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GS 2: POLITY, GOVERNANCE, SOCIAL JUSTICE, INTERNATIONAL RELATIONS/INSTITUTIONS

1. A new era of trade

Context: The recent meeting between Prime Minister Narendra Modi and President Donald Trump addressed wide-ranging issues, including the setting of ambitious targets for bilateral trade. The meeting took place against the backdrop of growing apprehensions over heightened global uncertainty, caused, in part, by the disruptive actions of the US President. To take forward the idea of “Mission 500”, India and the US have agreed to go in for multi-sector Bilateral Trade Agreement (BTA) by the fall of 2025, keeping in view the broader framework of COMPACT (Catalyst Opportunities for Military Partnership, Accelerated Commerce and Technology). The BTA will aim to adapt an integrated approach for deepening trade across the goods and services sector.

Key points

- **Key Outcomes of the Meeting:** *Mission 500* - Ambitious target to achieve \$500 billion bilateral trade by 2030.
COMPACT Framework - Catalysing opportunities in Military Partnership, Commerce, and Technology.

BTA Agreement - Multi-sector deal to be finalized by Fall 2025.

- **Proposed Bilateral Trade Agreement (BTA): Scope** - Unlike FTAs, does not require coverage of "substantially all trade." The BTA streamlines preferential trade arrangements. It targets goods (e.g. chemicals, machinery) and services.

Objectives - Reduce tariffs and non-tariff barriers (NTBs). Address market access and supply chain challenges. Align with geopolitical goals while adhering to WTO commitments.

- **Opportunities: Intra-Industry Trade Potential** - US Strengths: Plastics, base metals, precision instruments. India's Strengths: Vegetable products, processed foods, stone/plaster.

Trade Deficit Mitigation - Expansion of trade in complementary sectors to narrow the \$28.8 billion deficit (2023).

- **Challenges: Structural Issues** - Persistent trade imbalance due to differing export capacities.
Global Uncertainty - US shift away from Most Favoured Nation (MFN) principles destabilizes existing trade norms.
- **Strategic Recommendations for India: Adaptability and Innovation** - PMO-led reforms to enhance institutional dynamism. Rapid response to evolving trade frameworks (e.g. Trump's tariff reciprocity).

Leverage COMPACT - Overcome NTBs (e.g. US tariff-rate quotas). Enhance market access for Indian goods/services.

Global South Advocacy - Collaborate with like-minded nations to preserve MFN principles. Counteract fragmentation of global trade governance.

- **Global Trade Implications: MFN Under Threat** - US Actions: Imposition of ad-hoc tariffs (e.g., 10% duty on Chinese goods) violates WTO's MFN obligations. WTO Challenges: China's recent complaint against US tariffs highlights systemic risks.

WTO Data - Over 80% of global merchandise trade relies on MFN terms. Shift away from MFN risks destabilizing predictability in global trade.

- **Conclusion:** The BTA offers a pragmatic pathway to deepen economic ties while navigating geopolitical complexities. India must prioritize bilateral gains through the BTA while advocating for multilateral stability via MFN preservation. Success hinges on addressing structural trade deficits, adapting to US unilateralism, and fostering global coalitions to uphold inclusive trade norms.

Q. Discuss the significance of the proposed Bilateral Trade Agreement (BTA) between India and the US in the context of shifting global trade norms. How can India strategically navigate the challenges posed by the evolving trade landscape? (বিশ্ব বাণিজ্যৰ নিয়মাবলীৰ পৰিৱৰ্তনৰ সন্দৰ্ভত ভাৰত আৰু আমেৰিকাৰ মাজত প্ৰস্তাৱিত দ্বিপাক্ষিক বাণিজ্য চুক্তি (বি. টি. এ.) ৰ গুৰুত্বৰ বিষয়ে আলোচনা কৰক। বিকশিত বাণিজ্য পৰিৱেশৰ দ্বাৰা উদ্ভৱ হোৱা প্ৰত্যাহ্বানসমূহ ভাৰতে কৌশলগতভাৱে কেনেদৰে মোকাবিলা কৰিব পাৰে?)

2. Social justice, not just quota

Context: The debate over reservation for Muslims presents a paradox: while affirmative action for the community is necessary, reserving seats in jobs and education exclusively for Muslims is not the ideal solution. This contradiction arises from the narrow way in which social justice is currently imagined in India—primarily through quotas. Every disadvantaged group, from ex-servicemen to displaced persons, seeks reservation as the default remedy, highlighting the limited tools available in India's policy framework.

Key points

- **Overview:** The demand for Muslim reservation has gained traction since the Sachar Committee Report (SCR) in 2006, which documented the educational and economic backwardness of Muslims.
- **Rethinking Affirmative Action:** A recent report by Hilal Ahmed, Mohd Sanjeer Alam, and Nazima Parveen, published by the US-India Policy Institute and Centre for Development Policy and Practice, presents an alternative framework. The report advances the discussion in three key steps-
 1. It argues for the necessity of affirmative action for Muslims.
 2. It acknowledges that blanket reservation for the entire Muslim community is not a viable solution.
 3. It proposes a diverse set of policies to address the specific disadvantages faced by different Muslim groups.
- **Challenges with Muslim Reservation:** The idea of exclusive Muslim reservation faces three major challenges-
 1. *Legal-constitutional barriers* - The Indian Constitution does not allow reservations based purely on religion. Courts have repeatedly rejected the classification of an entire religious group as a "socially and educationally backward class."
 2. *Sociological complexity* - Muslims are not a homogeneous community; they are divided into various biradaris (sub-castes) with differing socio-economic conditions. Treating all Muslims as a single backward group overlooks these internal disparities.
 3. *Political backlash* - Any proposal for Muslim-specific reservations could trigger nationwide counter-mobilization, worsening communal tensions. Given the current political climate, such a demand is unlikely to succeed and may harm Muslim interests in the long run.
- **Way forward:**
 - Spatial Approach* - Public investment in Muslim-concentrated areas (Minority Concentration Districts, Blocks, and Localities) to improve schools, healthcare, and infrastructure. Existing programs need better implementation to prevent benefits from being diverted to non-Muslim residents in these areas.
 - Engaging the Private Sector* - Instead of enforcing quotas, corporate diversity requirements could be introduced for firms receiving government contracts or subsidies.
- **Conclusion:** While the current political environment may not be conducive to implementing these policies, it is crucial to have a well-researched framework ready for future use. The religion-agnostic affirmative action approach outlined in the report presents a legally viable, politically feasible, and socially just alternative to blanket Muslim reservation. By focusing on backward classes within Muslims, targeted economic upliftment, and anti-discrimination measures, India can ensure inclusive development without fuelling communal divisions.

3. Lighten the pollution burden of thermal power States

Context: In its first updated Nationally Determined Contribution (NDC) in August 2022, India pledged to reduce the emissions intensity of its GDP by 45% by 2030 (from 2005 levels) and achieve 50% of its installed electricity capacity from non-fossil fuel sources. However, despite this shift, thermal power continues to hold a significant share in India's electricity production, accounting for 50% of the total electricity generation. A critical issue arising from this scenario is the environmental burden borne by thermal power-producing States, which generate electricity for other States but receive no compensation for the pollution caused.

Key points

- **Environmental Burden of Thermal Power:** Thermal power plants remain the dominant source of electricity in India, relying heavily on coal. As of April 2023, India had 378.21 billion tonnes of coal reserves, with Odisha alone accounting for 94.52 billion tonnes.
- **Electricity Generation and Consumption:** *Power-Producing vs. Power-Consuming States* - Data from the Central Electricity Authority (CEA) for 2022-23 illustrates this divide. Maharashtra, Uttar Pradesh, and Gujarat had the highest non-renewable electricity generation capacities, producing 31,510.08 MW, 26,729.374 MW, and 26,073.41 MW, respectively.
The Role of Net Exporting and Importing States - Chhattisgarh was the highest net seller of electricity, exporting 535.29 MW. Gujarat was the largest electricity importer, purchasing 17 MW from other States.
Case Study: Tripura and Bihar - Tripura has the highest share of thermal power in its total electricity generation capacity (96.96%), followed closely by Bihar (95.57%). However, not all the electricity generated in these States is consumed locally. For example, Bihar sold 16,529.62 MW of electricity in 2022-23, indicating that a large portion of its power generation benefits other States rather than its own residents.
- **Challenges:** Despite their significant contribution to India's power sector, thermal power-producing States do not receive any compensation for the pollution they endure. India's regulatory structure does not account for the environmental costs of electricity generation, as taxes and duties are imposed on electricity consumption and sale rather than on production.
- **Way ahead:** *Taxation on Thermal Power Generation* - States hosting central sector power plants should be allowed to impose taxes on thermal power production. Alternatively, the Union government could collect and redistribute these tax revenues to the affected States.
Finance Commission-Based Compensation - The Finance Commission of India can introduce a structured compensation mechanism for power-producing States. The Sixteenth Finance Commission should further strengthen this approach by considering India's international climate commitments and implementing a fiscal roadmap to address environmental burdens.
- **Conclusion:** India's commitment to a cleaner energy future must also acknowledge the disproportionate impact of thermal power generation on certain States. The imbalance between electricity generation and consumption, coupled with the absence of financial compensation, places an unfair burden on power-producing States. A well-structured taxation or Finance Commission-based compensation system is necessary to ensure that these States receive fair economic support for their role in India's energy security.

4. What is the Aravali safari park project?

Context: The Haryana government's ambitious 3,858-hectare Aravali safari park project spread across Gurugram and Nuh — which was one of the polls promises of the ruling Bhartiya Janata Party last year — is envisaged to be the world's largest safari park. However, the project has faced still opposition ever since it was first mooted.

Key points

- **Overview:** They emphasized that any intervention in an eco-sensitive zone should prioritize "conservation and restoration" rather than destruction.
- **Aravali Safari Park:** This project will be the largest such project in the world. Currently the largest curated safari park outside Africa is in Sharjah, which opened in February 2022, with an area of about two thousand acres. It aims to boost tourism and employment opportunities for the local people.
- **Ecological Concerns:** The project would increase vehicular traffic and construction in an eco-sensitive zone, harming the environment. They highlighted that the Aravali hills serve as critical water reserves for the water-scarce regions of Gurugram and Nuh. The proposed "underwater zone" in the park could alter water levels, exacerbating water scarcity in an area already classified as "overexploited" by the Central Ground Water Board.
- **Legal and Environmental Restrictions:** It is emphasized that the Safari Park falls under a "forest" category, where environmental laws strictly prohibit deforestation, land clearing, and construction. They cited multiple Supreme Court and National Green Tribunal (NGT) orders under the Forest Conservation Act, 1980, that restrict such activities.
- **Impact on Haryana's Forest Cover and Sustainability:** Haryana has the lowest forest cover in India, and the Aravali range serves as a crucial ecological buffer. The officers warned that mining and human settlement in the area would disrupt environmental balance, violate Sustainable Development Goals (SDGs), and threaten long-term ecological sustainability.

Q. Consider the following statements: (2019)

1. As per recent amendment to the Indian Forest Act, 1927, forest dwellers have the right to sell the bamboos grown on forest areas.
2. As per the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, bamboo is a minor forest produce.
3. The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 allows ownership of minor forest produce to forest dwellers.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 3 only
- (d) 1, 2 and 3

Ans: (b)