

FORTUNE IAS NEWS DAILY EXPLAINER

India's 'Israel habit' meets West Asian realities

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. Why is India's growing closeness with Israel being debated?

- **India-Israel relations** have strengthened through **defence cooperation, military technology, and intelligence sharing**.
- However, **foreign policy** should be guided by **long-term national interests**, not by **habit or past alignments**.
- An excessive alignment with **Israel** may reduce India's **strategic flexibility** in **West Asia**.

2. How has the changing situation in West Asia affected India?

- **Iran** has demonstrated that it remains a **major regional power** despite **U.S. and Israeli military strikes**.
- Tensions in the **Strait of Hormuz** threaten **India's energy security**, as a large share of India's **oil imports** passes through this route.
- Any prolonged conflict in the region can increase **oil prices**, affect the **Indian economy**, and disrupt **energy supplies**.
- Therefore, India must adopt a **balanced and independent foreign policy** in West Asia.

3. Why is maintaining good relations with Iran important for India?

- **Iran** is strategically important due to its influence in **West Asia** and its location near the **Strait of Hormuz**.
- Strong ties with Iran support India's **energy security, regional connectivity, and strategic interests**.
- If India is seen as moving too close to **Israel**, Iran may strengthen its partnership with **China** and **Pakistan**, reducing India's influence.
- Maintaining relations with **both Israel and Iran** gives India greater **diplomatic leverage**.

4. What should be India's approach in West Asia?

- India should avoid choosing between **Israel** and **Iran** and instead follow a policy of **strategic autonomy**.
- It should continue strong relations with **Israel, Iran, and the Arab Gulf countries** based on **national interest**.
- A balanced approach will protect India's **energy security, economic interests**, and support its image as a leader of the **Global South**.
- India's foreign policy should focus on **independent decision-making, multi-alignment**, and safeguarding **long-term strategic interests**.

Reimagining sovereign AI for India's strategic future

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. Why is AI emerging as a geopolitical and national security issue?

- The **U.S. recently restricted foreign access to Anthropic's advanced AI models** (Fable 5 and Mythos 5) on national security grounds.

- The **U.S. government** gets **priority access to advanced AI models up to 30 days** before trusted partners.
- Countries are **increasingly treating AI as a strategic asset** rather than just a commercial technology.
- **Europe is investing in AI computing infrastructure** and promoting “Buy European” procurement, while **Argentina is offering a regulatory safe harbour** to attract AI investments.

"Buy European" procurement means giving preference to European companies and products in government purchasing and public contracts, especially in strategic sectors like AI, cloud computing, semiconductors, and defence.

2. What are India's key challenges in the AI era?

- **India does not possess frontier AI models** requiring over 10 septillion (10^{25}) Floating-Point Operations to train.

FLOPs (Floating-Point Operations): A measure of the total number of mathematical calculations involving decimal (floating-point) numbers that a computer performs, used to quantify the computational power and training requirements of Artificial Intelligence (AI) models.

- **Heavy dependence on foreign AI models** creates strategic vulnerabilities.
- India **spends only 0.6% of GDP on Research and Development (R&D)**.
- The **private sector contributes only one-third of India's R&D expenditure**.
- **India cannot match the massive investments** made by global AI companies.

3. What lessons can India learn from other strategic sectors?

- **India's pharmaceutical industry still imports 65% of critical Active Pharmaceutical Ingredients** from China.

An **Active Pharmaceutical Ingredient (API)** is the biologically active substance in a medicine that produces its intended therapeutic effect. It is the key ingredient responsible for treating or preventing a disease.

- **Industrial policy alone cannot eliminate strategic dependence** overnight.
- **Production-Linked Incentive (PLI) schemes** create long-term domestic capabilities.
- **Global integration and domestic capacity-building** must proceed simultaneously.
- **Strategic resilience requires sustained investment** over time.

4. What should be India's strategy going forward?

- **Adopt a whole-of-government approach involving multiple ministries and departments**, including the Ministry of External Affairs (MEA), Ministry of Commerce & Industry, Ministry of Electronics and Information Technology.
- **Strengthen Research and Development (R&D)**, AI computing infrastructure and indigenous AI capabilities through initiatives such as the IndiaAI Mission.
- **Promote domestic AI innovation and manufacturing through schemes** such as the Production Linked Incentive (PLI) Scheme
- **Build globally competitive AI products** while remaining integrated with global frontier AI ecosystems.

The fiscal tightrope for State govts.

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

Mains: General Studies - 2
Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

1. Why are Kerala and Tamil Nadu facing fiscal stress despite development?

- **Rising debt levels** have been termed “alarming” in recent White Papers(**official government reports explaining policies, financial position, or specific issues in detail**).
- Debt reflects a **mismatch between high development aspirations and limited fiscal capacity**, not just mismanagement.

- States bear higher expenditure responsibilities, while **tax powers** are concentrated with the Union.
- Persistent **fiscal deficits** (expenditure > revenue) lead to continuous borrowing.

2. What are the key features of their expenditure and revenue structure?

- **High social sector spending:** Kerala (30%) and Tamil Nadu (20%) above national average (2020–23).
- **Strong own-tax revenue** in Kerala (1.5× national average), yet **lower tax devolution share**.

Tax devolution is the distribution of a portion of taxes collected by the Union government to State governments based on a formula recommended by the Finance Commission.

- **Low capital expenditure (about 10%),** limiting future growth capacity in Kerala.

Capital expenditure refers to the government spending on **creating assets like infrastructure, schools, and hospitals that generate long-term economic benefits**.

- Major expenditure heads of Kerala: **Salaries (20%), Pensions (15.3%), Interest (16.5%).**

3. What investment challenges does Kerala face?

- **Fiscal dilemma:** Cutting revenue expenditure may weaken **social sector achievements**.

Revenue expenditure refers to the government spending on **day-to-day expenses like salaries, pensions, subsidies, and interest payments that do not create long-term assets**.

- Need for **large investments in infrastructure, higher education, research, and transport**.
- **Youth migration** due to lack of adequate opportunities.
- Capital expenditure could have **doubled between 2016 and 2026** if the State had effectively used its **excess savings for investment purposes**.

4. What are the borrowing constraints and the way forward?

- Indian States generally face high borrowing costs (around 6.5-7.5%) compared to China (nearly 2%), which increases their overall debt burden.
- China enables local governments via **bonds, land sales, and financing vehicles**.
- Government debt is largely **domestic (owed to citizens)** and can support development.
- Need to **reform fiscal structures** to:
 - ➔ **Lower borrowing costs** (paying less interest when taking loans)
 - ➔ **Improve access to domestic savings**
 - ➔ **Increase capital expenditure for long-term growth**

KEYWORDS

Super El Niño

- El Niño is an **abnormal warming of sea surface temperatures in the central and eastern equatorial Pacific Ocean**, which weakens trade winds and often suppresses the Indian summer monsoon, increasing the risk of below-normal rainfall and drought conditions.
- Super El Niño is an **exceptionally strong El Niño–Southern Oscillation (ENSO) event**, marked by sea surface temperature anomalies of at least +2°C in the Niño 3.4 region of the equatorial Pacific Ocean.
- Niño regions are **four designated areas in the equatorial Pacific Ocean used to monitor sea surface temperature (SST) anomalies** and track the phases of the El Niño–Southern Oscillation.
- It is **driven by intense subsurface heat buildup, strong westerly wind bursts, and weakened trade winds, which allow warm water to spread eastward across the Pacific**.
- Super El Niño events are rare, **with only a few recorded since 1950, including the 1982–83, 1997–98, 2015–16 and more recently in the 2026–2027 cycle events**.
- It **can disrupt global weather patterns, intensifying droughts, floods, heatwaves, and marine heatwaves** while influencing monsoons and jet streams.

- In India, a Super El Niño generally weakens the southwest monsoon, increasing the risk of rainfall deficits, heat stress, and agricultural losses.

Inter-Operable Criminal Justice System (ICJS)

- **Inter-Operable Criminal Justice System (ICJS)** has been established to create a **more efficient and integrated criminal justice delivery system** by connecting the five key pillars of criminal justice:
 - ☛ Police (CCTNS)
 - ☛ Courts (e-Courts)
 - ☛ Jails (e-Prisons)
 - ☛ Forensic Laboratories (e-Forensic)
 - ☛ Prosecution (e-Prosecution)
- It follows the **“One Data, One Entry”** principle, under which **data is entered only once** into the system.
- The same data is then **shared across all integrated databases**, enabling **better coordination, faster investigations, and seamless information exchange** among criminal justice agencies.
- The **National Crime Records Bureau (NCRB)** is the **nodal agency** for implementing the project, with the **National Informatics Centre (NIC)** serving as the **technology partner**.

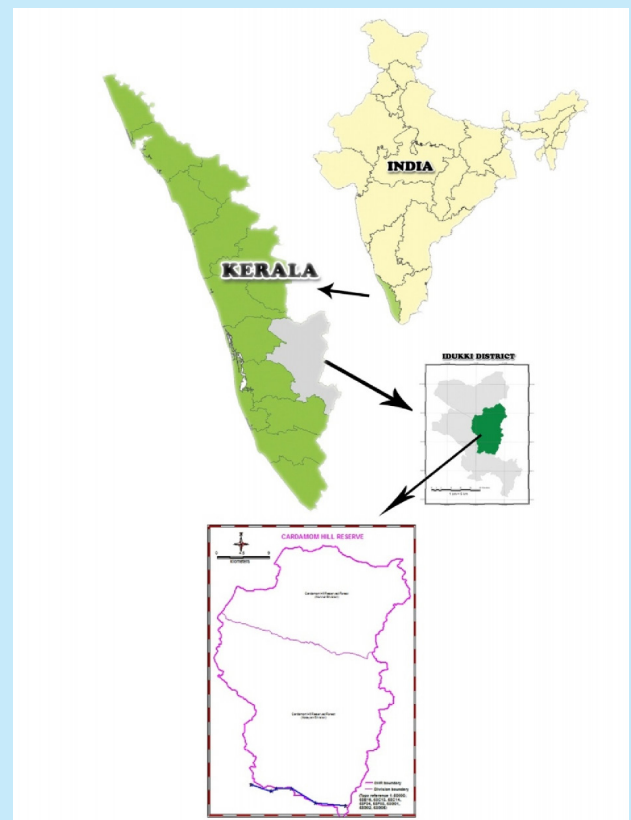
Electronic Overseas Citizen of India (e-OCI) Card

- **Electronic Overseas Citizen of India (e-OCI) Card** is a **fully digital initiative** to modernise **OCI services** for the **global Indian diaspora**.
- Applicants can complete the **entire OCI process online**, including **application submission, document upload, and downloading the e-OCI Card** after approval.
- **Existing OCI cardholders** can obtain the **e-OCI Card digitally** in most cases **without a fresh application or physical verification**.
- The initiative will **benefit over 50 lakh OCI cardholders** by making OCI services **faster, simpler, and more convenient**.

- It enables **online processing**, reduces **paperwork** and **administrative costs**, and improves **centralised data management**.
- Integration with **digital immigration systems** allows **real-time verification at airports**.
- **Overseas Citizenship of India** is an immigration status that allows a foreign citizen of Indian origin to live and work in India indefinitely.

Places in News

Cardamom Hill Reserve (CHR)



- Recently, Cardamom Hill Reserve has been in the news due to concerns over illegal tree felling, unauthorized construction, and proposals to strengthen conservation through reserve forest status.
- The Cardamom Hill Reserve (CHR) is an **administrative tract of over 15,000 acres** located in Idukki district, Kerala, established by the erstwhile Kingdom of Travancore in 1897.

- It lies in the southern Western Ghats and forms part of a biodiversity-rich landscape and an important watershed.
- The reserve was historically created to regulate and promote cardamom cultivation, **earning the region the title “Green Queen of Spices.”**
- Much of the land in CHR is held under long-term plantation leases, leading to recurring disputes over land ownership, environmental protection, and forest classification.

Bargi Dam

- Recently, Bargi Dam has been in the news due to low reservoir levels, dam safety concerns, and a fatal tourist boat capsizing incident.
- The **Bargi Dam, officially known as the Rani Avantibai Lodhi Sagar Project, is a multipurpose gravity dam built across the Narmada River in Madhya Pradesh.**
- Located in **Jabalpur district, the dam was completed in 1990** and is among the first major dams constructed under the Narmada Valley Development Project.
- The **dam serves irrigation, hydroelectric power generation (105 MW), drinking water supply, and flood moderation in the region.**
- Its **reservoir extends into the districts of Jabalpur, Mandla, and Seoni**, and has emerged as a major eco-tourism and boating destination.



Species In News

Himalayan long-tailed Myotis (Myotis himalaicus)

- **Himalayan long-tailed Myotis (Myotis himalaicus)** is a **newly discovered bat species** that has a **tail almost as long as its body.**
- It belongs to the **Myotis frater complex**, a group of **morphologically similar bat species** distributed across **eastern and central Asia.**
- **Myotis** is one of the **largest and most widely distributed (cosmopolitan) genera of bats**, comprising **more than 100 species worldwide.**

