

1. Mar-a-Lago Accord and dollar devaluation**Why Now?**

The US posted an over \$1 trillion trade deficit in 2024. In other words, the total value of goods imported (from the rest of the world) by the US was \$1 trillion more than the value of the goods exported (to the rest of the world) by the US. Further, 2024 was reportedly the fourth consecutive year when the US clocked a trillion-dollar trade deficit.

This weakness in trade is not a new thing for the US; indeed, the US has run a trade deficit for decades, albeit not always this large.

How to become a manufacturing giant, reduce deficit?

There are two main ways in which Trump could have gone about these goals.

1. Slap punitive tariffs on all its trade partners.

Either the higher prices of imports will reduce the demand for imports, thus bringing down the deficit or it would force foreign companies to set up manufacturing inside the US, thus boosting domestic manufacturing and reducing deficits.

This is the approach Trump has been following but as the events of the past few weeks have shown, it could lead to several undesirable outcomes as well.

For one, even if the foreign nations don't retaliate, costlier imports are costlier for US citizens, not the foreign citizens or companies.

If the tariffed nations retaliate and start a full-fledged tariff war, the hurt becomes manifold and is spread all around with everything becoming more costly and supply chains being disrupted.

2. The US convinces the other countries to allow the dollar to lose value (devalue) relative to other currencies.

Imagine a scenario where other countries sold the dollars that they had in the open market and bought up their own currencies from the market. Dollar's supply in the market will rise and its relative value (exchange rate) will fall. A cheaper dollar will allow US exporters to get back into the game.

This may sound too good to be true but it has happened in the past. In 1985, the US signed the Plaza Accord — named after the Plaza Hotel in New York that was the venue — with the other top economies of that time: Japan, Germany, France and the UK (the G-5).

In a coordinated manner, the exchange rate of the dollar was brought down sharply. The US exchange rate is again reaching very high levels and that explains the chorus for some kind of remedy.

The rumoured Mar-a-Lago Accord essentially refers to a Plaza Accord-like agreement that Trump may sign at a later stage.

Why G-5 signed the Plaza Accord

A fall in the US exchange rate meant a rise in the exchange rates of all the other currencies (German Mark, Japanese Yen, British Pound, French Franc).

These countries knew that a high exchange rate would immediately hurt their exports competitiveness but the US convinced them to accept dollar devaluation as against facing the uglier option: High tariffs — something that Trump is doing now.

The fact is that in the run up to the Plaza Accord of 1985, US dollar had strengthened to historic high, and the US Congress was on the verge of legislating deeply protectionist measures such as tariffs. That would have been bad for all concerned. So the rest of the G5 decided to swallow a bitter pill in the short term in the hope that it will allow for free flow of trade in the longer term.

What is the Mar-a-Lago Accord?

APOLLO

The US gives the rest of the world:

1. Security
2. Access to US markets/US consumers

The US gets from the rest of the world:

1. A weaker dollar
2. A bigger manufacturing sector
3. Existing US Treasury debt swapped to new Treasury century bonds

Two tools to achieve such an outcome:

1. Tariffs to grow the US manufacturing sector and to exert pressure on countries to sign the Mar-a-Lago Accord
2. A US sovereign wealth fund that can be used to buy foreign currencies to depreciate the dollar

Mar-a-Lago Accord: How likely?

Far more difficult than 1985. Unlike 1985, there are far more countries involved today. The G-5 has given way to G20.

Even more crucially, the nature of alignment has changed. In 1985, US's trade adversaries (Germany and Japan) were its military allies. Today, its trade adversary is China, which is also its chief military adversary.

Relevance: GS Prelims & Mains Paper II; International Relations

Source: Indian Express

2. What you need to know about Rajasthan's new coaching centre Bill, why it has been criticised

Introduction

Following years of demands for such legislation, a Bill for regulating coaching centres was tabled in the Rajasthan Legislative Assembly recently.

The creation of a high-pressure academic ecosystem in cities like Kota and Jaipur, with coaching centres and residential schools to aid students in preparing for competitive exams, had prompted calls for regulation. For more than a decade now, several cases of student suicides have been reported every year.

However, the Rajasthan Coaching Centres (Control and Regulation) Bill, 2025, has received some criticism for diluting certain provisions of earlier drafts and sidestepping some of the Union Education Ministry's guidelines on the issue.

STATE BILL vs UNION GOVT'S 2024 GUIDELINES

HIGHLIGHTS	
<ul style="list-style-type: none">➤ Age restriction: Raj removes 16+ minimum enrolment age	<ul style="list-style-type: none">➤ Regulatory authority: 12-member body with civil court-like powers
<ul style="list-style-type: none">➤ Aptitude test: Centre wanted it mandatory, Raj makes it optional	<ul style="list-style-type: none">➤ No misleading ads: Institutes can't fake toppers or inflate success rates
<ul style="list-style-type: none">➤ Batch segregation rule: Unlike Centre, Raj bill is silent on it	<ul style="list-style-type: none">➤ Public transparency: Mandatory disclosure of faculty, infra, ownership
<ul style="list-style-type: none">➤ Holidays: No mandate on local/state/national holidays	<ul style="list-style-type: none">➤ Mandatory fee refunds: Students leaving mid-term get refunds in 10 days
<ul style="list-style-type: none">➤ Biometric attendance: Centre recommended it, but Raj omits it	<ul style="list-style-type: none">➤ Mental health focus: Centres must hire psychologists, counsellors, advisors
<ul style="list-style-type: none">➤ Disabled-friendly measures: Missing from Raj bill despite central push	<ul style="list-style-type: none">➤ Teacher training: Resilience training for handling student stress➤ Strict penalties: ₹2L fine for first violations, ₹5L for repeat offences

What does the Rajasthan Bill say?

The government said the Bill aims to "curb the commercialisation of coaching institutes and ensure that they operate within a framework prioritising the well-being and success of students".

It seeks to mandate minimum quality standards, the registration of coaching centres, and psychological counselling for students. The Centre's January 2024 guidelines for the regulation of coaching centres proposed a penalty of Rs 25,000 for the first violation of provisions and Rs 1 lakh for a second violation, followed by cancellation of registration for subsequent violation(s).

The tabled version sets the first fine at Rs 2 lakh and Rs 5 lakh for the second offence, followed by cancellation of the centre's registration. This is one aspect where the Bill's provisions are more stringent compared to the draft and guidelines.

And what are the differences?

In line with guidelines, an earlier draft specified that only students who are 16 years of age or have completed secondary school examinations can be enrolled in coaching centres. However, the tabled version has no mention of the age criteria.

Coaching centres could stand to benefit in the absence of such a provision, especially those in Kota. Having become a hub for engineering and medical college aspirants, the city has witnessed a decline in student enrollments recently. The Centre's guidelines, in addition to bad press over student suicides and the emergence of new hubs in other parts of the country, are seen as the likely factors.

Here are some of the other key points of difference:

- In some cases, students went missing from the centres and their families found out much later. An earlier version of the Bill mandated biometric attendance through face recognition technology. If a student was absent for more than two days without prior intimation, the centres were "to inform the parents", it said. The Bill has no such provision for attendance.
- A draft also stated that coaching centres "shall abide by the orders issued by the state government regarding national holidays, local holidays as declared by the District Collector and festivals". While the tabled version states that centres should try to customise leaves to coincide with festivals, it omits mention of national and local holidays.
- The guidelines had pushed for greater inclusivity and accessibility, stating that the coaching centres "shall not discriminate against any applicant/ student on the basis of religion, race, caste, sex, place of birth, descent etc. during the admission and teaching process".
- They also said the centres may make special provisions to encourage greater representation of students from vulnerable communities, including female students and differently abled students. The centre's building and surrounding premises should comply with the Rights of Persons with Disabilities Act, 2016. Both these points were included in the draft, but have been omitted now.

What happens next?

Certain parents' associations have flagged the need for specifying punishment for centres in case of student suicides and demanded measures to curb the arbitrary fees they charge.

The Bill is expected to come up for debate and passage in the ongoing Budget session. Leader of Opposition Tika Ram Jolly from the Congress said that the earlier draft had mentioned the 16-year minimum age criteria "but now the government is again planning to burden the students".

Relevance: GS Prelims & Mains Paper II; Governance

Source: Indian Express

3. Punjab police clear farmers' protest sites: How this agitation was different from the one in 2020-21

Introduction

From February 13, 2024 to March 20, 2025 — for 400 days — farmers under the banner of Kisan Mazdoor Morcha (KMM) and Samyukta Kisan Morcha non-political staged a sit-in protest (dharna) at the Shambhu border between Punjab and Haryana. The dharna was then cleared up in a quick operation by the Punjab police.

This was a far cry from the previous farm protest of 2020-21, in which farmers, camping at Delhi's borders, had made the Central government give in to their demands of repealing three new agriculture laws.

What were the similarities and differences between Kisan Aandolan 1.0 and Kisan Aandolan 2.0? Why was one successful and popular, and the other not?



Kisan Aandolan 1

Kisan Aandolan 1 was staged at Singhu, Tikri and Kundli borders of Haryana-Delhi from November 26, 2020- December 9, 2021. The total duration of the protest was 380 days, and the main demand was repealing of three farm laws. Finally, Prime Minister Narendra Modi announced the repeal on November 19, 2021, but the dharna was lifted on December 9, 2021, when the government agreed to the main demand in writing and also gave an assurance about other demands, including a legal guarantee of Minimum Support Price (MSP, or the rate at which the government buys certain crops).

farmers were largely from Punjab, Haryana, Uttar Pradesh, Uttrakhand, and Rajasthan. This protest was held under the banner of Samyukta Kisan Morcha, a flagship organisation of over 500 farmer unions across the country, with the support of trade unions. Farmers had lifted this dharna on their own and they had come home celebrating.

Kisan Aandolan 2.0

Kisan Aandolan 2.0, however, was led by Kisan Mazdoor Morcha (KMM) and SKM non-political. It was at the Shambhu and Khanauri borders on NH-44 and NH-52 between Punjab and Haryana. The main demand was seeking MSP as a legal guarantee, along with 11 other demands. The SKM was not part of this protest, though they extended support.

SKM non-political is an offshoot of SKM led by Jagjit Singh Dallewal while KMM is largely led by Punjab-based organisation Kisan Mazdoor Sangharsh Committee (KMSC). KMSC was not part of SKM even in Kisan Aandolan-1, though they had organised a dharna at Kundli border in 2020-21.

Here, farmers were evicted from the dharna sites forcefully, thus resulting in loss of their belongings, as the temporary structures were demolished using cranes and tractors were lifted using lifting machines.

Public support

The 2020-21 farmers protest had a wide public support. Punjab's industry had even contributed funds for the protest, while shopkeepers had donated trucks loaded with garments, dry ration and various other things. Doctors, lawyers, etc. too had supported the cause.

However, this time, farmer unions were not getting this support from the masses. Urban people were largely objecting to the closure of highways and the industry was angry with the AAP government for taking no action to lift the dharna.

Punjab Pradesh Beopar Mandal had even called kisan unions a parallel government, and demands were raised for stringent laws to ban protests that block highways.

Also, in the previous aandolan, AAP leaders had extended wide support to the protests. But this time, a protest against the Centre was hurting Punjab's economy, and also damaging the AAP government. Multiple rounds of talks between the government and the farmers had failed.

Mode of protest

Dilli Chalo was the call given in both the protests. And in both protests, farmers had sought a place to protest in Delhi, which was not given to them. The only difference was that this time, they kept on protesting within the jurisdiction of Punjab, and hence hurting Punjab's economy alone.

The inner roads of villages close to Shambhu and Khanauri borders have been damaged. Many dhabhas, petrol pumps were running out of business in Punjab due to this protest.

Jagjit Singh Dallewal, convenor of SKM non-political, has been on a hunger strike from November 26 last year.

What next

Most leaders of KMM and SKM non-political have been arrested by the Punjab police. The union leaders who have been spared have stated their struggle will continue.

Relevance: GS Prelims & Mains Paper II; Governance

Source: Indian Express

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