

# FINDER

01<sup>st</sup>

April

2026



## FORTUNE IAS NEWS DAILY EXPLAINER

### The West Asia cauldron of conflict and its fallout

**Prelims:** General Studies Paper - 1  
Current events of national and international importance

**Mains:** General Studies - 2  
Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.

#### 1. Context

- The current West Asia conflict began on **February 28, 2026**, when the **United States and Israel launched joint military operations against Iran** under **"Operation Epic Fury"**.
- The war is widely seen as driven by **Benjamin Netanyahu** with support from **Donald Trump**.
- The earlier **12-day war in June 2025** acted as a precursor or **"curtain raiser"** to the present large-scale conflict.
- The conflict has caused **massive devastation**, with **several thousand Iranians killed**, more than half being **civilians**.
- It has evolved into a **long-drawn conflict** with the possibility of **ground troop deployment**.

#### 2. Iran's Response and Resilience

- Despite the assassination of top leaders including **Ali Khamenei** and **Ali Larijani**, **Iran's state structure has not collapsed**.
- Iran's uranium stockpile remains intact**, indicating limited success of **U.S.-Israel objectives**.
- Iran is preparing for a **prolonged war** and has demonstrated the ability to **retaliate**, though at lower intensity.
- It has threatened to **block the Strait of Hormuz**, through which about **30% of global oil passes**, risking a **global energy crisis**.

- Iran has attempted **diplomatic manoeuvring** by offering **safe passage to friendly nations** while demanding **U.S. withdrawal from West Asia** and **restraint on Israel**.
- Its **geography and war experience** favour a **war of attrition**, suggesting **time may be on its side**.

#### 3. U.S.-Israel Strategy and Constraints

- The **U.S. has relied heavily on air power** using systems like **Patriot missiles, THAAD interceptors, and Tomahawk cruise missiles**.
- This strategy is leading to **high costs** and issues related to **replenishment of advanced weapon systems**.
- There are emerging signs of **war fatigue** within sections of the **U.S. military**, especially the **Navy**.
- Israel's strategy** to weaken Iran with **U.S. backing** has not achieved decisive results and may have **misfired**.
- Regime change in Iran** appears **unlikely without a ground invasion**, which neither the **U.S. nor Europe** is willing to undertake.
- Many **U.S. allies**, especially in Europe, have refused to actively support operations such as **reopening the Strait of Hormuz**.
- Countries like **China and Russia** are expected to oppose further escalation.
- There is a risk of the conflict expanding to **Lebanon, Iraq, and Syria**.

#### 4. Broader Implications

- The conflict has led to **weaponisation of global economic infrastructure** such as **energy routes, shipping lanes, and logistics systems**.
- Rising oil prices** and **disruptions in supply chains** are adversely affecting **economies worldwide**.
- The war has entered a phase of **"no peace, no large-scale war"**, combining **military and economic warfare**.

- The conflict has a **civilisational dimension**, drawing on **Shia resistance narratives linked to the Battle of Karbala**.
- **Leadership transition to Mojtaba Khamenei** may intensify **ideological and militant resistance**.
- **Israeli actions**, including strikes near the **Bushehr Nuclear Power Plant**, risk **further escalation**.
- **Western military superiority** does not guarantee victory against **ideologically driven and geographically resilient states**.
- The **prolonged conflict** risks triggering a **wider global war** with severe **humanitarian and economic consequences**.

### Counting people is not counting disaster risk

**Prelims:** General Studies Paper - 1  
Current events of national and international importance

**Mains:** General Studies - 3  
Disaster and disaster management

#### 1. Context

- **Odisha has a long coastline (574.7 km)** and frequently faces severe cyclones
- Through **early warning systems, cyclone shelters, and evacuations**, it has **reduced cyclone deaths to near zero**.
- Despite high vulnerability and strong preparedness, the **Finance Commission of India (16th)** **reduced its disaster fund share by 1.57 percentage points**, the highest drop among 28 States.
- **Reduction shows flaws in the Finance Commission's formula**, which fails to reflect hazard risk and preparedness.

#### 2. Issues in Disaster Risk Index (DRI) Allocation by the 16th Finance Commission

- The **16th Finance Commission of India increased the State Disaster Response Fund (SDRF) allocation to ₹2,04,401 crore** (↑59.5%).
- It **introduced the Disaster Risk Index (DRI = Hazard × Exposure × Vulnerability)**, replacing the additive method.

- The **first flaw is in the measurement of Exposure, which uses total population instead of people in hazard-prone areas**, against the Intergovernmental Panel on Climate Change definition.
- This method favours populous States like Uttar Pradesh.
- **High-risk States like Odisha receive lower DRI** despite higher hazard levels.
- The **second flaw is in the measurement of Vulnerability, which uses Net State Domestic Product (NSDP) per capita** instead of real vulnerability factors.
- **This ignores infrastructure and inequality, underestimating risks** in States like Kerala.

#### 3. Way Forward

- **Exposure should be measured as people living in hazard-prone zones** using Building Materials and Technology Promotion Council (BMTPC) Vulnerability Atlas and Census data.
- **Vulnerability should be a composite index** including housing, agriculture, health, insurance, and early warning systems.
- **Use data from National Family Health Survey (NFHS-5), Pradhan Mantri Fasal Bima Yojana (PMFBY), National Health Mission (NHM), and India Meteorological Department (IMD)**.
- The **National Disaster Management Authority (NDMA) should publish an annual Disaster Vulnerability Index** for standardisation.
- **India must strengthen disaster finance as climate change is increasing cyclones, droughts, and extreme rainfall** across the country.

### Earth's orbits are filling up because governance hasn't kept pace

**Prelims:** General Studies Paper - 1  
Current events of national and international importance

**Mains:** General Studies - 3  
Awareness in the fields of IT, Space, Computers, robotics, nano-technology, bio-technology and issues relating to intellectual property rights.

### 1. Growing Crisis in Orbital Environment

- Space is becoming **crowded, fragile, and poorly governed**.
- Increase in **satellite launches and private actors** has widened the gap between **policy and implementation**.
- The orbital space is now **commercially exploited but ethically under-governed**.

### 2. Challenges in Managing Space Debris

- **Space debris is hard to track**, especially small fragments.
- Lack of:
  - ➔ **Accurate data sharing**
  - ➔ **Uniform monitoring systems**
- Regulators rely on **pre-launch promises**, not actual compliance.
- No proper system to ensure **safe disposal of satellites after use**.

### 3. Weak Governance and Legal Gaps

- Existing treaties like the **Outer Space Treaty** focus on **liability, not prevention**.
- No:
  - ➔ **Global duty-of-care standard**
  - ➔ **Clear responsibility for cumulative damage**
- **National regulations vary**, allowing companies to exploit **lenient regimes**.
- The current system depends on **voluntary compliance**, lacking enforcement.

### 4. Need for Ethical Governance and India's Role

- Space governance must adopt principles like:
  - ➔ **Precaution**
  - ➔ **Intergenerational equity**
  - ➔ **Responsibility**
- Need for:
  - ➔ **Standardised global rules**
  - ➔ **Mandatory debris mitigation measures**

#### ➔ **Data sharing and accountability**

- **India has an opportunity** to shape **ethical and legal frameworks** in space governance.
- Shift required from **voluntary guidelines** → **enforceable regulations**.

### On global tensions and India's economy

**Prelims:** General Studies Paper - 1  
Economic and Social Development-Sustainable Development, Poverty, Inclusion, Demographics, Social Sector Initiatives, etc.

**Mains:** General Studies - 3

Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

### 1. Macroeconomic Strength vs External Vulnerability

- India shows **strong GDP growth (8.1%), high public capex (4% of GDP)**, and **fiscal consolidation targets**.
- However, **external buffers are weakening**:
  - ➔ **Rupee depreciation (₹95/\$)**
  - ➔ **Falling forex reserves (\$709 bn)**
  - ➔ **Foreign Portfolio outflows (> \$8 bn)**
- **Growth data ignores risks** from energy dependence, trade routes, and global conflicts.

### 2. Structural Shift in Fiscal and Revenue Model

- Revenue growth increasingly depends on **transaction-based taxes (GST, financial levies)** rather than **income taxes**.
- This creates vulnerability:
  - ➔ **External shocks** → **lower consumption** → **reduced tax buoyancy**
- Past example: **GST shortfall during COVID** → **₹2.69 lakh crore borrowing**.

### 3. Oil Shock Transmission and Fiscal Stress

- India imports **85-87% of crude oil**, making it highly exposed.
- A **\$10 rise in oil prices** leads to:
  - ➔ **↑ Inflation (+0.2%)**

- ⊖ ↑ **Current Account Deficit** (\$9-10 bn)
- ⊖ ↓ **GDP growth** (0.5%)
- After the **Russia–Ukraine war**, crude oil prices rose sharply from ~\$59 (2019) to **over \$120 (2022)**.
- This increase led to **higher inflation in India**.
- To control inflation, the government **reduced excise duty** on fuel:
  - ⊖ ₹13 per litre on petrol
  - ⊖ ₹16 per litre on diesel
- This decision caused a **revenue loss of about ₹2.2 lakh crore**.

#### 4. Impact on Households and Industrial Structure

- **Household vulnerabilities rising:**
  - ⊖ **Debt** ↑ to 41% of GDP
  - ⊖ **Weak real wages**
  - ⊖ **Consumption driven by credit**
- **Energy shocks** → higher LPG costs, reduced real income
- Fiscal strategy prioritises **capital expenditure** (₹17.15 lakh crore) over **welfare spending** (e.g., MGNREGA cuts).
- **Industrial trend:**
  - ⊖ Growth in **capital-intensive sectors** (tech, manufacturing)
  - ⊖ Weak **labour-intensive sectors**
- Informal sector hit harder:
  - ⊖ **LPG shortages** → business closures & 50-60% drop in deliveries

#### 5. Core Conclusion

##### India faces a macroeconomic paradox:

- **Strong growth indicators** but **rising structural vulnerabilities**

##### Key risks:

- **Energy dependence**
- **Transaction-based taxation**
- **Weak household incomes**

##### Policy need:

- Shift toward **income-led demand**,
- Build **resilient revenue systems**,
- Ensure **energy diversification**.

#### KEYWORDS

##### Vulnerability Atlas of India

- The Vulnerability Atlas of India is released by **the Building Materials & Technology Promotion Council** under the **Ministry of Housing and Urban Affairs**.
- It is a **national-level disaster risk assessment tool that maps multi-hazard vulnerabilities** such as earthquakes, cyclones, floods, landslides, thunderstorms, and windstorms.
- The **Atlas provides district-wise hazard zonation maps and housing vulnerability risk tables**, primarily based on Census of India 2011 data.
- It **supports disaster mitigation planning and safer construction practices**, guiding policymakers, urban planners, and engineers in resilient infrastructure development.
- While **the 3rd edition was released in 2019**, earlier versions were released in 1997 and 2006.

## Places in news

### Bushehr Nuclear Power Plant

- The Bushehr Nuclear Power Plant is **Iran's first commercial nuclear reactor**, located near Bushehr, developed with **Russian (VVER light-water reactor) assistance** under a 1994 agreement.
- The project originally began in **1974 with German company Siemens**, but was halted after the **1979 Iranian Revolution** and later damaged during the **Iran–Iraq War**, before Russia revived construction.
- The plant operates under **IAEA** (International Atomic Energy Agency) safeguards, with fuel supplied by Russia, sealed and monitored, and spent fuel required to be returned to Russia, reducing proliferation risks.
- It became operational in **2011–12**, supplying about **700 MW electricity**, and reached **full capacity soon after**, contributing to Iran's civilian energy needs.
- Safety concerns have arisen due to its location in a **seismic zone**, especially after a **6.3 magnitude earthquake (2013)**, though Iran has denied major vulnerabilities.
- Iran plans to expand the facility with two additional reactors, aiming to increase nuclear energy's share to 8–10% of national electricity, while remaining under international agreements like **JCPOA (Joint Comprehensive Plan of Action)**.

