



NAMAN SHARMA
IAS ACADEMY

Daily **CURRENT AFFAIRS**

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1. U.S. Supreme Court rejects Trump tariffs

Why in the News?

The U.S. Supreme Court has struck down President Donald Trump's sweeping "reciprocal" tariffs imposed under an emergency powers law. In a 6–3 decision, the Court ruled that only Congress, not the President, has the constitutional authority to impose taxes, including tariffs. The ruling nullifies billions of dollars' worth of tariffs that were levied on multiple countries, including India. This judgment marks the first major constitutional setback to Trump's economic agenda in his current term.



Court rebuff

On Friday, the U.S. Supreme Court invalidated President Donald Trump's global tariffs under a 1977 emergency powers law

- **April 2025:** Trump imposes 'reciprocal' tariffs on most countries to address trade deficits and emergencies
- **2025-2026:** Lawsuits filed by states and businesses challenge the tariffs' legality
- **Dec. 2025:** Treasury reports \$133 billion collected from the import taxes; companies like Costco seek refunds
- **Feb. 20:** Court rules 6-3; it says only Congress has the constitutional power to impose tariffs

Background

Tariffs in U.S. Constitutional Framework

Under Article I, Section 8 of the U.S. Constitution:

- Congress has the power to levy taxes and duties.
- The Executive (President) executes laws but does not create taxing authority independently. However, over time, Congress has delegated limited tariff powers to the President under certain statutes.

Emergency Powers Law

Trump imposed tariffs under the:

- International Emergency Economic Powers Act (IEEPA), 1977
- This law allows the President to regulate commerce during a declared national emergency.

Trump:

- Declared trade deficits a national emergency.
- Imposed “reciprocal tariffs” on most countries in April 2025.
- Earlier imposed duties on Canada, China, and Mexico, citing drug trafficking concerns.

Scale of Tariffs

- The U.S. Treasury collected \$133 billion from import taxes under these emergency powers.
- Tariffs targeted major trading partners, including India, China, and EU nations.
- The move was justified as necessary to reduce trade deficits and protect American industry.

Features

Constitutional Interpretation

- Chief Justice John Roberts wrote for the majority:
- “The Framers did not vest any part of the taxing power in the Executive Branch.”

The Court held:

- Taxation authority lies exclusively with Congress.
- Delegation cannot amount to transferring core legislative power.
- Emergency powers cannot override explicit constitutional text.

Separation of Powers Doctrine Strengthened

The judgment reinforces:

- Checks and balances
 - Limits on executive overreach
 - Congressional primacy in taxation
- Dissenting Opinion

Justices:

- Samuel Alito
- Clarence Thomas
- Brett Kavanaugh

argued that:

- Historical precedent supports broad delegation.
- The tariffs were lawful under statutory authority.
- Policy wisdom is not for courts to judge.

Refund Question Left Open

The Court did not clarify:

- Whether companies will receive refunds.
- How previously collected tariffs will be treated.
- Several corporations, including Costco, have already approached lower courts seeking refunds.

Challenges Emerging from the Ruling

Economic Uncertainty

- \$133 billion already collected.
- Potential refund claims could burden public finances.

- Disruption in global trade planning.

Executive–Legislative Conflict

- The ruling may intensify tensions between the White House and Congress.
- Raises questions on the scope of delegated powers.

Trade Policy Paralysis

- Future trade actions may require congressional approval.
- Slower response to economic crises.

Legal Complications

- Refund litigation may drag on for years.
- Determining liability and procedural mechanisms will be complex.

Implications for India and Global Trade

Relief for Exporters

India, which faced reciprocal tariffs, could benefit from:

- Reduced tariff barriers.
- Stabilised trade flows.

WTO & Multilateralism

- The ruling signals judicial caution against unilateral trade measures.
- May revive rules-based trade order principles.

Domestic Political Debate in the U.S.

- Trump framed the case as critical to economic sovereignty.
- Legal opposition included libertarian and pro-business groups.

Way Forward

Congressional Reassertion

Congress may:

- Clarify limits of emergency powers.
- Amend trade statutes.
- Reassert tariff authority more explicitly.

Executive Strategy Shift

- The administration may rely on:
 - Section 301 of the Trade Act.
 - Section 232 (national security tariffs).
 - Anti-dumping and countervailing duty mechanisms.

Judicial Doctrine on Non-Delegation

- The case may revive debate on:
- Non-delegation doctrine.
- Limits of administrative state power.

Refund Mechanism Framework

- Lower courts must:
- Develop structured refund procedures.
- Balance fiscal stability with legal restitution.

Conclusion

The Supreme Court's rejection of Trump's reciprocal tariffs is a landmark judgment reaffirming the constitutional principle that taxation power rests solely with Congress. While it constrains executive flexibility in trade policy, it strengthens institutional balance and democratic accountability. The decision may reshape American trade governance, redefine emergency economic powers, and influence global trade stability - including for countries like India that were directly affected by the tariffs.

2. Panchayat leadership helps Bela Gram emerge as first net-zero village

Why in the News?

Bela Gram in Maharashtra's Bhandara district has emerged as India's first net-zero panchayat, and its success was highlighted at the Mumbai Climate Week 2026.

The development underscores the growing role of panchayat leadership in driving grassroots climate action and localised sustainability models.

Background

Climate Governance at the Local Level

India's climate action is guided by:

- Nationally Determined Contributions (NDCs)
- Panchayati Raj Institutions (PRIs) under the 73rd Constitutional Amendment
- State climate action plans

While climate policy is often discussed at national and global levels (UNFCCC, COP summits), its real impacts are experienced locally — in agriculture, water access, health, and livelihoods.

Concept of a Net-Zero Village

A net-zero village balances:

- Greenhouse gas emissions with Carbon absorption and renewable transitions

This includes:

- Renewable energy use
- Tree plantation and afforestation
- Waste management

- Reduction in fossil fuel dependence

Features

Leadership by Panchayat

- Sharada Gaydhane, the twice-elected sarpanch, led community mobilisation through:
- Participatory decision-making
- Behavioural change campaigns
- Climate awareness during social events

Her model shows how decentralised governance strengthens climate action.

Massive Tree Plantation

- Over 90,000 trees planted
- Linked with weddings and festivals
- Enhanced carbon sinks and biodiversity



Energy Transition

- Shift from smoky chulhas to LPG
- Installation of solar panels in:
- Homes
- Anganwadis
- Panchayat offices

This reduced indoor air pollution and carbon emissions.

Waste Management

- Door-to-door waste segregation
- Elimination of single-use plastics

- “Waste to wealth” approach

Recognition

- Became Maharashtra’s first net-zero village
- Received the 2024 Rashtriya Panchayat Puraskar

Other Grassroots Climate Stories Highlighted

- Perinjanam, Kerala – Solar Gramam
- 850 households became rooftop solar prosumers
- Electricity bills reduced by 80%
- Won 2019 Akshaya Oorja and MediaOne Maha Panchayat awards
- Demonstrates decentralised renewable revolution

Siyari, Jharkhand – Water & Solar Revival

- Used District Mineral Fund (DMF) resources
- Revived lakes and water bodies
- Installed 72 solar streetlights
- Promoted mango and forest-based livelihoods

DMF operates under the MMDR Amendment Act, 2015, to support mining-affected districts.

Garhi Forests, Bihar – Community Water Structures

- Built 45 mud check dams
- 90 boulder dams
- 3 ponds

Addressed:

- Flash floods
- Drought cycles
- Soil erosion

Kolar, Karnataka – Lake & Soil Restoration

- Revival of lakes and groundwater
- Reduction in chemical fertilizer use
- Promotion of ecological farming

Challenges

Financial Constraints

- Limited panchayat budgets
- Dependence on state and central grants

Technical Gaps

- Need for carbon accounting expertise
- Monitoring emission reductions

Behavioural Resistance

- Resistance to waste segregation
- Cultural inertia against renewable transitions

Climate Extremes

- Erratic monsoons
- Heatwaves
- Flood-drought cycles

Way Forward

Institutionalising Climate Panchayats

- Integrate climate action into Gram Panchayat Development Plans (GPDPs)
- Mandatory climate budgeting at the local level

Dedicated Climate Funds

- Expand the use of DMF funds
- Green grants under the Finance Commission recommendations

Capacity Building

- Training for sarpanches on:
 - Carbon accounting
 - Renewable project implementation
 - Climate-resilient agriculture

Scaling Solar Mandates

- Rooftop solar is compulsory in new rural housing schemes
- Convergence with PM-KUSUM and MNRE schemes

Recognition & Incentives

- Expand awards like Rashtriya Panchayat Puraskar
- Performance-linked green incentives

Conclusion

Bela Gram's emergence as India's first net-zero panchayat demonstrates that climate action is most effective when it begins at the grassroots. The case reflects a shift from policy-centric climate discourse to people-centric climate governance. Panchayats, when empowered with leadership,

community participation, and financial support, can become powerful agents of ecological transformation. As India aims for net-zero emissions by 2070, replicating such decentralised climate models may prove crucial in aligning national ambition with local action.

3. New IIT-M technique to accurately measure blood clotting time will help implant makers

Why in the News?

Researchers at the Indian Institute of Technology Madras (IIT-M) have secured a patent for a novel optics-based technique to accurately measure blood clotting time on implant surfaces. The method promises to improve haemocompatibility testing of medical implants such as stents and heart valves, potentially reducing clot-related complications.

Background

What is Haemocompatibility?

Haemocompatibility refers to the ability of a material or medical device to interact with blood without causing adverse reactions, particularly:

- Thrombosis (blood clot formation)
- Inflammation
- Platelet activation

This is critical for devices such as:

- Stents
- Artificial heart valves
- Catheters
- Vascular grafts

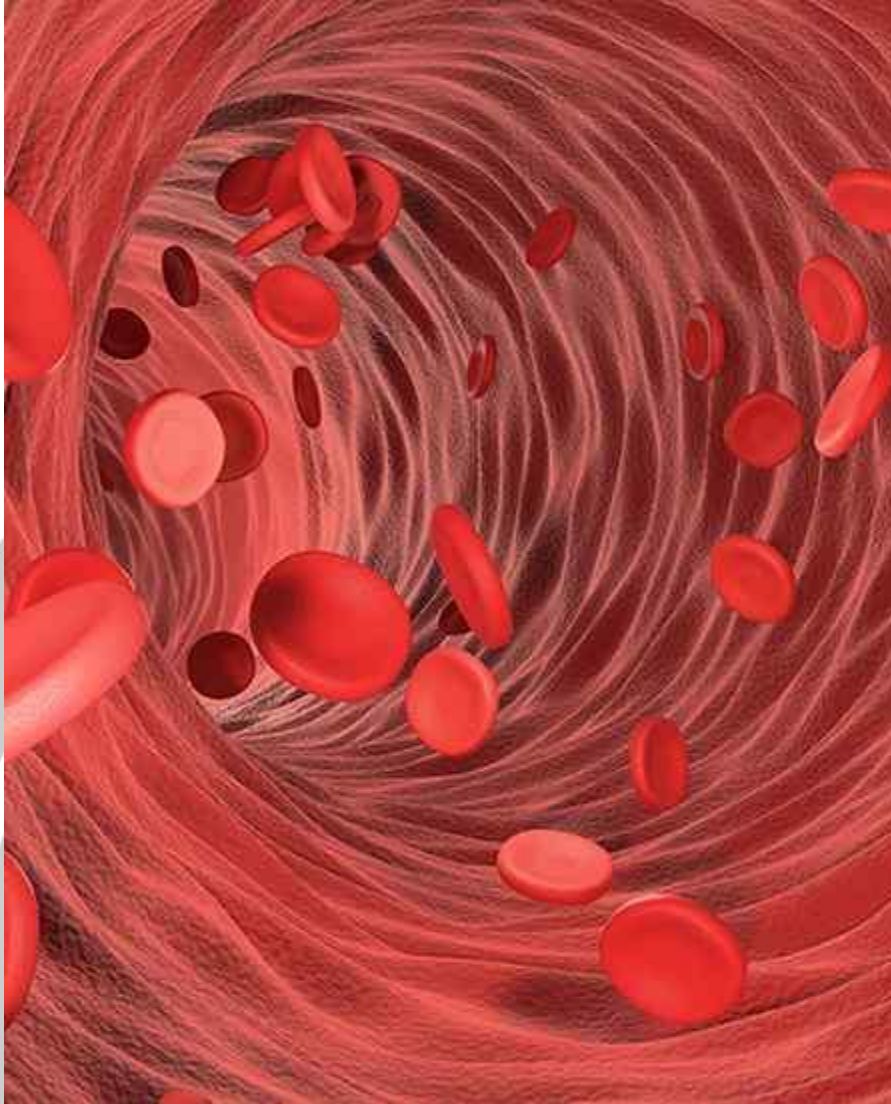
If a device triggers clotting, it can lead to:

- Stroke
- Heart attack
- Implant failure

Existing Blood Clot Testing Methods

- Currently, two conventional techniques are widely used:
- Mechanical Tilting Method
- Observes clot formation by tilting a blood-containing tube.

- Subjective and operator-dependent.



Free Haemoglobin Method

- Measures haemoglobin released from non-clotted blood.
- Indirect and less precise.
- Both methods lack millisecond-level precision and quantitative clarity.

Features

Optics-Based Detection

- The patented technique works on a simple but powerful principle:
 - Implant surfaces are reflective.
 - When blood touches the surface, and clotting begins:
 - The surface becomes turbid.
 - Reflectivity changes.
 - This change is detected by a highly sensitive photodetector.
 - The reflectivity shift triggers a measurable voltage change.
 - The time taken for voltage variation corresponds exactly to clotting time.
- The method can measure clotting time with millisecond precision.

Scientific Publication

- The technique has been described in the journal:
- Review of Scientific Instruments

Researchers involved include:

- Subhashree Mishra
- Govinda Chandra Behera
- Vignesh Muthuvijayan
- Somnath Chanda Roy

Advantages Over Conventional Methods

- High precision (milliseconds counted)
- Quantitative screening capability
- Reduced subjectivity
- Early-stage material evaluation
- Potential automation for industry use

Importance for Implant Manufacturers

- Material Screening
- Manufacturers can:
- Compare multiple biomaterials quantitatively
- Detect subtle differences in clot behaviour
- Reduce thrombosis risks at the design stage

Patient Safety

Better haemocompatibility testing may:

- Reduce post-surgery clot risks
- Improve dosage planning of anticoagulants
- Enhance implant longevity

Cost Efficiency

Early detection of unsuitable materials can:

- Lower R&D costs
- Reduce regulatory delays
- Improve clinical outcomes

Wider Applications

The researchers suggest broader industrial use:

Water Purity Testing

- With minor modifications:
- Surface reflectivity changes could detect turbidity.
- Trace impurities in water could be identified.
- Useful for environmental monitoring and industry quality control.

Other Biosensing Applications

Potential use in:

- Blood diagnostics
- Pathogen detection
- Biomedical device calibration

Challenges

Commercial Scaling

- Transition from lab prototype to industrial product.
- Need for cost-effective, ruggedised devices.

Regulatory Validation

- Approval from medical device regulatory authorities.
- Clinical validation across diverse patient samples.

Standardisation

- Must integrate with global haemocompatibility testing standards.
- Industry acceptance may take time.

Way Forward

Industry Collaboration

- Partnerships with implant manufacturers.
- Integration into biomedical R&D labs.

Regulatory Trials

- Multi-centre validation studies.
- Comparative testing with global benchmarks.

Expansion into Water and Environmental Monitoring

- Develop low-cost field devices.
- Integration with Jal Jeevan Mission and urban water quality systems.

Indigenous Medical Technology Boost

- This innovation supports:
 - Atmanirbhar Bharat in medical devices
 - Reduced import dependence
 - Indigenous biomedical research capacity

Conclusion

The IIT-Madras optics-based blood clot detection technique marks a significant advancement in haemocompatibility testing. By leveraging changes in light reflectivity to measure clot formation with high precision, it offers a more accurate, quantitative, and scalable alternative to conventional methods. If successfully commercialised, this innovation could enhance patient safety in implant

surgeries, strengthen India's medical device ecosystem, and even find applications beyond healthcare - from diagnostics to environmental monitoring.

4. Gen Z and the dynamics of democratic engagement

Why in the News?

Ajay Gudavarthy, Associate Professor at JNU, in a recent opinion piece titled "Gen Z and the Dynamics of Democratic Engagement", has analysed how Generation Z is reshaping democratic participation amid global democratic backsliding. Across countries like Bangladesh (2024) and Nepal (2025), Gen Z-led protests have challenged corruption, authoritarian tendencies, and institutional decay. At a time when democracies worldwide are facing erosion, Gen Z's episodic but high-impact activism has emerged as a renewed source of hope.

This debate gains relevance in India as well, especially in the context of:

- Democratic backsliding concerns
- Youth unemployment and anxiety
- Rise of digital activism
- Increasing hyper-nationalist narratives

Background

Who is Gen Z?

Generation Z refers to individuals born roughly between 1997 and 2012. They are:

- Digital natives
- Social media fluent
- Raised in an era of rapid globalisation
- Exposed to both democratic expansion and economic precarity

Global Democratic Backsliding

Many democracies have witnessed:

- Erosion of institutional autonomy
- Centralisation of executive power
- Weakening of civil liberties
- Decline in trust in political parties

Earlier mass mobilisations like:

- Occupy Wall Street

- Arab Spring
- Brazilian Spring

generated global attention but did not always lead to sustained structural transformation. Gen Z protests differ in style, tone, and organisation.

Features

A New Political Subjectivity

Gen Z combines:

- Radical individualism

- Social indifference
- Reduced prejudice
- Less ideological rigidity

Their core worldview:

“The personal is political — but the political is not personal.”

They emphasise:

- Dignity
- Identity
- Everyday moral conduct
- Lived hierarchies

Rather than ideological revolution, they prioritise ethical consistency in personal life.

Digital-First Political Engagement

Gen Z prefers:

- Online mobilisation
- Hashtag campaigns
- Meme culture
- Viral dissent



Characteristics:

- Leaderless protests
- Episodic mobilisation
- Absence of rigid ideological frameworks
- Reluctance toward sustained organisational structures

Unlike the structured farmers’ movement (2020–24) in India, Gen Z protests:

- Appear suddenly
- Dissolve quickly

- Leave a symbolic and psychological impact.

Confidence + Anxiety Paradox

Gen Z is:

- The most self-confident generation in post-independence India
- Also, the most anxious

Reasons:

- Democratisation expanded social access
- Economic opportunities are shrinking
- High unemployment and workplace precarity
- Mental health awareness and therapy culture

They are:

- Assertive
- Emotionally self-aware
- Yet deeply insecure about the future

This explains:

- Fragmented political participation
- Episodic activism
- Short attention spans in movements

Market, Technology and Identity

- Market and technology are central to Gen Z identity formation.

Key aspects:

- Consumer choices as identity markers
- Technology as a social equaliser
- Global fashion and cultural blending
- Secularised but inward-looking worldview

Access to:

- Smartphones
- Education
- Digital platforms
- Fuels hyper-nationalism
- Encourages symbolic pride narratives
- Enables rapid misinformation spread

Challenges

Episodic and Unsustained Movements

- Lack of institutional memory
- No structured leadership

- Difficulty in translating protest into policy change

Weak Structural Analysis

- Strong reaction to lived injustice
- Limited long-term ideological frameworks
- Fragmented understanding of systemic hierarchies

Digital Echo Chambers

- Algorithm-driven polarisation
- Rapid spread of rhetoric
- Hyper-nationalist amplification

Anxiety and Precarity

- Employment uncertainty
- Gig economy pressures
- Mental health crisis

This results in:

- Fleeting political engagement
- Cynicism toward formal politics
- Distrust in institutions

Way Forward

Institutionalising Youth Participation

- Youth councils in governance
- Campus-based democratic forums
- Participatory budgeting initiatives

Digital Democracy Reforms

- Regulation of misinformation
- Civic digital literacy
- Transparent algorithm governance

Linking Episodic Energy to Structural Reform

- Civil society mentorship networks
- Youth-policy interface platforms
- Structured dialogue with lawmakers

Addressing Economic Anxiety

- Job-intensive growth strategies
- Skill-development aligned with future sectors
- Social security for gig workers

Strengthening Civic Education



- Constitutional literacy programmes
- Deliberative democracy exercises
- Ethical political training

Conclusion

Generation Z represents a transformative but unpredictable force in contemporary democracy. Unlike previous generations:

- It is less ideological but more ethical.
- Less organised but more expressive.
- Less prejudiced but more anxious.

Its protests may be short-lived, but their symbolic impact is deep. Gen Z may not fit into conventional models of mass politics, yet it is reshaping democratic imagination through:

- Digital activism
- Identity assertion
- Market-mediated dignity
- Emotional self-awareness

In an era of global authoritarian drift, Gen Z's episodic yet powerful engagement signals that democracy's moral energy still survives — though in new, unconventional forms.

5. Net FDI into India negative for fourth straight month

Why in the News?

Net FDI into India remained negative for the fourth consecutive month in December 2025, as per the latest data released by the Reserve Bank of India (RBI).

Despite gross inflows rising to a five-month high of \$8.6 billion, net FDI stood at -\$1.6 billion, as repatriation by foreign firms and outward investments by Indian companies exceeded fresh inflows.

The development has gained attention because:

- It reflects investor caution amid global uncertainty
- It comes before the announcement of the India–U.S. Interim Trade Deal
- It precedes the India–EU Free Trade Agreement
- It signals possible structural shifts in India's capital flow dynamics

Background

What is FDI?

Foreign Direct Investment (FDI) refers to cross-border investment where an investor acquires a lasting interest and significant influence (10% or more equity) in an enterprise in another country.

Types of FDI Indicators

- Gross FDI Inflows → Total fresh foreign investment entering India
- Repatriation/Disinvestment → Foreign firms taking money out
- Outward FDI → Indian companies investing abroad
- Net FDI → Gross inflows – (Repatriation + Outward FDI)

If outflows exceed inflows → Net FDI becomes negative.

December 2025 FDI Snapshot

Key Observations

Indicator	Amount
-----------	--------

Gross Inflows \$8.6 billion

Repatriation \$7.5 billion

Outward FDI \$2.7 billion

Net FDI -\$1.6 billion

- Gross inflows ↑ 17.2% (YoY)
- Repatriation highest since January 2021
- Outward FDI ↑ 30.5% YoY
- Fourth consecutive month of negative net FDI

Major Sources and Destinations

- Inward FDI Sources
- Top contributing countries:
- Singapore
- Netherlands
- Mauritius

These three accounted for over 80% of total inflows.

Key Sectors Receiving FDI

- Transport
- Manufacturing
- Computer services
- Electricity & energy generation

Outward FDI Destinations

Indian companies invested in:

- Singapore
- United States
- UAE
- United Kingdom
- Netherlands

Major sectors:

- Financial services
- Insurance
- Business services
- Wholesale & retail trade
- Hospitality

Features

- Gross Inflows Remain Strong
- Despite global volatility:
- Inflows hit a 5-month high

- Indicates long-term confidence in India's growth story

Repatriation Surge

- Repatriation reached \$7.5 billion — the highest since January 2021.

Possible reasons:

- Profit-booking
- Strategic restructuring
- Global liquidity tightening
- Trade policy uncertainty

Rising Outward FDI

- Indian firms expanding overseas suggest:
- Growing global ambitions
- Market diversification strategy
- Hedging against domestic uncertainties

Trade Uncertainty Impact

- The RBI earlier cited:
- India–U.S. tariff tensions (50% tariffs issue)
- Delays in trade agreement negotiations

December data reflects pre-announcement uncertainty before:

- India–U.S. Interim Agreement
- India–EU FTA

Portfolio Investment Contrast

- Interestingly, the RBI noted that:
- After the India–EU FTA and India–U.S. interim deal announcements, Foreign Portfolio Investments (FPIs) returned in February.

This suggests:

- Sentiment-driven capital flows
- Trade diplomacy influences investor confidence
- Divergence between FDI (long-term) and FPI (short-term)

Challenges

Persistent Negative Net FDI

- Four consecutive months of negative net FDI may:
- Signal structural capital flight
- Reflect profit repatriation cycles
- Indicate global capital reallocation

Heavy Dependence on a Few Countries Over 80% inflows from three countries:

- Vulnerability to tax treaty changes
- Exposure to global financial centre dynamics

Geopolitical & Trade Risks

- U.S. tariff policies
- Global supply chain disruptions
- Protectionist trends

Domestic Bottlenecks

- Regulatory compliance burdens
- Infrastructure gaps
- Judicial delays
- Policy unpredictability

Way Forward

Stabilise Trade Relations

- Fast-track implementation of India–EU FTA
- Strengthen India–U.S. trade predictability
- Expand trade agreements with ASEAN and Gulf nations

Deepen Ease of Doing Business

- Reduce compliance costs
- Simplify the tax regime
- Strengthen dispute resolution mechanisms

Sectoral Diversification

- Focus on semiconductor manufacturing
- Green energy investments
- Electronics & high-tech manufacturing

Encourage Retained Earnings

- Incentivise reinvestment of profits
- Production-linked incentives (PLI) expansion
- Policy clarity for long-term investors

Strengthen Domestic Capital Formation

- Boost domestic savings mobilisation
- Encourage pension and insurance fund investments
- Deepen corporate bond markets

Conclusion

The negative net FDI figure for December 2025 does not necessarily indicate a collapse of investor confidence, as gross inflows remain robust. However, rising repatriation and outward investments reflect:

- Global economic uncertainty
- Strategic corporate restructuring
- Trade policy hesitations

The rebound in portfolio flows following trade agreements shows that investor sentiment is highly responsive to diplomatic and policy signals.

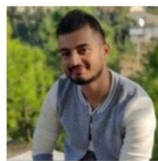
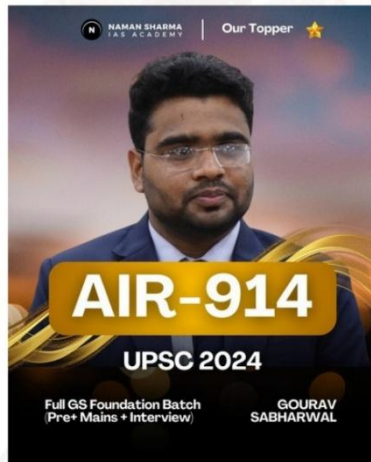
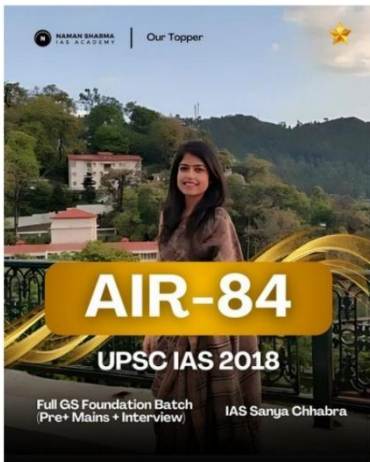
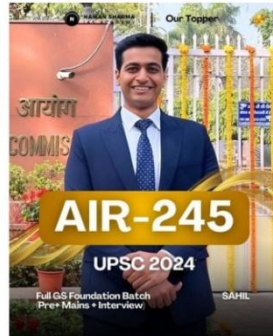
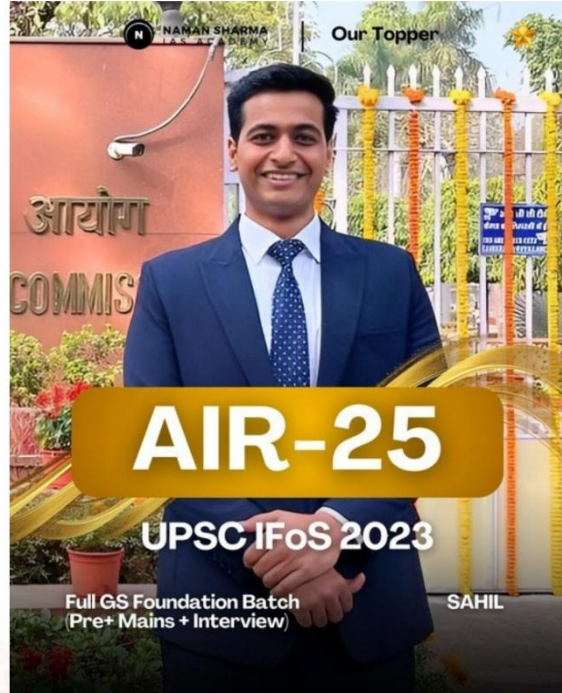
For India, the challenge lies not merely in attracting FDI but in:

- Retaining capital
- Reducing uncertainty
- Ensuring policy predictability
- Leveraging trade agreements effectively

Sustained reforms, stable trade diplomacy, and structural competitiveness will determine whether India can convert episodic inflows into durable capital formation.



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