



● POLITY

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Marco Rubio meets Jaishankar, calls for talks with India on illegal migration

INTERNATIONAL RELATIONS



CONTEXT: U.S. Secretary of State Marco Rubio, in his first bilateral meeting after assuming office, discussed addressing illegal migration with Indian External Affairs Minister S. Jaishankar during their meeting in Washington.

EXECUTIVE ORDER ON BIRTH RIGHT CITIZENSHIP

The cancellation of birth right citizenship by President Donald Trump represents a significant change in U.S. immigration policy. It ties into broader discussions on how the U.S. handles migration and citizenship rights. The revocation of 'citizenship by birth', which is due to be implemented within 30 days if not annulled by U.S. courts, would affect hundreds of thousands of Indians working in the U.S. on H1-B and other temporary visas and hoping to raise families there.

BILATERAL TALKS ON KEY ISSUES:

The discussion between the U.S. (via Secretary Rubio) and Indian External Affairs Minister S. Jaishankar reflects a multi-faceted relationship, including economic ties, regional security (a free and open Indo-Pacific), and concerns over irregular migration. The ministers reviewed the "extensive bilateral partnership, of which Mr. Rubio has been a strong advocate", adding that they had shared views on regional and global issues.

DIPLOMATIC NUANCES

There are an estimated 7.25 lakh undocumented Indians in the U.S. among 1.4 million in total, according to the U.S. Immigration agency ICE, of which nearly 18,000 are on a list for "final removal" or deportations. While the U.S. statement explicitly mentions irregular migration, Mr. Jaishankar avoided addressing it publicly, which may be a strategic decision to sidestep a sensitive issue in the India-U.S. dialogue.

QUAD MEETING

Indian External Affairs Minister S. Jaishankar attended the Quad Foreign Ministers' Meeting (FMM) alongside Australian Foreign Minister Penny Wong, Japanese Foreign Minister Iwaya Takeshi, and U.S. Secretary of State Marco Rubio. The meeting, Rubio's first major foreign policy engagement, issued a joint statement opposing unilateral actions to alter the status quo by force, likely addressing China's regional activities. The Quad FMM, held shortly after the Trump Administration's inauguration, highlights its significance in the member states' foreign policy priorities.

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Changed dynamics

INTERNATIONAL RELATIONS

CONTEXT: The first 48 hours of U.S. President Donald Trump's second term have been proof of the radical shifts he plans over four years, with the overarching theme of putting "America First".

The strengthening of India-U.S. ties during Trump's first term offers some reassurance to New Delhi, but his administration's recent policy shifts require India to prepare for unpredictability. A slew of Executive Orders has reshaped U.S. policies on trade, immigration, climate change, and citizenship. External Affairs Minister S. Jaishankar's bilateral meeting with U.S. Secretary of State Marco Rubio and participation in the Quad Foreign Ministers' Meeting signal alignment on Indo-Pacific cooperation, Chinese actions, and defense ties. However, concerns loom over trade, with Trump hinting at steep tariffs on BRICS economies, and immigration, with policies targeting undocumented migrants and restricting paths to citizenship, potentially affecting 7,25,000 undocumented Indians and H-1B visa holders.

U.S. Secretary of State Marco Rubio's emphasis on addressing "irregular migration" and President Trump's focus on investments, hiring, and energy purchases in the U.S. signal a transactional approach to foreign relations. The administration's geopolitical stance prioritizes U.S. interests, devalues the multilateral world order, and reduces commitments to global organizations like WHO, WTO, UN, and NATO. New Delhi must prepare for a U.S. administration less sensitive to India's concerns, requiring a pragmatic, transactional strategy to safeguard its interests and minimize potential adverse impacts.

An exit of bluster

INTERNATIONAL RELATIONS

CONTEXT: President Donald Trump has fired his howitzers at multilateralism by signing into decree the United States' withdrawal from the 2015 Paris Agreement.

The U.S. is the only country to have withdrawn thrice from a climate agreement — beginning with George W. Bush's withdrawal, in 2001, from the Kyoto Protocol. Mr. Trump, of course, sets a new low by being the only President to withdraw from a climate agreement twice. In the run-up to the decree, there is a pall of gloom in the climate world over what the U.S.'s latest exit might mean, particularly when the globe has finished its first full calendar year above the 1.50 C mark.

The U.S., the second-largest emitter of greenhouse gases and a key player in global climate agreements, has a poor track record of meeting its commitments. Despite its leadership role in shaping climate policies, U.S. domestic emissions policies under both parties have prioritized business interests. The country remains the world's largest producer of crude oil, natural gas, and LNG, with production increasing under the Biden administration and set to expand further under Trump. As of 2022, the U.S. is far from meeting its 2030 emissions reduction targets, achieving only one-third of the goal. While renewable energy investments have grown significantly, further commitments, such as Biden's 2035 reduction target, are insufficient for the 1.50 C goal. Despite Trump's climate scepticism, the U.S. is likely to maintain behind-the-scenes engagement at future climate summits, with Trump's approach marked by political duality.

China's moves must recast India's critical minerals push

INTERNATIONAL RELATIONS

CONTEXT: On January 2, 2025, China's Ministry of Commerce (MOFCOM) expanded its export control list by including 28 entities from the United States, effectively restricting their access to a swath of items classified under dual-use export controls.

China strategically restricts the export of critical minerals vital for high-tech applications such as aerospace, semiconductors, and batteries. The list includes tungsten, gallium, lithium-6, and others essential to Western nations and their allies. While leveraging these restrictions as a geopolitical tool, China avoids targeting minerals dependent on Western imports or actions that could harm its domestic industries. This approach has been evident in past measures, such as the 2010 rare earth embargo on Japan, recent restrictions on antimony, gallium, and germanium, and the 2023 ban on rare earth extraction and processing technologies.

The situation in India

The global competition for critical minerals has intensified, prompting concerns among U.S. policymakers and others. For India, this highlights the urgent need to boost domestic mineral exploration and production. Despite the discovery of

lithium deposits in Jammu and Kashmir's Reasi district in 2023, progress has stalled, with no companies bidding for the resources. This reflects broader challenges in India's mineral sector, as only 48 % of available blocks have been auctioned in recent years, underscoring the need for better policies and implementation.

India has taken significant steps to boost activity in critical minerals, essential for national security. The government identified 30 critical minerals and established Khanij Bidesh India Ltd. (KABIL) to secure overseas investments in minerals like lithium and cobalt. Additionally, the Mines and Minerals (Development and Regulation) Amendment Act, 2023, removed restrictive classifications on certain rare earth elements, aiming to encourage private-sector investment and technology sharing. However, despite these reforms, market enthusiasm remains limited.

Reforms and results

The 2023 amendments introduced an exploration license to attract specialized exploration firms, including foreign companies, allowing them to focus on reconnaissance and prospecting without committing to full-scale mining. The law also reimburses 50% of exploration costs once mining begins to reduce early-stage risks. However, the response has been lacklustre, with few licenses granted, mainly to Indian public sector firms, and minimal foreign participation. Mining license auctions for critical minerals have also stalled, partly due to India's outdated resource classification system, which leaves miners uncertain about the commercial viability of blocks. Additionally, despite the de-risking incentives, demand for exploration licenses remains surprisingly low.

Fiscal incentives may be essential

High-quality data in addressing "information asymmetry" between mining companies and the government regarding the true value of mineral resources. Without robust geological surveys, auctions often result in undervalued bids or overlooked blocks. To address this, the passage suggests providing larger upfront fiscal incentives during the exploration phase, akin to India's approach in semiconductor manufacturing, where early capital support offsets high upfront costs. Such support for exploration could mitigate market failures, unlock significant downstream value, and promote mining and exports.

What is U.S.'s new rule for exporting AI chips?

SCIENCE & TECHNOLOGY

CONTEXT: The U.S. Bureau of Industry and Security (BIS) has implemented a tiered licensing framework for AI chips and technology exports, aimed at enhancing control over their circulation. The regulations align with national security and foreign policy objectives, fostering a secure and responsible global AI technology ecosystem.

What technology are we discussing?

The regulation primarily targets advanced computing chips and specific closed AI model weights. AI models are software programs performing mathematical operations on user-provided data to generate outputs like information, analysis, or media. The model's architecture, which defines the design and arrangement of these operations, determines the output's quality and nature.

What do the regulations propose?

The new regulations classify countries into three tiers with varying rules for exporting advanced computing chips. Tier 1 includes 18 U.S. allies, such as the U.K., Japan, and Canada, with no export restrictions. Tier 2, which includes China and India, imposes volume caps, specifications-based exemptions, and requires authorisation for transactions contributing to advanced AI model development. Those that do not contribute to the development of advanced AI models, such as chips with a collective computation power of roughly 1,700 advanced GPUs, would not need a Validated End User (VEU) authorisation. Tier 3, comprising arms-embargoed nations like North Korea and Iran, is entirely restricted from accessing the technology.

Why has access been curtailed?

The regulations aim to prevent advanced technology from reaching U.S. adversaries or "countries of concern." They mandate stringent security for storing model weights outside the U.S. and restrict advanced integrated circuits (IC) clusters to low-risk destinations. The BIS highlighted risks of adversaries using AI systems to enhance military operations, facilitate WMD development, support cyberattacks, and enable human rights violations like mass surveillance. Additionally, concerns were raised about Chinese companies acquiring ICs through foreign subsidiaries in uncontrolled regions.

What are the concerns?

The regulations have raised concerns about undermining U.S. competitiveness in AI technology. NVIDIA's Vice President Ned Finkle argued that the rules would hinder innovation without enhancing U.S. security, as the controlled technology is already widely available. Oracle's Executive Vice President Ken Glueck highlighted that non-U.S. suppliers,

such as Huawei and Tencent, could offset performance gaps by using more GPUs, potentially benefiting competitors like China. With the rules introduced shortly before President-elect Donald Trump's administration, the tech industry hopes for their reversal under the new leadership.

Do these rules impact India?

Indian data centers might need VEU authorization to access advanced AI chips for civilian and military uses, excluding nuclear applications. He downplayed the significance of the regulation but highlighted India's exclusion from the trusted allies category, possibly due to concerns over chip leakages to Russia.

Is the government encouraging 'crosspathy'?

POIITY & GOVERNANCE

CONTEXT: The Maharashtra Food and Drugs Administration has, in a recent directive, allowed homeopathic practitioners, who have completed a certificate course in modern pharmacology, to prescribe allopathic medications.

Why is it being challenged?

In 2017, Maharashtra allowed homeopathic practitioners with a specific abolished degree (1951–1982) to practise modern medicine, sparking a legal challenge from the Indian Medical Association (IMA). The Bombay High Court issued a stay, citing patient safety concerns and the Supreme Court's ban on "crosspathy." Despite this, Maharashtra's FDA recently directed chemists to honour allopathic prescriptions from homeopathic practitioners, raising questions about its authority to issue such a directive while the High Court's stay remains in effect. Critics argue this directive misrepresents the situation, as homeopathic practitioners are still barred from practising modern medicine pending the court's final decision.

What is SC's stance on 'crosspathy'?

The Supreme Court, in the 1996 Poonam Verma vs. Ashwin Patel case, held a homeopath liable for negligence after prescribing unqualified allopathic medications that led to a patient's death. A 2015 study by Suresh Bada Math et al highlighted that judicial rulings consistently deem cross-system medical practice as negligence, except in states where authorized by specific government orders.

Is there a shortage of doctors?

The Central government has been promoting AYUSH and integrated medicine to address the shortage of doctors, especially in rural areas. As of June 2022, India has 13.08 lakh allopathic doctors and 5.65 lakh AYUSH practitioners, but a severe 80% shortage of specialists persists in rural community health centres. Public health expert Soham Bhaduri cautioned that while mid-level providers can deliver quality care, unregulated integration of alternative medical practitioners into roles meant for doctors could lead to chaos.

Flagship scheme for girl child has helped defeat bias: Modi

POLITY & GOVERNANCE

CONTEXT: Prime Minister Narendra Modi asserted that the Beti Bachao, Beti Padhao (Save and educate the girl child) campaign had helped overcome gender bias in districts with historically low child sex ratios had shown remarkable improvement since the campaign was launched a decade ago.

Launched on January 22, 2015, in Panipat, Haryana, the Beti Bachao Beti Padhao scheme aims to address declining child sex ratios and promote women's empowerment through a tri-ministerial collaboration involving the Ministries of Women and Child Development, Health and Family Welfare, and Education. Key initiatives include enforcing the Pre-Conception and Pre-Natal Diagnostic Techniques Act, awareness campaigns, and multi-sectoral actions in 100 low-CSR districts during the first phase. Prime Minister Modi highlighted significant improvements in historically low CSR districts, increased gender equality awareness, and praised grassroots efforts. He urged continued commitment to protecting daughters' rights, ensuring their education, and fostering a discrimination-free society.

Rise in enrolment: Shah

Union Home Minister Amit Shah praised the Beti Bachao Beti Padhao campaign for advancing the rights, education, and respect of daughters, noting increased school enrolment and their growing leadership across fields. At the programme's 10th-anniversary event, Union Health Minister J.P. Nadda highlighted progress in child sex ratio, healthcare, and education. The national sex ratio at birth improved from 918 (2014-15) to 930 (2023-24), while the gross enrolment ratio of girls at the secondary level rose from 75.51 % to 78 %. Institutional deliveries increased from 61 % to 97.3 %, and first-trimester antenatal care registrations grew from 61 % to 80.5 %. The government reaffirmed its commitment to empowering girls.

National Health Mission has curbed several public health concerns, says Centre's report

POLITY & GOVERNANCE

CONTEXT: The National Health Mission (NHM) has significantly contributed to improving India's public health, including lowering of the maternal mortality ratio, incidence of tuberculosis (TB), and sickle cell anaemia.

The assessment report 2021-24 presented to the Union Cabinet, highlighted the National Health Mission's (NHM) role in strengthening human resources and fostering integrated responses to health emergencies. Over the past three years, NHM significantly increased healthcare workforce engagements: 2.69 lakh workers in FY 2021-22, 4.21 lakh in FY 2022-23, and 5.23 lakh in FY 2023-24. This included a growing number of Community Health Officers (CHOs), with 90,740 in FY 2021-22, 1.29 lakh in FY 2022-23, and 1.38 lakh in FY 2023-24.

The National Health Mission (NHM) has achieved significant health milestones, including an 83 % decline in the Maternal Mortality Ratio (MMR) since 1990, surpassing the global average of 45 %. Infant Mortality Rate (IMR) decreased from 39 per 1,000 live births in 2014 to 28 in 2020, and the Total Fertility Rate (TFR) fell from 2.3 in 2015 to 2.0 in 2020, per NFHS-5. These advancements position India to meet U.N. Sustainable Development Goals for maternal, child, and infant health ahead of 2030. NHM has also been key in controlling diseases and reducing TB incidence.

Tax avoidance treaties: India sets new norms for claiming benefits

INTERNATIONAL RELATIONS

CONTEXT: The Income Tax department has come out with a fresh guidance note on applicability of Principal Purpose Test (PPT) for claiming tax treaty benefits, which will apply prospectively.

The Central Board of Direct Taxes (CBDT) clarified that the grandfathering provisions under India's Double Tax Avoidance Agreements (DTAAs) with Cyprus, Mauritius, and Singapore are excluded from the purview of the new Principal Purpose Test (PPT) provisions. These treaty-specific bilateral commitments, as outlined in the DTAAs, will remain governed by their respective provisions and will not interact with the PPT. The circular emphasizes the primacy of these grandfathering provisions, protecting them from the PPT's scope and ensuring clarity in treaty interpretation.

Experts highlighted that the CBDT's clarification on the India-Mauritius treaty resolves uncertainties around the protocol, with expectations that it may be notified and take effect from April 1, 2025. The provisions of Principal Purpose Test (PPT) will apply prospectively and will not impact cases covered by treaty-specific grandfathering commitments. The guidance also advises tax authorities to consult the BEPS Action Plan 6 and the UN Model Tax Convention for additional clarity when applying PPT provisions.

H-1Bs fill critical skills gap in U.S.: Nasscom

INTERNATIONAL RELATIONS

CONTEXT: Nasscom stated that H-1B visas address critical skill gaps in the U.S. rather than immigration issues. The industry body emphasized that technology will drive U.S. economic growth, underscoring the need for mutually beneficial partnerships between Indian and U.S. companies.

NASSCOM refuted claims that H-1B workers are cheap labour or displace American workers, expressing optimism about the Indian IT industry's growth despite concerns over U.S. policies under President Donald Trump. He emphasized the critical role of Indian talent in the U.S. economy and downplayed fears of adverse impacts on the \$ 250 billion export-driven Indian IT sector, which relies heavily on the U.S. market. The concerns stem from Trump's executive orders, including ending birth right citizenship, which could affect children of H-1B visa holders, green card holders, and temporary visa holders.

De-dollarisation threat

President Donald Trump reiterated his threat to impose 100 % tariffs on BRICS nations, including India, if they attempt to replace the U.S. dollar. Responding to concerns about revoking birth right citizenship, NASSCOM's Shivendra Singh empathized with those affected but noted that immigration policies are a sovereign prerogative. He clarified that H-1B visas

are non-immigrant visas unrelated to immigration debates. Highlighting the Indian IT industry's contributions, NASSCOM's noted \$ 1.1 billion has been invested in U.S. upskilling initiatives, benefiting 255,000 employees and 2.9 million students.

Trump warns of tariffs against EU and 10% rate on China by February

INTERNATIONAL RELATIONS



CONTEXT: U.S. President Donald Trump pledged on Tuesday to hit the European Union with tariffs, adding that a 10 % duty on Chinese imports could also come as soon as February 1.

President Trump, speaking after his inauguration, criticized the EU for trade imbalances with the U.S. and threatened tariffs to rectify the situation. He also targeted China over fentanyl trafficking, reiterating his threat to impose a 10 % tariff on Chinese goods, potentially starting February 1st. Trump had also proposed 25 % tariffs on Canada and Mexico over issues like illegal immigration and fentanyl. In response, China vowed to defend its national interests, with a foreign ministry spokesperson stating that trade wars have no winners.

Ready to defend

The EU's economy commissioner also vowed this week that the bloc stands ready to defend its interests. EU chief Ursula von der Leyen speaking at an annual meeting of global elites in Davos declared that Europe was ready to negotiate with Mr. Trump.

Panama complains to UN about Trump's threat, starts audit

INTERNATIONAL RELATIONS

CONTEXT: Panama has complained to the United Nations over U.S. President Donald Trump's "worrying" threat to seize the Panama Canal, even as it launched an audit of the Hong Kong-linked operator of two ports on the interoceanic waterway.

Panama's government sent a letter to UN Secretary-General Antonio Guterres, citing the UN Charter's prohibition on the use of force against another nation's territorial integrity, in response to President Trump's claim that China was "operating" the Panama Canal. In a counterstatement at the World Economic Forum, Panama's President Jose Raul Mulino emphasized that the canal was not a gift from the U.S. Beijing, when asked about the issue, denied any interference in the canal.

Jio leads in 12 telecom circles, Airtel dominates in nine

POLITY & GOVERNANCE

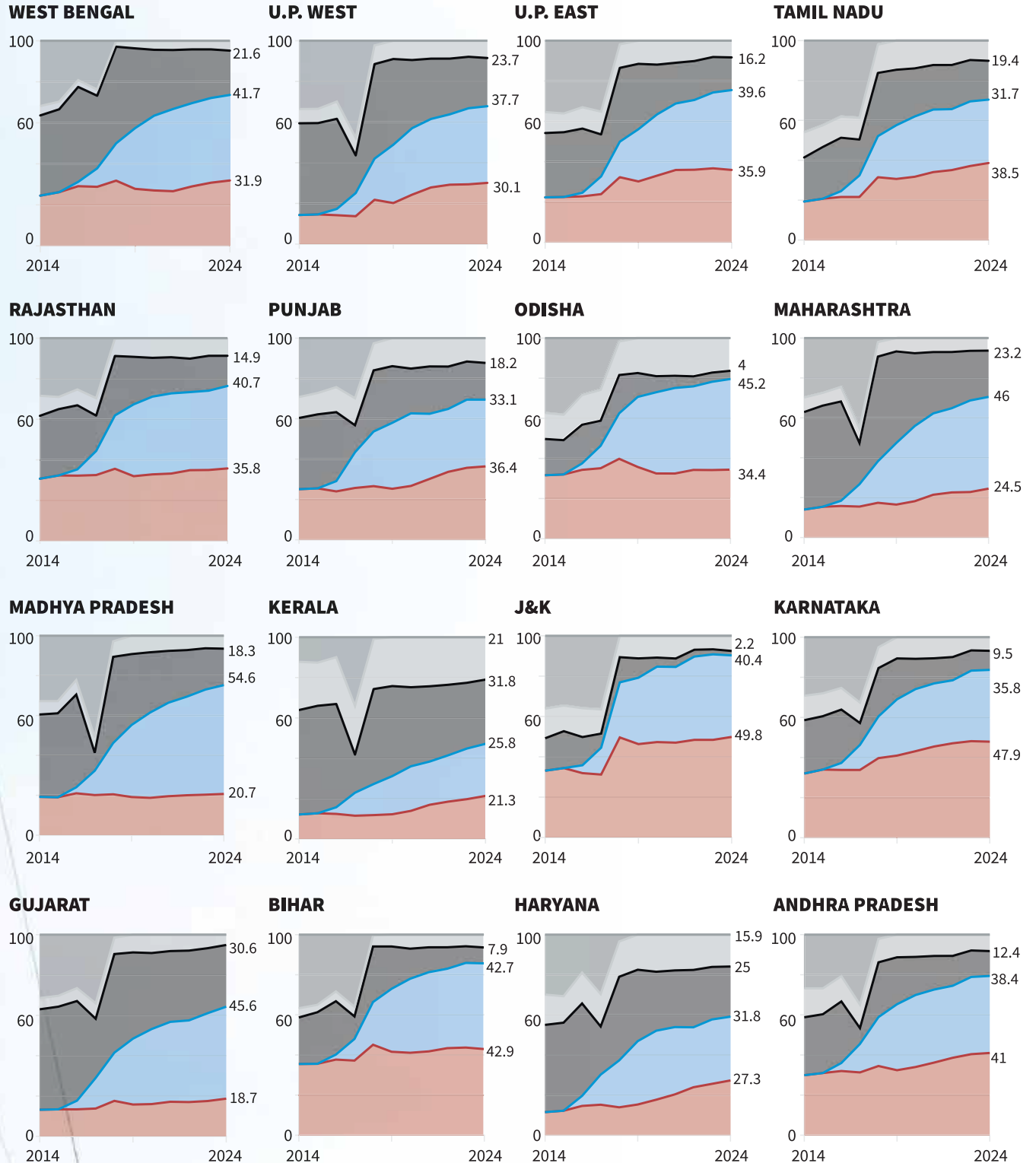
Reliance Jio leads the wireless subscriber market in 12 of India's 22 telecom circles, while Airtel dominates nine, and Vodafone Idea leads only in Kerala. Airtel has strong market shares of 40 % - 50 % in several states, including Karnataka and Andhra Pradesh, while Jio leads in states like Madhya Pradesh and Maharashtra with market shares around 40 % - 55 %. In Kerala, Vodafone Idea leads with a declining share of 32 %, down from 54 % in 2015. Kerala is the most fragmented market, with all four providers — Jio, Airtel, Vodafone Idea, and BSNL — holding over 20 % market share each.

Over the years, the market shares of Vodafone Idea and BSNL have declined sharply from their respective peaks across most States, creating a duopoly in recent years. In contrast, Jio and Airtel have reached their peak market share across most States, with very few exceptions.

Wireless subscriber market share

The charts are based on data sourced from the Telecom Regulatory Authority of India.

Airtel Reliance Jio Vodafone Idea BSNL/MTNL Others



The graphic shows the wireless subscriber market share in the last decade — 2014 to 2024 — across select telecom circles

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