



## **CURRENTLY - FROM NEWS TO NOTES**

# DAILY CURRENT AFFAIRS

## The Hindu & The Indian express

| Headline  | Source            |
|---|-------------------|
| SC directs EC to publish list of deleted voters                   | The Hindu, Page 1 |
| The urgent need to democratise India's heart transplant programme | The Hindu, Page 7 |















| Headline   | Source                                  |
|--|---|
| Only united action can stop the hyacinth's invasion                | The Hindu (Editorial), Page 8           |
| The quality of freedom   | The Indian Express (Editorial), Page 12 |
| To become the next Asian tiger, Vietnam is overhauling its economy | The Indian Express, Page 19             |

















## MAINS ENRICHMENT

## India is fourth 'most equal' country, says World Bank report

Press Trust of India

Inequality in India has come down significantly between 2011-12 and 2022-23, making it the fourthmost equal country globally, according to a World Bank report.

This is in addition to a sharp decrease in extreme poverty, which has dropped from 16.2% in 2011-12 to 2.3% in 2022-23, an official release said quoting World Bank data.

the government attributed the reduction in inequality to various initiatives and schemes pursued during the last decade.

The only three countries which have a better Gini Index score, a measure of equality, are the Slovak Republic, Slovenia and Belarus.

"...India's Gini Index stands at 25.5, making it the fourth most equal country in the world, after the Slovak Republic, Slovenia and Belarus," the statement said.

#### Income distribution The Gini Index helps in un-

derstanding how equally income, wealth or consumption is distributed across households or indi-



India falls into the 'moderately low' inequality category, as per the World Bank's report.

viduals in a country.

It ranges in value from zero to 100. A score of zero means perfect equality, while a score of 100 means one person has all the income, wealth or consumption and others have none, hence absolute inequality.

The higher the Gini Index, the more unequal a country is.

India's score is much lower than China's 35.7 and far lower than the United States, which stands at 41.8.

As per the World Bank's report, which has released the data for 167 countries, India falls into the "moderately low" inequality category, which includes Gini scores between 25 and 30.

India is only a fraction away from joining the "low inequality" group.

#### Context:

The World Bank report for 2022–23 ranks India as the fourth most equal country globally, with a Gini Index score of 25.5, showing a sharp fall in inequality and extreme poverty over the last decade.

## **Extreme Poverty::**

A condition where individuals live on less than \$3.0 a day (World Bank's international poverty line), lacking basic necessities like food, clean water, shelter, and healthcare

### Uses in Mains Enrichment (with specific data):

- GS2 Governance, Welfare Schemes: Reduction in extreme poverty from 16.2% (2011–12) to 2.3% (2022–23) due to policy interventions.
- GS3 Inclusive Growth: India's Gini Index 25.5 → 4th most equal country after Slovak Republic, Slovenia, Belarus.
- GSI Society: Income inequality now in "moderately low" category (Gini 25–30 range).
- Essay: Example for poverty eradication, reducing inequality, and welfare-driven economic growth.











# SC directs EC to publish list of deleted voters

Bench demands a detailed list of excluded Bihar electors to be published with specific reasons

Court for the first time made a formal declaration that electors can use Aadhaar as proof of identity

It upheld voters' right to know and their right to remain on the electoral roll in a democracy

Krishnadas Rajagopal NEW DELHI

he Supreme Court, in an interim order on Thursday, directed the Election Commission to publish an enumerated, booth-wise list of approximately 65 lakh electors not included in the draft electoral roll published on August 1, during the ongoing Special Intensive Revision (SIR) exercise in poll-bound Bihar.

A Bench of Justices Surya Kant and Joymalya Bagchi said the list should be complete with the individual reasons, such as death, migration, being untraceable, and duplicate registrations, for each exclusion on the draft roll.

"If, according to you, 22 lakh of the 65 lakh non-included voters are dead, why are their names not

being disclosed? There is a narrative doing the rounds that family members do not know their kin have been left out as dead in the draft roll. If you put out the names in the public domain, that narrative disappears... In short, we want a 'Poonam Devi's' family in Bihar to know that her name has been deleted because she is dead," Justice Kant addressed the EC, represented by senior advocate Rakesh Dwivedi.

The court upheld the voters' right to remain on the electoral roll in a democracy. "People have a right to know. A high degree of transparency is required to inspire voters' confidence. Put up the names of excluded electors with reasons out there for all to see," Justice Bagchi addressed the EC.

It also said electors

There is a narrative that family mem-People have a right to bers do not know their kin know. A high degree have been left out as dead of transparency is in the draft roll. If you put required to inspire out the names in the public voters' confidence domain for all to see, that -JUSTICE JOYMALYA BAGCHI narrative disappears - JUSTICE SURYA KANT

whose names were excluded could file their objections by applying with a copy of Aadhaar. "Aadhaar is a statutorily recognised instrument of identity and residence. It can be submitted as a document," Justice Bagchi observed.

This is the first time the court has formally directed

the use of Aadhaar as a proof of identity and residence in the Bihar SIR exercise.

The 65 lakh names, out of 7.89 crore registered electors in Bihar, were dropped from the draft roll despite the fact that their names had featured in the voters' list prepared after a

summary revision in January 2025.

The court ordered the EC to publish the list of excluded voters and reasons on the websites of the District Electoral Officers (DE-Os) across Bihar. Physical lists have to be displayed on the notice boards of the booth level officers (BLOs) and block development/panchayat offices to facilitate manual access.

The court asked the EC to provide the Bihar Chief Electoral Officer with soft copies of the list, which should be displayed on his official website. The poll body has to arrange wide publicity by issuing a "layman-friendly" public notice in vernacular and English newspapers, on radio, TV and authorised social media platforms about the publication of the list.

"For a migrant worker who has been deleted as dead, even if he is illiterate, his neighbours or friends would alert him... It is only fair to have a procedure that does not block a person from exercising his right to adult franchise. There are civil consequences involved here," Justice Kant pointed out to the EC.

The EC would compile proof of compliance from BLOs/DEOs and place on record before the court a collated status report on August 22, the next date of hearing, at 2 p.m. The list and reasons should be searchable by typing in the EPIC number of the concerned voter. The interim order would play a pivotal role in future disputes regarding SIR exercises in other States.

The EC initially resisted

the court's decision in favour of transparency, saying it had BLOs and booth level agents (BLAs) working on the ground to assist the left-out voters and usher them back on the electoral roll.

But the court said the voters' right to know about the deletion and their constitutional entitlement to be on the electoral roll cannot be dependent on agents of political parties and booth officers.

"The way you [EC] do your intensive revision has to be comfortable for the voters and not give them strain... For a migrant worker who has been deleted as dead, even if he is illiterate, his neighbours or friends would alert him," Justice Bagchi observed.

REACTIONS

» PAGE 5













Prelims: Election Commission – powers & functions; Aadhaar as proof of identity

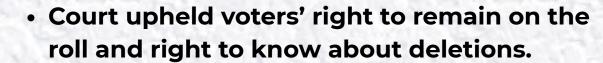
Mains: GS2 – Polity – Electoral reforms, transparency in elections, voters' rights.

### 1.Context:

The Supreme Court ordered the Election Commission (EC) to make public an enumerated, booth-wise list of ~65 lakh Bihar electors excluded from the draft electoral roll (Aug 1) during the Special Intensive Revision (SIR) exercise, citing the right to know and transparency in democracy.

## 2. Summary:

 SC's interim order: EC must publish excluded voters' list with specific reasons for deletion (death, migration, duplication, etc.).



- For the first time, SC formally allowed Aadhaar as proof of identity and residence in the Bihar SIR exercise.
- Emphasized that transparency inspires voter confidence and prevents wrongful disenfranchisement.
- Ordered EC to display lists physically and online, facilitate objections, and ensure re-inclusion where wrongful deletion occurred.
- Noted the exclusion of 65 lakh out of 7.89 crore registered voters in Bihar despite prior inclusion in earlier lists.

## 3. Right to Know vs Right to Information

- Right to Know Constitutional principle under Art. 19(1)(a); broad public right to be informed on matters of public interest; enforced via courts.
- Right to Information Statutory right under RTI Act, 2005; procedural tool to obtain specific information from public authorities.

## 15th AUG, 2025

- Interchangeability RTI is a subset of the broader Right to Know; all RTI cases fall under Right to Know, but not all Right to Know cases require RTI.
- SC judgment on Right to Know –
   State of U.P. v. Raj Narain (1975):
   Citizens have the right to know acts of public functionaries.

## Right to vote and to be elected in India is a

- (a) Fundamental Right
- (b) Natural Right
- (c) Constitutional Right
- (d) Legal Right

(2017)













## The urgent need to democratise India's heart transplant programme

WORLD ORGAN DONATION DAY

#### Lalit Kapoor

Heart transplantation is a life-saving procedure for patients with end-stage heart failure. While medical advancements have made it a viable long-term solution with high survival outcomes, access to this treatment remains uneven, particularly in east India.

The path to democratising heart transplants lies not only in medical capability, but also in streamlining infrastructure, administrative processes, and public awareness.

India's organ transplant system functions through a structured hierarchy -State Organ and Tissue Transplant Organisation (SOTTO), Regional ROT-TOs, and the National NOT-TO. This network is responsible for maintaining waiting lists, coordinating transplants, and matching organs to recipients.

#### Major challenge

However, logistical and procedural barriers often limit the timely use of available organs, especially hearts, which must be transplanted within four hours of harvest.

One of the major chal-

lenges is the retrieval and transportation of organs. Many hospitals have potential donors, but are not designated as Non-Transplant Organ Retrieval Centres (NTORCs), which means they cannot harvest organs or maintain potential donors. Combined with this is limited air connectivity in east India and long distances from hospitals to airports, creating significant delays in transporting donated hearts.

While "green corridors" created by police support ground transport, air travel infrastructure and emergency air evacuation systems need significant enhancement.



Despite systemic challenges, the potential for growth in India's transplant programme is promising. ISTOCKPHOTO

The diagnosis of brain death, a prerequisite for organ donation, is itself another critical hurdle. Although protocols are well-established, delays can occur due to procedural complexities, limited training in some centres, and the sensitive nature of initiating conversations with families about organ donation. Misunderstanding the concept of brain

death and the emotional toll on families often results in missed opportunities for donation. Public education and sensitive communication are essential to increase acceptance and consent for organ donation.

#### Potential for growth

Despite these systemic challenges, the potential for growth in India's transplant programme is promising. In 2023, over 1.7 lakh people lost their lives in road accidents, and many of these were potential organ donors.

Yet, only 221 heart transplants were conducted nationwide, far below the

estimated annual need of 50,000. Interestingly, surveys show that Indians display a high willingness to donate organs, highlighting a disconnect between public intent and systemic execution.

Bridging this gap requires multi-level interventions – funding for less privileged patients, enhanced training for healthcare professionals, active recipientdonor registries, NTORC recognition for more hospitals, and expanded transport support, including air ambulances.

Strengthening links in the transplant chain can convert more potential donations into

lifesaving procedures.

The democratisation of heart transplantation is not a medical challenge; it is a logistical, administrative, and social one. With proven medical expertise and strong public support, India is well-positioned to expand access and equity in transplants.

By investing in coordinated systems and infrastructure, every heartbeat lost can be turned into a second chance for another.

(Dr. Lalit Kapoor is senior consultant, cardiac surgery, Narayana R.N. Tagore Hospital, Mukundapur, Kolkata. drlalitkapoor@gmail.com)















## 15th AUG, 2025

## **Usage in Mains:**

- GS2: Health
- GS4: Ethics Organ donation ethics

#### Context:

On World Organ Donation Day, the article examines India's heart transplant programme, noting that not only does it require advanced medical expertise, but also its access is limited by logistical, administrative, and social challenges.

## **Summary:**

India's heart transplant system is coordinated through SOTTO, ROTTO, and NOTTO, which manage waiting lists and match donors to recipients. **Major challenges:** 

- 1. Logistical: Hearts remain viable for only 4-6 hours; delays in retrieval and transport, limited "green corridors" and air transfers hinder timely transplants.
- 2. Administrative: Brain death—irreversible cessation of all brain activity including the brainstem—is legally recognised but declaration faces procedural complexities, shortage of trained staff, and difficulties in initiating family consent.
- 3. Social: Public willingness to donate organs is high, yet actual donations are low due to misconceptions, lack of awareness, and weak donor registries.

### 2023 data from the article:

- Estimated annual need: over 50,000 heart transplants.
- Actual heart transplants performed: 221.

Despite advances in medical technology, heart transplants in India face multiple challenges. Identify and discuss the logistical, administrative, and social hurdles in the organ transplantation ecosystem. (150 words)

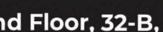




















## Only united action can stop the hyacinth's invasion

very monsoon, a quiet menace surges across India's waterways, turning glistening rivers, backwaters and lakes into green deserts. This threat is the water hyacinth (Eichhornia crassipes), an innocuous-looking aquatic plant which has delicate lilac flowers that belies its destructive power. Nowhere is its impact more pervasive than in Kerala – a State renowned for its intricate network of backwaters and the famed Vembanad Lake.

Introduced in India during colonial rule as an ornamental plant, the water hyacinth's prodigious growth has since overwhelmed the very ecosystems and communities it decorates. Today, it is estimated that over 2,00,000 hectares of inland waters nationwide have been smothered by this weed, disrupting the lives and livelihoods of countless Indians.

#### Crisis in Kerala

Farmers and fishermen are among the hardest hit. For paddy cultivators along the Kuttanad region of Kerala - known as the 'rice bowl of Kerala' – water hyacinth mats block irrigation channels, impede water flow, and choke fields, driving up the costs and efforts required to sustain agriculture. Fishermen find their traditional trade impossible as the dense mats strangle fish nurseries, undermine native fish populations, block access, and even damage nets

Worse, water hyacinth devastates aquatic biodiversity. By preventing sunlight and oxygen from penetrating the water's surface, these floating jungles suffocate everything below. Aquatic flora and fauna, already fighting pollution and over-extraction, are now forced to contend with ecological asphyxiation, unravelling entire



#### Venu Rajamony

is Chairman, Future Kerala Mission, Jain (deemed to be) University, Kochi and a former Ambassador of India to the Netherlands

A national policy with region-specific implementation strategies is what can end the grave damage being caused by this invasive aquatic plant

food webs. The weed's unchecked proliferation is a direct threat to ecotourism as well. Vembanad Lake, a Ramsar-recognised wetland of international importance and a lifeline for lakhs of people, is emblematic of this crisis, with tourism and transport now at risk.

Yet, the hidden danger of the water hyacinth extends beyond livelihoods and biodiversity. As the plant rapidly accumulates and then decays, it releases methane – a greenhouse gas over 25 times more potent than carbon dioxide at trapping heat.

#### Experiments that must be scaled up

Recognising the need for solutions, innovators and communities across India have experimented with turning this 'pest' into a resource. In Odisha, imaginative women's self-help groups skilfully weave water hyacinth into handicrafts, baskets and furniture. In Assam and West Bengal, it has been transformed into paper and biogas production.

These experiments, though promising, remain isolated in scope and scale. What is urgently required is policy support, financial incentives and a robust value chain to scale them up.

Despite the creativity at the grass-roots, what is missing is a coordinated policy thrust in the effective management of the hyacinth menace. Currently, responsibility is diffused across multiple government departments - agriculture, fisheries, environment, irrigation – often leading to piecemeal and short-term efforts. The situation demands a single-point accountability mechanism and a national policy with region-specific implementation strategies. There is a need for coordinated removal drives using scientific methods and mechanisation with

appropriate technology suited to local conditions in places such as Kerala where labour is not easily available. Innovators need to be incentivised and private sector partnerships established for value addition. Research into viable products (crafts, biofuels, compost textiles) also needs to be promoted and disseminated.

Solving the water hyacinth crisis is a mammoth task, but it is by no means insurmountable. Recently, Jain university in Kochi organised a brainstorming workshop under its Future Kerala Mission, bringing together experts, grass-roots practitioners, policymakers and businesses to reimagine water hyacinth as a bearer of sustainable livelihoods - rather than just viewing

The University has since decided to launch an awareness campaign and to release a discussion paper, inviting inputs that incorporate scientific and local knowledge systems. By fusing academic research, policy engagement, and community experience, the University hopes to spur a shift from sporadic experiments to systematic, sustainable solutions.

#### Need for united action

India's rivers and lakes are too precious to be stifled by neglect – or by a single invasive plant. The water hyacinth menace calls for urgency, accountability and united action. Let every community, government department, entrepreneur and citizen recognise that this is not just an ecological problem but a crucible for rural livelihoods, food security, climate resilience and a green economy.

Let us, together, drain the swamp – not just of water hyacinth, but of the inertia that allows such a menace to flourish. The time for action is now.

## **Usage in UPSC:**

**Prelims:** Invasive alien species

Mains: GS3 - Environment (biodiversity, wetland conservation), Agriculture (irrigation challenges).

#### Context:

The article discusses the unchecked spread of water hyacinth in India's inland waters especially Kerala—highlighting its ecological, economic, and social damage, and calls for a coordinated national strategy to control it.

### **Summary:**

 Origin & Spread: Introduced in colonial times as an ornamental plant, now covering over 2,00,000 hectares of inland waters in India.















- Impact in Kerala: Blocks irrigation channels in Kuttanad, increases farming costs, devastates fishing, suffocates aquatic biodiversity, and disrupts tourism in Vembanad Lake.
- Environmental Harm: Prevents sunlight/oxygen penetration, releases methane (25× more potent than CO₂).
- Current Responses: Grassroots innovations (Odisha handicrafts, Assam & West Bengal biogas) but efforts remain small-scale and fragmented.
- Way Forward: Need for single-point accountability, region-specific national policy, scientific removal methods, mechanisation, public-private partnerships, and R&D into viable products.
- What is Water Hyacinth?
  - Scientific name: Eichhornia crassipes.
  - Invasive aquatic plant native to South America; fast-growing, forms dense mats over water bodies, blocking light and oxygen, harming biodiversity and water use.

Invasive Species Specialist 'Group' (that develops Global Invasive Species Database) belongs to which one of the following organizations?

- (a) The International Union for Conservation of Nature
- (b) The United Nations Environment Programme
- (c) The United Nations World Commission for Environment and Development
- (d) The World Wide Fund for Nature

(2023)















## The quality of freedom



This I-Day, let's enliven the idea of a critical citizen, predicated on the possibility of public reason

SUHAS PALSHIKAR

WHAT DOES A country's freedom mean? The elementary meaning of freedom for a society is an independent political existence that can withstand external pressures in the contemporary global context. As India celebrates another Independence Day, it faces an awkward situation. Just a few months ago, India was made proud by the skill of its armed forces, leading to an impression that military capability alone is a sine qua non and guarantor of a country's freedom in this primary sense. The lukewarm global response to India's stand on Pakistan alerted it to the limitations of mere military capability. Following that, Indiais staring at the current moment of imperialism (see 'Against imperialism' by Pratap Bhanu Mehta, IE, August 5). The US stance is not merely about tariffs but also about India's choices of doing trade with other countries, While the US is the current villain, let us not forget that China, as much as the US, is an actor constricting India's freedom in the global state system. These two actors have shown that, beyond military capabilities, it is the economy that matters in sustaining freedom in this first sense.

amine the realm of civic freedom. Even as India keeps struggling against international pressures — partly through posturing and partly through negotiations — the question of freedom must take into account the institutionally approved space for freedom of its citizens. What is a country, after all, without its citizens? So, as much as the country's manoeuvrability in the global context, the freedom that its citizens are supposed to have matters in any discussion of the country's freedom. And if that freedom is found to be weak there are no easy.

Two any discussion of freedom must ex-

zens are supposed to have matters in any discussion of the country's freedom. And if that freedom is found to be weak, there are no easy villains out there, such as enemy countries or friends-turned-foes. We must look within, both for finding out how free we are and what obstructs that freedom. Constitutional experts have laboured on this theme and debated if the Constitution is a

this theme and debated if the Constitution is a grammar of freedoms or a grammar of state power. That rich debate is useful, but beyond that, the realm of civic freedoms can be assessed more in the context of the ethic of approbation that permeates thinking among power-holders.

Holders of power expect that the only correct interpretation of the constitutional scope

being written into the laws and read in the laws uld not do. But we ignore that it is the routine norm of adjudication in a majority of cases involving freedom of expression and it is also a more accepted approach to freedoms among politicians and increasingly among media persons. That norm mplicitly upholds the idea of an ideal citizen docile, in awe of the state, paying obeisance to authority, trusting the paternal intentions of power-holders. In this normative approach, the legislature, executive, bureaucracy and judiciary are often in agreement. It hides behind the idea that authority is bona fide and that criticism, opposition, protests, must therefore operate within the framework of approbation. This agreement is far more significant than the constitutional design that installs a (limited) There is a well-deserved framework of civic freedoms. disappointment when a judge lays out what the Opposition leader should

not do. But we ignore that it

adjudication in a majority of cases involving freedom of

expression and it is also a

more accepted approach to

freedoms among politicians

media persons. That norm

implicitly upholds the idea

of an ideal citizen — docile.

intentions of power-holders.

In this normative approach,

the legislature, executive.

bureaucracy and judiciary

are often in agreement

in awe of the state, paying

obeisance to authority,

trusting the paternal

and increasingly among

is the routine norm of

framework of civic freedoms.

The third realm of freedom consists of a collective morality that informs the idea of freedom. Historically, Indian society has been weak on this count because of the compulsions of intra-group monitoring by caste and religious groups. Even amid these limiting circumstances, the autonomy of individual citizens in the face of social or collective force is further weakening in contemporary times. Instead of jealously guarding our freedoms, the popular view is that freedom is to be willy-nilly tolerated. Current political processes keep inventing alibis for limiting freedoms and in turn, people believe in those alibis.

of civic freedoms is the one based on the idea

that the regime and its minions are entitled to

loyalty from citizens. This idea is increasingly

people believe in those alibis.

The ethic of approbation plays a critical role in a restrictive space for freedom. The official discourse about the good citizen or a true Indian not only weighs upon citizens; it also unleashes social processes of surveillance, browbeating and name-calling. The past decade has seen these processes becoming stronger not merely because the ruling party supports them but also because the governmental machinery actively encourages citizens to be docile and uncritical and the judiciary has failed to function as a counterbalancing force. The fact that courts decide which cause is worthy of a protest

#### narch is hardly even commented upon

These processes discouraging freedom and the concomitant diversity of ideas and practices are becoming all-pervasive. As the ruling party continues to be electorally acceptable, the erosion of critical spaces manifests itself in a variety of ways. In the field of competitive politics, in spite of apparently bitter competition, there is seldom any challenge to the ethic of approbation or to the idea of a patronising authority. Once the BJP has successfully installed the template for a harsh anti-freedom state, Opposition parties, fearful of alienating the median voter, shy away from strengthening the ideas of difference and dissent. Harsh laws and arbitrary arrests are weapons all governments use enthusiastically — thus jeopardising the idea of a citizenry that would be able to criticise and protest. Thus, a culture of conformity forms the basis of competitive politics.

adopt conformity with dominant ideas as its main feature. No wonder, the so-called elites — from industry, arts, media and academia — have chosen the path of self-censorship. They either become cheerleaders of the regime of unfreedom or choose silence. Conformity and silence mark elite responses to the crisis of freedom because they are confronted with the dual threats of government coercion and the free play of vigilante action. The former can at least, in principle, be challenged in court, but the latter is literally a law unto itself. These two threats constitute the basis for the prevailing social atmosphere of circumspection and compromise. It is not easy to expect ordinary citizens to engage in a critical examination of power in this atmosphere. The idea of a critical citizen is predicated on the possibility of public reason, whereas both India's formal-institutional discourse and the prevalent culture of loy-laborate and the prevalen

So what, then, is a country's freedom? Is it about tactical silences in order to escape the wrath of the state and private vigilantes? If we are a free society, should the exercise of freedom be an act of bravado demanding that the citizen pays a heavy price for it?

The writer, based in Pune, taugh Political Science

- GS2: Civic freedoms, role of Legislature-Executive-Judiciary-Media in safeguarding space for dissent.
- GS4: Public reason; critical citizen vs. conformity.
- Essay: "Quality of freedom: military, economy, and civic space."

#### **Context:**

On Independence Day, the author explains three "senses" or layers of freedom — from resisting foreign pressure to protecting citizens' rights and nurturing critical thinking.

### **Summary:**

### 1st Sense - External Freedom

- · A nation must be able to resist outside pressure.
- Military power helps, but economic strength is equally vital.
- India's experiences with the US & China show military alone doesn't ensure freedom; trade and economic choices matter.

### 2nd Sense - Civic Freedom

- Inside the country, freedom means having space for open speech and criticism.
- Institutions are narrowing this space; politicians, courts, and media often promote loyalty to power over questioning authority.











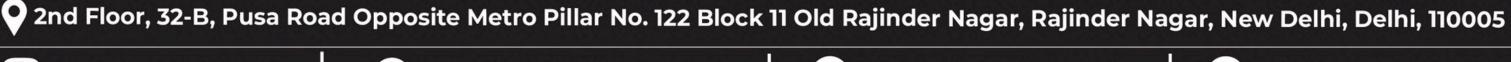


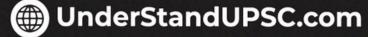


## **3rd Sense - Collective Morality**

- Society's own attitudes are turning against dissent namecalling, social pressure, and vigilante action silence people.
- In recent years, the state has encouraged this, and the judiciary hasn't acted as a balance.
- Democracy needs citizens who think independently, but that space is shrinking.









## VIETNAM AIMS TO GET RICH BY 2045 AND BECOME SOUTHEAST ASIA'S NEXT 'TIGER ECONOMY' LIKE SOUTH KOREA AND TAIWAN

# To become the next Asian tiger, Vietnam is overhauling its economy

#### ANIRUDDHA GHOSAL

HANOI, AUGUST 14

BENEATH RED banners and a gold bust of revolutionary leader Ho Chi Minh in Hanoi's central party school, Communist Party chief To Lam declared the arrival of "a new era of development" late last year. The speech was more than symbolic—it signaled the launch of what could be Vietnam's most ambitious economic overhaul in decades.

Vietnam aims to get rich by 2045 and become Asia's next "tiger economy" — a term used to describe the earlier ascent of

The challenge ahead is steep: Reconciling growth with overdue reforms, an aging population, climate risks and creaking institutions. There's added pressure from President Donald Trump over Vietnam's trade surplus with the U.S., a reflection of its astounding economic trajectory.

In 1990, the average Vietnamese could afford about \$1,200 worth of goods and services a year, adjusted for local prices. Today, that figure has risen by more than 13 times to \$16,385.

Vietnam's transformation into a global manufacturing hub with shiny new highways, high-

rise skylines and a booming middle class has lifted millions of its people from poverty, similar to China. But its low-cost, export-led boom is slowing and it faces a growing obstacle to its proposed reforms — expanding private industries, strengthening social protections and investing in technology and green energy - from climate change. "It's all hands on deck... We can't waste time anymore," said Mimi Vu of the con-

Investment has soared, driven partly by U.S.-China trade tensions, and the U.S. is now Vietnam's biggest export market. Once-quiet suburbs have

sultancy Raise Partners.



Vietnam's transformation into a global manufacturing hub lifted millions of its people from poverty, like China. AP

been replaced with industrial parks where trucks rumble through sprawling logistics hubs that serve global brands.

Vietnam ran a \$123.5 billion trade surplus with the U.S. trade in 2024, angering Trump, who threatened a 46% U.S. import tax on Vietnamese goods. The two sides appear to have settled on a 20% levy, and twice that for goods suspected of being transshipped, or routed through Vietnam to avoid U.S. trade restrictions.

During negotiations with the Trump administration, Vietnam's focus was on its tariffs compared to those of its neighbors and competitors, said Daniel Kritenbrink. a former U.S. ambassador to Vietnam. "As long as they're in the same zone, in the same ballpark, I think Vietnam can live with that outcome," he said.

Following China's lead, Vietnam is counting on high-tech sectors like computer chips, artificial intelligence and renewable energy, providing tax breaks and research support in Hanoi, Ho Chi Minh City, and Danang.

It's also investing heavily in infrastructure, including civilian nuclear plants and a \$67 billion North-South high-speed railway, that will cut travel time from Hanoi to Ho Chi Minh City

to eight hours. Vietnam also aspires to become a global financial center. The government plans two special financial centers, in bustling Ho Chi Minh City and in the seaside resort city of Danang, with simplified rules to attract foreign investors, tax breaks, support for financial tech startups, and easier ways to settle business disputes.

Underpinning all of this is institutional reform. Ministries are being merged, low-level bureaucracies have been eliminated and Vietnam's 63 provinces will be consolidated into 34 to build regional centers with deeper talent pools.

epaper.indianexpress.com



















Usage in Prelims: Vietnam & ASEAN

## **Usage in Mains:**

GS2 – India–Vietnam relations, ASEAN economic dynamics
GS3 – Economic growth models, industrial transformation, trade policy

#### **Context:**

Vietnam aims to get rich by 2045 and become Southeast Asia's next "Tiger Economy," like South Korea and Taiwan.

## **Key Terms:**

- Tiger Economy: A nation experiencing rapid industrialization, high economic growth rates, and rising living standards, usually through export-led strategies.
- Asian Tigers: Refers to Hong Kong, Singapore, South Korea, and Taiwan four economies that saw exceptional growth from the 1960s to 1990s through industrialization, trade, and education.















## **History of Vietnam (Economic):**

- Post-1975: After the Vietnam War, the country had a centrally planned economy, marked by poverty and isolation.
- 1986: Introduction of Đổi Mới (economic reforms) shifted towards a socialist-oriented market economy, encouraging private enterprise and foreign investment.
- 1990s-2000s: Integration into global trade, joining ASEAN (1995) and WTO (2007).
- 2010s onwards: Emerged as a major manufacturing hub, attracting companies shifting supply chains from China.

### **Summary:**

- Vietnam's transformation from poverty to global manufacturing hub has been rapid—average incomes rose 13x since 1990.
- Plans include shifting from low-cost manufacturing to high-tech sectors (AI, renewable energy, semiconductors).
- Major infrastructure push: high-speed rail, modern ports, and financial center development in Ho Chi Minh City.
- Trade surplus with the U.S. now faces scrutiny and possible tariffs; Vietnam is diversifying exports and markets.
- Administrative reforms: mergers of ministries, cutting bureaucracy, reducing 63 provinces to 34 regional hubs.
- Goal: By 2045, Vietnam wants high-income status, competitive global industries, and strong financial services.

## **Consider the following statements:**

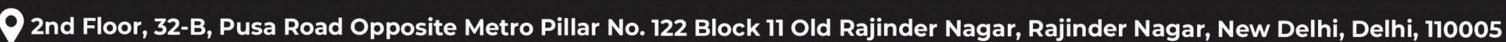
- 1. Vietnam has been one of the fastest growing economies in the world in the recent years.
- 2. Vietnam is led by a multi-party political system.
- 3. Vietnam's economic growth is linked to its integration with global supply chains and focus on exports.
- 4. For a long time Vietnam's low labour costs and stable exchange rates have attracted global manufacturers.
- 5. Vietnam has the most productive e-service sector in the Indo-Pacific region.

Which of the statements given above are correct?

- (a) 2 and 4
- (b) 3 and 5
- (c) 1, 3 and 4
- (d) 1 and 2

(2023)

















# DAILY MCQs FOR PRACTICE

- Q1. Which Supreme Court judgment is considered the first to recognise the citizen's 'Right to Know' as part of Article 19(1)(a)?
- (a) Kesavananda Bharati vs State of Kerala (1973)
- (b) State of U.P. vs Raj Narain (1975)
- (c) Indira Gandhi vs Raj Narain (1975)
- (d) S.P. Gupta vs Union of India (1981)

Q2. In the context of India's heart transplant programme, which of the following are major challenges highlighted in recent discussions?

- 1. Lack of standardised logistics for organ transportation
- 2. Shortage of skilled transplant surgeons
- 3. Weak administrative coordination between hospitals and government agencies
- 4. High refusal rates from potential donor families

Select the correct answer using the code given below:

- (a) 1 and 3 only
- (b) 1, 2 and 3 only
- (c) 1, 3 and 4 only
- (d) 1, 2, 3 and 4

Q3. Assertion (A): Controlling the spread of water hyacinth is critical for the ecological health of Indian water bodies.

Reason (R): Water hyacinth, though invasive, increases biodiversity in the long term.

- (a) Both A and R are true, and R is the correct explanation of A
- (b) Both A and R are true, but R is not the correct explanation of A
- (c) A is true, but R is false
- (d) A is false, but R is true

















## DAILY MCQs FOR PRACTICE

Q4.Extreme poverty is defined by the World Bank as living on less than:

- a) \$1.90/day
- b) \$2.00/day
- c) \$2.15/day
- d) \$3.0/day

Q5. The term "Tiger Economy" refers to a country that:

- A) Has a large agricultural sector with slow industrial growth
- B) Experiences rapid economic growth and industrialization
- C) Depends primarily on imports for economic growth
- D) Maintains a fixed exchange rate system











