

## GENERAL STUDIES - 2

**Q1. “With the waning of globalization, Post-Cold War world is becoming a site of sovereign nationalism.” Elucidate. (10 Marks, 2025)**

**Answer:**

### Answer Writing Blueprint

#### Introduction:

- You can begin with Rodrik’s globalisation trilemma to link the fading liberal order with the reassertion of sovereign nationalism..

#### Body:

- Write in a cause-and-effect flow—first outline how globalisation is waning then link each decline to nationalist policy responses using current examples.
- You can briefly write about the consequences of this development.

#### Conclusion:

- You can conclude by acknowledging that globalisation persists but under sovereignty-driven terms.

#### Introduction

**Dani Rodrik’s globalisation trilemma** argues that **hyper-globalisation, national sovereignty, and democracy** cannot coexist fully. The optimism of the post-Cold War period which assumed the permanence of a liberal global order, has weakened. In its place, states increasingly **privilege sovereignty, national security and technology** while participating in globalisation on selective terms.

### From Waning Globalization to Sovereign Nationalism

Erosion of Globalization	Manifestation of Sovereign Nationalism
<b>Trade slowdown</b> – Global merchandise trade grew only 0.8% in 2023 (WTO, 2024)	<b>Protectionism</b> – US Inflation Reduction Act (2022), EU move to raise steel tariffs to 50% (2025)
<b>Declining FDI &amp; tariff shocks</b> – Rising trade frictions under US “Liberation Day Tariffs” (2025)	<b>Economic nationalism</b> – India’s tariff hikes on EVs and electronics (2024) to strengthen Atmanirbhar Bharat

<b>WTO paralysis</b> – Appellate Body non-functional since 2019	<b>Regionalism</b> – BRICS expansion (2024: Egypt, Ethiopia, Iran, UAE); RCEP consolidation; USMCA replacing NAFTA
<b>Tech bifurcation</b> – US curbs on semiconductors to China (2023–24)	<b>Digital sovereignty</b> – EU Digital Services Act (2024); India’s Data Protection Act (2023); China’s “Great Firewall”
<b>Supply chain fragility</b> – COVID-19 & Ukraine war exposed vulnerabilities	<b>Reshoring/near-shoring</b> – India’s PLI schemes; US “friend-shoring” with Mexico & Vietnam; Japan’s subsidies to exit China
<b>Energy &amp; food insecurity</b> – COP28 fossil fuel impasse; food export bans (India, Russia 2023–24)	<b>Resource nationalism</b> – OPEC+ production cuts; India’s ban on non-basmati rice exports (2023)
<b>Financial risks</b> – Freezing of \$300 bn Russian reserves (2022)	<b>Monetary sovereignty</b> – BRICS exploring de-dollarisation; India–Russia rupee-ruble trade
<b>Security interdependence breakdown</b> – Ukraine war fractured collective security	<b>Strategic autonomy</b> – EU Strategic Compass (2022); India’s defence exports hit ₹23,622 crore (2024–25)
<b>Cultural backlash</b> – Rising anxieties about homo genisation	<b>Cultural nationalism</b> – France’s abaya ban (2024); India’s NEP 2020 promoting regional languages

### Consequences

- **Fragmentation of Multilateralism:** Rising bloc competition (e.g. BRICS vs G7, QUAD vs SCO) erodes a singular universal order.
- **Geoeconomic Rivalry:** Sanctions, tariffs and state subsidies become tools of strategic leverage.
- **Weak Global Governance:** Critical issues like climate, migration and health suffer gridlock (e.g. COP28 stalemate on fossil fuels).
- **Weaponisation of Interdependence:** Finance, energy and technology increasingly wielded as instruments of coercive diplomacy.
- **Growing Middle-Power Assertiveness:** Nations like India, ASEAN states, Turkey and Gulf countries boost regional influence (e.g. India’s G20 leadership in 2023).
- **“Re-globalisation with Sovereignty”:** Globalization reconfigures into regional, sovereignty-driven frameworks rather than one-size-fits-all integration.

- **Entrenched Multipolarity:** The U.S.-centered order weakens while China, Russia and emerging powers carve out alternative global norms.

**Conclusion** The waning of globalisation has not produced isolationism but a **reconfigured global order** where states assert sovereignty while engaging selectively with global flows. This **hybrid system of sovereignty-driven globalisation** increasingly defines the post-Cold War world, demonstrating that **globalisation now proceeds under the shadow of sovereign nationalism.**



**ANALOG**  
**IAS ACADEMY**

**Q2. Inequality in the ownership pattern of resources is one of the major causes of poverty. Discuss in the context of 'Paradox of Poverty'. (15 Marks, 2025)**

**Answer:**

### **Introduction**

The paradox of poverty refers to the **coexistence of resource abundance and economic growth** with continuing deprivation. Despite an expected **GDP growth of 7.3% in FY 2024 (IMF)**, India still has about **12.9% of its population living in multidimensional poverty (NITI Aayog 2023)**. This contradiction arises from **resource scarcity and inequality in ownership and control** of productive assets such as land, capital, education and digital infrastructure.

**Body**

### **The Paradox of Poverty**

- **Growth Without Inclusion:** Economic expansion benefits asset-owners more than labour-dependent groups.
  - For *Example*, Top 1 % of Indians now own **40.1 % of national wealth**, while the bottom 50 % owns only 6 % (*Oxfam 2024*).
- **Persistent Inequalities:** Between 2012–21, nearly **40 % of wealth gains accrued to 1 % of the population** (*World Inequality Lab 2024*).
- **Regional Contradictions:** Mineral-rich states like Jharkhand and Chhattisgarh record poverty rates >30 %, showing “resource curse” dynamics.
- **Vicious Cycle:** Limited assets → low productivity → low income → limited savings → continued assetlessness → sustained poverty.

### **How Unequal Ownership Creates the Paradox**

- **Land Inequality:** According to NSSO 2019, the **top 10% of landowners control nearly 50% of agricultural land**. This skewed ownership pattern severely restricts access to irrigation, mechanisation and inputs for smallholders.
  - **For example**, Bihar and Jharkhand exhibit high rural poverty due to fragmented landholding and low ownership.
- **Access to Capital and Credit:** Approximately **80% of total institutional credit flows to the top 10% of borrowers**, while the poor remain dependent on informal lending sources charging 24–36% interest. This lack of affordable credit obstructs enterprise creation and reinforces poverty cycles.

- **Educational and Skill Disparities:** Despite being a hub for global tech talent, India faces endemic under-employment. According to the ASER 2023 report, **5% of rural youth (aged 14–18) cannot read a Grade 2 text.** Poor foundational learning contributes to low employability, with **80% of the workforce remaining informal (PLFS 2023).**
- **Technological and Digital Divide:** As India's digital economy expands, digital access remains uneven. **UNICEF 2024 reports that 40% of Indian women still lack access to smartphones.** This gap restricts their participation in e-commerce, fintech and online education, further **entrenching inequality.**
- **Gender and Social Inequities:** Disparities in asset ownership reduce productivity and economic agency for marginalised groups.
  - **For example, SCs and STs, who constitute 25% of the population,** account for over 40% of India's multidimensionally poor (MPI 2023), highlighting entrenched structural exclusion.
- **Urban–Rural and Regional Disparities:** Economic growth is concentrated in urban corridors such as Delhi–Mumbai–Bengaluru. Meanwhile, backward regions remain capital-starved.
  - **For example,** Eastern states contribute less than 10% to national GDP but are home to nearly 40% of the country's poor.
- **Policy and Institutional Deficiencies:** Land ceiling and tenancy reforms remain weakly enforced, with 90% of ceiling-surplus land yet to be redistributed (NITI Aayog 2021).
  - Moreover, tax reforms such as the 2019 corporate tax cut disproportionately benefited top firms, **saving ₹1.5 lakh crore.**
- **Climate and Environmental Inequality** : Climate shocks disproportionately impact marginalised populations.
  - **For example,** In 2023, floods in Assam displaced over 2 million small and marginal farmers who received minimal compensation due to weak disaster relief frameworks.
- **Intergenerational Transfer of Inequality** : The absence of inherited assets in land, education or capital means **successive generations start from a position of disadvantage.**
  - As per Amartya Sen's Capability Approach, such inequality limits **substantive freedoms and life opportunities,** beyond mere income poverty.

### Addressing the Paradox: Policy & Structural Measures

- **Land and Asset Reforms:**
  - Modernize land records via **Digital India Land Records Programme** and ensure tenancy rights.
  - Redistribute ceiling-surplus land and promote cooperative farming.
  - Mandate **joint spousal titles** to improve women's ownership.
- **Financial Inclusion**
  - Strengthen **JAM Trinity** and **MUDRA Loans** for micro-entrepreneurs.
  - Expand **Kisan Credit Cards** and **SHG credit**; regulate informal lending.
    - Promote asset insurance under **PM Suraksha Bima** and **PM Jeevan Jyoti Bima Yojanas.**

- **Education and Skill Development**
  - Improve school quality through *Samagra Shiksha 2.0*.
  - Expand *PM Kaushal Vikas Yojana* and *Skill India* to align training with AI, EV, and green-tech sectors.
  - Target female enrolment through *Kanya Shiksha Pravesh Utsav*.
- **Technological & Digital Inclusion**
  - Extend *BharatNet* for rural broadband connectivity.
  - Implement *PMGDISHA* for digital literacy and subsidise smartphones for women's SHGs.
  - Encourage **community data ownership models** for fair digital participation.
- **Gender & Social Empowerment**
  - Strengthen *Stand-Up India* and *NRLM* to provide credit to Dalit and women entrepreneurs.
  - Expand *PM Awas Yojana* and *Ujjwala Yojana* for asset creation at household level.
- **Regional Equity & Infrastructure**
  - Continue *Aspirational Districts Programme* for lagging regions.
  - Prioritise rural infrastructure—roads, irrigation, cold chains—to enhance productivity.

### Conclusion

Poverty in India persists not because of a lack of resources but because of **their unequal ownership and control**. As Amartya Sen observed, development means “*expanding people’s capabilities*”—a goal achievable only when economic growth translates into ownership, opportunity and dignity for all. Through inclusive reforms, India can convert its resource abundance into genuine human prosperity.