



DAILY NEWS PAPER ANALYSIS

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**CIVILS WITH AKASH
SECTOR 25 CHANDIGARH**

U.S. and India call for 'unimpeded' sea trade

‘Tactical’ ties with other countries not at India’s ‘expense’: U.S. Secretary of State Marco Rubio

Trump speaks over the telephone at an event, says India can 100% count on the U.S. President

In day-long meeting with Jaishankar, the top U.S. diplomat discusses energy, trade, and visa issues

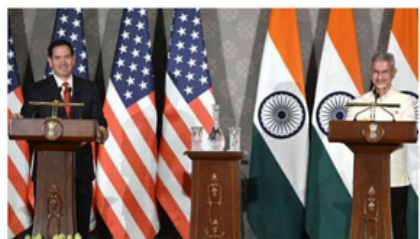
Kalol Bhattacharjee
NEW DELHI

The United States works with many countries at a “tactical” level, but those relations will not disturb the strategic partnership with India, U.S. Secretary of State Marco Rubio said here on Sunday.

Addressing a joint press conference at the Hyderabad House in New Delhi, Mr. Rubio said the idea of a “free and open Indo-Pacific” went beyond the Indo-Pacific to other “international waters” and accused Iran of blocking the Strait of Hormuz while sponsoring proxy terror groups.

Speaking on the occasion, External Affairs Minister S. Jaishankar acknowledged the disruption to supply chains because of the U.S.-Israel war on Iran, and said that both India and the U.S. had “very strong interest” to ensure “safe and unimpeded maritime commerce”.

“As far as our relations with other countries, yeah, we have relations and we work at the tactical level, for example, and in many other ways with countries



Pivotal talks: External Affairs Minister S. Jaishankar and U.S. Secretary of State Marco Rubio address the press at Hyderabad House in New Delhi after their meeting on Sunday. SIVANANDA PUSHPAKK

Congress targets Modi over Rubio’s trade claim

The Hindu Bureau
NEW DELHI

Targeting Prime Minister Narendra Modi over U.S. Secretary of State Marco Rubio’s statement that India has committed to purchasing \$500 billion worth of U.S. goods over five years, the Congress on Sunday alleged the “compromised PM” was going the extra mile to

appease his “good friend”. Congress leader Jairam Ramesh questioned why key announcements over India’s foreign policy were emanating from U.S. Noting imports from the U.S. stood at \$52.9 billion, he said this would have to be doubled to honour the commitment by Mr. Rubio.

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that have emerged before the energy market in recent months and sought an end to the stalemate. “We are working on having an open Strait of Hormuz without tolls,” Mr. Rubio said, contradicting Iranian officials who had claimed in Delhi that Iran would start charging money from the transiting ships for the services that it provides in the Strait.

India is among “very few countries” that have “very strong relations” with the U.S., Israel, Iran and the Gulf countries, Mr. Jaishankar said. However, he cited the “current situation in Hormuz and said that to deal with the prevailing risks, it is necessary to diversify India’s energy supplies.

Responding to a question on the Trump administration taking a tough line on trade relations with India, Mr. Rubio said it was not aimed at India alone and that it was a general trade policy that the Trump administration came up with to counter the “outsourcing-based” economy of previous U.S. administrations.

(With inputs from PTD)

all over the world. So does India. That’s what responsible nation states do but I don’t view our relation with any country in the world as coming at the expense of our strategic alliance with India...”, Mr. Rubio said.

He was responding to a question on the Pakistan-U.S. ties that are being discussed worldwide because of the prominent role that Pakistan has been playing in bringing the conflict in the Gulf to a pause.

Mr. Rubio, who arrived

in India for a four-day visit on Saturday, held a day-long meeting with Mr. Jaishankar and other officials of the Indian side including Foreign Secretary Vikram Miri, in which energy, bilateral trade, and visa issues for skilled Indian workers were among the items discussed.

Trump speaks Later on Sunday night, U.S. President Donald Trump called Prime Minister Narendra Modi a “great friend” and said India can

“count on me 100%”. In a telephone call with U.S. Ambassador Sergio Goro, which was played out loud during an event at the Bharat Mandapam celebrating 250 years of U.S. independence, where both Mr. Jaishankar and Mr. Rubio were present, Mr. Trump said the U.S. was closer to India than ever. “I love the Prime Minister... I am a big fan [of Mr. Modi]... we have never been closer to India and India can count on me 100% and our country. If they [India] ever need

help, they know where to call,” Mr. Trump said.

Mr. Rubio’s visit to India is the first by a senior official from Washington since the U.S. and Israel launched the war on Iran on February 28. He claimed that the war had “clear goals” and accordingly, the U.S. campaign had destroyed Iran’s Navy and “long-range” missile capability, saying “Iran can never possess a nuclear weapon”.

He focused on the chokehold that Iran has sus-

tained on the Strait of Hormuz. “And look what they’re doing now. They are holding hostage civilian vessels, including ships that have now been stuck in the Persian Gulf. They have laid mines in an international waterway. And yet, despite all of that, the United States remains committed to finding a peaceful, a diplomatic solution to this crisis,” said Mr. Rubio.

The visiting dignitary and Mr. Jaishankar both referred to the challenges

KEY HIGHLIGHTS:

Context

- U.S. Secretary of State Marco Rubio visited India amid the ongoing West Asia crisis involving Iran, Israel and the U.S.
- Talks with External Affairs Minister S. Jaishankar focused on:
 - Indo-Pacific
 - Energy security
 - Strait of Hormuz
 - Maritime trade
 - India-U.S. trade relations
- U.S. clarified that tactical relations with Pakistan will not affect strategic partnership with India.
- India highlighted concerns regarding disruption of global energy supply chains and maritime commerce.

Key Points

- India and U.S. reiterated commitment to a “Free and Open Indo-Pacific”.
- Strait of Hormuz remains critical for global oil transport.
- India emphasized safe and unimpeded maritime commerce.
- India seeks diversification of energy imports due to West Asia instability.
- U.S. highlighted freedom of navigation and maritime security.
- Trade issues and large-scale imports from the U.S. triggered domestic political debate.
- India continues its policy of strategic autonomy while maintaining relations with:
 - U.S.
 - Iran
 - Israel
 - Gulf countries

Static Linkages

- Strait of Hormuz connects Persian Gulf with Gulf of Oman.
- India imports more than 80% of crude oil needs.
- UNCLOS ensures freedom of navigation.
- SAGAR doctrine focuses on maritime security.
- Crude oil price rise increases:
 - Current Account Deficit
 - Inflation
 - Fiscal pressure
- Strategic autonomy is a core feature of India’s foreign policy.

Critical Analysis

Advantages

- Strengthening India-U.S. strategic partnership.
- Improved maritime cooperation in Indo-Pacific.
- Better energy and technology cooperation.
- Diversification of energy sources enhances resilience.

Concerns

- West Asia instability threatens India’s energy security.
- Higher oil prices may worsen inflation and CAD.
- Tactical U.S.-Pakistan ties create strategic concerns.
- Large import commitments may impact domestic industry.

Way Forward

- Diversify oil import sources.
- Expand renewable energy capacity.
- Strengthen strategic petroleum reserves.
- Enhance naval presence in Indian Ocean Region.
- Maintain strategic autonomy in foreign policy.
- Promote domestic manufacturing under Atmanirbhar Bharat.

Quad grouping remains a 'vital framework', says Japan's Foreign Minister

Subhasini Haidar
NEW DELHI

Responding to concerns that the Quad has lost its relevance, Japanese Foreign Minister Toshimitsu Motegi has said that the four-nation grouping remains a "vital framework". In a written interview with *The Hindu* ahead of the Quadrilateral Foreign Ministers' Meeting in New Delhi on Tuesday, Mr. Motegi indicated that "cooperation over critical minerals" needed for green energy and high technology would be at the top of the meeting agenda.

Japan is working on critical minerals' projects in India, he said while calling for improved infrastructure, more tax subsidies, and protection for intellectual property rights.

The Quad meeting, which will see External Affairs Minister S. Jaishankar host Mr. Motegi, U.S. Secretary of State Marco Rubio, and Australian Foreign Minister Penny Wong, is expected to take stock of the conflict in West Asia, the Strait of Hormuz blockade, and U.S. President Donald Trump's visit this month to China. It will also set the agenda for the Quad Summit that has not taken place since 2024 amid India-U.S. tensions on a number of issues.

"The Quad remains a vital framework among countries that share funda-



Toshimitsu Motegi

mental values and strategic interests. It has delivered concrete results across a wide range of areas, including maritime security, economic security, and cybersecurity," Mr. Motegi said, but side-stepped queries on why the mechanism finds little mention in strategy documents of member countries.

He declined to respond to a question on whether the U.S.'s torpedoing of the Iranian ship *IRIS Dena* in the Indian Ocean on March 4 would be raised by fellow Quad members, given their agenda of ensuring peace and stability in the Indo-Pacific region.

Free and open Pacific
Although the Quad Foreign Ministers met twice in 2025, setting a new agenda, the grouping has found little or no mention in recent strategic documents issued by the U.S., Australian, and Japanese governments. The U.S. National Security Strategy, released in November 2025, says

the country will "encourage New Delhi to contribute to Indo-Pacific security", including through the Quad, but did not detail its plans for the grouping any further. On May 2, Japanese Prime Minister Sanae Takaichi announced Japan's 'Updated Free and Open Indo-Pacific' policy during a visit to Vietnam, a document that mentions the Quad just once, in the context of the critical minerals initiative.

The Japanese Foreign Minister said Tuesday's meeting would discuss "regional and global situations" and send "an unwavering message that the Quad would continue to robustly advance practical cooperation toward the realisation of a Free and Open Indo-Pacific (FOIP)".

In April, Ms. Takaichi had also proposed a "Partnership On Wide Energy and Resources Resilience (POWERR Asia)", at an event attended virtually by Mr. Jaishankar that will coordinate on oil, gas and renewables procurement, financing and storage mechanisms to deal with the energy crisis as a result of the Iran conflict. "The countries most affected by disruptions in the supply of energy and resources passing through the Strait of Hormuz are those in Asia, and these impacts extend to all countries closely connected through supply chains," Mr. Motegi said.

- Cobalt
- Rare earth minerals
- Critical minerals are important for:
 - Electric vehicles (EVs)
 - Renewable energy
 - Semiconductor manufacturing
 - Defence technologies
- Japan proposed the POWERR Asia initiative for energy and resource resilience.
- India remains committed to:
 - Strategic autonomy
 - Multi-alignment
 - Inclusive Indo-Pacific approach
- The Quad has expanded cooperation in:
 - Maritime domain awareness
 - Disaster relief
 - Critical technologies
 - Supply chains
 - Cybersecurity

KEY HIGHLIGHTS:

Context of the News

- Ahead of the Quad Foreign Ministers' Meeting in New Delhi, Japanese Foreign Minister Toshimitsu Motegi stated that the Quad remains a "vital framework".
- The meeting involves:
 - India
 - Japan
 - United States
 - Australia
- Main focus areas:
 - Critical minerals cooperation
 - Maritime security
 - Energy security
 - Supply-chain resilience
 - Cybersecurity
- Discussions are taking place amid:
 - West Asia conflict
 - Threats to the Strait of Hormuz
 - Growing Indo-Pacific geopolitical competition
- Japan reiterated commitment to the vision of a Free and Open Indo-Pacific (FOIP).

Key Points

- Quad is an informal strategic grouping aimed at promoting:
 - Rules-based international order
 - Freedom of navigation
 - Regional stability
- Japan emphasized cooperation in:
 - Lithium

Static Linkages

- Strait of Hormuz
 - Connects Persian Gulf with Gulf of Oman.
 - One of the world's most important oil transit chokepoints.
- UNCLOS
 - Supports freedom of navigation and maritime cooperation.
- India's SAGAR Doctrine
 - Security and Growth for All in the Region.
- India's Indo-Pacific Oceans Initiative (IPOI)
 - Focuses on maritime cooperation and regional connectivity.
- Critical Minerals
 - Essential for green energy transition and strategic industries.
- India launched:
 - National Critical Mineral Mission
 - PLI Schemes for electronics and battery manufacturing

Critical Analysis

Significance

- Strengthens Indo-Pacific strategic cooperation.
- Helps diversify supply chains away from excessive dependence on China.
- Enhances maritime security in the Indian Ocean Region.
- Promotes resilient semiconductor and clean-energy ecosystems.
- Supports India's strategic and economic interests.

Challenges

- Quad lacks:
 - Formal treaty structure
 - Permanent secretariat
- Different strategic priorities among member countries.
- China perceives Quad as a containment mechanism.
- Energy insecurity due to West Asia instability.
- Dependence on external sources for critical minerals remains high.

Way Forward

- Strengthen institutional coordination within Quad.
- Develop resilient and diversified critical mineral supply chains.
- Enhance domestic exploration and processing capacity in India.
- Improve maritime cooperation in the Indo-Pacific.
- Maintain ASEAN centrality and inclusive regional architecture.
- Balance strategic partnerships with India's strategic autonomy.

Development, tribal protection can coexist in Nicobar: Oram

The Hindu Bureau
NEW DELHI

Responding to Congress leader Jairam Ramesh's allegations that the Great Nicobar Island project violates tribal communities' forest rights, Union Minister Jual Oram has said, "Development and tribal protection are not mutually exclusive and can coexist through robust measures."

In his response, Mr. Oram stressed that as a regional power, "India cannot afford to leave strategically decisive geographies underdeveloped." He said the Forest Rights Act operated in addition to existing laws such as the Protection of Aboriginal Tribes Regulations of 1956, which sufficiently "protects habitats, restricts external intrusion, and preserves aboriginal ways of life".

ginal ways of life".

He also defended the move to obtain the consent of the Shompen community through the administration-run Andaman Adim Janjati Vikas Samiti (AAJVS), saying the body is specifically mandated to advise the administration on the protection and welfare of "aboriginal tribes" and that such a mechanism is "relevant for welfare, protection and informed administrative decision-making concerning vulnerable tribal groups".

On displacement

Mr. Oram also added that as per the information provided by the Island administration, "no tribal habitation is proposed to be displaced as part of the project". In March, the administration, however, had



India cannot afford to leave strategically decisive geographies underdeveloped, the Union Minister said. AFP

published a draft plan for the "relocation" of tribal families affected by the ₹92,000-crore project.

Mr. Oram was responding to a detailed letter from Mr. Ramesh, in which he had called for the withdrawal of all clearances granted under the 2006 Forest Rights Act, arguing that

consent procedures under the law had been violated.

Mr. Ramesh's May 13 letter noted that the Gram Sabhas that were supposed to have consented to the diversion of forest land under the FRA consisted of settler families and not members of the Nicobarese and Shompen people,

who are the ones with an actual claim over the forest land in GNI under the FRA.

He asserted that the AAJVS, being an entity controlled by the administration, could not have consented on behalf of the Shompen community as per the law.

Oversight mechanisms

Mr. Oram maintained that India cannot afford to leave strategically decisive geographies underdeveloped and argued that the protection of tribal rights and development can coexist through "continuous oversight mechanisms such as satellite monitoring, land mapping, and strict regulatory enforcement".

He emphasised the importance of the project's location in providing India

with a "critical vantage point over maritime security", strengthening the country's Indo-Pacific presence and strategic role, and enhancing regional trade and diplomatic integration.

He said that the Centre's project "represents an important shift in India's approach towards frontier infrastructure development by strengthening connectivity, logistics, and national presence in remote but strategically vital regions", and thus it is important to "position Great Nicobar Island as a model of strategic frontier governance, where national security priorities are pursued alongside ecological sustainability, legal compliance, and robust protection of the Shompen and other tribal communities".

- Strategic Importance:
 - Close to Malacca Strait.
 - Enhances India's Indo-Pacific maritime presence and security.

Static Linkages

- FRA, 2006:
 - Recognises community forest rights and habitat rights of PVTGs.
- Shompen Tribe:

- Classified as Particularly Vulnerable Tribal Group (PVTG).

- ANPATR, 1956:
 - Protects indigenous tribes of Andaman & Nicobar Islands.
- Sustainable Development:
 - Balancing economic growth with environmental conservation.
- Precautionary Principle:
 - Environmental protection despite developmental uncertainties.
- Great Nicobar Biosphere Reserve:
 - Part of UNESCO's Man and Biosphere Programme.
- Malacca Strait:
 - Critical global maritime trade route.

Critical Analysis

Positives

- Strengthens India's maritime security in Indo-Pacific.
- Enhances connectivity and logistics infrastructure.
- Supports blue economy and trade ambitions.
- Improves strategic presence near Malacca Strait.

Concerns

- Possible FRA consent violations.
- Threat to Shompen tribal habitat and culture.
- Ecological damage and biodiversity loss.
- Seismic and tsunami vulnerability of the region.
- Risk of displacement and deforestation.

Way Forward

- Ensure strict FRA compliance and genuine tribal consent.
- Conduct transparent environmental and social impact assessments.
- Adopt eco-sensitive and disaster-resilient infrastructure.
- Strengthen biodiversity conservation measures.
- Ensure participatory governance involving tribal communities.
- Balance strategic development with ecological sustainability.

KEY HIGHLIGHTS:

Context

- Union Tribal Affairs Minister Jual Oram defended the ₹92,000-crore Great Nicobar Island Development Project amid allegations of Forest Rights Act (FRA) violations raised by Jairam Ramesh.
- The issue concerns alleged improper consent procedures involving the Shompen and Nicobarese tribal communities in Great Nicobar Island.
- The Centre stated that strategic development and tribal protection can coexist through legal safeguards and monitoring mechanisms.
- The project is strategically important due to Great Nicobar's location near the Malacca Strait in the Indo-Pacific region.

Key Points

- Project Components:
 - International Container Transshipment Terminal
 - Greenfield Airport
 - Township Development
 - Power Plant
- Estimated Cost: ₹92,000 crore.
- Government cited:
 - Forest Rights Act (FRA), 2006
 - Andaman and Nicobar Protection of Aboriginal Tribes Regulation (ANPATR), 1956
 - as safeguards for tribal protection.
- Concerns raised:
 - Gram Sabha consent allegedly taken from settler populations instead of indigenous tribes.
 - Validity of consent through Andaman Adim Janjati Vikas Samiti (AAJVS) questioned.
- Ecological Concerns:
 - Large-scale forest diversion.
 - Threat to biodiversity-rich tropical rainforest ecosystem.

The U.S. ends Russia oil waiver, implications for India

The United States' decision to tighten restrictions again on Russian seaborne oil may seem like another chapter in the sanctions battle over the Ukraine war. But beneath the headlines lies a much larger story — one that directly affects India and much of the developing world. The issue is no longer just Russia. It is whether the global energy system can withstand simultaneous geopolitical shocks without causing prolonged inflation, supply insecurity and economic instability across Asia. For over three years, the world has attempted an unprecedented balancing act: keeping one of the largest oil exporters under heavy sanctions while trying to maintain stable energy prices. That balancing act is becoming increasingly fragile. The latest restrictions come at a sensitive moment. Oil markets are already unsettled by conflict in West Asia, persistent disruptions in maritime trade routes and growing concerns over the Strait of Hormuz, the world's most critical oil transit chokepoint. In such conditions, even policy signals from Washington can alter freight rates, insurance premiums and crude price expectations almost overnight.

Why India cannot ignore this development India imports nearly 90% of its crude oil and is the world's third-largest importer as well as one of the fastest growing energy consumers. Unlike many developed economies, where energy demand has plateaued, India's energy needs will keep rising with industrialisation, urbanisation and expanding mobility. It is this reality that shapes India's energy choices. When Russian crude began flowing into India in large volumes after 2022, many in the West viewed it through a geopolitical lens. India saw it



Srikanth Madhav Yadva
Former Chairman of IndianOil Corporation Ltd. and an energy strategist

The world's emerging economies are increasingly being caught between geopolitics and energy survival

as an economic stabiliser during a period of extreme volatility. Russian oil helped moderate inflationary pressures, improved refinery economics and reduced dependence on any single region. It provided supply flexibility at a time of great turbulence in global energy markets. Critics often frame the debate as morality versus commerce. But energy-importing countries rarely have that luxury. For countries such as India, energy affordability directly affects transport costs, food inflation, fertilizer subsidies, manufacturing competitiveness and household spending. A sustained rise in crude prices quickly spreads through the wider economy.

When sanctions meet market reality Global oil markets are operating with little room for psychological comfort. The world has already seen disruptions in the Red Sea, attacks on shipping infrastructure, growing military tensions involving Iran, tighter tanker availability and sharply higher war risk insurance premiums. In such conditions, constraining one of the world's largest oil suppliers inevitably unsettles markets, even if physical supply losses remain limited at first.

Oil markets react not only to shortages but also to the fear of shortages. That fear alone can drive prices sharply higher. Ironically, this exposes a contradiction at the heart of the western sanctions policy. The U.S. and Europe want to reduce Russia's oil revenues. But they also want lower inflation, stable fuel prices and uninterrupted global energy flows. Increasingly, these objectives are colliding with each other. The harder sanctions become, the greater the risk of tightening global supply balances. Once oil prices rise sufficiently, Russia can continue earning substantial revenues despite lower export volumes. In some cases, higher global prices can partially offset the impact of sanctions themselves. This explains why the sanctions policy has repeatedly oscillated between aggressive rhetoric and tactical flexibility. Markets eventually force pragmatism.

The temporary waivers and carve-outs of recent years were not merely signs of policy inconsistency; they reflected energy market realities. The uncomfortable truth is that the modern global economy still runs overwhelmingly on hydrocarbons. Despite the rapid growth of renewables, oil remains central to transport, aviation, petrochemicals, agriculture and global trade logistics. The world may speak of transition, but it still functions on molecules.

For India, the challenge is even more complex. The Strait of Hormuz remains a major strategic vulnerability, carrying nearly one-fifth of global

oil trade. A large share of India's crude oil and LPG imports transit through these waters. Any escalation in the region could disrupt supplies, raise shipping costs and delay deliveries. This is why Russian crude evolved into something larger than a discounted barrel for Asia. It emerged as a diversification mechanism during a period of growing uncertainty in West Asia.

The larger lesson from these developments is that energy security itself is changing shape. In earlier decades, countries were concerned mainly with access to physical supply. Today, vulnerabilities are far more complex. Energy flows can now be disrupted by shipping restrictions, insurance controls, financial sanctions, tanker blacklisting, payment barriers and maritime security risks. In effect, global energy has become deeply entangled with financial and geopolitical architecture.

India's long-term energy strategy This changing landscape has major implications for India's long-term strategy. India cannot rely indefinitely on opportunistic crude sourcing during crises. The country needs a broader and more resilient energy framework. That means expanding strategic petroleum reserves, diversifying crude sourcing regions, strengthening domestic exploration, improving refining flexibility, accelerating gas infrastructure, expanding alternative energy pathways and reducing dependence on vulnerable maritime chokepoints. At the same time, India will need to preserve strategic autonomy in energy decision making.

The emerging global order is becoming increasingly fragmented. Energy trade is no longer governed purely by economics; it is increasingly shaped by sanctions regimes, strategic rivalries and competing geopolitical blocs. For major importing countries, excessive dependence on any single geopolitical camp carries long-term risks. India's approach therefore reflects not neutrality, but realism.

The years ahead are likely to witness repeated tensions between geopolitical objectives and energy-market stability. The world is entering an era in which sanctions, wars, maritime insecurity and supply-chain disruptions may become recurring features rather than temporary exceptions. That makes resilience more important than ideology. In the end, energy systems obey physical realities, not political slogans. Tankers must still move. Refineries must still operate. Economies must still function. Nations that fail to build diversified and resilient energy systems may discover that, in the 21st century, economic sovereignty increasingly depends on the ability to navigate a fragmented and unstable energy world.

India needs:

- Strategic Petroleum Reserves (SPR)
- Diversified import sources
- Renewable energy transition
- Domestic exploration expansion

Static Linkages

- Strategic autonomy in foreign policy
- Energy security as part of national security
- Importance of maritime chokepoints
- Strategic Petroleum Reserve mechanism
- Current Account Deficit and imported inflation
- Diversification of energy basket
- Indian Ocean maritime security
- Renewable energy transition
- Blue economy and sea lanes of communication

Critical Analysis

Advantages

- Discounted Russian oil reduced inflationary pressure.
- Helped maintain energy supply stability.
- Strengthened India's bargaining power in energy markets.
- Reduced overdependence on West Asia.

Concerns

- High import dependence increases vulnerability.
- Secondary sanctions may impact Indian companies.
- Hormuz-related disruptions can threaten supply chains.
- Rising oil prices worsen CAD and inflation.

Strategic Challenges

- Balancing relations with Russia and the West.
- Managing energy transition alongside rising demand.
- Ensuring uninterrupted maritime trade routes.
- Reducing exposure to geopolitical conflicts.

Way Forward

- Expand Strategic Petroleum Reserves.
- Diversify crude imports towards Africa and Latin America.
- Accelerate renewable energy and green hydrogen.
- Increase domestic oil and gas exploration.
- Strengthen maritime security in the Indian Ocean Region.
- Promote electric mobility and energy efficiency.
- Develop resilient payment and shipping systems.

How energy shocks travel into India's economy

The implications for India extend far beyond crude prices alone. Modern energy disruptions now transmit through multiple, interconnected channels

Energy shock	Immediate impact	Secondary impact on India
Higher crude oil prices	Costlier imports	Inflation and rupee pressure
Strait of Hormuz disruption	Supply uncertainty	LPG and fuel logistics stress
Shipping insurance surge	Higher landed crude cost	Refining margin pressure
Russian crude restrictions	Reduced supply flexibility	Higher sourcing costs
Freight disruptions	Delayed cargoes	Inventory and stock management strain

Sources: IEA, Energy Institute Statistical Review, industry and shipping estimates

KEY HIGHLIGHTS:

Context of the News

- The U.S. has tightened sanctions on Russian seaborne oil amid the ongoing Russia-Ukraine conflict.
- The move comes during rising instability in West Asia, Red Sea disruptions and concerns over the Strait of Hormuz.
- India has significantly increased imports of discounted Russian crude oil since 2022 to manage inflation and energy costs.
- The issue highlights the growing importance of energy security in global geopolitics and India's strategic autonomy.

Key Points

- India imports nearly 90% of its crude oil requirements.
- Russian crude helped India:
 - Reduce import costs
 - Control inflation
 - Improve refinery margins
 - Diversify energy sources
- Strait of Hormuz handles nearly one-fifth of global oil trade.
- Energy disruptions now occur through:
 - Sanctions
 - Shipping restrictions
 - Insurance barriers
 - Financial controls
- Rising crude prices affect:
 - Inflation
 - Fiscal deficit
 - Current Account Deficit (CAD)
 - Food and fertilizer subsidies

India's green transition still runs on coal

The recent rise in global energy prices following the escalation of the conflict in West Asia has once again exposed India's continuing vulnerability to external energy shocks. Despite years of policy emphasis on renewable energy, nearly half of India's fossil fuel imports still transit through the Strait of Hormuz, including crude shipments from Saudi Arabia and Liquefied Natural Gas (LNG) imports from Qatar. This vulnerability sits alongside the dominant narrative around India's clean energy transition. Over the past decade, India has emerged as one of the world's fastest-growing renewable energy markets. Since 2017, renewables have consistently accounted for the largest share of new power capacity additions in the country. In numbers, renewable energy sources accounted for 42.4% of India's installed power capacity by March 2026, up dramatically from just 0.72% in March 2005. Over the same period, coal's share in installed capacity fell from 58.7% to 42.2%.

By conventional metrics, India appears well into an energy transition. Yet, the persistence of energy price shocks reveals a more complicated reality. Installed capacity is not the same as actual electricity generation. While renewables now account for over two-fifths of installed capacity, they generated only 15.8% of electricity in April 2026. Coal, by contrast, still accounted for 71.8% of electricity generation, only marginally lower than its 76.2% share in March 2019.

Capacity and generation gap
This gap between capacity and generation is central to understanding India's energy system. The country has succeeded in building renewable infrastructure, but not yet in replacing coal in the actual electricity mix. In effect, renewable energy is being added on top of coal rather than



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displacing it. The data clearly show India's continued dependence on coal. Despite strong renewable growth since 2017, India has added almost no new fossil fuel capacity since 2018, retired very few old coal plants, and seen gas-based capacity decline. As a result, coal remains the main backup and balancing source in the power system.

The reasons are structural. Solar and wind power remain intermittent sources of electricity. Their output fluctuates with weather conditions and the time of day, while electricity demand remains continuous. In the absence of large-scale battery storage, flexible grids and adequate balancing capacity, coal continues to provide the baseload reliability required to keep the system functioning.

This also explains why domestic electricity prices remain closely tied to global fossil fuel markets. Historical trends show Indian electricity prices moving alongside Brent crude in the last few years. Even sectors that appear domestically anchored remain indirectly exposed to external commodity cycles because fossil fuels continue to determine marginal cost of power.

Ground reality
As a result, current geopolitical tensions in West Asia affect India more severely. A spike in crude prices not only raises transportation and industrial costs directly, but also pushes up coal prices, electricity tariffs, inflation, and fiscal pressures.

India's energy transition discourse is increasingly centred around the wrong benchmark. The focus remains on installed renewable capacity because it offers an attractive measure of progress. Yet, power systems are not sustained by headline capacity additions. They depend on actual electricity generation and the

ability to supply power consistently when it is needed most.

The distinction matters because it shapes perceptions of vulnerability. China remains less exposed, with oil and gas accounting for only 4% of its power mix and electric vehicles and hybrids, now over half of new car sales, reducing oil demand by over a million barrels a day. Spain shows the alternative, having broken the gas-electricity link through renewables. India's transition is real, but incomplete.

Work towards system transformation
This does not diminish the importance of the renewable push. On the contrary, India's decision to aggressively scale solar and wind capacity since the late 2010s now appears prescient given growing geopolitical instability and fossil fuel volatility. But the next phase of transition will require moving beyond capacity creation towards system transformation itself.

That means investing in storage infrastructure, grid modernisation, transmission connectivity and market mechanisms capable of integrating intermittent renewables at scale. It also requires recognising that coal's persistence is not simply a policy failure or institutional inertia. Coal currently performs a stabilising function within the grid that renewable energy, in its present form, cannot yet fully replicate.

India's energy challenge today is therefore not merely about producing more green power. It is about building an electricity system in which renewables can reliably substitute for fossil fuels in actual generation. Until that happens, every geopolitical crisis and every spike in global energy prices will continue to remind India that its green transition still runs on coal.

The views expressed are personal

Static Linkages

- India is the world's third-largest energy consumer.
- Energy security includes:
 - Availability
 - Accessibility
 - Affordability
 - Sustainability
- Baseload power refers to uninterrupted minimum electricity supply required for grid stability.
- Coal remains India's dominant source of electricity generation.
- India announced Panchamrit targets at COP26:
 - 500 GW non-fossil fuel capacity by 2030
 - Net-zero emissions by 2070
- Green Energy Corridor Project aims to strengthen renewable transmission infrastructure.
- National Green Hydrogen Mission seeks to reduce dependence on imported fossil fuels.
- Strategic Petroleum Reserves help manage global supply disruptions.
- Strait of Hormuz is a critical global energy chokepoint.

Critical Analysis

Positives

- Rapid renewable expansion supports climate commitments.
- Reduces long-term dependence on imported fossil fuels.
- Encourages green investment and clean technology development.
- Improves energy diversification.

Challenges

- Coal dependence continues despite renewable growth.
- Renewable intermittency affects reliability of supply.
- Weak storage infrastructure limits renewable efficiency.
- India remains exposed to geopolitical instability in energy-producing regions.
- DISCOM financial stress affects power sector reforms.

Key Concern

- Installed renewable capacity does not automatically translate into actual electricity generation.
- Without storage and grid modernisation, coal will continue to dominate power generation.

Way Forward

- Expand Battery Energy Storage Systems (BESS).
- Strengthen Green Energy Corridor and transmission networks.
- Modernise electricity grids for renewable integration.
- Promote domestic manufacturing of solar modules and batteries.
- Gradually phase out inefficient coal plants.
- Diversify crude oil and LNG import sources.
- Promote Green Hydrogen and clean energy technologies.
- Improve financial health of DISCOMs.

KEY HIGHLIGHTS:

Context of the News

- Rising geopolitical tensions in West Asia have increased global crude oil and energy prices, highlighting India's vulnerability to external energy shocks.
- Nearly half of India's fossil fuel imports pass through the Strait of Hormuz, including crude oil and LNG imports.
- India has significantly expanded renewable energy capacity over the last decade. Renewables accounted for 42.4% of installed power capacity by March 2026.
- However, renewable sources contributed only 15.8% of actual electricity generation, while coal contributed 71.8%.
- The development highlights the gap between renewable capacity addition and actual transition away from coal-based power generation.

Key Points

- India's energy transition is currently focused more on installed capacity rather than actual electricity generation.
- Coal continues to remain the backbone of India's power sector.
- Solar and wind energy are intermittent sources and depend on weather conditions.
- Lack of large-scale battery storage systems limits renewable integration into the grid.
- Coal-based thermal plants provide baseload power and grid stability.
- Global crude oil price rise indirectly increases:
 - Electricity tariffs
 - Inflation
 - Industrial costs
 - Fiscal burden
- India's transition is real but incomplete because renewables are being added alongside coal instead of replacing it.

Coerced consent

Supreme Court should set aside sedition as constitutionally unsustainable

The Indian state has not infrequently used the colonial offence of sedition, codified under Section 124A of the Indian Penal Code (IPC), as a tool to quell dissent. In May 2022, the Supreme Court of India asked State and central governments to refrain from registering new first information reports and from taking coercive measures under Section 124A in *S.G. Vombatkere vs Union of India* while the Centre said it would “reconsider” the provision. When the Bharatiya Nyaya Sanhita (BNS) took effect in 2024, Parliament effectively replaced Section 124A with Section 152 and increased the minimum sentence to seven years. It was sedition by a new name. In February 2026, Chief Justice of India Surya Kant orally observed that the Centre’s promise in 2022 to review the provision could not bind Parliament. As if to release the pressure on courts, but also effectively easing the country’s passage into the BNS era, on May 21, 2026, the Court said that if an accused person has no objection, courts may proceed on cases involving Section 124A. However, such consent from the accused may be coerced, especially if they lack robust legal representation, because the alternative for the incarcerated persons is indefinite delay. It is effectively a Hobson’s choice between bad and worse outcomes.

Indeed, as the 2022 stay paused the use of Section 124A pending constitutional challenge, how meaningful an accused person’s consent to trial can be where refusal may entail prolonged delay is unclear. *S.G. Vombatkere* also provided those charged with sedition to move for bail, meaning liberty rather than restoring proceedings was the intended remedy for frozen trials. The May clarification swings in the other direction, and also stands in contrast to the ‘bail is the rule’ principle that the Court recently reinforced in *Syed Ifthikhar Andrabi*. If the Court wished to preserve agency, it should have paired continuation with a presumption of bail. The 2022 stay was also intended to annul the chilling effect of the charge of sedition on free speech. Now, wealthier or politically connected accused persons may secure bail through sustained litigation and wait out proceedings outside the prison, whereas poorer prisoners who are unable to secure bail will be compelled to consent to a trial, if only to obtain a verdict. As a result, liberty could depend on the capacity to litigate rather than on legal principles. Finally, if the state knows that cases involving constitutionally contested offences can remain in limbo while the accused persons are incarcerated, there is a perverse incentive for bad-faith state actors to not resolve the underlying uncertainty quickly. Instead of determining once and for all whether sedition as a criminal offence is constitutionally sustainable, the Court has passed the burden to the accused and declined to do its own duty.

KEY HIGHLIGHTS:

Context of the News

- The Supreme Court in *S.G. Vombatkere vs Union of India* had put on hold the use of Section 124A IPC (sedition) and directed governments not to file fresh sedition cases.
- The Union government informed the Court that it would reconsider the colonial-era sedition law.
- In 2024, the Bharatiya Nyaya Sanhita replaced IPC provisions and introduced Section 152 dealing with acts threatening sovereignty, unity, and integrity of India.
- Critics argued that Section 152 is effectively a new form of sedition law with harsher punishment.
- In May 2026, the Supreme Court allowed pending sedition trials to continue if the accused persons had no objection.
- Concerns were raised that economically weaker undertrials may feel compelled to consent because refusal could lead to indefinite delay in proceedings.

Key Points

- Section 124A IPC (Sedition) criminalised attempts to bring hatred, contempt, or disaffection against the government.
- Section 152 BNS criminalises:
 - Secession,
 - Armed rebellion,

- Subversive activities,
- Activities endangering sovereignty and integrity of India.
- Punishment under Section 152:
 - Minimum imprisonment of 7 years,
 - Extendable to life imprisonment.
- The Supreme Court’s 2022 order:
 - Stayed fresh sedition FIRs,
 - Allowed accused persons to seek bail.
- Debate centres around:
 - Freedom of speech,
 - National security,
 - Judicial delay,
 - Rights of undertrial prisoners.

Static Linkages

- Article 19(1)(a): Freedom of speech and expression.
- Article 19(2): Reasonable restrictions in the interest of sovereignty, integrity, security of State, and public order.
- Article 21: Protection of life and personal liberty.
- Sedition law was introduced by the British in 1870 to suppress nationalist movements.
- Bal Gangadhar Tilak and Mahatma Gandhi were tried under sedition law.
- *Kedar Nath Singh vs State of Bihar* upheld sedition law but restricted it only to incitement to violence or public disorder.
- “Bail is the rule, jail is the exception” is part of constitutional jurisprudence linked to Article 21.
- NCRB data has shown low conviction rates in sedition-related cases.

Critical Analysis

Concerns

- Broad wording may criminalise legitimate criticism of government policies.
- Creates chilling effect on journalists, activists, and civil society.
- Delayed constitutional adjudication creates legal uncertainty.
- Poor and undertrial prisoners may suffer prolonged incarceration.
- Liberty may depend on access to legal resources and quality representation.

Government’s Perspective

- Necessary to protect:
 - Sovereignty,
 - Unity,
 - National security.

- Important against:
 - Secessionist activities,
 - Violent extremism,
 - Anti-state threats.

Constitutional Dimension

- Balance needed between:
 - Freedom of speech,
 - Security of the State.
- Restrictions under Article 19(2) must satisfy reasonableness and proportionality tests.

Way Forward

- Clearly define offences involving direct incitement to violence.
- Introduce safeguards before registration of cases under Section 152.
- Ensure speedy trials and liberal bail standards in speech-related offences.
- Strengthen legal aid for economically weaker accused persons.
- Supreme Court should provide final constitutional clarity on sedition-like offences.
- Promote balance between civil liberties and national security concerns.

The rupee problem this time is different. The solution must be, too

THREE MONTHS into the West Asia conflict, India has done well to avoid widespread energy shortages. Further, the bundling of higher energy prices between the public and private sectors has begun. Retail prices are being raised, but will need to be increased further to elicit the necessary behavioural response from households and firms.

Instead, the key pressure point remains the balance of payments (BoP) and the rupee. But there are two unique elements this time.

First, pressures have long predated the West Asia conflict. For the first time in decades, the BoP has been in deficit for two consecutive years, and we are on course for a third successive deficit. This suggests a more chronic underlying phenomenon that needs to be addressed.

Second, pressures are emanating from the capital account, not the current account. In past episodes, there was a prototypical evolution: The current account deficit (CAD) widened and became more dependent on flexible capital inflows to finance it, which ultimately dried up. This put pressure on the rupee and necessitated compressing the CAD. This episode is very different. The current account deficit has remained very benign—averaging less than 1 per cent of GDP over the last three years. Instead, pressures have been driven squarely by the capital account. Capital inflows—specifically average 2.5 per cent of GDP pre-pandemic—have consistently slowed since 2023, completely dried up in 2024 and have exerted pressure on the rupee.

Making the analytical distinction between the capital and current account at the source of pressures is crucial to formulating the right response.

In turn, a collapse in FDI is at the heart of the capital flow story, with net FDI, which used to average 1.5 per cent, completely drying up since 2024. What's driving this? Between 2010 and 2023, India's net FDI has been strongly correlated with US 10-year treasury—a proxy for global financial conditions. When yields are low, India tends to get a gush of FDI; when yields have hardened—as in the last two years—net FDI has completely dried up. FDI is typically governed by both global “push” and country-specific “pull factors.” India's FDI has largely been governed by push factors since 2010. The last time it was driven by India-specific pull factors was in 2006-10 when a strong corporate capex cycle catalysed FDI. In contrast, Vietnam has consistently been able to attract above 4 per cent of GDP in FDI irrespective of global financial conditions.

Why does this matter? Because global financial conditions are likely to remain tight. Sticky inflation and a precarious fiscal situation are likely to keep US yields elevated. Meanwhile, India's CAD is on course to more than double because of the West Asia conflict. Even if the Strait of Hormuz opens immediately, it is estimated crude prices will remain in triple digits all year as supply takes a while to normalise while demand remains strong to replenish inventories. If so, this would translate into India's CAD widening close to \$100 billion this fiscal. The combination of higher bond yields and higher crude prices risks a pincer-like effect on the BoP.

The genesis of the problem, however, is a sustained slowing of capital flows, amplified only recently by the terms-of-trade shock from rising energy prices. This must inform the policy response. The first line of defence is to let



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the rupee depreciate—as policymakers have correctly done—to act as a shock absorber. A weaker rupee will disincentivise imports, improve export competitiveness and thereby simultaneously narrow the CAD and boost domestic activity (“expenditure switching”). Theoretically, too, a sharp slowdown in FDI compounded by a large negative terms-of-trade shock from crude prices would argue for a much more depreciated equilibrium exchange rate.

But while rupee depreciation is a necessary condition, will it be sufficient? In theory, a weaker rupee acts as an automatic stabiliser on the capital account, too, because it is perceived to have overshoot, foreign capital should be attracted back. But what does overshooting mean in the current environment? To what extent will the rupee need to depreciate—if it is the only instrument deployed—to close a large BoP gap? That is the question foreign investors are grappling with, and it's not clear that any value of the rupee will be seen as being oversold, given the perceived size of the BoP gap.

In fact, if the rupee depreciates too rapidly, it increases the incentives for foreigners to hedge their existing stock of assets in India (FXE, TDI), compounding BoP pressures. That hedges puts more pressure on the rupee, further increasing the desire to hedge, thereby creating a self-fulfilling spiral—signs of which have emerged. This risks pushing the rupee far away from its fundamentals and warrants a circuit breaker to restore order.

That circuit breaker should be foreign capital augmentation measures. The objective must be to attract a large enough quantum of near-term capital inflows across multiple avenues—even if it in-

volves a subsidised swap—to change exporter and investor behaviour, and prevent a destabilising overshooting of the rupee.

A weaker rupee and an influx of capital should hopefully stem the tide. If not, “expenditure compression”—tighter fiscal and monetary policy—may be needed, but only as a last resort. Back in 2013, when the rupee was under pressure, it was clear the economy was overheating, and the obvious response was to tighten fiscal and monetary policy to narrow the CAD. The current context is very different. Core inflation has averaged just 2-3 per cent in recent years, suggesting the existence of slack, and we are still awaiting a private capex cycle that is likely to be further delayed amidst heightened geopolitical uncertainty. In this environment, fiscal compression that accommodates higher fuel and fertilizer subsidies by cannibalising public capex risks making policy pro-cyclical.

It's important to realise that this BoP episode is different. The pressure point is the capital account, not the current account. This will require both a weaker rupee and foreign capital augmentation measures. Simply squeezing the current account through demand compression can, in fact, be counterproductive by slowing growth and turning off growth-sensitive capital inflows.

More generally, the biggest lesson India must draw from this episode is that attracting strong and stable FDI needs to be an urgent imperative—both for macro stability and growth. This will require sustained economic reforms that improve India's structural competitiveness. There is no escaping that imperative.

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KEY HIGHLIGHTS:

Context of the News

- Rising geopolitical tensions in West Asia and sustained high crude oil prices have increased concerns regarding India's external sector stability.
- India is witnessing pressure on its Balance of Payments (BoP), mainly due to weakening capital inflows rather than Current Account Deficit (CAD).
- Net Foreign Direct Investment (FDI) inflows have declined sharply in recent years amid tighter global financial conditions.
- Policymakers are relying on rupee depreciation and foreign capital measures to maintain macroeconomic stability.

Key Points

- India's CAD has remained relatively moderate, averaging below 1% of GDP in recent years.
- The present BoP stress is mainly emerging from the Capital Account.
- Capital inflows have slowed significantly since 2023.
- Net FDI inflows, which earlier averaged around 1.5% of GDP, have weakened considerably.
- High U.S. Treasury yields and global monetary tightening are reducing foreign investments in emerging economies like India.
- Rising crude oil prices may widen India's import bill and CAD.
- Rupee depreciation can improve export competitiveness but may also increase imported inflation.
- RBI may intervene through forex reserves and capital inflow measures to stabilise the rupee.

Static Linkages

- Balance of Payments includes Current Account and Capital Account.

- Current Account records trade in goods, services, remittances, and transfers.
- Capital Account records FDI, FPI, external borrowings, and banking flows.
- India follows a managed floating exchange rate system.
- FDI is considered more stable than Foreign Portfolio Investment (FPI).
- Forex reserves help absorb external sector shocks.
- Higher crude oil prices increase CAD in oil-importing countries.
- Currency depreciation can support exports through expenditure switching effect.

Critical Analysis

Positives

- Moderate CAD provides some macroeconomic cushion.
- Rupee depreciation supports export competitiveness.
- Strong services exports and remittances continue to support the external sector.
- Adequate forex reserves provide short-term stability.

Concerns

- Declining FDI reflects structural competitiveness issues.
- Rising crude prices increase inflationary pressures.
- Volatile capital flows can destabilise the rupee.
- Excessive depreciation raises import costs and external debt burden.
- Weak private investment cycle may slow economic growth.

Way Forward

- Improve ease of doing business to attract stable FDI inflows.
- Strengthen manufacturing competitiveness through reforms and PLI schemes.
- Diversify energy imports and accelerate renewable energy transition.
- Maintain prudent fiscal and monetary coordination.
- Deepen domestic financial markets and reduce dependence on volatile capital flows.
- Continue building adequate forex reserves for external stability.

An election far away, a crisis at home, lessons in aftermath



GARIMA AGARWAL

THE DUST has only just begun to settle on the 15th Bengal election. This poll, which saw historic voter turnout and a new mandate, was being tracked by another unlikely stakeholder — the urban elite. The typical members of this group, like you or me, live in gated societies in metros like Delhi NCR or Bengaluru and are likely amongst the top 1 per cent earners in the country. These high-powered lives are held together by a steady supply of support services from migrant workers, many of whom are from West Bengal and, therefore, returned home to vote in a crucial election.

Domestic staff — maids, cooks, drivers, and nannies — cater to the hyper-personalised needs of employers who have rarely attempted such tasks themselves. Their absence triggered a “crisis” in urban homes. Who had the time to discuss the BJP vs Didi contest, given the more immediate problems of *JPB (jhaadu-pochha-bartan)* without your *dididi*? Instagram reels set to songs of labour struggle showed young couples buckling under the pressure of mundane chores. About a month ago, a popular reel showed a Bengali cook asking his (non-Bengali) employer for leave to go home and vote. The visibly distressed employer asked what the real need to travel was and generously suggested time off during Diwali instead.

This class divide is not new and reflects in the labour contract for domestic work — low pay, a seven-day week, unclear scope of work, and general lack of respect. Workers negotiate terms individually with multiple employers. An interesting development is the emergence of app-based gig platforms. For Rs 100-150 an hour, these apps allow customers to book well-trained professionals for a miscellany of household tasks. Professionals arrive at the designated time in uniforms, request an OTP to start a timer on their phones, wear aprons, and get to work. In return for standardised services and predictable supply, customers are now pushed to respect contractual boundaries. Extra time and tasks are now clearly priced. The entry of an organised third-party may give workers real bargaining power and dignity. When I first used this service in February,

I could book services instantly. I was matched with Safina (name changed), an excellent worker, incidentally also from Bengal. I would plan my housework around her availability and even offered her a regular job. She refused, saying she preferred the app for better pay and flexible hours. When my regular help left for the elections, I turned to the apps again. Safina was unavailable, as were many others. I had to constantly switch between platforms to find one elusive slot, even days later, only to have last-minute delays. The likely cause was the sharp decline in labour supply from Bengali migrants. As economic theory would predict, this negative shock to supply pushed up wages. Hourly app rates increased, and even traditional contracts became costlier. Is this wage revision permanent, or will the market snap back as labour supply stabilises? The scale of disruption caused by an entirely anticipated event has again exposed how precarious the urban informal labour market really is.

The app-based outside option may have positive spillover effects on traditional contracts and alter labour-market norms. It remains to be seen, however, whether and how much workers will benefit. During the election crunch, many app-based domestic workers likely clocked 10-11-hour days. Customers tend to extract the most value for booked hours, but who is tracking the toll on the worker? This worrying commodification of human labour is a product of the same mindset that has perpetuated such lopsided work arrangements in the first place.

Many of us first cleaned or cooked for ourselves during the Covid lockdown or during a stint abroad where labour costs might have been prohibitive. While we talked about our exhaustion for months, we don't seem to remember that as employers. Perhaps it is time to think afresh about dignity and respect for people who provide essential services, create fairer contracts that recognise human effort, and maybe also build these skills for ourselves. Something is not right if a state election thousands of kilometres away can bring our households to a halt.

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- Job insecurity,
- Overwork,
- Lack of welfare protection,
- Algorithmic control over workers.

Static Linkages

- Article 21: Right to life with dignity.
- Article 23: Protection against exploitation and forced labour.
- DPSPs advocate humane conditions of work and living wages.
- Labour is placed in the Concurrent List.
- Code on Social Security, 2020 recognises gig and platform workers.
- e-Shram portal aims to create a database of unorganised workers.
- NITI Aayog has highlighted rapid growth of the gig economy in India.
- Economic Survey has repeatedly discussed vulnerabilities in informal employment.

The app-based outside option may have positive spillover effects on traditional contracts and alter labour-market norms. It remains to be seen, however, whether and how much workers will benefit

KEY HIGHLIGHTS:

Context of the News

- During the recent West Bengal elections, many migrant domestic workers returned to their home State to vote.
- Metro cities such as Delhi NCR and Bengaluru witnessed shortages of maids, cooks, drivers and caregivers.
- The incident exposed the dependence of urban households on migrant informal labour.
- App-based domestic work platforms saw increased demand during this period.
- The issue revived debates on informal employment, labour dignity and regulation of the gig economy.

Key Points

- Domestic work in India is largely part of the unorganised sector.
- Workers often face:
 - Low wages,
 - Lack of written contracts,
 - Long working hours,
 - Absence of social security.
- Migrant labour plays a major role in sustaining urban service economies.
- Temporary labour shortages increased bargaining power and wage rates for workers.
- App-based gig platforms provide:
 - Flexible work opportunities,
 - Better wage transparency,
 - Standardised services,
 - Defined work hours.
- However, gig work also raises concerns regarding:

Critical Analysis

Positives

- Gig platforms improve transparency in wages and working hours.
- Workers gain greater flexibility and bargaining power.
- Digital platforms partially formalise domestic labour markets.
- Increased awareness regarding dignity of labour.

Challenges

- Gig workers still lack adequate social-security coverage.
- Informal workers remain vulnerable to exploitation.
- Urban economies are highly dependent on cheap migrant labour.
- Platform economy may increase work pressure and insecurity.
- Domestic work continues to receive low social recognition.

Ethical Dimension

- Raises questions about dignity, respect and humane treatment of workers.
- Reflects socio-economic inequality in urban India.

Way Forward

- Ensure effective implementation of labour codes.
- Expand social-security coverage for gig and domestic workers.
- Introduce minimum wages and written contracts for domestic work.
- Strengthen e-Shram and portability of welfare benefits.
- Regulate gig platforms to ensure fair working conditions.
- Promote awareness regarding dignity of labour and ethical employer practices.

The energy challenge is urgent, step up to it

THE US war on Iran has prompted a rethink on the challenges facing the Indian economy. While most of the focus at present has been on the sharp fall in the exchange rate of the rupee, the rupee's fall isn't, by itself, the problem. It is, rather, a reflection of the more substantive weaknesses in the economy. The biggest one is India's high and rising dependence on energy imports. The initial response of austerity — urging people to work from home and other ways to conserve energy — could at best be a short-term fix. It is not a surprise that on his return from the five-nation tour last week, Prime Minister Narendra Modi held a meeting with his council of ministers to review the state of the economy and asked them to urgently explore alternative energy sources.

An economy such as India's that hopes to quadruple average incomes over the next 20 years will need all the energy it can get. For instance, according to the government's own data, between 2013-14 and 2023-24, per capita electricity consumption rose by 46 per cent. But while demand is growing fast, and is expected to grow faster, the supply of energy is a different story. Take coal, for example. India has one of the largest reserves of coal in the world and coal has remained the backbone of its energy supply, accounting for nearly 79 per cent of the total energy supplied domestically in 2024-25. Yet, the government admits in 2026 that the country has "experienced a steady dependency on imported coal over the last decade". The net energy import dependency — an indicator that measures the extent to which a country relies on imports to meet its energy requirements — for coal is more than 23 per cent. This dependence on imports is alarmingly high and rising when it comes to crude oil (almost 90 per cent, up from 85 per cent a decade ago) and natural gas (50 per cent, up from 40 per cent a decade ago).

When it comes to a shift to renewables, India is fourth globally in renewable energy installed capacity, fourth in wind power, and third in solar power capacity. But more needs to be done, and soon. Finally, beyond finding new ways to produce and source energy with a view to reducing import dependence, India must also relook at how it uses its energy. Can it shift to electricity (produced from domestic sources) for cooking food instead of using imported gas? Or so radically improve public transport that it reduces the need for cars? Those are the questions.

KEY HIGHLIGHTS:

Context of the News

- The ongoing geopolitical tensions involving Iran and volatility in global crude oil markets have revived concerns regarding India's energy security.
- The depreciation of the rupee reflects structural economic vulnerabilities, particularly India's high dependence on imported energy.
- The Prime Minister recently reviewed the economic situation and stressed the need to diversify energy sources.
- India's growing economy and rising electricity consumption are increasing energy demand rapidly.

Key Points

- India's per capita electricity consumption increased by around 46% between 2013-14 and 2023-24.
- Coal contributes nearly 79% of India's domestic energy supply.
- Import dependence:
 - Crude oil: ~90%
 - Natural gas: ~50%
 - Coal: ~23%
- India ranks:
 - 4th in renewable energy installed capacity
 - 4th in wind energy
 - 3rd in solar power capacity
- High energy imports increase:
 - Current Account Deficit (CAD)

- Inflationary pressures
- Rupee depreciation
- Fiscal burden
- Government initiatives:
 - National Green Hydrogen Mission
 - PM-KUSUM Scheme
 - FAME Scheme
 - National Solar Mission
 - Ethanol Blending Programme

Static Linkages

- Energy security is a key component of economic and strategic security.
- High import dependence adversely impacts Balance of Payments.
- Fossil fuel dependence contributes to climate change and air pollution.
- Renewable energy supports sustainable development and energy transition.
- Strategic Petroleum Reserves help manage external supply shocks.
- Public transport and electrification reduce fossil fuel consumption.

Critical Analysis

Positives

- Renewable energy expansion reduces long-term import dependence.
- Energy diversification strengthens strategic autonomy.
- Electric mobility can reduce crude oil imports.
- Green energy sector creates employment opportunities.

Challenges

- Excessive dependence on imported crude oil exposes India to geopolitical shocks.
- Renewable energy transition requires huge investments and storage capacity.
- Coal dependence continues despite climate commitments.
- Weak public transport increases petroleum consumption.
- Global energy price volatility impacts inflation and growth.

Way Forward

- Accelerate renewable energy and battery storage expansion.
- Promote green hydrogen and biofuels.
- Strengthen domestic oil and gas exploration.
- Expand electric mobility and public transport systems.
- Improve energy efficiency in industries and households.
- Increase Strategic Petroleum Reserves.
- Encourage decentralized renewable energy generation.