

## Today's Prelims Topics

### Quick Reaction Surface-to-Air Missile

#### Context

The Army is also set to finalise a contract for the indigenously developed Quick Reaction Surface-to-Air Missile (QRSAM) system within the next four to five months.

#### About Quick Reaction Surface-to-Air Missile (QRSAM) System

- **Developed by:** Defence Research and Development Organisation (DRDO)
- **Purpose:** Designed to provide **quick reaction** air defence against aerial threats such as **fighter jets, helicopters, UAVs, cruise missiles** etc.
- **Key Features & Capabilities:**
  - **Range: 30 km.**
  - **Altitude Coverage:** Capable of engaging targets at **low to medium altitudes**.
  - **Mobility:** Highly mobile system mounted on **6x6 wheeled vehicles** for rapid deployment.
  - **Reaction Time:** Extremely short, making it effective against surprise aerial threats.
  - **All-Weather Capability:** Can operate in **diverse weather conditions**, including desert and high-altitude terrains.



#### Source:

- [The Hindu - QRSAM](#)

## Ex-Gratia Payments

### Context

The Ministry of Railways disbursed ex-gratia payments in cash to the next of kin of victims of the New Delhi railway station stampede, raising concerns over the mode of payment.

### What is an Ex-Gratia Payment?

- A payment made out of moral obligation, not legal liability.
- **Purpose:** Shows government goodwill after tragedies, without admitting responsibility or wrongdoing.
- **No strict government guidelines** are available on the mode of payment. Generally, payments are made through **bank transfers** for **transparency & accountability**.

### How is it Different from Compensation?

Aspect	Ex-Gratia payment	Compensation
Legal Basis	No legal obligation	Legally Mandated
Purpose	Moral support, Goodwill	Reparation for loss/ Damage
Example	Govt. aid after disasters	Court-ordered damages, insurance claims.

### Source:

- [Indian Express - Ex-Gratia payment](#)

## RBI to infuse liquidity via \$10 bn USD-INR swap deal

### Context

The Reserve Bank of India (RBI) has announced a long-term USD-INR Buy/Sell swap auction to meet the durable liquidity needs of the financial system.

### What is a Currency Swap?

- A **currency swap** is a financial contract where two parties exchange **one currency for another** and agree to **reverse the transaction at a future date** at a pre-agreed exchange rate.
- **Purpose of RBI's USD-INR Buy/Sell Swap:**
  - **Manages liquidity** without affecting interest rates.
  - Helps **stabilize the Indian Rupee (INR)** during periods of **capital outflows**.
  - Supports **foreign exchange reserves** and reduces speculative pressures.

### Types of Currency Swaps

- **Buy/Sell Swap (Liquidity Injection by RBI)**
  - **First leg (Buy Leg):** RBI buys USD from banks and gives them Rupees.
  - **Second leg (Sell Leg, after tenor ends):** RBI sells USD back and takes back Rupees at a pre-agreed exchange rate.
  - **Objective:** To **increase rupee liquidity** in the banking system.
- **Sell/Buy Swap (Liquidity Absorption by RBI)**
  - **First leg (Sell Leg):** RBI sells USD and takes Rupees from banks.
  - **Second leg (Buy Leg, after tenor ends):** RBI buys back USD and returns Rupees.
  - **Objective:** To **absorb excess rupee liquidity** and control inflation.

### Source:

- [The Hindu - USD-INR Swap deal](#)

## Riyadh Summit on Gaza Crisis

### Context

Recently the Saudi Crown Prince hosted a summit in Riyadh bringing together the leaders of the six Gulf Cooperation Council states along with Jordan and Egypt.

### About Riyadh Summit

- The summit aimed to present a **unified Arab stance** on U.S. President Donald Trump's proposal to relocate Gaza's population and annex the territory.
- The Riyadh summit reinforced **Arab unity** in rejecting Trump's plan.
- Leaders reaffirmed their **commitment to a two-state solution**, advocating for:
  - An independent Palestinian state.
  - East Jerusalem as its capital.

### About Gulf Cooperation Council (GCC)

- **GCC** is a regional intergovernmental organization comprising six Arab states in the **Persian Gulf**.
- It was founded on **May 25, 1981**.  
**Headquarters:** Riyadh, Saudi Arabia.
- It was established to **promote economic, political, security and cultural cooperation** among its members.
- **Member Countries (6):** Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates (UAE).
- **GCC's supreme council** is the highest decision-making body.
- **Objectives of GCC:**
  - **Economic Cooperation:**
    - Formation of a **common market** and customs union.
    - Promotion of free trade and investment among member states.
  - **Security and Defense Cooperation:**
    - Protection of the region from external threats.
    - Joint military exercises (e.g., **Peninsula Shield Force**).
  - **Political Coordination:**
    - Unified positions on regional and global issues.



### Source:

- [The Hindu - Mini-Arab Summit](#)

## Places in News

### Mount Dukono

- Recently, a volcano erupted at Mount Dukono in Indonesia.

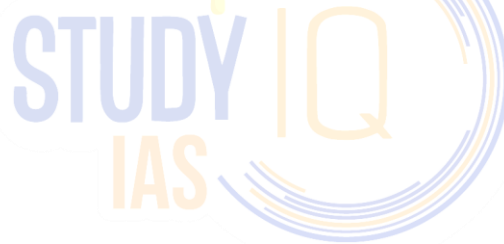
- **Location:** Halmahera Island, North Maluku, Indonesia.
- It is an active **Strato Volcano**.

#### Major volcanoes erupted recently in Indonesia

- **Mount Merapi:** Located near the city of Yogyakarta.
- **Mount Ruang:** It is a stratovolcano located in the Sulawesi Islands.
- **Mount Lewotobi Laki-Laki:** Located in Flores island

#### Source:

- [DD News- Mt. Dukono](#)



## News in short

### Three-Language Formula Under NEP 2020

- Tamil Nadu Chief Minister **M.K. Stalin** strongly opposed the **three-language policy** of the National Education Policy (NEP 2020).

#### What is the Three-Language Formula?

- NEP 2020 **recommends** that students learn **three languages**, with flexibility for States to choose which languages to teach.
- **Key provisions:**
  - At least **two out of three languages must be native to India**.
  - Implementation is left to the **States and Union Territories**.
  - **No language is mandatory**, but the policy encourages Hindi-speaking States to learn a South Indian language.
- **Tamil Nadu's Opposition to the Policy:** Tamil Nadu follows a **two-language system (Tamil & English)**.

#### Source:

- [The Hindu - 3 language formula](#)

### Gopal Krishna Gokhale (1866-1915)

- Recently the **110th** death anniversary of GK Gokhale was observed.

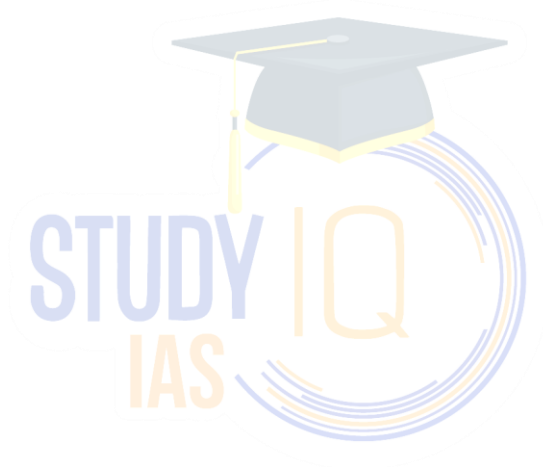
#### About Gopal Krishna Gokhale

- He was born in 1866 in a Brahmin family in **Kotluk village, Ratnagiri, Maharashtra**.
- He established the **Servants of India society in 1905**.
- **Indian National Congress (INC):**
  - Joined **INC** in 1889, later became the **President of INC in 1905 (Banaras Session)**.
  - He advocated **gradual reforms, self-governance (Swaraj), and dialogue with the British** rather than direct confrontation.
- **Mentor to Mahatma Gandhi:** Gandhi considered Gokhale his **political guru** and followed his moderate approach initially
- He played a leading role in bringing about **Morley-Minto reforms (1909 Act)**.
- He was also associated with the journal '**Sudhakar**' (**started by Gopal Ganesh Agarkar**).



#### Source:

- [Free Press Journal - GK Gokhale](#)



## Editorial Summary

### Indian Diaspora in the US

#### Context

Many Indians seek legal entry into countries like the U.S., while others may enter illegally due to limited opportunities for legal migration.

#### Impact of Indian Diaspora in the US

##### Positive Impacts

- **Economic Contribution:** Millions of Indians and Indian Americans have powered the US economy through skilled labor, entrepreneurship, and innovation.
  - The rise of "global capability centers" in India has further strengthened US firms' competitiveness by leveraging Indian talent.
- **Innovation and Technological Advancement:** Indian-origin scientists, engineers, and researchers contribute to cutting-edge innovations in fields like artificial intelligence, space research, and pharmaceuticals.
  - Many startups founded by Indian-Americans have transformed industries globally.
- **Cultural Influence and Soft Power:** Bollywood, yoga, Indian cuisine, and festivals like Diwali have gained popularity in the US, fostering cultural exchange.
  - Indian-Americans enhance India's global image and diplomatic influence.
- **Political and Strategic Influence:** Increasing political representation (e.g., Kamala Harris, Nikki Haley, and several US Congress members of Indian origin) helps strengthen India-US relations.
  - Lobbying efforts by Indian-American groups have influenced favorable US policies toward India.
- **Remittances and Knowledge Transfer:** Indian diaspora sends billions of dollars in remittances back home, supporting families and economic growth.
  - Professionals contribute through research collaborations, skill-sharing, and investments in India's startup ecosystem.

##### Negative Impacts

- **Brain Drain from India:** Skilled professionals leaving India for better opportunities in the US weakens India's workforce and slows domestic innovation.
  - Sectors like healthcare and academia in India face shortages due to the migration of top talent.
- **Struggles of Low-Skilled Migrants:** Many Indian migrants working in low-wage jobs face exploitation, poor living conditions, and legal uncertainties.
  - Illegal migrants risk deportation and social discrimination.
- **Racial Discrimination and Xenophobia:** Despite their success, Indian-Americans face racism, hate crimes, and workplace discrimination.
  - Policies like visa restrictions (H-1B) have created uncertainty for Indian professionals.
- **US-India Trade Imbalance and Policy Conflicts:** Some Indian professionals contribute more to the US economy than they would in India, leading to economic imbalances.

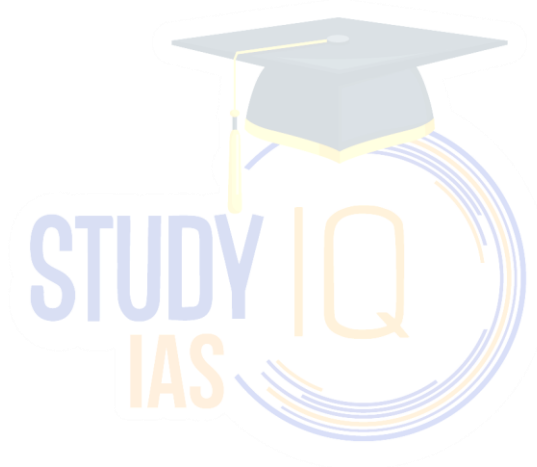


- The US government's changing immigration policies (e.g., "America First") often impact Indian workers negatively.
- **Divisions within the Indian-American Community:** Political and ideological divisions within the Indian diaspora sometimes lead to friction in shaping a unified voice in US policymaking.
  - Internal conflicts over religious, caste, and regional identities can affect collective representation.

### Conclusion

While the Indian diaspora has played a vital role in strengthening US-India relations and boosting the American economy, challenges like brain drain, discrimination, and immigration restrictions persist. A balanced approach is needed to maximize benefits for both countries.

**Source:** [Indian Express: Powering America](#)



## India's Economic Development

### Context

India became a lower middle-income country in 2007 and continues to remain in that category.

### More in News

- Over 18 years, its per capita income has grown from **\$1,022 to \$2,700**, but the threshold for upper middle-income status is **\$4,516**.
- The IMF projects India's per capita income to reach **\$4,195 by 2029**, making an upgrade likely in the next decade but not by the end of this decade.

### What are the Challenges?

- **Middle-Income Trap:** India has remained a **lower middle-income country** since 2007.
  - Moving to an **upper middle-income** and later **high-income** status requires sustained high growth.
  - Many countries (e.g., Brazil, South Africa) have struggled to transition due to stagnant productivity and weak economic policies.
- **Uneven Regional Development:** Western and southern states (e.g., Telangana, Karnataka) have higher per capita incomes and are nearing **upper middle-income status**.
  - Eastern and northern states (e.g., Bihar, Odisha, West Bengal) lag behind in industrialization and per capita income.
  - Economic power is concentrated in industrialized states, while political power often resides in poorer regions, leading to policy misalignment.
- **Employment and Labour Force Challenges:** India's **working-age population is rising**, but job creation in the formal sector is insufficient.
  - **Agriculture employs ~45% of the workforce** but contributes only **~18% to GDP**.
  - **Female labour force participation (~25%)** is among the lowest globally.
- **Low Investment in Human Capital:** Low public spending on **education (~2.9% of GDP)** and **healthcare (~1.5% of GDP)**.
  - **Poor learning outcomes** in schools affect workforce productivity.
  - **Weak healthcare infrastructure**, high out-of-pocket medical expenses.
- **Slow Industrialization and Manufacturing Growth:** **Manufacturing contributes only ~17% to GDP**, compared to China's 28%.
  - Heavy reliance on imports in key sectors (e.g., electronics, semiconductors).
  - Labour laws and land acquisition challenges deter large-scale industrial growth.
- **Infrastructure Bottlenecks:** **High logistics costs (~14% of GDP)** compared to global standards (~8–10%).
  - **Power shortages** and **slow urban planning** hinder industrial growth.
- **Financial Sector Issues:** **Non-Performing Assets (NPAs)** reduce bank lending capacity.
  - MSMEs face **difficulty in accessing credit** due to strict lending norms.
- **Fiscal Challenges and Rising Inequality:** **Low tax-to-GDP ratio (~11–12%)** limits government revenue.
  - High government spending on subsidies reduces funds for infrastructure and social welfare.

- Growing **income inequality** threatens social stability.
- **Climate Change and Environmental Issues: Rising pollution, water scarcity, and extreme weather** threaten agriculture and industry.
  - India is among the **top greenhouse gas emitters**, facing global pressure to cut emissions.
- **Global Economic and Geopolitical Risks: Supply chain disruptions**, trade restrictions, and geopolitical tensions affect exports and investments.
  - Overreliance on certain trade partners creates economic vulnerabilities.

### Way Forward

- **Adopt the "3i" Approach:**
  - **Investment:** Increase investment in key sectors such as manufacturing and infrastructure to boost economic growth.
  - **Infusion of Global Technology:** Encourage the adoption of advanced technologies to enhance productivity and competitiveness.
  - **Innovation:** Foster a culture of innovation through R&D investments and support for startups.
- **Strengthen Manufacturing Competitiveness:** Implement targeted industrial policies like expanding Production Linked Incentive (PLI) schemes to emerging sectors such as green hydrogen and AI hardware.
  - Reduce input costs by rationalizing import duties on raw materials.
- **Improve Logistics Efficiency:** Execute plans under the National Logistics Policy to reduce logistics costs from 14% of GDP to global averages around 8%.
- **Enhance Human Capital Development:** Invest in education and skill development programs that focus on creating high-productivity jobs, aligning with global value chains (GVCs).
- **Promote Export-Led Growth with Diversification:** While traditional export-driven strategies may face challenges due to global protectionism, diversifying into new markets or sectors can help maintain growth momentum.
- **Address Structural Weaknesses:** Upgrade outdated infrastructure like transportation networks and utilities.
  - Improve public institutions' efficiency by streamlining reforms.
- **Encourage Labour Intensive Manufacturing & Exports:** Focus on labour-intensive industries that can drive employment generation while enhancing exports in these sectors.
- **Strengthen Competition & Leverage Digital Technologies:** Implement strong antitrust laws to foster competition among businesses, promoting innovation.
  - Utilize digital technologies for social mobility, talent development, and access to credit facilities through platforms like Aadhaar-based financial inclusion initiatives.

**Source:** [Indian Express: The Missing Growth Strategy](#)

## Judicial Backlog in India

### Context

India's judicial system faces a significant challenge due to an enormous backlog of cases. This issue affects all levels of the judiciary, from the Supreme Court down to lower courts.

### Fact

- **Supreme Court:** As of December 2024, over 83,000 cases were pending.
- **High Courts:** More than 62 lakh (6.2 million) cases are pending as of January 20, 2025.
- **Lower Courts:** Approximately five crore (50 million) cases are pending.

### Challenges in the Judicial System

- **Low Judge-to-Population Ratio:** Only about 21 judges per million citizens compared to countries like the U.S., which has around 150 judges per million.
- **Adversarial Legal System:** Cases undergo **multiple interim applications and appeals**, prolonging litigation.
- **Shortage of Resources:**
  - **Infrastructure deficits:** Courtrooms, digital systems, and human resources are inadequate.
  - **Financial limitations:** Limited budget for expanding judicial capacity.
- **High Government Litigation:** The **government is a party in nearly 50% of cases**, causing avoidable legal congestion.

### Potential Solutions to Reduce Backlog

- **Data Governance & Case Classification:** Sensible **categorization of cases** can prevent repetitive legal engagements and speed up disposal.
- **Appointing Retired Judges on an Ad-hoc Basis:** Helps **temporarily** reduce backlog but is not a long-term solution.
- **Legal Reforms in High-Volume Litigation Areas:** **Cheque bouncing and landlord-tenant disputes** contribute heavily to the backlog.
  - Revising laws to discourage unnecessary litigation (e.g., **punitive costs for frivolous cases**) can reduce caseloads.
- **Government as a Responsible Litigant:** The **government should settle disputes amicably** instead of engaging in prolonged litigation.
  - Current efforts show **some improvement**, but reforms are needed to curb excessive legal battles.

### Mediation as a Key Solution

#### What is Mediation?

- A process where **disputing parties meet with a neutral mediator** to find a mutually acceptable resolution.
- **Confidential, flexible, and voluntary**, with no imposed decisions.

#### Evolution of Mediation in India

- **1990s:** Introduced in India as an experimental dispute resolution method.
- **2005:** Began gaining traction in courts, becoming an accepted practice.
- **Present:**

- Judges frequently recommend mediation.
- Thousands of lawyers have become mediators.
- Courts recognize it as a viable dispute resolution mechanism.

### Advantages of Mediation

- **Faster Resolution:** Most cases are resolved in a **few sessions**, even complex ones.
- **Lower Costs:** Mediation costs a **fraction of litigation** for both parties and the judiciary.
  - Avoids **years of hearings, appeals, and administrative burden**.
- **Preservation of Relationships:** Unlike litigation, which is adversarial, mediation fosters **collaborative problem-solving**.
  - Helps businesses, families, and individuals maintain relationships.

### Implementing Mediation to Reduce Backlog

- **Identifying Cases Suitable for Mediation:** Large volumes of **civil, commercial, and matrimonial disputes** can be mediated.
- **Assigning Trained Mediators:** Courts can **direct cases to mediators** with experience.
  - **Reasonable fees** should be allocated for mediation services.
- **Institutionalizing Mediation:** Encourage **businesses and the government** to **adopt mediation before litigation**.
  - Develop **mediation as a full-fledged profession** with financial incentives for practitioners.

Source: [The Hindu: Converting court case backlogs into treasure troves](#)

