

DAILY CURRENT AFFAIRS (DCA)

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ASSESSMENT OF EARTHQUAKE FOR GNIP

Context

- The **Environment Impact Assessment (EIA) study** carried out for the **Great Nicobar Infrastructure Project (GNIP)** downplays the **risk of future earthquakes** that could trigger tsunamis on the scale **that was seen in 2004**.

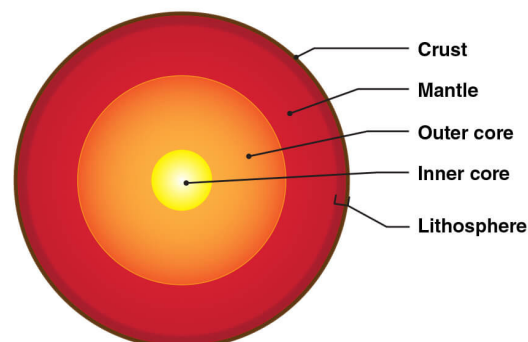
About

- The **GNIP** envisages a trans-shipment port, an international airport, township development, and a 450 Megavolt-Amperes (MVA) gas and solar-based power plant in the GNI.
 - ♦ It was accorded an **environment and preliminary forest clearance** by the Centre.
- **Concerns:** Potential loss of biodiversity, tree-felling, and impact on resident tribes prompted the National Green Tribunal to order a review of the environmental aspects of the project.
- The islands were among the **worst affected regions** during the 2004 Indian Ocean tsunami-earthquake.
 - ♦ The region falls under the **highest seismological category of five** and is highly prone to earthquakes, as the Indian Plate dives beneath the **Burmese Microplate** along the Andaman Trench in a process known as "subduction."

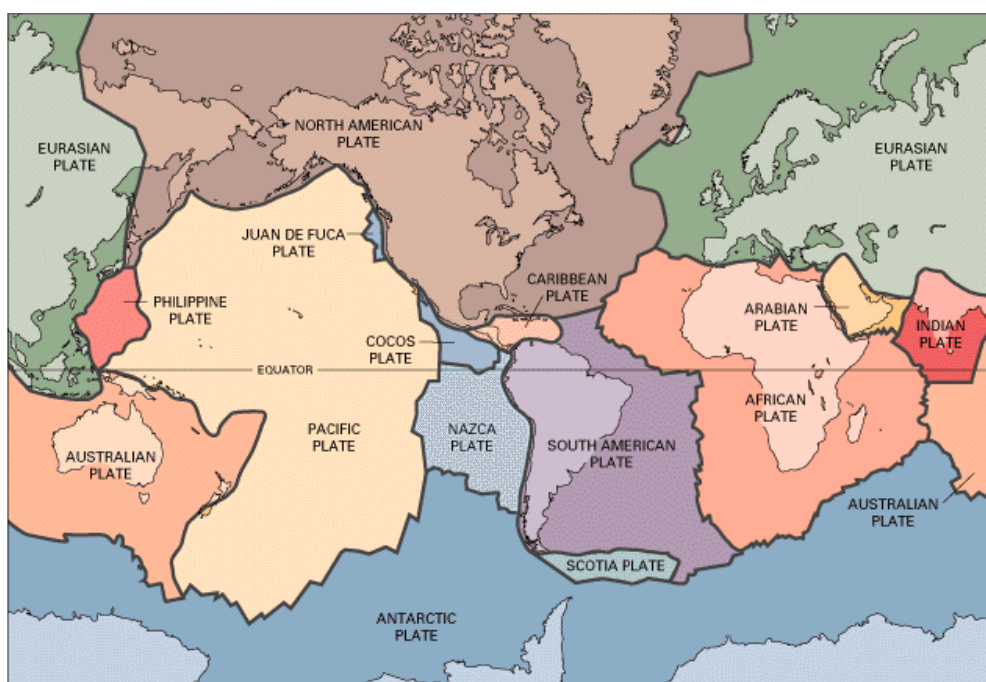
Earthquake

- An earthquake is an intense shaking of Earth's surface. The shaking is caused by **movements in Earth's outermost layer**.

- The Earth is made of **four basic layers**: a solid crust, a hot, nearly solid mantle, a liquid outer core and a solid inner core.



- The solid crust and top, stiff layer of the mantle make up a region called the **lithosphere**.
 - ♦ The lithosphere is made up of **tectonic plates** and tectonic plates are **constantly shifting** as they drift around on the **viscous, or slowly flowing, mantle layer below**.
- This non-stop movement causes stress on Earth's crust, when the stresses get too large, it leads to **cracks called faults**.
 - ♦ When tectonic plates move, it also causes **movements at the faults**. An earthquake is the **sudden movement of Earth's crust at a fault line**.
- **Epicenter:** The location where an earthquake begins is called the **epicenter**.
 - ♦ An earthquake's most intense shaking is often felt near the epicenter.



Measurement of Earthquakes

- The energy from an earthquake travels through Earth in vibrations called **seismic waves**.
- Scientists can measure these seismic waves on instruments called **seismometers**.
- **Magnitude**: Measured by Richter Scale ranging 0-10.
- **The intensity scale**, named after **Mercalli**, considers the visible damage caused by the event.

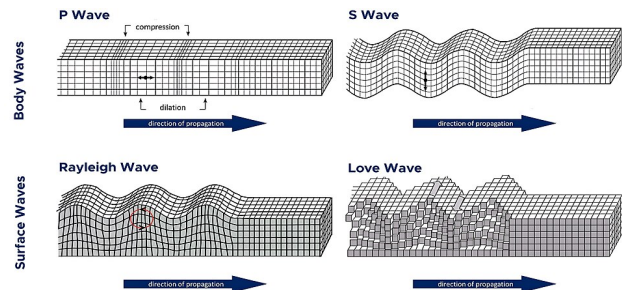
Seismic Waves

- Seismic waves are **energy waves generated by an earthquake** that travels through the Earth's layers, causing ground shaking.
- They are mainly classified into two types: **body waves and surface waves**.
 - ♦ **Body Waves**: These waves travel through the interior of the Earth. They are faster and arrive before surface waves during an earthquake.
 - ♦ **Surface waves** travel along the Earth's surface and are slower than body waves but cause the most damage due to their larger amplitude.

Types of Body Waves

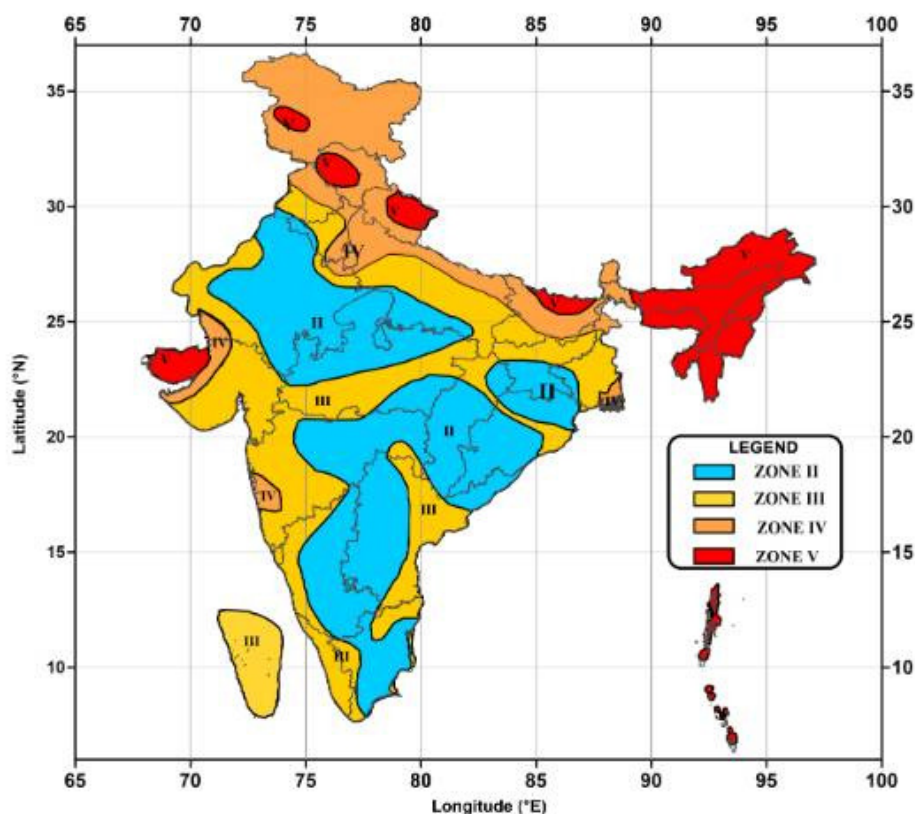
- **P-Waves (Primary Waves)**: They are the fastest seismic waves and the first to be recorded by seismographs. They move in a compressional or longitudinal manner.

- ♦ P-waves can travel through solids, liquids, and gases.
- **S-Waves (Secondary Waves)**: They move in a transverse manner, where particles move perpendicular to the wave's direction of propagation.
- ♦ S-waves can travel only through solids, as liquids and gases do not support shear stress.



India's Vulnerability to Earthquakes

- **India is highly vulnerable** to earthquakes, with **58.6%** of India's landmass is prone to moderate to very high intensity earthquakes.
- **The total area is classified into four seismic zones**: Zone V is seismically the most active region, while zone II is the least.
 - ♦ Approximately, ~ 11% of the country falls in zone V, ~18% in zone IV, ~ 30% in zone III and remaining in zone II.



Source:

TH

STUDYING IN MOTHER TONGUE INSTILLS STRONG VALUES: CJI

Context

- Recently, the Chief Justice of India underscored the enduring value of education in one's mother tongue, calling it a cornerstone of personal growth and ethical grounding.

About

- A language is an umbrella term which contains many mother tongues.
- India is a **linguistically diverse** country, and one of the richest in the world — with over **1,300 rationalized mother tongues** and **122 major languages** spoken by more than 10,000 people each.
- In ancient gurukuls and madrasas, students learned through Sanskrit, Pali, Persian, or regional dialects.
- However, **colonial education policies introduced English** as the dominant medium, **marginalizing native languages** and creating a **linguistic divide** that persists today.
- The push for mother tongue-based education is more than a pedagogical shift — it's a cultural renaissance.
 - Language was not just a medium — it was a carrier of values, identity, and indigenous knowledge.

Present Form

- Commissions** like Radhkrishnan (1948), Mudaliar (1952-53), Kothari (1964-66), and the National Policy on Education (1986) stated that education should be provided in the mother tongue in early ages at **Primary School Level**.
- The **National Education Policy (NEP) 2020** and **National Curriculum Framework 2023** mark a paradigm shift by advocating for mother tongue or home language as the medium of instruction until **at least Grade 5**, and **preferably till Grade 8** and beyond. It is backed by:
 - Right to Education Act, 2009**, which mandates mother tongue instruction 'as far as practicable'.
 - Initiatives like **NIPUN Bharat**, **Vidya Pravesh**, and **NISHTHA FLN**, which promote foundational literacy through native languages.
 - CBSE's recent push for **language mapping and regional-language primers** in 52 Indian

languages, including tribal tongues like Bhutia, Kuki, and Sherpa, to support early education.

Arguments For Teaching in the Mother Tongue

- Cognitive and Academic Benefits:** Children grasp concepts more easily when taught in a language they understand from birth.
 - Studies show improved critical thinking, literacy, and problem-solving skills when early education is delivered in the mother tongue.
- Cultural Identity and Confidence:** Learning in one's native language fosters self-esteem, cultural pride, and a stronger sense of identity.
 - It helps preserve linguistic diversity and indigenous knowledge systems.
- Better Learning Outcomes:** UNESCO and UNICEF report that students taught in their mother tongue perform better in reading comprehension and numeracy in early grades.
 - It reduces dropout rates and increases classroom participation.

Arguments Against Teaching in the Mother Tongue

- Limited Global Competitiveness:** Overemphasis on regional languages may hinder English proficiency, which is often essential for higher education and global job markets.

Challenges

Teacher's language and students understanding

Migrant students from one state to other state

Lack of contents in the languages

Continuous training of teachers

Difference in the curriculum of each state

Science in mother tongue lack of textbooks

- Implementation Challenges:** In linguistically diverse regions, it's difficult to choose a single 'mother tongue' for instruction.
 - There's a shortage of trained teachers fluent in local languages and a lack of quality textbooks.
- Transition Difficulties:** Students may struggle when switching from mother tongue to English or other languages in later grades, especially in science and technical subjects.

- Some learners become overly reliant on their native language and avoid using the second language, limiting fluency development.

Way Forward

- Promote bilingual education, starting with the mother tongue and gradually integrating English.
- Invest in teacher training and multilingual resources.
- Respect regional autonomy while aligning with national goals.

Source: TH

17TH BRICS SUMMIT IN BRAZIL

Context

- Prime Minister Narendra Modi addressed the **BRICS Summit Plenary session on 'Strengthening Multilateralism, Economic-Financial Affairs, and Artificial Intelligence'**.

Major Highlights of the BRICS Summit

- The BRICS Leaders' Declaration**, adopted at the summit reflected India's key concerns, especially on cross-border terrorism and global governance reforms.
- PM Modi said that the **majority of the world's population is not properly represented in key global institutions**.
 - He called for a **greater role for the developing world in international decision-making**.
 - He also emphasizes the **need for making BRICS more effective in an increasingly multipolar world**.
- He put forward **four key suggestions to enhance cooperation among BRICS nations**:
 - Improving Systems to Boost Credibility**: Highlighted the importance of demand-driven decision-making, long-term financial sustainability, and maintaining a healthy credit rating.
 - Collaborative Initiatives**: Proposed creating a BRICS Science and Research Repository that can also benefit the countries of the Global South.
 - Resilient supply chain**: He emphasised the need to secure and make the supply chain resilient, particularly for critical minerals and technology.
 - Responsible AI**: Stressed the importance of Responsible AI, stating that India believes in artificial intelligence as a tool for enhancing human values and capabilities and is guided by the mantra of 'AI for All'.

About BRICS

- BRICS** is an acronym that refers to a group of **five major emerging national economies: Brazil, Russia, India, China, and South Africa**.
 - Egypt, Ethiopia, Iran, Indonesia, Saudi Arabia, and the United Arab Emirates** have joined BRICS as new full members.
- The term was originally coined by economist **Jim O'Neill in 2001**.
- Origin**: As a formal grouping, BRIC started after the meeting of the Leaders of Russia, India and China in St. Petersburg on the margins of the **G8 Outreach Summit in 2006**.
 - The grouping was formalized during the 1st meeting of BRIC Foreign Ministers on the margins of **UNGA in New York in 2006**.
 - Initially, the grouping was termed BRIC as **South Africa was inducted in 2010** and from there on it has been referred to as **BRICS**.
- Summits**: The governments of the BRICS states have met annually at formal summits **since 2009**.
- BRICS countries have come together to deliberate on important issues under the **three pillars of**:
 - political and security,
 - economic and financial and
 - cultural and people-to-people exchanges.
- New Development Bank**: Formerly referred to as the BRICS Development Bank, is a multilateral development bank established by the BRICS states.
 - The Bank shall support public or private projects through loans, guarantees, equity participation and other financial instruments.

Increasing Relevance of BRICS

- Platform for Strategic Autonomy**: BRICS offers India a non-Western multilateral platform to engage with global powers without aligning exclusively with any bloc.
- Strengthening the Group**: With the additions of new countries, it will represent almost half the world's population, and will include three of the world's biggest oil producers, Saudi Arabia, the UAE and Iran.

- **Focus on Middle East:** With the inclusion of Saudi Arabia, Iran, the UAE, and Egypt, there is a Middle East focus, bearing geo-economic, geostrategic, and geopolitical implications.
- **Voice for Global Governance:** The grouping now represents a larger share of the world's population and economy.
 - ♦ This means the group is potentially a powerful voice for reforming global governance structures and can also act as an influential player within these arrangements.
 - ♦ Additionally, India positions itself as a leading voice of the Global South within BRICS.
- **Push for Multilateral Reform:** A larger BRICS enhances the push for UNSC reform, where India seeks a permanent seat.
- **Counterbalance to China's Dominance:** A broader membership may dilute China's dominance within BRICS.
 - ♦ India can build coalitions with new members to promote balanced agendas and prevent unilateralism.

Challenges

- **Internal Geopolitical Tensions:** India-China border disputes strain bilateral trust.
- **Asymmetry in Power and Influence:** China's economic dominance creates imbalance in decision-making.
- **Lack of Cohesive Vision:** BRICS lacks a unified ideology or strategic coherence beyond broad themes like multilateralism and development.
 - ♦ Members pursue divergent national interests, limiting collective action.
- **Institutional Limitations:** BRICS has no permanent secretariat, making coordination ad hoc and dependent on rotating presidencies.
 - ♦ Limited enforcement mechanisms reduce implementation of summit declarations and commitments.
- **Economic Disparities:** Members are at different stages of economic development and face unique challenges, it creates difficulty in setting common economic goals or trade policies.
- **Impact of External Alliances:** India's engagement with the West and Indo-Pacific frameworks.
 - ♦ Russia's increasing dependence on China post-Ukraine conflict.
 - ♦ These shifts complicate internal unity and raise questions about long-term alignment.
- **Expansion-related Challenges:** The inclusion of new members adds diversity but also increases coordination complexity and risks diluting the original focus.

Way Ahead

- While BRICS holds significant potential as a voice of the Global South and a platform for multipolarity, it faces serious structural, political, and institutional challenges.
 - ♦ Overcoming these would require a **shared strategic vision, institutional strengthening, and internal diplomacy** — especially among **key players like India, China, and Russia**.
- As the BRICS operates based on **consensus-driven decision-making**, attaining consensus among 11 countries characterized by diverse economies, geographical locations, and interests proves to be **substantially more challenging than doing so among the original five members**.
- To ensure the continued effectiveness and consistency of the institution, in the long run, BRICS might opt to focus on easier-to-achieve objectives.

Source: TH

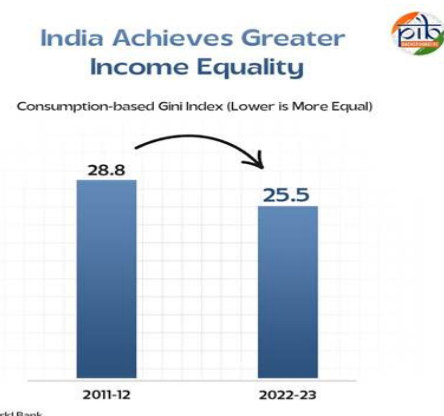
INDIA RANKS 4TH AMONG THE WORLD'S MOST EQUAL SOCIETIES

Context

- According to the World Bank, India's Gini Index stands at 25.5, making it the **fourth most equal country in the world**.

Major Highlights

- India was placed after the **Slovak Republic, Slovenia and Belarus**.
 - ♦ India's score is **much lower than China's 35.7** and far lower than the **United States, which stands at 41.8**.
- India falls into the **"moderately low" inequality category**, which includes Gini scores between **25 and 30**.
- India has a better score than all of the other 167 countries for which the World Bank has released data.

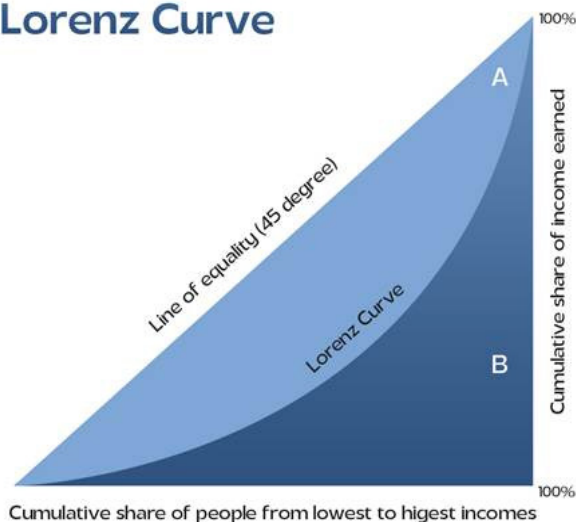


- **Poverty Reduction:** Extreme poverty dropped to 2.3% in 2022-23.
 - ♦ 171 million Indians moved out of extreme poverty between 2011–23.

Gini Index

- The Gini Index shows **how equally** income, wealth or consumption is distributed across households or individuals in a country.
- It ranges in value from **0 to 100**. A **score of 0 means perfect equality** and a score of 100 means absolute inequality.
 - ♦ **The higher the Gini Index the more unequal the country.**
- **Lorenz Curve:** Graphically Gini Index can be explained by the **Lorenz curve**.
 - ♦ A Lorenz curve plots the **cumulative percentages** of total income received against the cumulative number of recipients, starting with the poorest individual or household.
 - ♦ A perfectly equal distribution will be shown by a diagonal line, while the actual distribution will be shown by the Lorenz curve.
 - ♦ The Gini index measures the **area between the Lorenz curve and a hypothetical line** of absolute equality.
 - ♦ **The bigger the gap, the more unequal the income.**

A Typical Lorenz Curve



Key Government Initiatives:

- **PM Jan Dhan Yojana:** In 2025 over 55.69 crore people will hold Jan Dhan accounts, giving them direct access to government benefits and formal banking services.

- **Aadhaar and Digital Identity:** This system forms the backbone of welfare delivery by ensuring that benefits reach the right person at the right time through reliable authentication.
- **Direct Benefit Transfer (DBT):** The DBT system has streamlined welfare payments, reducing leakages and delays.
- **Ayushman Bharat:** The scheme provides health coverage of up to 5 lakh per family per year.
 - ♦ The government launched the Ayushman Vay Vandana scheme to extend this coverage to all citizens aged 70 and above, regardless of income.
 - ♦ The Ayushman Bharat Digital Mission has further strengthened this effort, with over 79 crore health accounts created to link individuals to digital health services.
- **Stand-Up India:** To promote inclusive entrepreneurship, the Stand-Up India scheme provides loans between 10 lakh and 1 crore to SC/ST and women entrepreneurs for setting up greenfield enterprises.
 - ♦ This initiative empowers individuals from disadvantaged communities to participate in economic growth on their own terms.
- **Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY):** Launched during the COVID-19 pandemic, PMGKAY has continued to serve the most vulnerable sections of society.
- **PM Vishwakarma Yojana:** Traditional artisans and craftspeople are vital to India's economic and cultural fabric, the scheme supports them with collateral-free loans, toolkits, digital training, and marketing support.

Conclusion

- India's path to income equality has been steady and focused. The Gini Index of 25.5 reflects real change in people's lives.
- As the world looks for models that combine growth with fairness, India's example stands out.
- Its experience shows that equality and development are not separate goals.

Source: AIR

COOPERATIVES: THE ECONOMIC BACKBONE OF INDIA

Context

- The Union Cooperation Minister laid the foundation stone for India's first national-level cooperative university, '**Tribhuvan Sahkari University**' (TSU), in Anand, Gujarat.

- ♦ He also said that cooperative societies have an important contribution in the economic development of the country.

What are Cooperatives?

- A cooperative (or co-op) is an **organization or business** that is **owned and operated by a group of individuals** who share a common interest, goal, or need.
- These **individuals, known as members**, participate in the cooperative's activities and **decision-making process**, typically on a one-member, one-vote basis, regardless of the amount of capital or resources each member contributes.
- The main purpose of a cooperative is **to meet the economic, social, or cultural needs of its members**, rather than to maximize profits for external shareholders.

Types of Cooperatives in India:

- **Agricultural Cooperatives:**
 - ♦ **Dairy Cooperatives:** Focus on the collective production, processing, and marketing of dairy products (e.g., Amul).
 - ♦ **Farmers' Cooperatives:** Provide services like access to seeds, fertilizers, and agricultural equipment, and help with marketing and processing crops.
 - ♦ **Fishermen Cooperatives:** Support fishermen in managing resources and marketing their catch collectively.
- **Consumer Cooperatives:** These cooperatives are formed to provide goods and services to members at reasonable prices, reducing reliance on middlemen. Examples include consumer stores and fair-price shops.
- **Worker Cooperatives:** In these cooperatives, workers own and manage the business, sharing profits and decision-making. Examples include small-scale manufacturing cooperatives or artisan co-ops.
- **Credit Cooperatives:** Cooperative Banks and Credit Societies offer financial services, such as savings accounts, loans, and credit, to members, particularly in rural and underserved areas.
- **Housing Cooperatives:** These cooperatives help members collectively build or manage housing projects, providing affordable living spaces, especially in urban areas.

97th Constitutional Amendment Act 2011

- It established the right to form cooperative societies as a fundamental right (**Article 19**).
- It included a new Directive Principle of State Policy on the Promotion of Cooperative Societies (**Article 43-B**).

- It added a new **Part IX-B** to the Constitution titled "**The Co-operative Societies**" (**Articles 243-ZH to 243-ZT**).
- It authorizes the Parliament to establish relevant laws in the case of **multi-state cooperative societies (MSCS)** and state legislatures in the case of other cooperative societies.

Cooperatives as India's Economic Backbone

- **Cooperatives empower small farmers**, artisans, fishermen, women, and labourers by giving them collective bargaining power.
 - ♦ **Example:** Amul has uplifted millions of dairy farmers, many of whom are landless or marginal farmers.
- **Strengthening Rural Economy:** Over **65%** of India's population lives in rural areas. Cooperatives provide credit, inputs, marketing, and infrastructure support.
 - ♦ **PACS (Primary Agricultural Credit Societies)** are the first point of credit delivery in rural India.
- **Promoting Self-Reliance:** Cooperatives reduce dependence on middlemen and large corporations by pooling local resources for production, processing, and marketing.

Legal Framework and Support for Cooperatives

- In India, cooperatives are governed by the **Cooperative Societies Act**, which is implemented at both the state and national levels.
 - ♦ **The Multi-State Cooperative Societies Act (2002):** This law regulates cooperatives that operate in more than one state.
 - ♦ **The National Cooperative Policy (2002):** Aimed at creating an enabling environment for the cooperative movement, it focuses on improving governance, member participation, and financial sustainability.
 - ♦ **The Ministry of Cooperation:** Established in 2021, this ministry focuses on supporting the growth of cooperatives in India, including reforming their governance and providing financial support.

Success Stories of Cooperatives in India

- **Amul (Gujarat):** Amul, a dairy cooperative, has been one of India's most successful cooperatives, transforming the dairy sector by empowering millions of small farmers and bringing India to the forefront of the global dairy market.
- **Irrigation Cooperatives in Maharashtra:** Water-user associations and cooperatives in Maharashtra have successfully managed water resources for irrigation purposes, helping farmers achieve better yields.

- **Kerala's Co-operative Movement:** Kerala has one of the most successful cooperative movements in India, with strong cooperatives in sectors like banking, farming, consumer goods, and housing.

Challenges Faced

- **Weak Governance:** They are issues of poor management, corruption, and political interference, leading to inefficiency and lack of transparency.
- **Limited Access to Credit:** Many cooperatives struggle with access to financing, which hinders their ability to expand or improve their operations.
- **Competition from Private Sector:** Cooperatives often face stiff competition from large private enterprises and multinational corporations, especially in sectors like retail and agriculture.
- **Technological Gaps:** Many cooperatives, especially in rural areas, lack access to modern technology or are slow to adopt new systems that could improve efficiency.

Concluding remarks

- Cooperatives are not just economic institutions but are central to India's vision of inclusive and participatory development.
- Strengthening this third economic pillar — alongside the public and private sectors — is vital for building an Atmanirbhar Bharat.

Source: AIR/ TH

CONCERN OVER FALLING HOUSEHOLD SAVINGS IN INDIA

Context

- India is witnessing a structural transformation marked by declining net financial savings, rising household debt, and a shifting asset composition.

What is Household Savings?

- Household saving is the difference between a household's **net disposable income** and its **total consumption expenditure**, including **taxes and debt repayments**.
- It reflects the ability of households to defer current consumption for future security, investment, or emergencies.

Recent Trends in Household Savings

- **India's gross domestic savings rate** has fallen from 34.6% of GDP in 2011–12 to **29.7% in 2022–23**, the lowest in four decades.
- Household financial savings as a percentage of GDP fell from **11.5% in 2020–21** to **5.1% in 2022–23**.

- Simultaneously, **household liabilities** rose to **6.4% of GDP in FY24**, near the 17-year high.
- **Rural–Urban Divide in Savings Behaviour:** Urban households show greater financial participation due to better access and higher financial literacy.
 - In contrast, rural households often depend on informal savings, and remain vulnerable to income shocks.
 - Household investments in mutual funds and equities nearly doubled from **₹1.02 trillion (FY21)** to **₹2.02 trillion (FY23)**.

Key Drivers of the Decline of Household income

- **Macroeconomic Factors:** Persistently high inflation has eroded household purchasing power.
 - As per **Fisher dynamics**, rising interest rates and slower nominal income growth have diminished savings potential.
- **Decline in Real Wages:** Real wage growth has remained stagnant, especially in the informal sector.
 - High youth unemployment and underemployment have limited income growth and reduced household saving capacity.
- **Low real interest rates** on bank deposits and small savings schemes have discouraged saving in conventional products.
- **Changing Consumption and Investment Patterns:** Post-Covid consumption revival led to increased borrowing for consumption, housing, and education.
 - Households are now turning to higher-risk assets like equities and mutual funds. SIP contributions increased **8.5 times** from **₹3,122 crore (2016)** to **₹26,632 crore (2025)**.
- **Rising Aspirational Spending:** Urban middle-class households are increasingly spending on lifestyle goods, foreign travel etc. This cultural shift towards living in the present is undermining traditional saving behavior.

Concerns over declining Household Savings

- **Reduced Capital for Investment:** Household savings contribute nearly **60%** of India's gross domestic savings.
 - A fall in savings reduces the pool of domestic capital available for infrastructure and industrial investment.
- **Rising Household Debt:** With increasing liabilities and declining savings, households face higher financial stress.
 - A prolonged debt overhang can reduce creditworthiness and impact banking sector health due to rising defaults.

- **The increasing financialisation** of savings may displace productive investment into speculative financial avenues.
- **Inadequate Retirement Security:** Declining long-term savings jeopardise retirement preparedness. A rising elderly population without sufficient savings could increase future fiscal pressure on the state.

Policy Roadmap for Rebuilding Household Savings

- **Fiscal and Tax Reforms:** Rationalise capital gains tax and savings-related tax structures. Offer tax breaks or guaranteed returns on small savings schemes like PPF and KVP.
- **Expanding Financial Inclusion:** Universalise the **National Pension System (NPS)** with auto-enrolment for informal workers. Promote customised micro-savings products for rural and informal sector households.
- **Strengthen Regulatory Oversight:** Ensure transparency in digital lending, mutual funds, and insurance schemes. Tighten unsecured lending norms to curb procyclical credit growth.
- **Technology Innovations:** Leverage fintech platforms for micro-savings, AI-based financial advice, and blockchain for secure savings instruments.
 - ♦ Use behavioural nudges like default savings enrolment and reminders to promote regular savings.
- **Institutional Coordination:** Develop a National Strategy on Household Savings with measurable targets. Tailor financial products and outreach for rural India's seasonal income patterns and socio-cultural constraints.

Source: TH

'INVISIBLE HAND' IN INDIA'S FOREIGN TRADE

In News

- India's foreign trade dynamics have shifted significantly over the past two decades, with "invisibles"—exports of services and remittances from Indians abroad—now playing a more crucial role than physical goods.

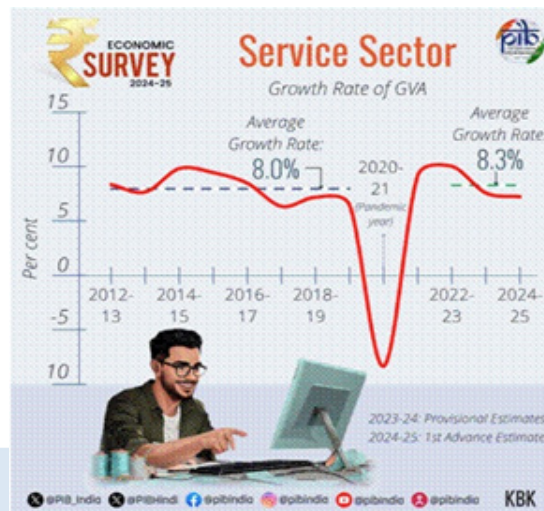
India's Service Sector

- India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction.

- The Economic Survey 2024-25, presented by Finance Minister Nirmala Sitharaman, highlights the service sector as the **'Old War Horse' of India's economy**, driving growth both domestically and globally.

Present Status

- Services have consistently supported GDP growth, **contributing around 55% to India's Gross Value Added (GVA) in FY25**, up from 50.6% in FY14.



- The sector has maintained an **average growth rate above 6% annually** over the past decade, except during the pandemic, with post-pandemic growth accelerating to 8.3%.
- It employs about 30% of the workforce and it also boosts manufacturing through 'servicification'—the increasing integration of services in industrial processes.
- India's global share in services exports has risen steadily, **now ranking seventh worldwide with 4.3% of the market**.
- India remained amongst the **top five major countries in terms of growth in services exports in FY25** (April-September).
- India's services export growth **accelerated to 12.8% in April-November FY25 from 5.7% in FY24**. Computer services and business services exports account for around 70% of India's total services exports.

Potential

- India is a unique emerging market in the globe due to its **unique skills** and **competitive advantage** created by knowledge-based services.
- The Indian services industry, which is supported by numerous government initiatives like smart Cities, clean India, and digital India is fostering an environment that is strengthening the services sector.

- The sector has the **potential to open up a multi-trillion-dollar opportunity** that might stimulate symbiotic growth for all nations.

Challenges and Issues

- India's service sector faces key challenges including infrastructure gaps—especially in digital connectivity and logistics—that limit growth outside urban areas.
- There is also a significant skill shortage, with many workers lacking specialized training for high-value services, impacting productivity and innovation.
- Regulatory complexities and limited access to global markets further restrict export growth.
- It also remains vulnerable to global economic fluctuations.

Governments efforts

- The Government of India actively promotes growth in the services sector through various incentives and focused initiatives across key areas like healthcare, tourism, education, IT, banking, and finance.
- It has launched an '**Action Plan for Champion Sectors in Services**' targeting 12 priority sectors, with tourism expected to generate \$50.9 billion by 2028.
- The country hosts over 1,000 universities, supporting education and skill development through programs like the Mahatma Gandhi National Fellowship.
- Financial inclusion is strengthened by schemes such as **Pradhan Mantri Jan Dhan Yojana**, which has opened over 47 crore bank accounts.
- The government also supports manufacturing with production-linked incentives and healthcare infrastructure through missions like **Ayushman Bharat** and a planned credit incentive program.
- Foreign direct investment limits** in insurance have been raised to encourage investment.

Conclusion and Way Forward

- India's service sector remains strong and vital for growth and jobs.
- India's **services-led surplus** and remittances have kept its overall current account deficit manageable.
 - This shift underscores India's emergence as the "**office of the world**," driven less by trade

in tangible products and more by global flows of intangibles.

- Improving infrastructure, enhancing skills, easing regulations, and boosting global market access can help India realize its full potential and reinforce its role as a global services leader.

Source :IE

NEWS IN SHORT

HELGOLAND

In News

- Helgoland is remembered as the birthplace of quantum mechanics.

Helgoland

- It is a tiny red-sandstone island in the North Sea, about 50 km off Germany's coast.
- It is Less than a square kilometre in size and it was once a naval fortress and later became a holiday destination for those seeking fresh air.

Relevance

- It became a pivotal site in the history of physics in June 1925 when 23-year-old Werner Heisenberg developed the foundation of **quantum mechanics**.
 - Abandoning classical ideas of electrons orbiting nuclei, he focused solely on measurable data — the frequencies and intensities of light absorbed or emitted by atoms — and organized these into matrices.
 - Noticing that the order of multiplication mattered, he derived equations that accurately described hydrogen's spectrum, marking the birth of matrix mechanics.
- This breakthrough, followed by contributions from Max Born, Pascual Jordan, and Erwin Schrödinger, led to the uncertainty principle and key developments in **quantum theory**, which underpin modern technologies like lasers and semiconductors.

Source :TH

TAIWAN STRAIT

Context

- Taiwan condemned China's move to open a sensitive aviation route that runs through the Taiwan Strait, warning the change could increase tensions between the two sides and "regional unease".

About Taiwan Strait

- **Location:** The Taiwan Strait also known as the **Formosa Strait or the Tai-hai (the Tai Sea)** separates mainland China (Fujian Province) from the island of Taiwan.
 - ♦ It connects the **South China Sea to the East China Sea** and is a vital shipping lane.
 - ♦ It is approximately **180 kilometers** wide at its narrowest point.
- **Geopolitical Tensions:** China views Taiwan as a **renegade province** and asserts its claim over the island and the strait.



Source: TH

BLUE NILE

Context

- **Ethiopia** has announced the completion of a **Grand Ethiopian Renaissance Dam (GERD)**, **Africa's largest hydro-electric power plant** on the **Blue Nile**, a project that has long been a source of tension with **Egypt and Sudan**.

About the Blue Nile

- The **Blue Nile** originates in **Lake Tana**, located in the **Ethiopian Highlands** of eastern Africa.
- It joins the **White Nile** at **Al-Muqrin** in **Khartoum** (the capital of Sudan). From this confluence, the river flows north through Sudan and Egypt, eventually emptying into the **Mediterranean Sea** as the Nile.
- The **Nile River** is the **longest river in the world**, flowing through **11 countries**: Democratic Republic of the Congo, Burundi, Uganda, Kenya, South Sudan, Ethiopia, Eritrea, Rwanda, Tanzania, Sudan and Egypt.



Source: BBC

NATIONAL COMMISSION FOR MINORITIES (NCM)

In News

- The National Commission for Minorities (NCM) has been non-functional since April 2025 due to the retirement of its Chairperson.

National Commission for Minorities (NCM)

- It is a **statutory body** established by the Government of India under the **National Commission for Minorities Act, 1992**.
- Its primary mandate is to safeguard and protect the interests of India's notified religious minority communities, which currently include **Muslims, Christians, Sikhs, Buddhists, Parsis (Zoroastrians), and Jains**.
- The Commission consists of a **Chairperson, Vice-Chairperson, and five Members, all nominated by the Central Government**. At least five, including the Chairperson, must be from minority communities.
- Each member, including the Chairperson, holds office for **three years and is eligible for reappointment**.
- While investigating, the NCM has powers equivalent to a civil court, such as:
 - ♦ Summoning and enforcing the attendance of individuals.
 - ♦ Requiring the production of documents.
 - ♦ Receiving evidence on affidavits.
 - ♦ Requisitioning public records from courts or offices.

Constitutional Safeguards

- **Article 29:** It protects both religious and linguistic minorities and ensures their right to preserve their culture, language, and script. It also prohibits discrimination in admission to educational institutions on specific grounds.
- **Article 30:** It gives minorities the right to establish and manage educational institutions and protects them from discrimination in receiving government aid. It applies to both religious and linguistic minorities.

Source: TH

NMC RELAXES REGULATIONS ON MEDICAL EDUCATION INFRASTRUCTURE

In News

- The National Medical Commission (NMC) has introduced the **Medical Institutions (Qualifications of Faculty) Regulations, 2025**.

The National Medical Commission (NMC)

- It was established under the **National Medical Commission Act, 2019**, which came into effect on September 25, 2020, replacing the **Medical Council of India**.
- Its mission is to improve access to quality and affordable medical education, ensure the availability of skilled medical professionals across the country
- It aims to promote equitable and community-focused healthcare, encourage adoption and contribution to medical research, and conduct transparent assessments of medical institutions.
- It also maintains a national medical register, upholds high ethical standards in medical services, and provides an effective grievance redressal mechanism.

Medical Institutions (Qualifications of Faculty) Regulations, 2025.

- It aims to support the Union Government's plan to add 75,000 new medical seats over five years by broadening faculty eligibility and enabling the expansion of MBBS and MD/MS seats.

- Key provisions include designating non-teaching government hospitals with over 220 beds as teaching institutions, appointing experienced specialists as faculty without mandatory senior residency, and expanding the use of M.Sc. and Ph.D. holders in additional departments.
- The regulations also **raise the senior resident age limit to 50** for preclinical and paraclinical subjects and allow more flexible criteria for professor and assistant professor posts based on experience in NBEMS-recognised institutions.

Impacts

- The NMC says the regulations shift the focus from rigid norms to competency, experience, and academic merit.
 - ♦ While the National M.Sc. Medical Teachers' Association welcomed the move, some doctors criticized it as a dilution of teaching standards, warning it may impact quality of medical education and patient care.

Source: TH

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