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Page 01 : Prelims Fact

- The Supreme Court has stayed a Lokpal order that brought High Court judges under its jurisdiction.

SC stays Lokpal order on power over judges

Special Bench terms top anti-corruption ombudsman's interpretation 'very disturbing' as it passed an order giving itself jurisdiction to investigate complaints against High Court judges; Bench issues notice to the Centre, the Registrar of Lokpal and the complainant on whose plea the January 27 order was passed; court lists the case for March 18

Krishnadas Rajagopal
NEW DELHI

The Supreme Court on Thursday stayed a Lokpal order bringing High Court judges under its jurisdiction, terming the top anti-corruption ombudsman's interpretation "very disturbing".

Taking *suo motu* cognisance of the January 27 Lokpal order, a Special Bench of Justices B.R. Gavai, Surya Kant and A.S. Oka, three senior judges of the Supreme Court and Collegium members, said it impacted the independence of the judiciary.

The Bench, in a brief hearing, was offered assistance by senior advocates Kapil Sibal and B.H. Marlapalle even as Solicitor-General Tushar Mehta appeared for the Union government. The Bench issued notice to the Centre, the Registrar of Lokpal and the complainant on whose plea the January 27 order was passed. The court listed the case on March 18. It injuncted the complainant from disclosing the name of the High Court judge in question and ordered the former to keep the contents of the complaint confidential.

Mr. Sibal said the court sorely needed to lay down the law on this issue. Mr. Mehta categorically submitted that High Court judges would never fall within the ambit of Lokpal.

'Public servants'

The order of the Lokpal, chaired by a former Supreme Court judge, Justice A.M. Khanwilkar, was based on a complaint that an Additional High Court judge had influenced an Additional District Judge, and later another High Court judge, to decide in favour of a private company. It was alleged that the company had been a client of the judge during the latter's earlier years as an advocate.

In a 13-page order, the Lokpal concluded that High Court judges were 'public servants' and came within the ambit of the Lokpal and Lokayuktas Act of 2013.

The anti-corruption body assumed jurisdiction to inquire or investigate complaints about High Court judges on the ground that, unlike the Supreme Court, the High Courts in India were constituted by British Parliamentary Acts – Indian High Courts Act, 1861 and Government of India Act 1935 – and Letters Patent of the British Monarch. In fact, the High Courts pre-dated the Constitution, the Lokpal reasoned.

Article 214 of the Constitution, which said "there shall be a High Court for each State", had only "intrinsically recognised" the existence of the High Courts. The Constitution did not establish the High Courts, the Lokpal argued in the January 27 order. On the other hand, the Supreme Court was completely a child of the Constitution, the ombudsman noted.

A few days before the January 27 order, the Lokpal, in a decision on January 3, had declared that it had no power over Supreme Court judges, including the Chief Justice of India.

In the January 3 order, the Lokpal had explained that the Supreme Court was not a "body" established by an Act of Parliament or financed or controlled by the Central government. It had observed that Supreme Court judges, including the CJI, even though 'public servants' in terms of the Prevention of Corruption Act of 1988, were not amenable to the jurisdiction of the Lokpal.

Argument 'too naive'

But, the Lokpal, in its January 27 order, found the argument that a High Court judge was outside the ombudsman's jurisdiction, "too naive". The Lokpal said a High Court judge came within the ambit of clause (f) of Section 14(1) of the 2013 Act.

A clause of Section 14 notes the Lokpal has jurisdiction over "any person who is or has been a chairperson or member or officer or employee in any body or Board or corporation or authority or company or society or trust or autonomous body (by whatever name called) established by an Act of Parliament or wholly or partly financed by the Central government or controlled by it".

The term 'any person' in the clause would include a judge of a High Court established by an Act of Parliament.

In this case, the judge in question was serving in the High Court of a State reorganised by an Act of the Parliament, it pointed out.

Redefining jurisdiction

Lokpal's January 27 order defines the rules and conditions under which it will inquire into complaints against High Court judges

- SC judges are public servants under the Prevention of Corruption Act but are not public servants under the Lokpal Act
- The SC was 'established' by the Constitution. The HCs pre-existed the Constitution and are only 'recognised' by it
- A judge of an HC established by an Act of Parliament will come within the ambit of expression 'any person' in Section 14(1)(f) of the Lokpal Act
- There is a precondition to consult the Chief Justice of India before initiating, under Section 20 of the Lokpal Act, a preliminary inquiry into a complaint lodged against an HC judge

Supreme Court Stays Lokpal Order on High Court Judges:

- The court found the Lokpal's interpretation "very disturbing" and stated that it could affect judicial independence.
- A Special Bench comprising Justices B.R. Gavai, Surya Kant, and A.S. Oka took suo motu cognizance of the order.
- The case is based on allegations that a High Court judge inuenced a verdict favoring a former client.
- The Lokpal argued that High Courts predated the Constitution and were constituted under British Parliamentary Acts.
- The Supreme Court maintained that High Court judges are not under the jurisdiction of the Lokpal.
- Solicitor General Tushar Mehta supported this view, stating that High Court judges are not within the Lokpal's ambit.
- The next hearing is scheduled for March 18.

Page 10: GS 3 : Indian Economy

The news contrasts investment-led and consumption-driven growth, highlighting India's need for higher investment.

Is consumption enough to drive growth?

An economy's growth depends on two factors. One is the supply or the production of goods and services, and the other is the demand or expenditure for purchasing these goods and services. Among the sources of demand, investment stands out for its ability to create 'multiplier effects'. Consumption can only follow, not lead, growth

ECONOMIC NOTES

Jayan Jose Thomas

An economy's growth is like sailing on two boats tugged to each other. On one side is the supply or the production of goods and services. GDP, or gross domestic product, is the value the production process adds. On the other side, there is demand or expenditure for purchasing these goods and services from the market. Both the supply and the demand boats must move in tandem. If supply proceeds slower than demand, prices rise, leading to inflation. If demand falls behind, firms will be left with unsold inventories, which may lead to cuts in future production, job and income losses, and a worsening cycle of demand and growth slowdown.

The demand or aggregate expenditure in an economy comes from four sources. First is private consumption, which is the sum of expenditures by all individuals on items such as food, clothing, and mobile phones. Second is private investment, which is the amount spent by firms and households on installing new machines and constructing new factories or residences. Third is government expenditure, for consumption and investment. The former refers to the money spent on day-to-day government operations, including paying salaries to officers, teachers, doctors and others attached to public institutions. Fourth is net exports or exports minus import of goods and services while engaging in trade with the rest of the world.

Investment and its multipliers

Among the sources of demand, investment stands out for its ability to create 'multiplier effects'. That is, an increase in investment of ₹100 could increase the economy's overall demand and GDP by more than ₹100 – let us say by ₹125, with the multiplier being 1.25. Consider, for instance, public investment in building a new highway network. The incomes received by workers and firms involved in the road construction project will generate fresh demand in the economy. But that is not all. The highways will trigger the establishment of new shops and create opportunities for new industries, all of which translate into a much bigger expansion of aggregate demand. The multiplier effect will depend on the nature of the investment and the state of the economy. The multiplier from an investment in a railway line is likely higher in an underdeveloped district than in a region with a well-developed transport network.

Compared to investment, the multiplier effect arising from increased consumption is much weaker. If incomes increase, consumption expenditures also increase, but the relation does not work strongly enough in the reverse direction. A rise in consumption cannot lift incomes as much in the rest of the economy. Therefore, according to Keynesian economists, consumption is a passive component of aggregate demand.

Indian and Chinese experiences

In the early 1990s, the per capita incomes of India and China were almost the same. Both countries were equally poor, with the average income of an Indian or Chinese resident being approximately 1.5% of the average income of an American. But by 2023, China's per capita income has grown to five times as high as the Indian level (2.4 times as high if purchasing power differences between the two countries are considered). As a proportion of U.S. levels, the per capita incomes of China and India were 15% and 3%, respectively, in 2023 (Chart 1). The speedy growth of incomes in China has been led by investment.

China's investment rates have been significantly higher than India's from the 1970s onward. In 1992, investment as a share of GDP was 39.1% in China compared to 27.4% in India, even though the per capita incomes of the two countries were nearly equal. The gap in investment rates between India and China narrowed during the first half of the 2000s, with India's investment rate climbing to 35.8% in 2007. However, the two countries responded to the global financial crisis of 2007-08 and its aftermath in starkly different ways. The investment rate took a big hit in India, especially after 2012. However, China battled its economic challenges with considerable expenditure, primarily through its state-owned enterprises, in areas such as infrastructure, advanced manufacturing, renewable energy, and artificial intelligence. By 2013, the investment rate rose to 44.5% in China but dropped to 31.3% in India. In 2023, these rates were 41.3% and 30.8%, respectively, for China and India (Chart 1).

India's economic growth over the last decade has been driven mainly by expanding domestic consumption expenditures. In 2023, consumption as a share of GDP was 60.3% in India compared to 39.1% in China (Table 1). The dominance of consumption in India's GDP structure is mainly due to the weaknesses of the other components of aggregate demand in the country. The shares of investment and government consumption expenditure are relatively low. India also has a trade deficit, with its import of goods and services being larger than its exports, reducing domestic demand.

Economic growth driven by consumption is not only slower than investment-led growth, but it also aggravates inequalities. The growth of jobs, incomes, and consumption has remained depressed for many Indians, and they will be left behind.

There has been a stagnation in the growth of investment by the public and private corporate sectors in India (it is too early to say if the marginal improvement in investment in 2022-23 is here to stay) (Chart 2). The only segment that has shown some vitality is household investment, especially in residential buildings, and that too during the early 2010s. The continued reluctance of private capitalists to spend more in the economy is a sign of their sagging 'animal spirits'. In times like these, the government needs to step in with its investments, particularly in critical sectors, to boost private sector confidence and help spread the benefits of growth to the broader population.

However, the government has not shown its resolve, including in the latest Union Budget, to provide an investment boost to the Indian economy. Instead, the tax concessions and the unwillingness to significantly raise government spending indicate a preference for a low-growth trajectory pulled by the consumption of the middle and upper classes.

Jayan Jose Thomas is a Professor of Economics at the Indian Institute of Technology (IIT) Delhi.

Chart 1: Per capita income and investment rates in India and China

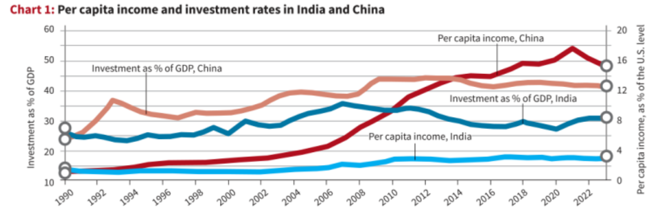

Chart 2: Investment as % of GDP in India by institutional sectors

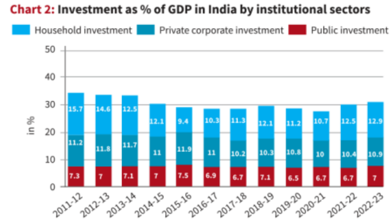

Table 1: Distribution (in %) of GDP by expenditure type: India and China, 2023

	India	China
Private consumption	60.3	39.1
Investment	30.8	41.3
Government consumption	10.4	16.5
Exports	21.8	19.7
Less imports	-24.1	-17.6
GDP	100.0	100
GDP per capita (current US$)	2481	12,614

GDP = Value added in the production of all goods and services = C + (I+ Ig) + Cg + E -- M

Here, C =private consumption; I = private investment; Ig = investment by the government; Cg = government consumption; Cg + Ig = G or government expenditure; E = exports of goods and services; M = imports of goods and services.

Source: World Development Indicators, The World Bank, National Accounts Statistics 2024

THE GIST

- Consider, for instance, public investment in building a new highway network. The incomes received by workers and firms involved in the road construction project will generate fresh demand in the economy.
- There has been a stagnation in the growth of investment by the public and private corporate sectors in India. The only segment that has shown some vitality is household investmennt.
- The government needs to step in with its investments, particularly in critical sectors, to boost private sector confidence and help spread the benefits of growth to the broader population.

Understanding Economic Growth: Supply and Demand Balance

- Economic growth depends on supply (production of goods and services) and demand (expenditure to purchase these goodsand services).
- If supply grows slower than demand, ination occurs. If demand lags, rms accumulate unsold goods, leading to reducedproduction, job losses, and economic slowdown.

Sources of Demand in the Economy

- **Private consumption:** Individuals spending on food, clothing, and personal goods.
- **Private investment**: Firms and households investing in machinery, factories, and residences.
- **Government expenditure:** Includes spending on salaries, infrastructure, and development projects.
- **Net exports:** The balance of exports and imports in foreign trade.

Investment and Its Multiplier Effect

- Investment has a stronger impact on GDP growth than consumption.
- **Example:** A ₹100 investment can generate more than ₹100 in overall economic growth due to the multiplier effect.
- Investments in infrastructure (like highways) lead to job creation, business expansion, and overall economic growth.
- The multiplier effect varies depending on the type of investment and regional development.

Comparison of Economic Growth Between India and China

- In the early 1990s, India and China had similar per capita incomes.
- By 2023, China's per capita income was ve times higher than India's (2.4 times after adjusting for purchasing power).
- China's economic growth was investment-led, whereas India's growth was driven by domestic consumption.

Investment Trends Over Time

- In 1992, China's investment rate was 39.1% of GDP, while India's was 27.4%.
- By 2007, the investment gap narrowed, but after the 2008 nancial crisis, both countries responded differently.
- China increased investment in infrastructure, manufacturing, and technology, while India's investment rate fell sharplyafter 2012.
- By 2023, China's investment rate was 41.3%, and India's was 30.8%.

Challenges in Investment-Led Growth

- Over the last decade, India's economic growth has been consumption-driven, while China's growth has been investmentdriven.
- In 2023, consumption as a share of GDP was 60.3% in India compared to 39.1% in China. Weak investment, low government spending, and trade decits contribute to slower economic expansion in India.
- Investment-led growth creates more jobs and reduces income inequality, whereas consumption-driven growth worsensincome inequality.

Government's Role in Investment

- Investment by households and private rms in India has stagnated in recent years, except for residential real estate in theearly 2010s.
- Private rms in India are reluctant to invest due to weak business condence (low animal spirits).
- The Indian government needs to increase spending in critical sectors to stimulate private investment.

Concerns Over Government's Policy Approach

- The Indian government has not signicantly increased investments in the latest budget.
- Instead, policies have favored tax concessions and a low-growth path dependent on consumption, beneting primarily
- middle and upper-class consumers. Without a strong public investment push, India's economic growth will remain slow, and inequalities may worsen.

UPSC Mains Practice Question

Ques : How does investment-led growth compare to consumption-driven growth in terms of economic development and income distribution? Analyze its implications for India's growth strategy. **(150 Words /10 marks)**

Page 13 : GS 2 : International Relations

Fears of stagation rise in the U.S. due to ination, tariffs, and economic slowdown concerns.

'Stagflation' fears haunt markets despite Trump's growth plan

Reuters

Stubborn inflation and President Donald Trump's hard-line trade policies have rekindled fears of stagflation, a worrying mix of sluggish growth and relentless inflation that haunted the U.S. in the 1970s, even as markets remain upbeat on his pro-growth agenda.

The potential return of stagflation, which would pressure a range of assets, has been flagged periodically over the past 50 years but not materialized as a real threat to investor portfolios. While economists and portfolio managers are not ready to say that this time is different, the dreaded scenario has crept back as a key risk for investors in recent weeks, as the prospect of trade wars and punitive tariffs cast a shadow over U.S. growth.

"Stagflation has definitely re-emerged as a possibility because we have these policies that could hurt consumer demand even while persistent inflation limits the Federal Reserve's ability to maneuver," said Jack McIntyre, portfolio manager for Brandywine Global's fixed income strategies. "It's not a zero-possibility scenario any more, by a long shot."

A key piece of the stagflation puzzle–inflation that refuses to cool down–lodged more firmly into place earlier this month, when government data showed consumer prices rose in January at their fastest monthly pace since August 2023.

Key risk: Trade wars and punitive tariffs cast a shadow over U.S. growth. AFP

The other piece of the puzzle, U.S. economic growth, hangs in the balance, with Mr. Trump's tariffs threatening to add inflationary pressure that could tip the scale.

"What continues to concern us more than the risk of inflation is stagflation," said Tim Urbanowicz, chief investment strategist at Innovator Capital Management. "There is that sticky base of inflation to contend with but on top of that, tariffs have the potential to slow down the economy by becoming a tax on consumers and weighing on profits and economic growth."

A Bank of America survey of global fund managers on Tuesday showed the proportion of investors expecting stagflation–defined by the bank as below-trend growth and above-trend inflation–over the next year stood at a seven-month high. At the same time, investors remained bullish on stocks, with a trade war seen as a low-probability risk, the survey showed.

Some investors believe any hit to growth from tariffs would be temporary.

Over a longer-term horizon, tariffs could even promote growth, said Maddi Dessner, head of asset class services at Capital Group, boosting industries that will benefit from less competition globally. On the other hand, their initial impact could increase price pressures. "The truth is it's probably going to be somewhere in between those two things," she said.

'Not there yet'

Stagflation emerged as a source of anxiety as recently as 2022, when inflation rates spiked and stock and bond prices plummeted, but that scenario did not materialize as inflation eventually eased and growth remained resilient.

Many believe that the U.S. economy will once again steer clear of stagflation.

So-called core inflation at about 3% remains well below the levels hit in the 1970s, when the annual rate of core inflation averaged about 7%. This time around inflation expectations remain "anchored", meaning the long-term inflation picture is not fluctuating wildly with each fresh piece of economic data, said Evercore ISI in a recent note.

Still, Mark Zandi, chief economist at Moody's Analytics, warned the market may be underestimating stagflation risks. The prospect of large-scale deportations of workers without visas or other work documents, another Trump campaign pledge, also would fuel inflation, he noted. "Tariffs and deportations are a recipe for inflation and hurt growth; both are negative supply shocks," he said.

Concerns Over Stagation in the U.S.:

Rising Ination and Trade Policies

- Stubborn ination and Donald Trump's strict trade policies have raised fears of stagation, a mix of slow economic growthand high ination.
- This was a major issue in the 1970s but has not yet become a real threat in recent years.

Investor and Economist Concerns

- Trade wars and tariffs could slow U.S. economic growth while ination remains high.
- Jack McIntyre, a portfolio manager, stated that stagation is now a real possibility due to these policies.
- Ination rose in January at the fastest pace since August 2023, making the situation more concerning.

Tariffs and Economic Growth

- Trump's tariffs could act as a tax on consumers, increasing prices and reducing prots and growth.
- A Bank of America survey found that more investors are expecting stagation in the next year.
- Some experts believe that tariffs could support growth by reducing global competition, but they could also increase pricepressures initially.

UPSC Mains Practice Question

Ques : Discuss the phenomenon of stagation, its causes, and its impact on economic growth and policy-making.How can governments tackle stagation effectively? (150 Words /10 marks)

Page 15 : Prelims Fact

- Efforts are underway to save the northern white rhino from extinction using IVF and surrogate southern white rhinos.

The quest to rescue nearly extinct northern white rhino through IVF

Agence France-Presse
OL PEJETA

Two rhinos munch serenely on grass as the sun rises over Mount Kenya, oblivious to the massive global endeavour to prevent them from being the last of their kind.

Najin and her daughter Fatu are the only northern white rhinos left on Earth. The clock is ticking before they become the latest in a long line of animals that humans have poached to extinction. But a recent breakthrough means this could be the year the world celebrates a new northern white rhino foetus.

It would be an unprecedented comeback for the subspecies, declared functionally extinct after the death of the last male, Sudan, in 2018.

Clock is ticking: Ol Pejeta ranger and head care giver caresses one of the last two northern white rhinos in the world. AFP

Uterus problems mean neither Sudan's daughter Najin nor his granddaughter Fatu can carry a pregnancy to term. But Fatu still produces viable eggs, making her a candidate for in-vitro fertilisation (IVF).

For years, scientists have been collecting her eggs at the Ol Pejeta Conservancy in Kenya. The eggs are sent to Europe where they are fertilised in a lab with sperm from dead male northern whites. There are now 36 fertilised eggs – or embryos – ready to be implanted, said Jan Stejskal, project coordinator for BioRescue, the most prominent of numerous such initiatives worldwide.

A year ago scientists announced a breakthrough: a surrogate was pregnant with a male southern white foetus, the first time IVF had worked for rhinos. But like so much about this long and difficult process, the joy was "mixed with sadness", Ol Pejeta head of research Samuel Mutisya said.

By the time the 6.4-centimetre, 70-day-old foetus was discovered, the surrogate had already died from an unrelated bacteria infection. Worse still, a sterilised male who had played the role of "teaser bull" – to help identify when the female is ready for impregnation – also died from the infection, and finding a replacement has proved tricky.

The team is determined to try again.

Last two Northern white rhinos:

- Najin and Fatu, the last two northern white rhinos, live in Ol Pejeta Conservancy, Kenya.
- The subspecies was declared functionally extinct after the last male, Sudan, died in 2018.
- Neither Najin nor Fatu can carry a pregnancy, but Fatu produces viable eggs for IVF.

- 36 fertilised embryos have been created using sperm from deceased males.
- Scientists aim to implant an embryo into a southern white rhino surrogate.
- In 2023, a surrogate became pregnant, but she died from an infection.
- Challenges remain, but BioRescue and partners remain determined to save the species.

Northern White Rhino

- **Status:** Functionally extinct (only two females remain)
- **Habitat:** Historically found in grasslands and savannas of Central and East Africa
- **Range:** Previously spread across Uganda, Chad, Sudan, the Central African Republic, and the Democratic Republic ofCongo
- **Population Decline:** Drastically reduced due to poaching and habitat lossLast Male: Sudan, the last male northern whiterhino, died in 2018
- **Threats:** Poaching for horns, habitat destruction, and lack of genetic diversity
- **Hope for Revival:** BioRescue and other global projects are working to restore the species through assisted reproduction

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In News : Advocate-on-Record

The Supreme Court recently held that Advocates-on-Record (AoRs) bear full responsibility for the accuracy of petitions filed before the Court, even if the drafts are prepared by other advocates.

About Advocate-on-Record

- The concept of AoR was introduced by the SC with the power given to it under Article 145(1) of the Indian Constitution, whichstates that the SC may, from time to time, make rules for regulating the practices and procedures in the court.
- An AoR is a legal professional who is entitled to represent clients and plead for them in the SC.
- It is a specific category of advocates with rights of audience in the SC.
- An AoR has the exclusive right to file and conduct cases in the SC. No advocateother than AoR can appear and plead in any matter unless an AoR instructs him.
- No other High Court in India has a similar provision.
- Order IV rule 5 of the Supreme Court Rules, 2013, lays down the requirements to be fulfilled to become an AoR. They are as follows:
  - The Advocate is required to be enrolled with any State Bar Council.
  - The Advocate is required to have a prior experience of at least 4 years.
  - The Advocate has undergone a training of 1 year under a senior AoR.
  - The Advocate has appeared for the examination conducted by the SC.

- The Advocate is required to have an office in Delhi within a radius of 10 miles from the SC house and give an undertaking to employ a clerk, who shall be a registered clerk, within one month of being registered as an AoR.

- Once registered, an AOR is issued a unique identification number that must be used on all documents filed in the SC.

Roles and Responsibilities of Advocate-on-Record

- Only an AoR is authorised to file a Vakalatnama on behalf of a client in the SC. The Vakalatnama is a crucial document that grants the advocate the authority to represent the client.
- All the procedural aspects need to be completed by AOR with the assistance of a registered clerk.
- This includes drafting and filing petitions, applications, and other legal documents.
- Any notice or order/correspondence by the SC is sent to the AoR.
- An AoR is personally liable for the due payment of all fees/charges payable to the court.

Page : 08Editorial Analysis

The long and winding road of India-China relations

India's Foreign Secretary Vikram Misri was in China in January 2025, during which India and China made several announcements on the future of their bilateral relations. He met Wang Yi, who is China's Foreign Minister,the Director of the Office of Central Commission of Foreign Affairs and also a politburo member of the party, and also Liu Jianchao, Minister of the International Department of the Chinese Communist Party.

The Indian statement after this meeting indicated that the process of restoration of several aspects of bilateral relations including media and think tank exchanges, the Kailash Mansarovar Yatra, and bilateral flights is on the cards for the summer of 2025.

Avinash Godbole

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Though India and China have attempted to move forward after Galwan, abundant caution may be the best way forward

Possible reasons

India and China have attempted to move forward after more than four years of tense and stalemate-based relations since the clashes in Galwan in June 2020. Stalemates cannot be permanent. Both sides have made their points and moved to the détente. One can argue that there are several reasons for the timing of this bilateral agreement, the main being the election of Donald Trump, who is a known disruptor and unpredictable in his ways of doing business. The other is about economic concerns in China and in India in recent times.

India and China have been bracing for the Trump impact especially when by the middle of October last year his election was already beginning to look more likely to happen. This possibility may have pushed the October 2024 de-escalation agreement between India and China, and Mr. Trump's gigantic electoral victory in November 2024 may have pushed the January 2025 agreement between India and China. There is a historic logic to this as well. China agreed to normalising relations with India, after the 1962 war, only in the backdrop of the backlash in the aftermath of the 1989 Tiananmen Square massacre. Again, China may have agreed to normalise its relations with India given that it had to brace for the Trump impact. Thus, there is both internal and external logic around the restoration of normalcy.

However, since we do not know whether patrolling rights have been/are fully restored or whether demobilisation is in its advanced stages, such an absence of communication on the part of the government raises doubts and questions needlessly.

At the LAC

The Government of India has maintained absolute silence on the status of de-escalation, demilitarisation and demobilisation of the fairly large number of troops. Troops were mobilised and deployed on the border, first during the tensions of May-June 2020, and then in even larger numbers in the aftermath of the June 15, 2020 clashes. These troops were on active duty or in newly created barracks close to the six points of tension along the border including in Galwan, Depsang Bulge, Charding Nala, Gogra Post and Hot Springs and on the north bank of the Pangong lake.

There is also no clarity whether the large number of People's Liberation Army troops on the Chinese side, before and after the clashes, have retreated to their bases. Confirmation of this would mean that the actual restoration of normalcy on the Line of Actual Control (LAC) has been achieved. India has also made it clear in the aftermath of 2020 that it was China that had violated the several agreements and protocols the two sides had signed. One is not sure about whether these have been rectified in a verifiable way. This in turn can only be established when patrolling rights have not only been agreed to but also exercised.

The briefing in October 2024, by the Foreign Secretary, prior to the 16th BRICS summit in Kazan in this respect, was already guarded. It only alluded to an agreement that would lead to the "process of disengagement and resolution of issues that emerged in 2020". A follow-up briefing on this issue would have been useful and necessary to make it clear that India had not given up on its position on the bilateral relations.

India's principled stand in dealing with China in the aftermath of the 2020 crisis has been that the stability on the border and the restoration of the status quo ante are the preconditions to progress in other aspects of bilateral relations. However, it was China that reiterated that India should move on from the clashes and not let the border standoff be a hindrance to the development of overall bilateral relations in the economic, political and social sectors.

The need for clarity

India's silence on the progress on the status of restoration of status quo ante makes it appear as though the Chinese position of "moving on" is succeeding and that India is abandoning its position of stability and restoration before there is progress on other aspects. It was always known that the process of restoring normalcy would be long drawn and fraught with challenges. In addition, the worldviews of India and China will remain divergent as their ideas about the world order are not going to converge anytime soon. India-China relations have seen several cyclical ups and downs in the Xi Jinping era. Therefore, abundant caution would be the best way forward. The Indian government's lack of clarity does not boost one's confidence.

GS Paper 02 **International Relations – Bilateral Relations**

UPSC Mains Practice Question: **How do the recent developments in India-China bilateral relations reect the strategic and economicconsiderations of both countries? Analyze their potential impact. (150 Words /10 marks)**

Context :

- India and China announced steps to restore bilateral ties, including cultural exchanges and travel, following years oftension since 2020.

Recent Developments in India-China Relations

- India and China have announced steps to restore several aspects of their bilateral relations.
- Plans include resuming media and think tank exchanges, the Kailash Mansarovar Yatra, and bilateral ights by the summerof 2025.
- These efforts come after more than four years of tense relations following the clashes in June 2020.

Possible Reasons for This Agreement

- Both nations recognize that prolonged tensions cannot continue indenitely.
- The recent election of a new U.S. president, known for unpredictable policies, may have inuenced this agreement.
- Economic concerns in both India and China may have encouraged cooperation.
- Historically, China has engaged in diplomatic normalization when facing external pressures, as seen after past events.

Status of De-escalation at the LAC

- There is limited ofcial information about the status of de-escalation and demobilization at the border.
- Troops from both countries were mobilized in large numbers at multiple tension points, including Galwan, Depsang Bulge,and Pangong Lake.
- It is unclear whether Chinese troops have returned to their bases, which is essential to conrm full de-escalation.
- The lack of clarity raises concerns about whether agreements signed earlier have been effectively implemented.

India's Position on Border Stability

- India has consistently maintained that restoring stability on the border is essential before progressing in other areas ofcooperation.
- China, however, has insisted that border issues should not hinder economic, political, and social engagements.

- A cautious approach is necessary to ensure that India's position is not weakened in future negotiations

The Need for Transparency and Clarity

- The absence of detailed government briengs on de-escalation raises doubts about whether India's position remains rm. Without clear updates, it appears that China's approach of moving forward without resolving border tensions issucceeding.
- Given the history of uctuations in relations, maintaining a well-informed and cautious strategy is essential.
- Transparency on the actual status of disengagement and border stability would strengthen condence in India's diplomaticstance.

Way Forward

- The long-term stability of India-China relations will depend on clear communication and strategic caution.
- Ensuring that territorial disputes are resolved before expanding bilateral cooperation is crucial.
- India needs to maintain arm position while engaging in diplomatic negotiations to protect its interests.
