime Minister Shigeru Ishiba said the two countries had discussed a "wide range of areas, including defence and the economy". They launched an India-Japan AI Initiative as well as an Economic Security Initiative to promote supply chain resilience in sectors like pharmaceuticals, critical minerals, and new and emerging technologies.

The interaction also saw the launch of the India-Japan Small and Medium Enterprises Forum to strengthen cooperation between SMEs in both nations.

Financing green energy

Noting that India has enjoyed "deep economic ties with Japan", Mr. Modi held up their collaborations in the auto sector as the model for the two countries to "recreate the same magic in batteries, robotics, semiconductors, shipbuilding, [and] nuclear energy".

The two countries announced 13 outcomes, including several MoUs, such as the agreement on a Joint Credit Mechanism aimed at financing green energy, security cooperation, and cooperation in mineral resources. An action plan was adopted to promote the two-way exchange of five lakh people between India and Japan from India to Japan over the next five years.

1. **India's Economic Positioning**
   - India is currently the fifth-largest economy (~$4.19 trillion GDP, IMF 2025 estimates).
   - With sustained growth rates (6–7%), India is expected to surpass Germany and Japan in the coming decade.
   - Modi's pitch to Japanese investors signals India's attempt to reduce dependency on Western markets amid U.S. protectionism.
2. **India-Japan Economic Synergy**
   - Japanese investment: $40 billion cumulative, with $13 billion in the last two years.
   - Japan views India as the most promising destination (as per JBIC & JETRO surveys).
   - Key collaboration areas: auto sector (already strong), now extended to semiconductors, robotics, green energy, shipbuilding, and critical minerals.
3. **Geopolitical Context**
   - Trump's remarks on India's "dead economy" highlight strategic tensions with the U.S. over tariffs and Russian oil imports.
   - Japan's reassurance strengthens India's position within the Indo-Pacific framework and diversifies its economic risks.
   - Launch of the India-Japan AI Initiative and Economic Security Initiative reflects a broader alignment on supply chain resilience and technological independence—both crucial for reducing Chinese dominance.
4. **People-to-People & SME Cooperation**
   - Exchange of five lakh professionals/students in five years will deepen cultural and economic links.

- Launch of the SME Forum enhances grassroots-level industrial cooperation, vital for employment and innovation.

5. **Green Energy & Sustainability**
   - Joint Credit Mechanism for financing green energy projects supports India's Net Zero by 2070 target.
   - Japan's expertise in nuclear and clean energy can help India balance industrial growth with sustainability.

India–Japan Relations:

- Strategic and Global Partnership (2006), Special Strategic & Global Partnership (2014).
- Civil Nuclear Agreement (2016) → India is the only non-NPT country with such a pact with Japan.
- Comprehensive Economic Partnership Agreement (CEPA) signed in 2011 → boosts trade & investment.

- **Economic Ties:**
  - Japan is the 5th largest investor in India (DPIIT).
  - Major projects: Delhi-Mumbai Industrial Corridor (DMIC), Mumbai-Ahmedabad High-Speed Rail.
- **Geopolitical Platforms:**
  - Both are part of QUAD, G20, Indo-Pacific Economic Framework (IPEF), East Asia Summit, ASEAN+6.
  - Cooperation in Indo-Pacific for supply chain resilience and maritime security.
- **India's Economic Target:**
  - Currently 5th largest economy (~$4.2 trillion GDP, IMF 2025).
  - Aspiration: $5 trillion economy (near-term) and 3rd largest economy by 2030.

Conclusion

India's strategic pivot towards Japan underlines its vision of becoming a reliable global economic hub and achieving the status of the world's third-largest economy. While U.S. tariff actions and global uncertainties remain challenges, Japan's long-term investment commitment signals trust in India's economic fundamentals. Going forward, effective implementation of bilateral initiatives in green energy, supply chain resilience, and advanced technology sectors will be crucial for translating this partnership into tangible outcomes.

UPSC Mains Practice Question

Ques: India's growing economic partnership with Japan reflects both opportunity and necessity in the current global scenario. Discuss the significance of India-Japan economic cooperation in the context of India's aspiration to become the world's third-largest economy. **(250 Words)**

Page 02 : Prelims News

The rediscovery of the dragonfly species Crocothemiserythraea in the high-altitude regions of the southern Western Ghats has ecological and evolutionary significance. Misidentified earlier as C. servilia, its confirmed presence highlights the rich biodiversity of the Ghats and the importance of sustained field surveys.

Ice Age-era dragon fly rediscovered

Elusive species *Crocothemis erythraea* spotted in high-altitude regions of southern Western Ghats; it has previously been overlooked owing to its resemblance to *Crocothemis servilia*

Sarath Babu George
THIRUVANANTHAPURAM

Odonatologists have reconfirmed the presence of the elusive dragonfly species *Crocothemis erythraea* in the high-elevation regions of the southern Western Ghats. The species had previously been misidentified or overlooked in this region due to its close resemblance to the more widespread lowland species *Crocothemis servilia*.

The genus *Crocothemis* in India includes two known species – *C. servilia* and *C. erythraea*. While *C. servilia* is common across lowland areas, *C. erythraea* is known from high-elevation habitats in parts of Europe and Asia, including the Himalayas.

Lost and found: *Crocothemis erythraea*. SPECIAL ARRANGEMENT

According to Kalesh Sadasivan, the lead author of the present study published in the *International Journal of Odonatology*, photographs of a potential *C. erythraea* specimen were taken from the Munnar high ranges during an annual faunal survey in 2018. These records were cited in a 2021 monograph on Kerala's odonata fauna, but later removed from subsequent checklists following scepticism over the species' identification by other researchers.

This prompted multiple field expeditions between 2019 and 2023 in high-altitude sites across the Western Ghats.

The study confirmed that the Western Ghats hosts both the species.

The researchers explain that *C. erythraea* colonised southern India during the Pleistocene Ice Age, when cooler climatic conditions allowed temperate fauna to extend their range southward.

Key News Points

1. Species rediscovered: Crocothemiserythraea, an elusive dragonfly species, previously overlooked due to resemblance with C. servilia.
2. Habitat: High-altitude Western Ghats (Munnar, Kerala); globally known from Europe, Asia, Himalayas.

3. Evolutionary significance: Entered southern India during the Pleistocene Ice Age, when cooler climates allowed temperate fauna to expand southward.
4. Research: Confirmed after multiple expeditions (2019–2023); published in International Journal of Odonatology.
5. Biodiversity Significance: Proves that Western Ghats host both C. servilia (lowland species) and C. erythraea (high-altitude species).

Static Linkages

- Odonata order: Includes dragonflies and damselflies → important bioindicators of freshwater ecosystem health.
- Western Ghats:
  - UNESCO World Heritage Site, one of 8 "hottest hotspots" of biodiversity.
  - Habitat for many endemic species (plants, amphibians, insects).
- Pleistocene Epoch: Geological epoch (2.6 million–11,700 years ago); Ice Age conditions enabled faunal migration and species diversification.
- Conservation Angle: Rediscoveries underline importance of long-term field studies and need to protect fragile high-altitude ecosystems.

Conclusion

The rediscovery of Crocothemiserythraea in the Western Ghats not only corrects earlier taxonomic errors but also reaffirms the region's role as a refuge for ancient lineages shaped by climatic history.

UPSC Prelims Practice Question

Ques: Consider the following statements regarding Crocothemiserythraea, recently rediscovered in the Western Ghats:

1. It belongs to the order Odonata, which includes dragonflies and damselflies.
2. It is typically found only in lowland areas across South Asia.
3. Its presence in southern India is linked to faunal migration during the Pleistocene Ice Age.
4. It was previously misidentified due to its resemblance with Crocothemisservilia.

Which of the statements given above are correct?

A. 1 and 2 only
B. 1, 3 and 4 only
C. 2 and 3 only
D. 1, 2, 3 and 4

Ans: (b)

Page : 05 : GS 3 : Indian Economy / Prelims

Ahead of the upcoming GST Council meeting, eight non-BJP ruled States have demanded an additional cess on sin goods (tobacco, cigarettes, gutkha) and luxury items (high-end cars, premium air travel, etc.) over the proposed 40% GST rate. This is to safeguard their revenues, as the Centre's proposed rate rationalisation (merging 12% & 28% slabs into 5% and 18%) could reduce States' GST revenues by 15–20%.

Eight States propose imposing cess on sin, luxury goods above 40% GST rate

States ruled by non-BJP parties to submit note to GST Council; they warn that rate rationalisation proposal will reduce revenues of States by 15% to 20% and seek guaranteed compensation for 5 years; this duration is needed to provide stability required for medium-term fiscal planning, they say

Nistula Hebbar
T.C.A. Sharad Raghavan
NEW DELHI

In the run-up to the Goods and Services Tax (GST) Council meeting on September 3 and 4, a group of eight States have proposed a cess to be levied on sin and luxury goods over and above the proposed 40% GST rate, in a bid to protect the States' revenues.

Without such a cess, the revenue losses from the Centre's proposed rate rationalisation, which they estimated as at least 15%, would "drastically" hamper their expenditure on development, they warned. The Centre has proposed removing the 12% and 28% tax slabs and moving the vast majority of items in these slabs to 5% and 18%, respectively. It has also proposed a 40% rate for a few sin and luxury items.

The Finance Ministers of Himachal Pradesh, Jharkhand, Karnataka, Kerala, Punjab, Tamil Nadu, Telangana, and West Bengal met in New Delhi on Friday and drafted a note, accessed by *The Hindu*, in which they laid out their concerns and proposals. The note will be submitted to the GST Council when it meets.

Tax scanner: Sin goods include items like tobacco, cigarettes, and ghutka, while luxury items are typically high-value cars and business class flight tickets. GETTY IMAGES

"The revenue implications on States due to the GST rate rationalisation proposals made by the Centre have been discussed in the meeting," Telangana Deputy Chief Minister and Finance Minister Mallu Bhatti Vikramarka said, following the meeting. "A consensus has been reached by these States to extend their in-principle support to the proposal of GST rate rationalisation." However, he added that "serious concerns" were expressed in the meeting about the losses that States may incur, which would adversely impact their welfare schemes.

"The first and foremost concern is the severe impact on State revenues," the note said. "States depend heavily on GST as their principal source of revenue whereas the Centre has a far broader revenue base with substantial inflows from direct taxes, large dividends from public institutions, custom & excise duties, cesses and surcharges." The note explained that the Centre also has a larger capacity to raise borrowings which can act as an effective counter-cyclical measure in times of revenue uncertainty. It added that GST revenue makes up only 28% of the Centre's tax revenue, but half of the States' own tax revenues, underscoring their dependence on this revenue stream.

The eight States which drafted the note – all ruled by non-BJP parties – said they anticipate a revenue reduction of between 15% and 20% if the rationalisation of rates is carried out.

"Such a revenue shock cannot be absorbed by the States without drastically reducing developmental expenditure," the note said. "Therefore, any rate rationalisation will have to be accompanied with adequate safeguards to protect the fiscal stability of the States."

The States argued for an "additional levy" that could be imposed on sin and luxury goods, over and above the 40% rate proposed by the Centre.

"The proceeds of this levy should be fully distributed among the States as a necessary measure to safeguard States' revenues, discourage the use of sin goods, and promote public health," they said.

Sin goods include items like tobacco, cigarettes, and ghutka, while luxury items are typically high-value cars and other high-end services such as business class and first class flight tickets.

Revenue protection

The note added that the States should be compensated on the assumption of a 14% annual growth in their GST revenues.

If the additional levy fails to ensure this growth, then the Centre should "raise loans secured against the future receipts of the additional levy" to compensate the States, they said.

This was the procedure followed in the aftermath of the COVID-19 pandemic when the GST compensation cess collections fell short of the States' compensation needs.

"Revenue protection must be guaranteed for a minimum of five years," the note said. "This duration is necessary to provide States with the stability required for medium-term fiscal planning. Beyond this period, the arrangement may be reviewed periodically in line with GST growth and buoyancy."

Such a mechanism would be similar to the GST compensation cess mechanism implemented at the start of the GST regime in 2017, which guaranteed the States compensation for any revenue loss that arose from the implementation of GST, for a period of five years.

Key Issues Raised by the States

1. **Revenue Dependence**
   - GST contributes ~50% of States' own tax revenues, while for the Centre, GST is only ~28% of its tax revenue base.

- States lack alternative buoyant tax sources (Centre has corporate tax, income tax, customs, excise, dividends, surcharges).

2. **Fiscal Stability Concerns**
   - Without additional revenue safeguards, States fear cutting down on developmental & welfare expenditure.
   - They seek a 5-year guaranteed compensation window, similar to the original GST compensation period (2017–2022).
3. **Proposed Solution**
   - Levy additional cess on sin and luxury goods above 40%.
   - Proceeds to go entirely to States→ discourages harmful consumption & raises revenues.
   - If shortfalls persist, Centre should borrow against future cess collections (like during COVID-19).

Static Linkages

- **GST Structure:**
  - Introduced in 2017 (101st Constitutional Amendment).
  - GST Council (Art. 279A) = Centre (1/3rd votes) + States (2/3rd votes).
  - Compensation Act 2017 → promised 14% annual revenue growth protection for 5 years (till June 2022).
- **Cess Mechanism:**
  - Initially, a Compensation Cess was imposed on sin & luxury goods to fund States' revenue losses.
  - The current demand is essentially a revival of that cess model.
- **Fiscal Federalism:**
  - States often argue against Central dominance in GST, since they surrendered their taxation powers.
  - Similar debates arose during COVID-19 when States had to borrow to meet compensation shortfalls.

Analysis

- **Merits of States' Proposal:**
  - Protects fiscal autonomy and revenue stability of States.
  - Progressive taxation → sin goods consumption discouraged (aligns with public health goals).
  - Reduces dependence on Centre for borrowings.
- **Concerns:**
  - Higher cess may encourage smuggling / black market in tobacco, liquor, luxury cars.
  - Could fuel inflation in premium goods/services.
  - Raises questions on GST simplicity→ multiple cesses defeat the "one nation, one tax" idea.

Conclusion

The demand for a new cess on sin and luxury goods reflects the tensions in Centre–State fiscal relations under GST. While rate rationalisation aims at simplification, States fear fiscal instability without assured compensation. A balanced approach—combining rationalised rates with selective cess and a time-bound compensation framework—could safeguard States' fiscal space while maintaining the integrity of GST.

UPSC Prelims Practice Question

Ques :The term "sin goods" in the context of GST generally refers to:

A. Goods that have high production cost but low consumer demand

B. Goods that are exempted from GST but attract excise duty

C. Goods whose consumption is socially undesirable and hence taxed at higher rates

D. Goods which are imported and attract both customs and GST

Ans : (b)

UPSC Mains Practice Question

Ques : The demand for a new cess on sin and luxury goods by States highlights the continuing tensions in India's GST framework. Critically analyse in the context of fiscal federalism. **(150 Words)**

Page 05 : GS 3 : Science & Technology / Prelims

The Department of Biotechnology's Biocare Programme, launched in 2011 under the Ministry of Science and Technology, is aimed at supporting unemployed women scientists in life sciences by providing them extramural research grants and salaries. Recently, 75 women researchers selected in March 2024 are still awaiting fund disbursal even after five months, raising concerns about systemic inefficiencies.

Key Issues in the News:

1. **Delay in Fund Release:**
   - Selected women scientists have not received sanction letters or funds, halting their projects.
   - Many quit other opportunities (including international post-docs) since the scheme prohibits availing funds from parallel projects.
2. **Administrative Bottlenecks:**
   - Ministry sources cite a change in fund disbursal policy (Nov 2024) as the reason for the delay.
   - Lack of communication from DBT has further worsened uncertainty.
3. **Impact:**
   - Career setbacks for promising women scientists.
   - Wastage of human resource potential in a field where gender disparity already exists.
   - Undermines India's larger goals of boosting R&D and achieving gender inclusivity in science.

Women biotech scientists await funds for research

Jacob Koshy
NEW DELHI

Almost five months after being selected for the DBT Biocare programme, an initiative by the Department of Biotechnology (DBT) to encourage women scientists, none of the 75 chosen candidates have received the funds promised nor salaries.

The DBT, which is under the Ministry of Science and Technology (MoST), has been running the Biocare programme since 2011.

It is mainly meant for the career development of unemployed women scientists for whom it will be the first extramural research funding sanctioned by the government.

A doctoral woman researcher selected under the programme is eligible for a ₹60 lakh grant for three years. This also includes a salary component of ₹75,000 a month.

From 2020 to 2024, on average annually, nearly 50 women scientists have been beneficiaries of the programme, according to the response to a question in the Rajya Sabha in March this year.

Biocare programme has been running since 2011.

'No response'

This year, 75 women scientists were chosen for the programme on March 30, following which they are expected to begin their research projects.

However, one of the selected scientists said that in the absence of the required sanction letters or funds, they were unable to commence their research.

"For the past five months, we have been writing to the DBT regarding the release of funds. Initially, we were told that this would be released within a month but now nobody is responding to our calls. One of the conditions for this grant is that we cannot avail ourselves of research funds from any other project, so some of us have quit even international post-doctoral fellowships and are now left in the lurch," a researcher told *The Hindu* on condition of anonymity.

Rajesh Gokhale, Secretary in the DBT, told *The Hindu* in a text message that the funds would be released "in the next 10 days".

Sources in the Science Ministry said the delay was due to a change in the fund disbursal policy, effected since November 2024.

Background

- **Biocare Programme (2011):** Provides ₹60 lakh over 3 years, including ₹75,000 monthly salary, to unemployed women scientists for independent projects.
- **Women in Science – Challenges:**
  - India has only **16.6% women researchers** (UNESCO, 2023).
  - Issues: career breaks (marriage, childcare), lack of mentorship, and glass ceiling.

- **Government Schemes:**
  - KIRAN (Knowledge Involvement in Research Advancement through Nurturing) *by DST.*
  - Women Scientist Scheme (WOS-A, B, C).
  - SERB-POWER Scheme for promoting women in science.

Conclusion:
The delay in fund release for Biocare reflects deeper governance challenges in scientific administration. While India aspires to be a global R&D hub, bureaucratic inertia risks discouraging women from pursuing scientific careers. Timely disbursal, transparent communication, and smoother policy transitions are essential to safeguard women scientists' careers and strengthen India's innovation ecosystem.

UPSC Prelims Practice Question

Ques: With reference to Women in Science in India, consider the following:

1. Women constitute less than 20% of researchers in India.

2. The KIRAN Scheme and SERB-POWER are initiatives to promote women in research and development.

3. The BiocareProgramme is implemented by the Department of Science and Technology.

Which of the statements is/are correct?

(a) 1 and 2 only

(b) 2 and 3 only

(c) 1 and 3 only

(d) 1, 2 and 3

Ans : a)

UPSC Mains Practice Question

Ques: India aims to become a global R&D hub, yet systemic issues continue to discourage women scientists. Critically analyse the effectiveness of government schemes for women in science and suggest measures for improvement. **(150 Words)**

Page 06 : GS 2 : Governance

Every year, nearly 70 lakh Indian students appear for entrance exams like JEE, NEET, CUET, and CLAT. With limited seats and massive competition, this system has fuelled a multi-crore coaching industry and created an unhealthy academic environment. Recent controversies around coaching centres and rising student suicides underline the urgent need to rethink India's admissions framework.

Detoxifying India's entrance examination system

Vipul Anekant

is Deputy Commissioner of Police, Delhi Police

Bhoomi Goyal

is an undergraduate student of Economics, Jesus and Mary College, Delhi University

Every year, nearly 70 lakh students in India compete for undergraduate seats appearing for entrance examinations such as the Joint Entrance Examination (JEE), National Eligibility cum Entrance Test (NEET), Common University Entrance Test (CUET), and Common Law Admission Test (CLAT). With a fixed number of seats, the competition is intense, fuelling a coaching industry and a culture of relentless pressure. Recent controversies such as branch closures and financial misconduct at a major JEE coaching centre, an Enforcement Directorate raid and student suicides highlight a broken system. It is time to rethink undergraduate admissions, prioritising fairness, equity and student well-being.

The coaching crisis and its toll

The scale of aspirants – 15 lakh for the JEE alone – has created a coaching empire, with centres charging a fee of ₹6 lakh-₹7 lakh for two-year programmes. Students as young as 14 years sacrifice holistic development for a gruelling routine of solving complex problems from books such as Irodov and Krotov, which go far beyond B.Tech requirements. This rat race breeds stress, depression and alienation, robbing teens of peer bonding and a normal adolescence. With some students unable to handle the pressure, some governments have enacted laws to regulate coaching centres. Yet, the root issue lies in an entrance examination system that overqualifies students and distorts merit.

Entrance examinations aim to filter 15 lakh aspirants for 18,000-plus seats in the Indian Institutes of Technology (IIT), but making a distinction between students scoring 91% or 97% in the Class 12 examination, or 99.9 percentile in JEE, is unreasonable. A decent Class 12 score, say, 70%-80% in physics, chemistry and mathematics, is sufficient for a B.Tech programme. The current system demands extraordinary performance due to the limited seats, vast applicant numbers, and disparities in college academic quality, creating a false hierarchy with an overemphasis on minor score differences. This sidelines capable students, favours those who can afford coaching, and exacerbates urban-rural, gender, and regional imbalances.

The choice lies between continuing a toxic race that scars students or adopting a system of fairness and equal opportunity

The consequences are severe. Psychologically, students face immense pressure. Socially, the system privileges wealthier families who can afford top-tier coaching, creating an illusory meritocracy. As Harvard philosopher Michael Sandel argues, this fuels a toxic obsession with perceived individual superiority, ignoring the role of luck and privilege. Sandel even suggests lotteries for admissions at elite institutions such as Stanford and Harvard to address these flaws.

The Dutch lottery and beyond

India can draw inspiration from global models. The Netherlands uses a weighted lottery for medical school admissions, introduced in 1972 and reinstated in 2023. Applicants meeting a minimum academic threshold enter a lottery, with higher grades improving odds. This reduces bias, promotes diversity, and eases pressure, recognising that overly precise metrics are often irrelevant, unfair and costly. Outcomes show that lotteries are viable when capacity is limited, aligning with Sandel's critique of meritocratic excess.

In China, the 2021 "double reduction" policy banned for-profit tutoring for school subjects, nationalising coaching overnight to reduce financial burdens, address inequalities and protect student well-being. This tackled issues that India faces – unchecked, excessive and disorderly growth of coaching centres and their impact on youth.

The solution lies in simplifying admissions, trusting the school system and shielding students from an excessive number of examinations. The Class 12 board examinations, with their rigorous curriculum, are adequate to gauge B.Tech readiness. Instead of entrance examinations, a threshold, say, 80% in physics, chemistry and mathematics, can be set for eligibility. Students meeting this could be grouped into categories (90% and above, 80%-90%) and allocated seats or a rank number through a weighted lottery, incorporating reservations for gender, region and rural backgrounds within existing reservation policy, similar to the Dutch model. Higher grades could improve odds, but all eligible students would have a fair chance, eliminating cut-throat competition.

To enhance equity, 50% of IIT seats could be reserved vertically for rural students educated in government schools, promoting social mobility and reducing structural inequality. If entrance examinations persist, coaching should be banned or nationalised, with free online study materials and lectures. To foster diversity, the IITs could introduce an annual student exchange programme, randomly selecting students to study across different IIT campuses over four years. This would promote national integration and exposure to diverse cultures. Incentivising the transfer of professors between IITs could also ensure uniform academic standards, dismantling artificial hierarchies and reinforcing the equal value of a B.Tech from any IIT.

The path forward

Scrapping undergraduate entrance examinations for a lottery-based system would free students from the coaching treadmill, allowing them to attend school, take part in sports and grow holistically. It would reduce financial barriers, giving every qualified student, regardless of wealth or privilege, a shot at top institutions. Most importantly, it would let youth be youth, and not machines chasing percentiles and becoming too serious at too tender an age.

India's education system faces a choice: continue a toxic race that scars students and society or embrace fairness, sanity, egalitarianism and equal opportunity. The path is clear.

The views expressed are personal

Core Issues in the Current System:

1. **Coaching Dependency & Inequality**
   - IIT-JEE coaching fees reach ₹6–7 lakh, favouring urban, wealthy families.
   - Creates a false meritocracy while sidelining capable but underprivileged students.

2. **Psychological & Social Impact**
    - Stress, alienation, and student suicides due to relentless competition.
    - Loss of adolescence and holistic development.
3. **Distorted Merit & Limited Capacity**
    - Difference between 91% vs. 97% in boards or 99.8 vs. 99.9 percentile in JEE is exaggerated.
    - 15 lakh aspirants compete for ~18,000 IIT seats → structural inequality.
4. **Policy Failures**
    - Overemphasis on entrance exams undermines Class 12 boards.
    - Lack of regulation allowed disorderly coaching expansion.

Global Models & Alternatives:

- Netherlands: Weighted lottery in medical admissions; higher grades improve odds but all eligible students get fair chance.
- China (2021): "Double reduction policy" banned for-profit school tutoring to reduce pressure and inequality.
- Michael Sandel's critique: Excessive meritocracy ignores privilege and luck; calls for fairer systems like lotteries.

Way Forward:

- Replace high-stakes entrance exams with board-based eligibility + weighted lottery system, incorporating reservation and diversity safeguards.
- 50% IIT seats reserved for rural/government school students to bridge inequality.
- If exams remain, coaching must be nationalised or made free online to ensure equity.
- Promote exchange programmes across IITs to break hierarchy and ensure uniform standards.

Conclusion:

India's current entrance exam system fuels stress, inequity, and unhealthy competition, privileging wealth over talent. A lottery-based admissions model, combined with robust school education and social equity safeguards, could detoxify the system. The choice is stark: continue the toxic rat race or build a fairer, more humane path for India's youth.

UPSC Mains Practice Question

Ques: India's entrance examination system perpetuates inequality and undermines holistic education." Critically examine. **(150 words)**

Page : 06 Editorial Analysis

In an unstable world, energy sovereignty is the new oil

Shrikant Madhav Vaidya

is former Chairman, Indian Oil Corporation Ltd., an Energy Policy Adviser, an institutional leader and an advocate for resilient transitions

India needs to act now as tomorrow's most precious resource is not oil but uninterrupted, affordable and indigenous energy

India imports over 85% of its crude oil and more than 50% of its natural gas. This is not just an economic figure. It belongs in our national risk register. As conflict zones multiply, sea lanes narrow and supply chains fragment, every imported barrel becomes a liability.

In this landscape, Russian oil has become India's biggest swing factor. Since 2022, Russia has emerged as the country's single largest supplier, accounting for roughly 35%-40% of total crude imports in 2024-25 – up from barely 2% before the Ukraine war. While discounted barrels have offered temporary relief to the import bill, the heavy concentration also underscores the vulnerability of relying too much on one geopolitical partner. Diversification, not substitution, is the real currency of sovereignty.

In FY2023-24, India's merchandise imports stood at $677 billion. Of this, crude oil and natural gas alone accounted for nearly $170 billion, or over 25% of the total import bill. This outflow of foreign exchange pressures the rupee, inflates the trade deficit, and compromises macroeconomic stability.

In June 2025, the world narrowly avoided a full-blown regional conflict following tensions between Israel and Iran. Had that flashpoint ignited, over 20 million barrels a day of global oil flows would have been threatened. Brent crude prices, already sensitive, could have breached the $103 a barrel mark within days. The war did not begin, but the world came close enough to remember just how fragile its energy lifelines are.

Flashpoints that changed the world

Global energy security has been reshaped by unforeseen shocks. There are five defining moments.

First, the 1973 oil embargo. The Arab oil embargo against the United States and allied nations caused crude prices to quadruple, and exposed the West's overdependence on the Organization of the Petroleum Exporting Countries. But it catalysed the creation of strategic petroleum reserves, efficiency mandates, and diversified sourcing strategies.

Second, the 2011 Fukushima nuclear disaster. A tsunami-induced nuclear meltdown in Japan triggered a global crisis of confidence in nuclear power. However, with emissions rising due to increased coal and gas use, nuclear energy is again regaining favour.

Third, the 2021 Texas Freeze. Extreme cold froze gas pipelines and disabled wind turbines in energy-rich Texas. The event underscored the limits of systems built for cost efficiency rather than resilience and the importance of diversified and weather-hardened infrastructure.

Fourth, the 2022 Russia-Ukraine war. Europe's reliance on Russia for over 40% of its gas ended abruptly when Russia weaponised energy. The continent faced record liquefied natural gas prices and a coal revival. It was a stark lesson: no energy strategy is sovereign if it is single-sourced.

Fifth, the 2025 Iberian Peninsula Blackout. Spain and Portugal suffered a grid collapse due to over-reliance on intermittent renewables without sufficient dispatchable backup. The lack of inertia in the grid exposed the risks of phasing out conventional capacity too rapidly. These events remind us that every major pivot in global energy thinking has followed a breakdown. What we face now is the opportunity to pivot by foresight rather than by force – and the Israel-Iran ceasefire is that opportunity.

Despite the rhetoric of global energy transition, the real picture is sobering. Fossil fuels still meet over 80% of global primary energy demand. More than 90% of transportation runs on hydrocarbons. Solar and wind, though scaling fast, are still under 10% of the global energy mix. Exploration investments in oil and gas have fallen sharply even as demand remains high. The result is a structurally tight supply that is vulnerable to even minor shocks.

Energy realism must guide the transition

Energy realism does not reject transition. It enables it. It means understanding that transitions are pathways, not switches. The lesson from all these flashpoints is clear. Energy security is no longer a climate policy discussion. It is a survival strategy.

India must now decisively move toward an energy sovereignty doctrine that is anchored in domestic capacity, diversified technology, and resilient systems. It has five foundational pillars.

First, coal gasification and unlocking indigenous energy. India has over 150 billion tonnes of coal reserves. For decades, high ash content made them unattractive. But with technological advances in gasification and carbon capture, this domestic resource must be leveraged to produce syngas, methanol, hydrogen and fertilizers. We must overcome the ash barrier with innovation.

Second, biofuels or where rural empowerment meets national security. The ethanol blending programme has already reduced crude imports and transferred over ₹92,000 crore to farmers. It has also delivered substantial savings in foreign exchange savings. With E20 on the horizon, annual income to the rural economy may grow further. Through the Sustainable Alternative Towards Affordable Transportation (SATAT) scheme, hundreds of compressed biogas (CBG) plants are generating clean fuel and producing bio-manure rich in 20%-25% organic carbon. This can restore North India's degraded soils, where organic carbon has fallen to 0.5%, versus a healthy level of 2.5%. Improving soil health also enhances water and fertilizer retention, reducing runoff and pollution.

Third, nuclear or a zero-carbon baseload for a dispatchable future. India's nuclear footprint has remained stagnant at 8.8 GW for too long. We must revive the thorium road map, secure uranium partnerships and localise Small Modular Reactor technologies. In a grid dominated by renewables, nuclear provides the dispatchable backbone.

Fourth, green hydrogen, or 'own the tech, secure the chain'. India's target of five million metric tonnes a year by 2030 must be matched by localised electrolyser manufacturing, catalyst development and storage systems. The goal is not just green hydrogen. It is sovereign hydrogen.

Fifth, pumped hydro storage or the inertia backbone. Pumped hydro is durable, proven, and essential for grid balancing. It complements renewable energy and provides the inertia missing in wind and solar-heavy systems. India must use its topography to create the storage infrastructure of the future. Until a few years ago, India sourced over 60% of its crude oil from West Asia. That figure is now below 45%, as per S&P Global Commodities at Sea. This is not a short-term workaround but reflects a deliberate long-term shift in India's sourcing strategy.

The age of sovereignty

The Israel-Iran ceasefire offers India a rare chance to act without the scars. India must lead with energy realism – not as a fallback but as the foundation of resilience and sovereignty. It has diversified its sources, reduced dependence on Hormuz, and buffered better than ever. Now is the time to deepen that shift as the next crisis may not give it the courtesy of a warning.

The 21st century will not be defined by new oil discoveries. It will be defined by nations that can secure, store, and sustain their energy without fear or favour. India's strategy must blend ambition with realism. The five pillars – coal gasification, biofuels, nuclear, green hydrogen and pumped hydro – are not secondary to the energy transition. They are its sovereign spine. Tomorrow's most precious resource is not oil. It is uninterrupted, affordable, and indigenous energy. This is the time to build it.

GS. Paper 03- Indian Economy

UPSC Mains Practice Question: Energy sovereignty is the new oil." In the context of India's high dependence on crude oil and natural gas imports, critically analyse the need for an energy sovereignty doctrine. (150 words)

Context :

Energy security has always been a critical pillar of national power. For India, which imports over 85% of its crude oil and more than 50% of its natural gas, dependence on external suppliers is not merely an economic statistic but a national risk. The editorial underlines that in a world marked by geopolitical flashpoints — from the Russia-Ukraine war to West Asian tensions — energy sovereignty has emerged as the new "oil" of power politics. It argues that India must pursue a doctrine of energy sovereignty, blending realism with transition, to secure its future.

Key Issues Highlighted

1. **High Import Dependence**
   - Crude oil & natural gas together cost India nearly $170 billion in FY 2023-24 (about one-fourth of total imports).
   - This burden worsens the trade deficit, pressures the rupee, and weakens macroeconomic stability.
2. **Geopolitical Volatility**
   - Russian oil now supplies 35–40% of India's crude imports, creating vulnerability to over-reliance.
   - Events such as potential Israel-Iran conflict or earlier Russia-Ukraine war show how quickly energy supplies can become weapons of geopolitics.
3. **Lessons from Global Flashpoints**
   - 1973 Oil Embargo: Triggered diversification and creation of strategic reserves.
   - 2011 Fukushima Disaster: Raised doubts on nuclear but highlighted need for zero-carbon dispatchable energy.
   - 2021 Texas Freeze: Stressed resilience over cost-efficiency in energy systems.
   - 2022 Russia-Ukraine War: Exposed dangers of single-sourcing.
   - 2025 Iberian Blackout: Showed risks of over-dependence on intermittent renewables without backup.

   These moments show that energy policy shifts usually follow crises, but India has the chance to act by foresight, not by force.

4. **Fossil Fuel Reality**
   - Despite climate goals, fossil fuels still meet 80%+ of global energy demand.
   - Renewables are scaling up but remain below 10% share.
   - Falling oil & gas investments + rising demand = structurally tight supply → high vulnerability to shocks.

India's Energy Sovereignty Doctrine – Five Pillars Proposed

1. **Coal Gasification**
   - India's 150+ billion tonnes of coal reserves must be converted into syngas, hydrogen, methanol, fertilizers.
   - Use carbon capture& technology to overcome high-ash barrier.
2. **Biofuels & Rural Empowerment**
   - Ethanol blending has already transferred ₹92,000+ crore to farmers and saved forex.
   - SATAT scheme: compressed biogas plants generating clean fuel & bio-manure → improves soil carbon, water retention.
   - Represents a link between energy security + farmer income + soil health.
3. **Nuclear Energy**
   - Current capacity stagnant at 8.8 GW.
   - Must revive thorium road map, expand uranium partnerships, develop Small Modular Reactors (SMRs).
   - Nuclear is crucial for providing zero-carbon baseload power in a renewable-dominated grid.
4. **Green Hydrogen**
   - Target: 5 MMT by 2030.
   - Need to localiseelectrolyser manufacturing, catalyst technology & storage.
   - Goal is not just "green hydrogen" but sovereign hydrogen supply chains.
5. **Pumped Hydro Storage**
   - Provides grid inertia & stability to balance solar/wind fluctuations.
   - India's topography offers natural scope → long-term reliable storage backbone.

Critical Analysis

- Strength of Argument: The article rightly stresses energy realism — transitions are pathways, not overnight switches. Dependence on imports is not just an economic issue but a strategic vulnerability.
- Policy Relevance: It aligns with India's existing efforts — ethanol blending, National Green Hydrogen Mission, strategic oil reserves, and renewable targets. Yet, it insists on diversifying sources and technologies rather than depending excessively on one fuel or partner.
- Challenges in Implementation:
  - Financing & Technology Gaps in nuclear & hydrogen.
  - Land & Environment Issues in pumped hydro.
  - Farm-level adoption hurdles in biofuels & CBG.
  - Global climate negotiations may constrain fossil-fuel-based options like coal gasification.

Conclusion

The editorial makes a compelling case that energy sovereignty is the new currency of national security. India's dependence on external oil and gas in a geopolitically unstable world creates unacceptable vulnerabilities. The five-pillar strategy — coal gasification, biofuels, nuclear, green hydrogen, and pumped hydro — represents not a retreat from transition but its sovereign backbone.