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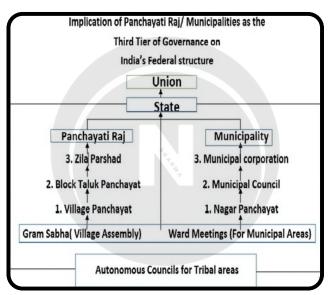SCO 173-174, Sector 17C, Chandigarh

Index

Getting the 'Micropicture' at the Panchayat Level: A Grassroots Governance

Recently, the Ministry of Panchayati Raj launched (PAI), Panchayat Advancement Index **(PAIBaseline Report 2022-23),** which represents a speech change. For the first time, more than 2,16 Lakh Gram Panchayats have been evaluated using 566 data points in line with the location of sustainable development goals (LSDGS) in India.

- India's vision for decentralised governance has constantly fought with contradiction: While Gram Panchayats (GP) act as the first line of democratic administration for the countryside, they have largely operated in a computer-based system.
- Politics is often designed from above, informed by the "macrolinsen" that glows on complex and highly localised challenges on the ground.

Panchayati Raj Institution

- The 73rd Constitutional Amendment Act, 1992, also known as the Panchayati Raj Act, is a landmark legislation in India that aims to provide a three-tier system of decentralised self-governance in rural areas. The main provisions of the Act are outlined in Part IX of the Indian Constitution, which consists of Articles 243 to 243-O

Provisions of the 73rd Constitutional Amendment Act, 1992 :

- **Three-tier system:** Establishing a three-tier system of panchayats (local self-governments) in rural areas, comprising the gram panchayat (village council), panchayat samiti (block council), and Zilla parishad (district council).
- **Population:** Providing for the establishment of a panchayat at the village level for every village having a population of at least 500 persons.
- **Elections**: Mandating regular elections to panchayats and the conduct of elections following the provisions of the Act and the rules made thereunder.

- **Reservation**: Providing for the reservation of seats for scheduled castes, scheduled tribes, and women in panchayats at all levels, as well as the reservation of the office of the chairpersons of panchayats at the village and intermediate levels for Scheduled Castes, Scheduled Tribes, and women.
- **State Finance Commission:** Providing for the constitution of finance commissions to review the financial position of panchayats and to make recommendations for the devolution of funds, grants-in-aid, and taxes to panchayats.
- **Power and Functions:** Providing for the powers, authority, and responsibilities of panchayats, including the preparation of plans for economic development and social justice and the implementation of schemes for the development of agriculture, cottage and small-scale industries, education, health, and other sectors.

Evidence-based policy and its limitations

- Making evidence -based decisions has become a catch in the control circuits. However, the practical reality of India is inconsistent. Bureaucracy decisions often rely more on intuition and administrative experience than hard data.

Reasons for this disconnection: Delayed or inaccessible census data: Census in 2021. Delays and concerns about the changed function of national surveys have affected the continuity and reliability of time series data.

- **Heavy and bad fantasy data:** Government portals such as Data.gov.in House Huge amounts of information. However, this data is often difficult to interpret, even for researchers, let local representatives or citizens go alone.
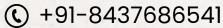- **Top-down data architecture:** Most computer systems are designed for state and national bureaucracy, not for local governance structures. This means that ground -level actors often lack analytical equipment required for local planning and execution.
- Panchayat Advancement Index (PAI) is a revolutionary effort for the democratisation of ground-level data. It focuses on hyperlocal development indicators from macroeconomic calculations, which allows fine tracking of performance at the level of the Gram Panchayat.
- **Main features: 2.16 Lakh Gram Panchayats, with 435 unique indicators.**
- Structure: 331 Mandatory and 104 Alternative indicators spread over nine LSDG subjects, alliances with the national indicator infrastructure (NIF).
- Availability: Portal (pai.gov.in). A simple constituency report allows for generations.
- Data is not just input-based. It is associated with real consequences, so that stakeholders can monitor real improvements in areas such as health, education and infrastructure. Simple constituency report allows for generations.

Mega to Micro: Democratization data
- The main performance of pie is its axis, which ranges from total "megadata" to a useful "micropike" at the Panchayat level. It also includes:

- Transparent data at home: When presented in simple, visual formats, individual families can also understand what their panchayat price is.
- Action-oriented target card: Pie does not stop at the diagnosis. This suggests treatment and provides a roadmap for adjusted improvement with LSDG.

Challenges in the implementation

- **Problems with computerisation:** Conditions that Uttar Pradesh presented data for only 23,207 of its 57,702 GPs. Such intervals are in the use of a nationwide index and raise concerns about data integrity.
- **Lack of analytical capacity locally:** While data is available, most GPs lack trained personnel to explain and act on it. Educated data analysts are required to be distributed at the block and district levels.
- **Technology interval:** Poor internet connection, older computers and low digital reading skills still bother many rural offices.
- **Political desire:** A good working cake system can highlight the unpleasant truth. The success depends on political leaders that they are ready to work with these disclosures, rather than suppressing them.

Financing and policy integration

- Corporate Social Responsibility (CSR)
- District Mineral Foundation (DMF) Grant

- Member of Parliament Local Area Development (MPLADS)and MLALADS (Members of Legislative Assembly Local Area Development Scheme)
  - Under the scheme annual MPLADS fund entitlement per MP constituency is Rs. 5 crore.
  - Lok Sabha Members can recommend works within their Constituencies.
  - The Rajya Sabha Members of Parliament can recommend works in one or more districts in the State from where he/she has been elected.
  - The Nominated Members of the Lok Sabha and Rajya Sabha may select any one or more Districts from any one State in the Country for implementation of their choice of work under the scheme.
  - MPs are to recommend every year, works costing at least 15 per cent of the MPLADS entitlement for the year for areas inhabited by Scheduled Caste population and 7.5 per cent for areas inhabited by S.T. population.
  - In case an elected MP wishes to contribute MPLADS funds outside the constituency or the State/UT, they can recommend work up to Rs 25 lakh in a financial year.

MPs do not directly receive funds under MPLADS. The Centre directly transfers the sanctioned amount in two installments of Rs. 2.5 crore to the district authorities of the concerned MP's nodal district after a recommended project gets approval.

Way Forward
Capacity building: Training programs for local authorities, especially data analysts, should be given institutional form.

- **Regular reporting:** PAI should not exercise a time at a time. Continuous updates and public dashboards are required.
- **Public awareness campaign:** The more people know about the score for Panchayat, the more pressure it is for improvement.
- **Urban Adaptation: A** similar index for urban local bodies will be developed to track and promote municipal governance.
- Integration with the scheme: Local development plans (LDP) must be informed by PAI findings.

Conclusion

Panchayat Advancement Index is more than just one dashboard; This is a clear call for democratic decentralisation in a harder sense. By distributing "microproprikk" in a digestible, actionable form, it enables India's 2.5 million grams of panchayats to graduate from passive implementation of schemes to active planners and evaluators of development.

Question: About the Panchayat Advancement Index (PAI) recently launched by the Ministry of Panchayati Raj, consider the following statements:

1. The PAI is a dynamic index that uses real-time satellite data integrated with biometric attendance of frontline workers to assess the gram panchayat's performance.
2. The Index evaluates gram panchayats using more than 500 data points across themes aligned with the National Indicator Framework (NIF).

3. The PAI allows Members of Parliament and Members of Legislative Assemblies to generate constituency-wise reports to plan interventions aligned with LSDGs.
4. All states and union territories submitted 100% validated data for their gram panchayats under the PAI Baseline Report 2022–23.

Which of the statements given above is/are correct?

A. 2 and 3 only
B. 1, 2 and 4 only
C. 1 and 4 only
D. 3 and 4 only

Answer: A. 2 and 3 only

Explanation:

- **Statement 1: Incorrect.** The PAI does not yet use real-time satellite or biometric data. It is based on collected and validated indicators across themes, but not through advanced technology like satellite integration.
- **Statement 2: Correct.** The Index is based on 566 data points across nine LSDG themes and aligned with the National Indicator Framework.
- **Statement 3: Correct.** The PAI portal (pai.gov.in) enables constituency-wise report generation, allowing MPs and MLAs to plan development interventions.
- **Statement 4: Incorrect.** Not all states submitted complete data. For example, Uttar Pradesh submitted data for only 40% of its gram panchayats.

Question: "The Panchayat Advancement Index (PAI) marks a paradigm shift from abstract macroeconomic governance to grounded, data-driven micro-level planning. Critically examine how the PAI attempts to democratise evidence-based policy-making at the grassroots, while also analysing the structural, technical, and political constraints that may limit its transformative potential. Suggest institutional and systemic reforms to ensure that the PAI becomes a cornerstone of decentralised development planning in India."

In the Wake of Crisis, the Need for Bipartisanship: National Security Beyond Politics

Testing of terrorism, tragedy and unity: The terrorist attack in Pahagam on April 22, 2025, gives a serious reminder that India's security scenario has been delicate and disputed, especially in the historical struggle in cumbersome areas. When the nation still reappears, this question is on a large scale, not how to stop future tragedies, but how to react with unity, beyond election calculations and ideological classification.

Bipartisan matters in national security

At the core, Bipartisanship is not just a political ideal - it is a strategic requirement in national security. Terrorism, like a threat, is a trans-deyological and trans-part. It does not distinguish between political loyalty and waiting for the election timeline.

- A fragmented political reaction can: The signal's internal partition for the opponent and squeezes them.

Reduce strategic continuity in security policy. A tool for election mobilisation, not anti terrorism, not national protection.

Historical examples of topartization in India:

- **Kargil Conflict (1999):** Despite being in protest, the BJP Congress supported the government's military action, which performed the states.
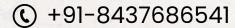
- **Uri: Surgical Strike (2016):** Although political capital was achieved, the first reactions were largely integrated.
- **1994 Geneva UNHRC Resolution:** To protect India's position on Kashmir, is the opposition leader, and then sends the opposition leader, Prime Minister Narasimha Rao, was sent a landmark in top-level diplomacy.

Global

- Worldwide, democratic countries have shown that a crisis can catalyse unity if management rises above the bias:
- **US Post -9/11:** Both Democrats and Republicans supported the war on terror, later despite the criticism of its execution.
- **New Zealand After Christchurch Attacks (2019):** Bilateral support enabled Swift weapons reforms, led by Prime Minister Jacinda Ardern.

- **After Europe, Ukraine was invasion:** Even traditionally neutral states such as Sweden and Finland joined NATO through broad -based political consensus.

Politicisation of Terror: A Disturbing Trend

- In recent years, national tragedies have frequently been co-opted into the churn of electoral narratives.
- After the Pulwama assault (2019), the rapid retaliation via airstrikes has become part of the marketing campaign pitch, blurring the lines between strategic motion and political branding.
- Televised blame video games that reduce policy debates to shouting suits.
- Weaponisation of martyrdom for electoral optics.
- Social media campaigns are designed to demonise the Opposition in the name of nationalism.

Consequences:

- Erodes public trust in institutions.
- Distracts from long-term counterterrorism making plans.
- Weakens Parliamentary oversight and consensus-building.

Case for a non-Pakistani national security theory

- India immediately requires a codified, bilateral national security theory (NSD). Such a principle needs:
  - It should be approved through parliamentary consent.

- Lie on principles that are not converted:
- Terror response
- Intelligence
- Defense modnization
- Cyber security
- Diplomacy in battle areas

India's current political atmosphere: polarisation of patriotism

- India's political discourse has quickly become unfavourable, not an ideal exception, not an ideal. The main features of this shift include:
- **Zero-Rashi policy:** Each case, including security, becomes a battlefield to score political points.
- **Erosion of mutual respect:** Political opponents are considered enemies and not counteracted.
- **Polarisation of social media:** The Hyperpartisan platform improves the stories and drops the conversations about unity.

Parliamentary standing committees: a tool for unit

- As chairman of the parliamentary standing committee on foreign affairs, Shashi Tharoor has often repeated that foreign policy and the national party's party lines.
- These committees are important platforms for non-Muslim discussions, but are often reduced. Their report should be given:

More public visibility

- Politics for the Government -A strong strength
- Representation from different political and conceptual spectrums

Conclusion: Unit as a strategy, not a slogan

Attacks in the initiative are not just a tragic event, but a strategic wake-up call. If India has to be vocal as a responsible global power, its domestic political discourse should match its diplomatic maturity. Safety is not a bilateral weakness - it is a strategic strength, stems from moral clarity and political will. Don't wait until the next tragedy in India will find the power of the unit.

In the words of Atal Bihari Vajpayee:
"You can change friends but not a neighbour."
And when we defend the motherland, we must remember:
"No congresses are India or BJP India - only India."

Question: Critically examine: Balance both sides, acknowledging political compulsions but stressing the need for unity.

Q. Consider the following statements regarding the role of bipartisanship in India's national security:
1. Bipartisanship strengthens strategic continuity and reduces reactionary decision-making in times of national crisis.
2. The 1994 Geneva UNHRC incident is an example where an Opposition leader led an Indian diplomatic delegation, showcasing bipartisan unity.
3. The Parliamentary Standing Committees are designed only for ruling party members to review defence and foreign policy matters.
4. Political polarisation enhances long-term counterterrorism planning by offering diverse viewpoints.

Which of the above statements is/are correct?
A) 1 and 2 only
B) 1 and 3 only
C) 2 and 4 only
D) 1, 2, and 3 only

Correct Answer: A) 1 and 2 only

Explanation:

Statement 3 is incorrect because Standing Committees are multiparty bodies meant for non-partisan, parliamentary oversight.
Statement 4 is incorrect: polarisation weakens, not enhances, long-term counterterrorism strategy.

A caste census is not a silver bullet for social justice

Census data has historically served as a cornerstone of public policymaking in India, offering vital insights into domains such as health, education, housing, and employment. While many have hailed this as a necessary and overdue step to address systemic inequalities among the Other Backwards Classes (OBCs), critics have raised concerns about its political motivations and limited practical impact.

Limits of Data-Driven Justice

- The Case for a Caste Census: An Empirical Foundation to Assess the Socio-Economic Realities. Proponents of a caste-based Census argue that it offers an empirical foundation to assess the socio-economic realities of various caste groups, especially the OBCs.
- With reliable data, affirmative action policies can be more effectively targeted, and the legitimacy of welfare programmes can be better defended in judicial forums, which have often questioned the reliability of surveys and commissions.

- Furthermore, disaggregated data could help identify inequalities even within the OBC category, such as the plight of the Extremely Backwards Classes (EBCs), allowing for more nuanced and inclusive policymaking.
- In principle, caste enumeration is a vital tool in a stratified society like India. Regular institutional exercises to collect caste data can deepen understanding of social inequalities and offer direction for targeted interventions. However, to place the caste Census at the centre of policymaking, as if it were a prerequisite for justice, is a flawed interpretation. It risks overburdening a data-collection tool with reformist aspirations that it was never designed to fulfil.

The Limits of Data-Driven Justice

- The role of the Registrar General of India is to collect and present neutral, factual information, not to dictate social reform. Elevating the Census into a political instrument risks undermining the objectivity of this vital institution, especially in an already polarised environment.

NUMBERS GAME

1881-1931: British Raj included caste enumeration in Census	**2016:** SECC data published, caste excluded
1951: Junked in independent India's first Census, except for SCs and STs	**2018:** Rajnath Singh, then home minister, speaks about OBC data collection in Census 2021
1961: States allowed to conduct surveys to prepare their OBC lists	**2023:** Cong demands an 'up-to-date' caste census
2011: UPA undertakes caste enumeration as a part of Socio-Economic & Caste Census	**2024:** Bihar, Telangana publish caste survey data. Karnataka undertook survey, yet to release data

- More crucially, Indian public policy has historically been shaped not by perfect data but by political mobilisation and moral resolve.
- The most significant social justice initiatives in India, including the implementation of reservations, land reforms, and the **Mandal Commission recommendations, emerged from political struggles, mass movements, and electoral imperatives.**
- The decision to introduce the reservation policy for **Economically Weaker Sections (EWS)** under the current government was not based on a robust database but on political considerations. This highlights a critical truth: data is often incidental to policy decisions, not foundational.

False Promises

- It is misleading to suggest that the absence of a caste census has paralysed policy formulation. Extensive data on caste-based disparities already exists.
- Scheduled Castes (SCs) and Scheduled Tribes (STs) have been consistently enumerated in national Censuses, and supplementary surveys such as the National Sample Survey, National Family Health Survey.
- Also, reports by the National Crime Records Bureau have revealed stark disparities in education, employment, and safety for these groups.

- The Bihar Caste Survey and the **Socio-Economic and Caste Census (SECC)** have further exposed the precarious economic conditions and internal diversity within the OBC category.
- Despite this, transformative policy action, particularly for OBCs, remains elusive. Representation in the private sector, judiciary, media, higher education, and the upper echelons of bureaucracy remains disproportionately low for SCs, STs, and OBCs.

Way Forward: Political Will as the Driving Force

While a caste census may enrich our understanding of social hierarchies and inform more equitable policymaking, it is not a panacea.

- Data can illuminate disparities, but it cannot rectify them.
- The decisive factor in the pursuit of social justice is not the quality or quantity of data, but the resolve of the ruling elite and the pressure exerted by a democratic populace.

Conclusion:

- Although a throwing person can provide valuable insight into India's complex social matter, it should not be wrong for a comprehensive solution to inequality. Throw data can serve as a clinical tool, but does not guarantee diagnostic treatment alone.
- The transformation power of justice is not in calculation, but in execution - how state institutions react, how politics is implicated and implemented, and political leadership prioritises equity quickly.

- Ultimately, social justice will depend less on how well we count the role crews and more boldly on how we act on differences that show such count.

Q.. "A caste census may deepen understanding of inequality but cannot substitute for political will and structural reform."

Q. Regarding caste-based data collection and its role in public policy in India, consider the following statements:

1. The Registrar General of India is constitutionally empowered to recommend caste-based reservations based on Census findings.
2. The Socio-Economic and Caste Census (SECC), 2011, was the first post-independence exercise to enumerate data on OBCs in India.
3. The absence of a nationwide caste census has legally prevented the implementation of affirmative action for OBCs in India.
4. Landmark social justice reforms in India, such as the Mandal Commission recommendations, were initiated without the availability of detailed caste data from official census sources.

Which of the above statements is/are correct?
A) 1 and 3 only
B) 2 and 4 only
C) 2, 3, and 4 only
D) 4 only

Correct Answer: B) 2 and 4 only

Explanation:

- **Statement 1 is incorrect:** The Registrar General collects data but does not recommend reservations.

- **Statement 2 is correct:** The SECC 2011 included caste data, including OBCs.
- **Statement 3 is incorrect:** OBC reservations were implemented through the Mandal Commission without a caste census.
- **Statement 4 is correct:** The Mandal recommendations were based on older estimates and social movements, not detailed census data.

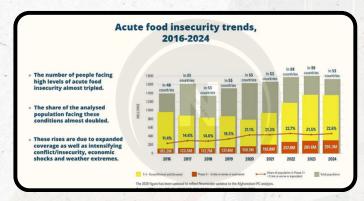# Global hunger at new high, 2025 outlook bleak: UN-backed report

(prelim)

The Global Report on Food Crises (GRFC) 2025 has revealed that more than 295 million people in 53 countries and territories faced acute hunger in 2024.

About the Global Report on Food Crises (GRFC):

- Publication: The GRFC has been published every year since 2016 by the Global Network Against Food Crises (GNAFC).
- Supporting Organisations: It is backed by the Food Security Information Network (FSIN) and includes input from UN agencies, the EU, and various NGOs.
- Purpose: Provides a consensus-based analysis of acute food insecurity and malnutrition worldwide.

Acute food insecurity trends, 2016-2024

- The number of people facing high levels of acute food insecurity almost tripled.
- The share of the analysed population facing these conditions almost doubled.
- These rises are due to expanded coverage as well as intensifying conflict/insecurity, economic shocks and weather extremes.

Highlights from GRFC 2025:

- **Scope:** The 2025 report covers 65 countries, with complete data for 53. India was not included in the analysis.
- Global Hunger Level: In 2024, 295 million people faced acute food insecurity, up 13.7 million from 2023, the sixth consecutive year of rising hunger.
- Severity: 23% of the analysed population experienced food insecurity, remaining above 20% for five years.
- Catastrophic Hunger: A record 1.9 million people were in Integrated Food Security Phase Classification (IPC) Phase 5, catastrophic levels of hunger.

About the Global Report on Food Crises (GRFC) 2025, consider the following statements:

1. The GRFC is published by the Global Network Against Food Crises (GNAFC) with support from the Food Security Information Network (FSIN).
2. In 2024, over 295 million people faced acute food insecurity across 65 countries, including India.
3. The GRFC 2025 revealed that for the sixth consecutive year, global hunger has worsened.
4. The report classifies the most severe level of hunger as IPC Phase 4.

Which of the statements given above is/are correct?

A. 1 and 3 only
B. 2 and 4 only
C. 1, 2 and 3 only
D. 1, 3 and 4 only

Answer: A. 1 and 3 only

Explanation:

- **Statement 1: Correct.** The GRFC is published by the GNAFC with support from FSIN and various international organisations.
- **Statement 2: Incorrect.** While 295 million people faced hunger in 2024 across 53 countries (not 65), India was not included in the analysis.
- **Statement 3: Correct.** The report notes that 2024 marked the sixth consecutive year of rising global hunger.
- **Statement 4: Incorrect.** The most severe level is IPC Phase 5, not Phase 4.

Operation Olivia

(prelims)

Recently, the Indian Coast Guard, under Operation Olivia, successfully protected a record 6.98 lakh Olive Ridley turtles during their mass nesting at the Rushikulya river mouth in Odisha.

About Operation Olivia:

- **Launch:** Operation Olivia is an annual conservation mission by the Indian Coast Guard, started in the early 1980s.
- **Main Objective:** It aims to protect Olive Ridley turtles during their nesting season, from November to May.
- **Primary Locations:** The operation focuses on Odisha's coast, especially Gahirmatha Beach, Devi River mouth, and Rushikulya River mouth.
- **Turtle Nesting Scale:** Over 8 lakh turtles arrive annually at these sites to nest.
- **Surveillance Efforts:** The Coast Guard has conducted more than 5,387 surface patrols and 1,768 aerial missions.
- **Community Engagement:** Fishermen are encouraged to use Turtle Excluder Devices (TEDs) that allow turtles to escape fishing nets.

Features:

- 5,387+ surface patrol sorties and 1,768+ aerial missions since inception.
- Extensive community outreach, educational awareness, and MoUs with NGOs.
- Use of modern surveillance systems and inter-agency coordination for enforcement.

About Olive Ridley Turtles:

- **Appearance:** Named for their olive-green shell, or carapace.
- **Diet:** They are Omnivores, though feeding mainly on jellyfish, crustaceans, and molluscs.
- **Nesting Behaviour:** Known for Arribada, a phenomenon where thousands of females come ashore simultaneously to lay eggs.
- **Habitat Range:** Found in warm waters of the Pacific, Atlantic, and Indian Oceans.
- Major Nesting Sites in India
- **Scientific Name:** Lepidochelys olivacea
- **IUCN Status:** Vulnerable
- Habitat & Distribution:
- Found in warm waters of the Pacific, Indian, and Atlantic Oceans.
- Gahirmatha Marine Sanctuary, Odisha (largest site)
- Devi River mouth (discovered in 1981)
- Rushikulya River mouth (discovered in 1994)

Biological Features:

- Smallest sea turtle species, weighing up to 45 kg, olive-coloured, heart-shaped carapace.
- **Arribada (mass nesting):** Thousands of turtles nest simultaneously, especially from Nov–Apr.

- **Omnivorous diet:** Feeds on crustaceans, jellyfish, algae, and molluscs.

Question [UPSC 2002] The sea coast of which one of the following states has become famous as a nesting place for the giant Olive Ridley turtles from South America?
Options:
(a) Goa
(b) Gujarat
(c) Odisha
(d) Tamil Nadu

Answer (c)

The ongoing oil price tensions

Recently, Saudi Arabia led OPEC+ to reverse previous production cuts, sparking a full-fledged oil price war, a new form of global conflict fought aggressively over barrels of crude oil rather than through military aggression.

About OPEC+

- It is a group of 22 oil-exporting countries which meets regularly to decide how much crude oil to sell on the world market. Nations aim to work together on adjusting crude oil production to bring stability to the oil market.
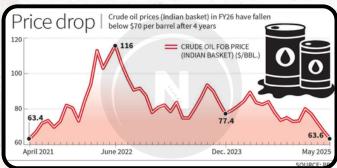
Origin of OPEC+

- These nations came to an accord towards the end of 2016 "to institutionalise a framework for cooperation between OPEC and non-OPEC producing countries on a regular and sustainable basis."
- At the core of this group are the 12 members of OPEC (the Organisation of the Oil Exporting Countries), which are mainly Middle Eastern and African countries.

Members of OPEC+: It comprises 12 OPEC countries plus Azerbaijan, Bahrain, Brunei, Kazakhstan, Russia, Mexico, Malaysia, South Sudan, Sudan, and Oman.

What is OPEC?

- It is a permanent intergovernmental organisation of oil-exporting countries.
- It was established in 1960 by the five founding members: Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela.
- Currently, it has 12 members, including Algeria, Congo, Equatorial Guinea, Gabon, Libya, Nigeria, and the United Arab Emirates.
- Angola withdrew its membership effective 1 January 2024.
- Headquarters: Vienna, Austria.

Price drop | Crude oil prices (Indian basket) in FY26 have fallen below $70 per barrel after 4 years

CRUDE OIL FOB PRICE (INDIAN BASKET) ($/BBL.)

116
63.4
77.4
63.6
April 2021   June 2022   Dec. 2023   May 2025

OPEC+ to increase oil production

- **Ineffectiveness of previous cuts:** Despite voluntary output cuts of 2.2 million barrels per day (bpd) by eight members in 2023 (including a collective cut of 5 million bpd earlier), oil prices kept declining.
- **Oversupply & competition:** New producers (e.g., Brazil, Guyana, shale oil players) increased their market share, reducing OPEC+'s control.
- **Saudi frustration:** Overproduction by OPEC+ members like Kazakhstan, Iraq, UAE, and Nigeria undermined collective output discipline.

- **Market flooding strategy:** To discipline overproducers and regain market share, Saudi Arabia led a reversal in strategy, increasing output (411,000 bpd) starting in June 2025.
- **Preemptive move:** Anticipating the return of major sanctioned producers (Iran, Venezuela, Russia), OPEC+ may be frontloading production before supply increases further.

India's economy

- **Lower Import Bill and Fiscal Savings:** Falling oil prices reduce India's import costs significantly. E.g., In 2024–25, India spent $137 billion on crude imports. A $1 drop in global oil prices can save India roughly $1.5 billion annually.
- **Reduced Export Earnings from Petroleum Products:** India exports refined petroleum products, a top export item. Lower crude prices reduce global demand and margins for these exports. Eg: Refinery margins decline, affecting companies like Reliance Industries and Indian Oil Corporation, and reducing foreign exchange earnings.
- **Negative Impact on Gulf Economies and Remittances:** Gulf countries face revenue drops, leading to reduced infrastructure spending and job losses for Indian expatriates. E.g.: Over 9 million Indians work in the Gulf, sending home more than $50 billion in remittances annually. Job losses or salary cuts can hurt India's balance of payments.
- **Lower Tax Revenues from Oil Sector:** As oil prices drop, the government earns less in excise duties, royalties, and other taxes from oil and gas sales.

- Eg: The petroleum sector contributes significantly to India's tax base— lower prices reduce collections, affecting fiscal planning and public spending.
- **Strained Bilateral Economic Ties with Oil Exporters:** Economic decline in oil-exporting countries (like Saudi Arabia, UAE, and Nigeria) affects India's project exports, bilateral trade, and inbound investments. Eg, Indian companies working on infrastructure projects in Gulf countries may face payment delays or cancellations due to budgetary constraints in host nations.

Why is Saudi Arabia called a "swing producer"?
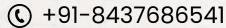
- Large spare production capacity: It can increase or decrease output swiftly to influence global oil prices.
- **Stabilising role**: Prefers stable and moderately high prices to ensure consistent oil revenue.
- **Historical precedence:** Has previously launched price wars (1985–86, 1998, 2014–16, 2020) to discipline the market and punish overproducers.
- **Current context**: Took the largest voluntary cut (3 million bpd) in 2024, but shifted to increasing output as a strategic move to reassert influence.

Oil producers under U.S. sanctions

- **Russia:** Sanctioned due to the Ukraine conflict and other geopolitical reasons.
- **Iran:** Sanctioned for its nuclear program and regional activities.
- **Venezuela:** Sanctioned for political repression and economic mismanagement.

Way forward:

Diversify Energy Sources and Boost Renewables: Reduce dependency on crude oil imports by accelerating adoption of renewable energy, energy efficiency, and alternative fuels like hydrogen and biofuels to enhance energy security.

Strengthen Economic Resilience and Diplomatic Engagement: Build strategic petroleum reserves, improve fiscal buffers, and deepen diplomatic ties with diverse energy suppliers to better manage supply shocks and geopolitical risks.

Which of the following best explains why Saudi Arabia led OPEC+ to increase oil production in 2025, reversing previous cuts?

A. To reduce the global reliance on fossil fuels and promote renewables

B. To regain market share and discipline overproducing member countries

C. To support U.S. oil sanctions on Russia, Iran, and Venezuela

D. To increase remittances from Gulf countries to India

Correct Answer: B. To regain market share and discipline overproducing member countries

Mains PYQ: [UPSC 2013] It is said that India has substantial reserves of shale oil and gas, which can feed the needs of country for quarter century. However, tapping of the resources doesn't appear to be high on the agenda. Discuss critically the availability and issues involved.

Nineveh

(prelims)

During recent excavations in the ancient metropolis of Nineveh, archaeologists came across large parts of a monumental relief, including King Assurbanipal (668 to 627 BC), the last ruler of the Assyrian Empire, accompanied by two important deities and other figures.

About Nineveh

- It was one of the most important sites in northern Mesopotamia and became the capital of the Assyrian Empire under King Sennacherib in the late 8th century BCE.
- It is situated on the east bank of the Tigris River within the modern city of Mosul, Iraq. It was the oldest and most populous city of the ancient Assyrian Empire.
- The area was settled as early as 6000 BCE and, by 3000 BCE, had become an important religious centre for worship of the goddess Ishtar.
- It came directly under Assyrian rule during the reign of Shamashi Adad I (r. 1813-1791 BCE) but was most fully developed during the Neo-Assyrian Empire (912-612 BCE) by Sennacherib (r. 705-681 BCE).

- Before its fall, however, Nineveh was the largest urban centre in the world, ornamented by gardens, statuary, parks, and a zoo, and was regarded as a great cultural centre.
- The city was destroyed in 612 BCE by a coalition led by Babylonians and Medes, which toppled the Assyrian Empire.

Consider the following statements about Nineveh, the ancient Assyrian city:

1. It became the capital of the Assyrian Empire under King Assurbanipal in the 7th century BCE.
2. It was located on the east bank of the Tigris River in present-day Iraq.
3. It was one of the largest urban centres of its time and was destroyed in 612 BCE by a coalition including the Babylonians.

Which of the statements given above is/are correct?
A. 1 and 2 only
B. 2 and 3 only
C. 1 and 3 only
D. 1, 2 and 3

Correct Answer: B. 2 and 3 only

Explanation:

- **Statement 1 is incorrect:** Nineveh became the capital under King Sennacherib, not King Assurbanipal.
- **Statement 2 is correct:** Nineveh was situated on the east bank of the Tigris River in modern-day Mosul, Iraq.
- **Statement 3 is correct:** Nineveh was among the largest urban centres of its time and was destroyed in 612 BCE by a coalition led by the Babylonians and Medes.

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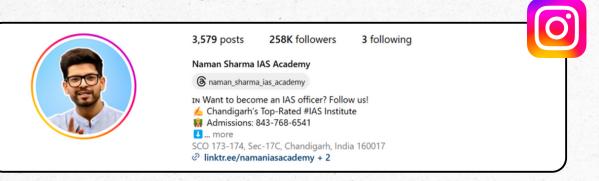**Kirti Sharma**
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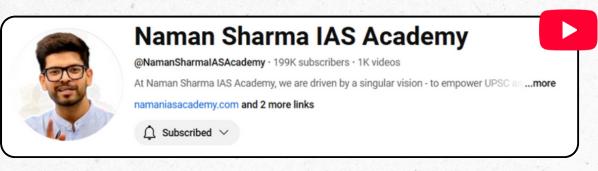AIR-231, CSE 2020

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