

The fallout of the crisis in West Asia on India's economy

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 Russia-Ukraine War and West Asia crisis disrupted global energy supply, increasing prices.
- **Partial blockage of the Strait of Hormuz** affected transport of oil and gas.
- **Oil prices fell from \$109 to \$95 per barrel** after a temporary ceasefire.
- India imports about 90% of its crude oil from 41 countries.
- **India's crude basket (Brent – sweet crude; Oman & Dubai – sour crude) saw a sharp rise and then fell from \$157 to \$120 per barrel** after the ceasefire.

Sweet crude: low sulphur, cleaner and easier to refine (e.g., Brent)

Sour crude: high sulphur, more refining needed (e.g., Oman, Dubai)

2. Impact of Multiple Stressors on the Indian Economy

- **Energy shortages affect production in key sectors like textiles, fertilizers, cement, etc.,** with spillover effects across the economy.
- **Higher energy prices increase transport and storage costs, leading to a cascade** of price increases in final goods.
- **Indian exports are hit by both global demand slowdown** (U.S., Europe, West Asia) and supply issues

- **Exchange Rate & Remittances Pressure:** Rupee depreciation due to higher import bills and falling Gulf remittances, along with capital outflows (FPI).
- **Imports (especially oil, fertilizers) rise while exports fall,** increasing Current Account Deficit.
- **Cost-push inflation rises; the government faces higher subsidy burden,** reduced tax revenues, and fiscal pressure.

3. Economic Impact of Rising Crude Oil Prices

- The government faces a net revenue loss of about ₹5,500 crore per fortnight due to reduced excise duties and limited gains from export taxes
- **Food, fertilizer, and petroleum subsidies are likely to exceed their 2026-27 budget** estimates due to rising global prices.
- **Retail fuel prices need to increase** as long as crude oil prices remain high.
- **With crude prices around \$120 per barrel, GDP growth may fall by about 1% and inflation may rise by over 2%,** depending on the duration of the crisis.

Reclaiming Ambedkar for a modern Andhra Pradesh

Prelims: General Studies Paper - 1
History of India and Indian National Movement.

Mains: General Studies - 1
Modern Indian history from about the middle of the eighteenth century until the present- significant events, personalities, issues.

1. Context: Reclaiming B. R. Ambedkar's Vision

- **Ambedkar is often reduced** to a sectional leader instead of being recognised as the **architect of India's moral and constitutional vision.**
- His legacy must be **applied, not ritualised.**
- **Equality,** though aspirational, must **guide governance.**

- The real test lies in **dismantling structural inequality**, not rhetoric.
- Andhra Pradesh has treated **education, healthcare, and governance as instruments of dignity**

2. Social Justice Through Welfare and Governance in Andhra Pradesh

- **The Nadu-Nedu programme** upgraded government schools with **better infrastructure and English-medium instruction**.
- Aim was to **break material and linguistic barriers** and ensure **quality education beyond private schools**.
- Focus shifted from **mere enrolment to dignity and learning environment**.
- **Public healthcare expansion** reduced the risk of **medical poverty**.
- **Grama Sachivalayas** ensured **decentralised governance** and **doorstep service delivery** (50–60 households per volunteer).
- **Women empowerment** through **Direct Benefit Transfers (DBTs)** and **50% reservation** in local bodies, posts, and contracts.
- **The rural economy strengthened** through the “**seed to sale**” model.
- **Rythu Bharosa Kendras (RBKs)** provided **e-crop booking, insurance, mechanisation, price support, and subsidies**, especially for **tenant farmers**.
- **Scheduled Tribe farmers** received **RoFR pattas**, enabling access to benefits.

RoFR Patta refers to land titles issued under the **Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (FRA)**. It grants legal rights to forest-dwelling communities, including individual titles (up to 4 hectares) and community rights, to regularize land occupied before December 13, 2005.

3. Economic Empowerment and Public Memory

- **The 206-foot ‘Statue of Social Justice’** at **Ambedkar Smriti Vanam, Vijayawada** institutionalised his legacy.
- **The district’s renaming after Ambedkar** faced **violent resistance from feudal elements**.

- Ambedkar **critiqued traditional village structures** and supported **industrialisation**.
- Andhra Pradesh leveraged its **1,053 km coastline** for **ports, fishing harbours, and logistics infrastructure**.
- These aimed at **expanding economic opportunities and connectivity**.

4. Constitutional Morality and Way Forward

- Governance must be based on **institutions and law, not personalities**.
- **Selective justice and suppression of dissent** weaken **constitutional morality**.
- **The Constitution** is a **moral commitment to fairness, restraint, and accountability**.
- It must remain **supreme over arbitrary tools like a “Red Book.”**
- **Inclusion efforts face resistance** but must continue.
- **Social justice is an ongoing project** requiring **consistent policy action**.

Rise in middle class vulnerability

Prelims: General Studies Paper - 1

Economic and Social Development-Sustainable Development, Poverty, Inclusion, Demographics, Social Sector Initiatives, etc.

Mains: General Studies - 3

Inclusive growth and issues arising from it.

1. India’s Growth & Poverty Reduction

- India’s **macroeconomic performance** is seen as a success in **reducing poverty**.
- The share of people below the poverty line fell from **50% to 30%** in a decade.
- **Welfare schemes** (food subsidy, DBT, financial inclusion) improved **last-mile delivery**.
- **Extreme deprivation declined**, especially among **vulnerable groups**.

2. Limits of Poverty-Based Measurement

- The poverty line only shows **minimum subsistence**, not **quality of life**.
- A **World Bank policy paper** proposes a **different way** of thinking about welfare.

- Instead of a **simple yes-or-no classification**, it views well-being as a **range of living conditions** and places **more emphasis on those most disadvantaged**.
- Focus shifts to **distance from a decent standard of living**.
- Crossing a poverty line, in this context, **does not necessarily mark entry into stability**.
- Growth is not creating a **stable middle class**, but a **“vulnerable middle.”**

3. Structural Issues in Economy & Labour Market

- Growth is **capital-intensive**, with **low job creation**.
- Less than **10% workers in the formal sector**; majority in **informal economy**.
- **94% informal workers earn < ₹10,000/month** → income insecurity.
- **Wages stagnating** despite rising **productivity**.
- **Manufacturing decline** → job losses
 - ➔ Between 2016 and 2021, the sector **lost about 24 million jobs**.
- Workers shifting back to **low-productivity agriculture**.
- Rising **inequality**:
 - ➔ Top **1% earns >22% National Income**
 - ➔ **271 billionaires hold 25% wealth**

4. Emerging Challenges & Policy Shift

- High **youth unemployment (45%)** and **graduate unemployment (29%)**.
- **Household savings declining, debt increasing**.
- Credit used for **survival, not investment**.
- Poor **human development indicators** (child wasting, stunting).
- Core issue: **growth without mobility**.
- Policy focus must shift to:
 - ➔ **Productive employment generation**
 - ➔ Linking **productivity with wages**
 - ➔ Ensuring **inclusive distribution of growth**

Subhas Chandra Bose: the paradox of a revolutionary's theory and praxis

Prelims: General Studies Paper - 1
History of India and Indian National Movement.

Mains: General Studies - 1
The Freedom Struggle — its various stages and important contributors/contributions from different parts of the country.

1. Intellectual & Philosophical Foundation

- Subhas Chandra Bose moved from **absolute idealism** to **pragmatism**.
- Rejected **Doctrine of Maya (The world is an illusion)** as impractical for revolution.
- Viewed reality as **dynamic, evolving, and moral** (based on **Spirit and love**).
- Influenced by **G. W. F. Hegel's dialectics** → progress through **conflict and synthesis**.
- Believed individuals must **actively participate in change**.

Hegelian Dialectics: Progress happens through **conflict and resolution**-an idea (**thesis**) creates its opposite (**antithesis**), and their conflict leads to a **synthesis** (a new, improved idea).

2. Doctrine of Samyavada (Harmony & Equality)

- **Samyavada** = doctrine of **equality, harmony, and synthesis**.
- Aimed to combine the best **elements of Fascism and Communism**.
- Rejected **blind imitation of Western ideologies**.
- Saw India's role as creating a **new ideological synthesis**.
- Envisioned a **modern socialist state** with:
 - ➔ **Social ownership**
 - ➔ **Economic equality**
 - ➔ **Social justice**

3. Vision of Independence & Social Transformation

- Independence meant **total transformation**, not just political freedom.

- Included:
 - ➔ Economic equality
 - ➔ Removal of caste discrimination
 - ➔ Gender equality
 - ➔ End of social injustice & communalism
- Focus on **inclusive development for all sections** of society.

4. Economic Planning & Political Strategy

- Strong advocate of **industrialisation and scientific planning**.
- Supported **state control of production and distribution**.
- Favoured a **strong central government** during reconstruction.
- Accepted **temporary authoritarianism** for rapid development.
- However, modern perspective questions **authoritarian approaches** in a **rights-based society**.

KEYWORDS

Kármán Line

The diagram illustrates the layers of the Earth's atmosphere. From bottom to top, the layers are: Troposphere, Stratosphere, Mesosphere, Thermosphere, and Exosphere. Key features include:

- Kármán Line:** An imaginary boundary at 100 km above sea level, marking the transition between Earth's atmosphere and outer space.
- Ozone Layer:** Located in the stratosphere.
- Commercial aircraft:** Fly in the lower stratosphere.
- Highest Space Shuttle:** Reached 410 km.
- Space Shuttle and Space Station:** Operate above the Kármán Line.
- Satellites:** Orbit in the thermosphere and exosphere.

- The **Kármán Line** is an **imaginary boundary at about 100 km above sea level** that marks the transition between the **Earth's atmosphere** and **outer space**.

- Though not all scientists and spacefarers accept it, a **majority of countries and space organisations recognise this boundary between earthsky and space**.
- This boundary was established in the **1960s** by the **Fédération Aéronautique Internationale (FAI)**, an international **record-keeping authority**.
- It serves to regulate **airspace**, indicating the altitude beyond which **conventional aircraft cannot operate**, requiring **special propulsion systems** to counter **Earth's gravitational pull**.

Personalities in news

Subhas Chandra Bose

- Subhas Chandra Bose was born on **January 23, 1897**, in **Cuttack, Odisha**, a day now commemorated as **Parakram Diwas**.

- He was a **radical nationalist** who demanded **immediate and complete independence (Purna Swaraj)** and believed in **militant struggle** rather than gradual methods.
- He served as **President of the Indian National Congress (1938–39)** but resigned due to **ideological differences with Mahatma Gandhi**, especially on non-violence and strategy.
- He founded the **Forward Bloc in 1939** as a left-wing group within Congress.
- He reorganised and led the **Indian National Army (INA/Azad Hind Fauj)** in **1943**, mobilising Indians abroad to fight British rule through **armed resistance**.
- He established the **Provisional Government of Free India (Azad Hind)** in 1943, which declared war on Britain and the US and was recognized by Axis powers.
- He was the first to address **Mahatma Gandhi as the “Father of the Nation”** in a 1944 radio broadcast from Singapore.
- Known as **“Netaji”**, he popularized powerful slogans such as **“Jai Hind,” “Dilli Chalo,”** and **“Give me blood, and I shall give you freedom!”**.

