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An opportunity to rethink India's pension system

(The Hindu, 27-09-24)

How has the pension system in India evolved over time?

- Old Pension Scheme (OPS): Guaranteed defined benefit pension for government employees
- New Pension Scheme (NPS): Introduced in 2004, shifted to a defined-contribution model
- Proposed Unified Pension Scheme (UPS): Attempts to balance state involvement and market participation

What are the key differences between OPS and NPS?

- OPS:
 - Guaranteed fixed pension based on last drawn salary
 - Government solely responsible for disbursement
 - Provided stability and insulation from market risks
- NPS:
 - Defined-contribution model with investments in financial markets
 - Pension payout linked to investment performance
 - Exposes retirees to market volatility

What is the context of the proposed Unified Pension Scheme (UPS)?

- Global retreat from neoliberal policies
- Renewed focus on welfarism, especially post-COVID-19
- Attempt to address issues raised by NPS while balancing state and market roles

What are the criticisms and areas for improvement in the proposed UPS?

- Offers reduced returns compared to OPS
- Exposes retirees to market-based asset risks
- 25-year service requirement disadvantages late joiners
- Concerns about underfunding and potential delays
- Limited coverage (only Union government employees)
- Need for greater state intervention to protect against market fluctuations
- Requirement for broader inclusivity, especially for informal workforce

Can you answer the following question?

Critically analyze the evolution of India's pension system from the Old Pension Scheme to the proposed Unified Pension Scheme.

Storms brewing in East, South China seas

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What are the key maritime areas of contention in East Asia?

- East China Sea: Bordered by China, Taiwan, Japan, and South Korea

- South China Sea: Bordered by China, Taiwan, and five Southeast Asian countries
- Senkaku/Diaoyu islands: Disputed between China and Japan

Why are these seas important to China?

- Viewed through the lens of sovereignty, territorial integrity, and national security
- China claims these areas as "inalienable parts of Chinese territory"
- Important for maritime trade routes and energy resources

How is China asserting its claims in these regions?

- Building defense-related infrastructure (ports, military installations, airstrips, artificial islands)
- Contesting claims of regional countries
- Deploying Coast Guard and maritime militia for 'grey zone' operations
- Conducting naval exercises with Russia

How are regional countries responding to China's actions?

- Building up defense capabilities and increasing defense spending
- Pushing back against Chinese activities at sea and engaging in public diplomacy
- Strengthening defense relationships with the United States
- Forming multilateral cooperative activities (e.g., 'Squad' with US, Philippines, Australia, and Japan)

What are the potential risks and concerns in the region?

- Growing power asymmetry between China and other claimant countries
- Risk of miscalculation due to aggressive tactics
- Concerns about US credibility and the impact of its domestic politics on security commitments
- Debate on whether US engagement balances Chinese power or fuels conflict

Can you answer the following question?

Analyze the geopolitical tensions in maritime East Asia and how it might impact the broader Indo-Pacific security architecture?