

FINDER

FORTUNE IAS NEWS DAILY EXPLAINER



Click here
for daily
MCQs

THE HINDU

Economics beyond the individual

Prelims: General Studies Paper - 1

Current events of national and international importance

Mains: General Studies - 3

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

Why in Focus?

- **Nobel Prize-winning economists Robert Hall and Michael Woodford** studied how individual decisions affect the overall economy and monetary policy.
- The article highlights the role of **business investment, expected profits and uncertainty** in economic instability.

Key Highlights:

- **Robert Hall and Michael Woodford** developed economic models linking individual decisions to the overall economy and monetary policy.

Monetary Policy: Actions taken by the central bank to control money supply and interest rates to maintain price stability and support economic growth.

- Higher interest rates **may encourage people to save more and spend less**. However, this

alone cannot explain all economic ups and downs.

- **John Maynard Keynes** argued that savings do not automatically lead to investment. Businesses **invest when they expect to earn profits**.

John Maynard Keynes: British economist known as the father of modern macroeconomics. He argued that government intervention and public spending can help overcome recessions and unemployment.

- Investment **creates income, and part of this income becomes savings**. Therefore, income helps balance savings and investment.
- **Business investment** depends on expected future profits.
- Businesses may **invest more during economic booms** and reduce investment during recessions.

Recession: A period of economic slowdown marked by falling output, reduced business investment and rising unemployment.

- **Hyman Minsky** explained how risky financial activities can increase economic instability. This was seen during the **2008 global financial crisis**.
- Economic policies should consider **business investment, unequal ownership of wealth and their effects on growth, jobs and public welfare**.

Implications:

- **Economic growth** may slow when business



investment remains low.

- **Employment** may decline when reduced investment limits job creation.
- **Monetary policy** based only on interest-rate changes may not ensure economic stability.
- **Social welfare** can be affected by unequal ownership of capital and the distribution of economic benefits.

Way Forward:

- **Economic modelling** should combine individual-level decisions with aggregate demand and business investment.
- **Business confidence** and profit expectations should be considered while designing economic policies.
- **Fiscal measures** should complement monetary policy to support productive investment.
- **Financial regulation** should reduce excessive speculation and systemic risks.
- **Policy evaluation** should consider economic growth, employment and public welfare.

Mains Question:

“Business investment and uncertainty play a critical role in determining macroeconomic stability.” Discuss in the context of Keynesian economics. (150 words, 10marks)

Prasar Bharati is not a public service broadcaster

Prelims: General Studies Paper - 1

Indian Polity and Governance-Constitution, Political System, Panchayati Raj, Public Policy, Rights Issues, etc.

Mains: General Studies - 2

Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Why in Focus?

- **Prasar Bharati** has been criticised for broadcasting government programmes without sufficient independence.
- The **Prasar Bharati Act, 1990** aimed to ensure public broadcasting autonomy, but important provisions remain unimplemented.

Prasar Bharati: A statutory autonomous body established under the Prasar Bharati Act, 1990, which came into force in 1997. It operates **All India Radio** and **Doordarshan**.

Key Highlights:

- The **Prasar Bharati Act, 1990** came into force in **1997** to make public broadcasting independent and accountable to the people and Parliament.
- **Section 12(2)(b)** requires news to be truthful, fair and balanced, covering different viewpoints.
- **Sections 13–15** provide for parliamentary oversight and a Broadcasting Council. These provisions **have not been fully implemented, weakening accountability**.
- The government **influences Prasar Bharati through funding, assets and staff**.
- The **Chanda Committee (1966)** examined broadcasting and called for a change in the government's approach.
- In the **1995 Cricket Association of Bengal case**, the Supreme Court said airwaves belong to the public and called for an independent authority to regulate them.

Implications:

- **Media freedom** and democratic accountability may weaken due to government influence.
- **Access to information** may suffer when broadcasting lacks diverse and reliable viewpoints.
- **Public trust** may decline without an independent complaint-redressal mechanism.
- **Institutional credibility** suffers when public broadcasters lack genuine autonomy.
- **Programme quality** may decline due to limited investment in content production.

Way Forward:

- **Institutional accountability** should be strengthened by implementing parliamentary oversight and Broadcasting Council provisions.
- **Professional management** should be ensured through transparent, merit-based appointments.



- **Financial autonomy** should be strengthened, with necessary assets and staff transferred to Prasar Bharati.
- **Legal reforms** should address provisions enabling excessive government interference.
- **Editorial independence** and accessible complaint-redressal mechanisms should be strengthened.

Mains Question:

"An independent public broadcaster is essential for protecting freedom of expression and strengthening democracy." Discuss the challenges facing Prasar Bharati and suggest measures to ensure its autonomy. (150 words, 10 marks)

Tied by geography, divided by politics

Prelims: General Studies Paper - 1

Current events of national and international importance

Mains: General Studies - 2

Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

Why in Focus?

- The **relationship between India and Bangladesh is under scrutiny** due to recent political changes and historical ties.
- Bangladesh's newly elected Prime Minister, **Tarique Rahman**, may visit New Delhi in November or December 2026, creating an opportunity to improve bilateral relations.

Key Highlights:

- India's role in Bangladesh's **1971 Liberation War** strengthened bilateral ties, but resentment over perceived Indian dominance continues to affect relations.

Bangladesh Liberation War (1971): A war that led to the independence of Bangladesh from Pakistan on 16 December 1971, with India providing military support to the liberation movement.

- The **4,000-km-plus shared border** and common river systems make cooperation essential for border management, water

security and regional stability.

- India's close association with **Sheikh Hasina and the Awami League** created mistrust among sections of Bangladesh's political establishment, particularly the **Bangladesh Nationalist Party (BNP)**.

Awami League: A major political party in Bangladesh founded by Sheikh Mujibur Rahman during the 1971 Liberation War. It played a key role in the movement for independence.

Bangladesh Nationalist Party (BNP): A major political party founded in 1978 by Ziaur Rahman, former President of Bangladesh.

- Bangladesh's closer engagement with **China, Pakistan and the US** challenges India's regional influence.
- **Sheikh Hasina's ouster in August 2024** and the unresolved extradition issue have strained ties, requiring India to rebuild engagement with Bangladesh
- Political tensions risk **affecting bilateral trade, cross-border connectivity and broader economic cooperation**.
- **Shared Bengali linguistic and cultural ties** provide a basis for cooperation, but India must respect Bangladesh's distinct national identity.

Implications:

- **Political mistrust** can weaken regional stability and bilateral cooperation.
- **Strategic competition** involving China and Pakistan can increase India's security concerns.
- **Water disputes** can affect livelihoods and public trust.
- **Economic cooperation** may suffer through disruptions to trade, transit and regional connectivity.
- **People-to-people ties** may weaken due to reduced social and cultural engagement.

Way Forward:

- **Political engagement** should focus on Bangladesh's elected government rather than a single political party.
- **Diplomatic dialogue** should address bilateral disputes through applicable legal procedures.
- **Water cooperation** should promote equitable



agreements on shared rivers.

- **Mutual respect** for Bangladesh's sovereignty and strategic autonomy should be balanced with India's legitimate security concerns.

Mains Question:

"India–Bangladesh relations are shaped by historical ties, domestic politics and competing strategic interests." Examine the major challenges in bilateral relations and suggest measures to strengthen cooperation.(250 words, 15marks)

KEYWORDS

Fund for Responding to Loss and Damage (FRLD)

- The Fund for Responding to Loss and Damage approved **US\$20 million for Nepal** to support relief, rehabilitation and reconstruction following devastating floods in the Bhotekoshi–Trishuli region
- The **FRLD was established at COP27 (2022) and operationalised at COP28 (2023)** under the UNFCCC to assist vulnerable developing countries facing climate-related losses and damage.
- The Fund addresses **economic and non-economic losses**, including damage caused by extreme weather events and slow-onset climate impacts.
- It is governed by a **26-member Board**, with the **World Bank serving as interim trustee** and the Philippines hosting the Board.

Thirukkural

- **Thirukkural** is an ancient Tamil literary and philosophical work authored by the poet-philosopher **Thiruvalluvar**, also known as Valluvar.
- It is regarded as a seminal work of **Tamil literature and ethics**, composed more than two millennia ago.
- It consists of **1,330 couplets (kurals)**, each comprising seven words, organised into **133 chapters** of 10 couplets each.

- The text is divided into **three books: Aram(Virtue), Porul (Polity/Wealth) and Inbam (Love)**.
- The three books contain **38 chapters on Virtue, 70 on Polity and 25 on Love**, covering morality, socio-economic values and human relationships.

Sakharov Prize for Freedom of Thought

- The **International Criminal Court (ICC) and its officials** were awarded the **2026 Sakharov Prize** for their work in upholding international law and justice.
- The prize was established in **1988** and is named after Soviet physicist and human rights activist **Andrei Sakharov**.
- It is the **European Union's highest human rights honour**, awarded annually by the **European Parliament**.
- The first recipients in 1988 were **Nelson Mandela and Anatoly Marchenko**, and the award carries prize money of **€50,000**.
- Candidates are nominated by Members of the European Parliament (MEPs), shortlisted by parliamentary committees and selected by the **Conference of Presidents**.

Enterococcus

- **Enterococcus** is a genus of Gram-positive bacteria commonly found in the intestinal tracts of humans and animals.
- Important species include **Enterococcus faecalis** and **Enterococcus faecium**, which can cause infections in vulnerable individuals.
- These bacteria may cause **urinary tract infections, bloodstream infections, endocarditis and wound infections**, particularly in healthcare settings.
- **Vancomycin-resistant Enterococcus (VRE)** is a major concern because resistance to antibiotics makes infections difficult to treat.

Chemical Signatures

- **Chemical signatures** are distinctive patterns of chemical compounds or isotopes that help identify a substance or its source.
- They can be used to trace the **geographical origin of materials**, including minerals, food products and pollutants.
- Chemical signatures help scientists study **environmental pollution, climate change and ecosystem processes**.
- They are also used in **forensic science, archaeology and space research** to analyse evidence and identify the origins of materials.

12th BRICS Parliamentary Forum

- India is set to host the **12th BRICS Parliamentary Forum on 26–27 October 2026** in New Delhi under its BRICS chairship.
- The **BRICS Parliamentary Forum was first held in 2015 in Moscow, Russia**, to strengthen parliamentary cooperation among member countries.
- The forum brings together parliamentarians from **BRICS member and partner countries** to promote legislative cooperation and parliamentary diplomacy.
- Discussions focus on **global governance reform, digital transformation, ethical artificial intelligence and sustainable development**.
- **Lok Sabha Speaker Om Birla** is expected to lead the proceedings, with the forum aiming to strengthen inclusive development and cooperation.

Places in News

Alberta

- Alberta was in the news due to a **recent referendum where the majority of its citizens voted against a rising separatist movement**.

- Alberta is a province in western Canada, known for its vast **oil sands** and is home to the **world's fourth-largest proven oil reserves**, following Venezuela, Saudi Arabia, and Iran.
- It accounts for over **80% of Canada's crude oil production**, contributing significantly to the national economy, despite not being the largest or most populous province.
- **Edmonton** is its capital, while **Calgary** is its largest city.
- Its major geographical features include the **Canadian Rocky Mountains** in the west, prairies in the central region and boreal forests in the north.



Zuqar Island

- Zuqar Island **gained attention in September 2026 following reports that Houthi forces had taken control** of the strategically important island near the Bab al-Mandeb Strait.
- Zuqar Island is a **volcanic island belonging to Yemen**, located in the Red Sea between the coasts of Yemen and Eritrea.
- It is part of the **Hanish Islands archipelago** and covers approximately 130 square kilometres.
- Its strategic location **helps monitor maritime traffic and potential weapons-smuggling routes** in the southern Red Sea.
- The island lies near the **Bab al-Mandeb Strait**, which connects the Red Sea with the Gulf of Aden and is a key route for international shipping between Asia and Europe.

