DAILY NEWS PAPER ANALYSIS

DATE - 08/07/2026

SOURCE : THE HINDU & INDIAN EXPRESS

CIVILS WITH AKASH
SECTOR 25 CHANDIGARH

3 killed in debris slip at tunnel site in Wayanad

Heap of excavated mud at a tunnel construction site in Kerala gives way amid rain; CM announces investigation; Minister says private construction firm ignored warnings by district administration

Close call: A CCTV screengrab shows people who narrowly escaped the mud deluge that swept away construction workers, passers-by, parked vehicles, and even earthmovers, in Wayanad on Tuesday. ANI

The Hindu Bureau
WAYANAD

At least three people were killed and five reported missing when a massive heap of excavated mud swamped the portal of an under-construction tunnel road in Wayanad district of Kerala on Tuesday. Emergency responders have rescued 10 people from the accident site so far.

The deceased have been identified as Chandra Bahn from Madhya Pradesh, Bikash Kumar from Bihar, and Anmol from Jharkhand, workers of the tunnel project.

Security cameras captured the moment when a sea of mud deluged the area around 11 a.m., sweeping away construction workers, passers-by, parked earthmovers, and a multi-axle tanker lorry.

Officials said a total of 18 people were caught in the incident. Of them, 10 were admitted to WIMS Hospital, Meppadi, with injuries and five were later discharged.

Local people told presspersons they heard a crash, followed by a fast-moving wave of debris that seemed to swallow everything in its path. The mudslip occurred near the Meenakshi bridge entrance of the ambitious subterranean road project.

Chief Minister V.D. Satheesan and Agriculture Minister T. Siddique said heavy rain had rendered the "precariously piled" heap of earth at the Anakkampoyil-Kalladi-Meppadi tunnel's entrance unstable, causing it to come crashing down with a deafening sound.

They termed the incident a disaster caused by human error, abandonment of safety precautions, and sheer negligence, noting that government warnings had been ignored.

The rescue operation includes National Disaster Response Force units, the Fire and Rescue Department, the police, the State Disaster Response Force, and local volunteers. Rescue workers cross-referenced duty logs to determine the identity of the people who may still be trapped under the mud.

Mr. Siddique, the Minister in charge of Wayanad and Kalpetta MLA, said the district administration had repeatedly raised red flags, warning the private construction firm of an impending accident. The firm has been contracted by Konkan Railway Corporation Limited to construct the twin-tube tunnels connecting Kozhikode and Wayanad districts.

Mr. Siddique and his Cabinet colleague A.P. Anil Kumar visited the disaster site and held a review meeting at WIMS Hospital.

Mr. Siddique said the casualties would have been still higher if the construction operations, which were partially suspended due to heavy rain, had been in full swing. The debris pile that collapsed in the rain included rocks blasted for the construction of the approach roads and bridges to the tunnel, he said.

Mr. Satheesan announced an investigation involving multiple agencies to fix accountability. He said the district authorities had issued an ultimatum on June 20 to the builders to remove the accumulated mud from the locality, noting that Public Works Department Minister P.K. Basheer had called a meeting of stakeholders and flagged the precarious nature of the heap of mined mud.

Bridge safety review

The government has shifted residents of the area to safer locations, halted traffic on the Meenakshi bridge, and ordered the PWD to review its structural safety.

Priyanka Gandhi Vadra, Wayanad MP and Congress general secretary, said efforts were under way to rescue those trapped.

The Leader of the Opposition in the Kerala Assembly, Pinarayi Vijayan, demanded a thorough investigation to determine any lapse or criminal negligence that had led to the tragedy. He expressed support and extended solidarity to the rescue workers, the people of Wayanad, and the State government in the hour of crisis.

CONTRACTOR'S FAILURE
» PAGE 3

KEY HIGHLIGHTS:

Context

- A debris slip at the Anakkampoyil–Kalladi–Meppadi tunnel project in Wayanad, Kerala, caused fatalities and injuries after a large dump of excavated soil and rock collapsed following rainfall.
- The District Disaster Management Authority (DDMA) had reportedly issued prior directions to remove the accumulated excavated material.
- The Kerala Government termed the incident a man-made disaster, attributing it to non-compliance with safety directives.
- The incident highlights concerns regarding construction safety, disaster risk reduction (DRR), and infrastructure development in landslide-prone regions.

Key Points

- Project: Anakkampoyil–Kalladi–Meppadi Twin Tunnel Project (Kerala).
- Executing Agency: Konkan Railway Corporation Limited (KRCL) through a private contractor.
- Immediate Cause: Collapse of improperly stored excavated spoil triggered by rainfall.
- Response Agencies: NDRF, SDRF, Fire & Rescue Services, Police and District Administration.
  - Administrative Action:Multi-agency investigation ordered.
  - Structural safety audit of nearby infrastructure.
  - Review of compliance with construction safety norms.

Static Linkages

- Disaster Management Act, 2005Establishes NDMA, SDMA and DDMA.
- DDMA is responsible for district-level disaster planning, preparedness and mitigation.
- National Disaster Management Plan (NDMP)Promotes prevention, mitigation, preparedness, response and resilient reconstruction.
- NDMA Guidelines on LandslidesScientific disposal of excavated material.
- Slope stabilization and drainage management.
- Landslide Hazard Zonation (LHZ) mapping.
- Continuous geotechnical monitoring.
- Western GhatsYoung fold mountains with steep slopes and high monsoon rainfall.
- One of India's most landslide-prone physiographic regions.
- Environmental Impact Assessment (EIA)Major infrastructure projects require environmental safeguards and risk mitigation measures.
- Sendai Framework for Disaster Risk Reduction (2015–2030)Advocates risk-informed infrastructure and resilience-building.

Critical Analysis

Issues

- Poor compliance with DDMA directions.
- Improper disposal of excavated spoil.
- Weak enforcement of construction safety protocols.
- Inadequate geotechnical risk assessment.
- Infrastructure expansion in ecologically fragile areas without adequate mitigation.

Significance

- Demonstrates the need to integrate disaster risk reduction into infrastructure planning.
- Highlights the importance of institutional accountability in public projects.
- Reinforces the role of district-level disaster management authorities.

Way Forward

- Mandatory scientific disposal of excavated material.
- Geotechnical monitoring and early warning systems.
- Third-party safety audits for infrastructure projects.
- Strict implementation of NDMA landslide guidelines.
- Integration of Landslide Hazard Zonation maps into project planning.
- Strengthen accountability through regular compliance inspections.
- Adopt climate-resilient infrastructure standards in hilly regions.

Modi highlights need for two-state solution to end Israel-Palestine conflict

Kallol Bhattacherjee
Saurabh Trivedi
NEW DELHI

Prime Minister Narendra Modi with Indonesian President Prabowo Subianto on Tuesday. ANI

Highlighting the role of dialogue and diplomacy in the "period of global turbulence", Prime Minister Narendra Modi on Tuesday reiterated the importance of the two-state solution to end the Israel-Palestine conflict.

"In this period of global turbulence, India believes that the role of dialogue and diplomacy has become more important than ever before. On the issue of Palestine, we continue to support a two-state solution and the pursuit of lasting peace," Mr. Modi said in Jakarta, Indonesia, the first leg of his three-nation visit. Mr. Modi also focused on commonalities between India and Indonesia globally important issues and said that the two countries are going to deepen cooperation on global issues.

A joint statement issued at the end of the official dialogue between Mr. Modi and Indonesia's President Prabowo Subianto said the leaders expressed "deep concern" over the war in West Asia and "its global effects".

Mr. Modi and Mr. Subianto also presided over the signing of 14 agreements and memoranda of understanding (MoUs), including ones that will allow India to deliver the BrahMos supersonic cruise missile system and Astra Mk-1 beyond-visual-range air-to-air missiles to Indonesia.

Highlighting the "special importance" of the ASEAN grouping, he said, "There is strong synergy in our respective outlooks on the Indo-Pacific". "They welcomed the memorandum of understanding signed on 17 June 2026," mentioned the joint statement in reference to the agreement signed between the U.S. and Iran to end the war in West Asia, while adding that "transit passage through the Strait of Hormuz" has to be in "accordance with international law including the provisions of UNCLOS".

It further mentioned that the Indonesian President welcomed "India's interest in partnering on the integrated development of the Sabang Port" which will include maritime industries, and "shore-based services supporting offshore energy activities in the Andaman Sea".

Highest honour

Indonesia bestowed the Prime Minister with its highest civilian honour 'Bintang Adipurna of the Republic of Indonesia'. Mr. Modi is the second Indian Prime Minister to receive this award. India's first Prime Minister Jawaharlal Nehru received the same award posthumously on December 12, 1995. "It reflects the goodwill of the people of Indonesia and stands as a tribute to the historic and enduring bonds of friendship between India and Indonesia," said Mr. Modi in his press statement expressing gratitude to Indonesian leadership and people for the gesture.

KEY HIGHLIGHTS:

Context of the News

- During his visit to Indonesia, Prime Minister Narendra Modi reiterated India's support for a two-State solution to the Israel–Palestine conflict, emphasizing dialogue and diplomacy.
- India and Indonesia signed 14 MoUs, including agreements on BrahMos cruise missiles and Astra Mk-1 air-to-air missiles.
- Both countries expressed concern over the West Asia conflict, stressing adherence to UNCLOS and freedom of navigation through the Strait of Hormuz.
- Indonesia welcomed India's participation in the development of the Sabang Port, enhancing maritime cooperation in the Indo-Pacific.

Key Points

India's Position on the Israel–Palestine Issue

- Supports a two-State solution based on peaceful negotiations.
- Advocates dialogue, diplomacy, and respect for international law.
- Supports humanitarian assistance and long-term regional stability.

India–Indonesia Relations

- Relations upgraded to Comprehensive Strategic Partnership (2018).
- Indonesia is India's largest trading partner in ASEAN.
- Cooperation spans:
  - Defence
  - Maritime security
  - Blue Economy
  - Counter-terrorism
  - Digital economy
  - Indo-Pacific cooperation

Defence Cooperation

- Export of:
  - BrahMos supersonic cruise missile.
  - Astra Mk-1 Beyond Visual Range Air-to-Air Missile (BVRAAM).
- Strengthens India's defence exports under Aatmanirbhar Bharat.

Maritime Significance

- Sabang Port is located near the Strait of Malacca, a major global sea lane.
- Both countries support:
  - Freedom of navigation
  - UNCLOS (1982)
  - Rules-based maritime order
  - ASEAN Centrality

Strategic Importance

- Stable Strait of Hormuz is critical for India's energy security.
- Cooperation enhances India's Act East Policy and Indo-Pacific Oceans Initiative (IPOI).

Static Linkages

- India recognized Israel (1950) and the State of Palestine (1988).
- India follows Strategic Autonomy in foreign policy.
  - ASEANEstablished: 1967
  - Headquarters: Jakarta, Indonesia
  - Members: 10
- UNCLOS (1982) defines:
  - Territorial Sea (12 NM)
  - Contiguous Zone (24 NM)
  - Exclusive Economic Zone (200 NM)
  - Continental Shelf
  - Freedom of Navigation
- Strait of Malacca connects the Indian Ocean and the Pacific Ocean.
- Strait of Hormuz is one of the world's most important oil transit chokepoints.
- BrahMos is a supersonic cruise missile jointly developed by India and Russia.
- Astra Mk-1 is an indigenous BVRAAM developed by DRDO.
- Act East Policy (2014) aims to strengthen India's engagement with ASEAN and the Indo-Pacific.

Critical Analysis

Significance

- Strengthens India's Act East Policy and Indo-Pacific engagement.
- Enhances India's role as a defence exporter.

- Reinforces commitment to a rules-based international order.
- Balances India's relations with both Israel and Palestine.
- Improves maritime cooperation near critical Sea Lines of Communication (SLOCs).

Challenges
- Balancing strategic ties with Israel, Palestine and Gulf countries.
- Escalating geopolitical tensions in West Asia.
- Ensuring timely execution of defence export commitments.
- Growing strategic competition in the Indo-Pacific.

Way Forward
- Deepen India–Indonesia defence and maritime cooperation.
- Expand defence exports through indigenous manufacturing.
- Strengthen ASEAN-centric Indo-Pacific cooperation.
- Promote peaceful resolution of regional conflicts through diplomacy.
- Ensure freedom of navigation under UNCLOS.
- Enhance cooperation in the Blue Economy and maritime connectivity.

India's economic prospects after the West Asian crisis

The United States and Iran agreed to a 14-point preliminary Memorandum of Understanding (MoU) towards ending the West Asian crisis and reopening the Strait of Hormuz. Although there have been initial hiccups, it is expected that, with the reopening of the Strait, global crude oil supply will stabilise and prices will normalise at a lower level. Following these developments, India should adjust its strategies, keeping in mind both the 2026-27 outlook and medium-term growth prospects.

The West Asian crisis had resulted in a period of relatively higher crude prices. The monthly average price of the Indian crude oil basket was \$114.5 per bbl in April 2026. It declined to \$106.2 per bbl in May 2026 and further to \$86.3 per bbl as of June 24, 2026. For the remaining three quarters of 2026-27, crude oil prices are expected to remain below this level, provided the truce continues.

2026-27 growth prospects

The National Statistical Office's provisional estimates of GDP growth of 7.7% for 2025-26 confirm India's strong post-COVID-19 pandemic recovery. This was preceded by real GDP growth rates of 7.2% and 7.1%, respectively, in 2023-24 and 2024-25 as per the new GDP series. Real Gross Value Added (GVA) growth was even more impressive at 7.9% in 2025-26, with the manufacturing, trade, transport, and financial and real estate sectors recording growth rates exceeding 10%. With nominal GDP growth at 8.9%, the implicit price deflator-based inflation rate stood at 1.1% in 2025-26.

For 2026-27, growth prospects are likely to be impacted because of the disruptions in crude supply and higher prices affecting the first quarter, and due to a deficiency in rainfall associated with the onset of El Niño. The India Meteorological Department has estimated a 10% shortfall (as compared with the Long Period average). Up to June 24, 2026, the estimated shortfall is nearly 43%.

The combination of El Niño and fertilizer shortages pose a potential risk to India's agricultural output in 2026-27. In particular, in the immediate term, the *kharif* crop is likely to be affected. There may also be an impact on the *rabi* crop which is to follow. Therefore, it is important to build up fertilizer reserves and address issues of potential shortages when it comes to important crops, which may warrant a reconsideration of crop-specific import and export policies. The Reserve Bank of India (RBI) has projected real GDP growth of 6.6% for 2026-27.

C. Rangarajan

Former Chairman, Prime Minister's Economic Advisory Council, and former Governor, Reserve Bank of India

D.K. Srivastava

Former Director, Madras School of Economics

Changing dynamics present opportunities and challenges for the economy

Fiscal prospects, petroleum economy

One important feature of 2026-27 growth is the likelihood of relatively higher nominal GDP growth as compared to 2025-26. This is because the implicit price deflator (IPD), which depends on Wholesale Price Index (WPI) and Consumer Price Index (CPI) inflation, is likely to be higher than the 2025-26 level of 1.1%. The RBI's June 2026 Professional Forecasters' median projections for WPI and CPI inflation for 2026-27 are 8% and 4.9%, respectively. With a resolution of the West Asian crisis, we consider WPI and CPI inflation rates for the full year to be lower at 6% and 4.5%; using weights of 60% and 40%, respectively, we can broadly estimate IPD-based inflation to be 5.4%. Combining this with a real GDP growth of 6.6%, we may have a nominal growth of about 12.4% in 2026-27, higher than the budgeted growth of 10.1%. This would have a positive impact on tax revenues. The Government of India should be able to realise its budgeted estimate of tax revenues absorbing the adverse revenue impact of any excise duty cuts. On the expenditure side, however, subsidies may be higher than budgeted.

The RBI has given a dividend of ₹2.69 lakh crore to the Government. This amount covers a significant portion of the budgeted 'Dividends and profits from RBI and Financial Institutions' in 2026-27 at ₹3.16 lakh crore. Given these developments, we expect the 2026-27 budgeted fiscal deficit at 4.3% of GDP to be either realised or only marginally exceeded.

The evolution of India's petroleum economy has been characterised by certain notable features. First, India's dependence on imported crude oil has increased to more than 90% in 2025-26 from 54.9% in 1998-99. Second, the volume of domestic production of crude oil has fallen over time to 26 million metric tons (MMT) in 2025-26 from a peak of 35.9 MMT in 2011-12. Third, demand for petroleum products/petroleum, oil, and lubricants (PoL) has increased, thereby generating the need for larger imports. Fourth, domestic consumption of PoL products has increased to 243.2 MMT in 2025-26 from 90.6 MMT in 1998-99. Fifth, India has developed an impressive capacity for refining crude to produce various PoL products. This capacity has improved over time. Sixth, the energy intensity of India's output, as well as the intensity of use of PoL products in GDP, has fallen over time. This augurs well for sustaining an energy-efficient growth at a reasonably high level for a relatively longer period.

India may continue to augment its refining capacity, which has helped save refining costs compared to the situation if it had directly imported refined petroleum products. The trend towards growing dependence on imported crude oil needs to be reversed by emphasising the exploitation of domestic crude resources while accelerating the transition to greener and alternative energy sources, including nuclear power.

Build reserves

With a lowering of global crude prices and normalisation of supplies, the government should shore up its fertilizer reserves and reserves for other critical primary commodities including crude. There is a need to further diversify sources of imported crude and also reduce reliance on imports through the Strait of Hormuz. A policy for building strategic reserves of key primary commodities, along with estimates of the required volumes and needed infrastructure, should be put in place.

The current account deficit was 0.6% of GDP in 2025-26, with the fourth quarter showing a surplus of 0.7% of GDP. Prospects for 2026-27 indicate a deterioration in this magnitude. The RBI's June 2026 Survey of Professional Forecasters had estimated a current account deficit of 2.1% of GDP for 2026-27, as per their median estimate. With normalisation of the global oil market and the opening of the Hormuz strait, we expect this to be lower at about 1.5% of GDP.

The prospects of the Indian economy outlined above is on the assumption that peace will prevail in West Asia from now on. If this assumption turns out to be incorrect and if the war continues, India along with many other countries will face an extremely difficult situation.

The views expressed are personal

KEY HIGHLIGHTS:

Context

- The easing of tensions in West Asia and the expected reopening of the Strait of Hormuz are likely to stabilize global crude oil supplies and reduce oil prices.
- As India imports over 90% of its crude oil, lower oil prices are expected to improve macroeconomic stability, though risks remain from El Niño-induced weak monsoon and fertilizer shortages.

Key Points

- Indian Crude Basket PriceApril 2026: US\$114.5/barrel
- May 2026: US\$106.2/barrel
- June 2026: US\$86.3/barrel
- GDP & InflationReal GDP Growth (2025–26): 7.7% (NSO)
- RBI Growth Projection (2026–27): 6.6%
- Fiscal Deficit Target (2026–27): 4.3% of GDP
- Current Account Deficit (Expected): ~1.5% of GDP
- Petroleum SectorCrude import dependence: >90%
- Domestic crude production: 26 MMT (2025–26) (Peak: 35.9 MMT in 2011–12)
- Petroleum consumption: 243.2 MMT (2025–26)
- AgricultureEl Niño and below-normal monsoon may affect Kharif and Rabi production.
- Need for adequate fertilizer reserves and contingency planning.

Static Linkages

- Strait of Hormuz is the world's most important oil transit chokepoint connecting the Persian Gulf with the Gulf of Oman.
- Current Account Deficit (CAD) records the excess of imports of goods, services and transfers over exports.
- GDP = GVA + Product Taxes − Product Subsidies.
- Nominal GDP = Real GDP + GDP Deflator (Implicit Price Deflator).
- Strategic Petroleum Reserves (SPR) strengthen India's energy security during supply disruptions.
- El Niño generally weakens the Indian Southwest Monsoon.

Critical Analysis

Significance

- Lower crude prices reduce import bill, inflation and logistics costs.
- Improves Current Account Deficit, fiscal position and foreign exchange stability.
- Provides fiscal space for developmental expenditure.

Challenges

- Excessive dependence on imported crude (>90%).
- Vulnerability to disruptions in the Strait of Hormuz.
- Declining domestic crude production.
- El Niño may increase food inflation and reduce agricultural output.

Way Forward

- Expand Strategic Petroleum Reserves during periods of low oil prices.
- Diversify crude import sources and shipping routes.
- Increase domestic oil & gas exploration.
- Accelerate renewable energy, biofuels, green hydrogen and nuclear energy.
- Strengthen fertilizer reserves and climate-resilient agriculture.

Beyond three Cs, the new lexicon of India-Australia ties

During his visit to Australia in May 2023, when the Comprehensive Strategic Partnership between India and Australia was almost three years old, Prime Minister Narendra Modi had characterised India-Australia ties as having entered T-20 mode. He also stressed that the relationship had gone beyond the conventional three Cs – of Commonwealth, Cricket and Curry – and the subsequent three Ds – Democracy, Diaspora and *Dosti*. As Mr. Modi undertakes his third visit to Australia this week, it would be instructive to look at some of the recent progress in two other important dimensions, the Ds of Development and Defence.

Gopal Baglay
Former High Commissioner of India to Australia

Expanding trade and investment
Growing bilateral economic cooperation has brought dividends like never before for both countries. All Indian exports to Australia now have duty free access under the Economic Cooperation and Trade Agreement (ECTA), benefitting textiles, pharmaceuticals, chemicals, engineering goods, gems and jewellery. Preferential access to 90% of Australia's trade value has facilitated Australian exports of critical minerals, resources, wool, avocados, and macadamia. There is the shared ambition to raise bilateral trade from $33 billion in 2025 towards $100 bn by 2030.

The two-way cumulative investment is approaching $50 billion. Australia's AirTrunk recently announced plans to invest $30 billion by 2030 to develop digital infrastructure and Artificial Intelligence (AI)-ready data centre. Australian funds are increasingly active in India. At the same time, India is an important source of investment and technology. Indian investment in Australia's resources sector is well known. According to reports, Perdaman Chemicals & Fertilizers, founded by an Indian, is establishing Australia's largest urea plant in western Australia, with $4.5 billion. This largest ever investment in Australia's fertilizer industry has also created millions of man hours of work in India where over 98% of the plant's modules are manufactured.

Defence represents perhaps the fastest growing sector of bilateral cooperation. In a clear signal of the importance of India as a reliable partner, Australia's Deputy Prime Minister and Defence Minister Richard Marles visited India in his first foreign tours in both the terms of the Albanese government. Before his most recent visit for the Annual Defence Ministers' Dialogue last month, Mr. Marles had hosted Defence Minister Rajnath Singh in Australia last year, marking the first visit by an Indian Defence Minister to the country in 12 years. Regular leadership and other senior level exchanges involving all the three Services and participation in bilateral and multilateral military exercises such as AUSINDEX, Malabar and Talisman Sabre foster operational understanding and coordination, significant especially in the maritime domain.

There are growing opportunities for defence industry cooperation in cyber, AI, drone, and in view of India's expanding ship-building capabilities.

The 'E' factor
Beyond the Cs and the Ds, there are also enriching Es: Energy and Education. India-Australia Renewable Energy Partnership is implemented through a Solar Taskforce and a Green Hydrogen Task Force, and guided at the ministerial level.

India's unprecedented renewable energy targets present immense potential for clean energy cooperation across critical minerals and materials, manufacturing, laboratory research, commercial-scale deployment, industrial use, and solar rooftops.

Very recently, Australian media mentioned that arrangements for future Australian uranium exports to India might be finalised shortly. Were that to happen, India's ambitious civil nuclear programme will receive a significant boost, as would Australia's uranium exports.

The India-Australia education and skills partnership is steadily contributing to creation of an enduring base for future-ready youth, innovators and entrepreneurs. While more than one lakh Indian students are enrolled in Australia, world class and affordable education is now available in India itself through Indian campuses of a growing number of Australian universities. Joint research in priority areas such as advanced computing, energy, health care, space and defence promises to create both intellectual assets and networks. Specific visa programmes have created new avenues for educated Indian youth seeking employment opportunities in Australia and await better utilisation.

Australia's global leadership in imparting vocational skills is being tapped in areas such as solar rooftop and mining, including in Gujarat, Uttar Pradesh and Odisha. Practical solutions can pave way for meeting Australia's huge workforce shortfall and spur its economy with Indian workers temporarily assigned to Australia.

Sport has emerged as a new priority. Focused and broad based strategy can propel cooperation in sport education, training, medicine, goods, infrastructure and organisation of large-scale events, such as Commonwealth Games 2030 and Brisbane Olympics in 2032. With the growing Indian diaspora in Australia, now over ten lakh and rightly called the living bridge, Indian traditional sports such as kabaddi and kho kho are gaining popularity, even beyond the diaspora community.

Building multilateral partnerships
The upward trajectory of the bilateral relationship owes itself to a high degree of mutual trust, understanding and respect. Broad convergence of values and interests expands the format of cooperation to trilateral, such as India-Indonesia-Australia and India-France-Australia. The Australia-Canada-India Technology and Innovation Partnership, launched in November 2025, the India-Japan-Australia Supply Chain Resilience Initiative and a possible triad with the United Arab Emirates could play important roles in countering supply chain disruptions and market dominance and distortions in crucial areas such as critical minerals, rare earths, semiconductors and new technologies.

The shared vision of India and Australia for a free, open, safe, peaceful and prosperous Indo-Pacific manifests in their work through fora such as the Quad and the Indian Ocean Rim Association (IORA). The foreign visits this week by Mr. Modi and Australian Prime Minister Anthony Albanese bring out the geopolitical logic for ever-growing cooperation between India and Australia at regional and global levels. Their existing ties with Pacific Island Countries provide a good basis for leveraging their respective strengths to the benefit of the region in areas such as education, health, technology, fintech, capacity building and disaster relief.

Mr. Albanese never tires of mentioning his connection with India as a young backpacker. His understanding of the significance of a consequential relationship with today's India and the close chemistry between the two leaders have set the perfect stage to progress bilateral ties in T20 mode but in the long format, and to multiple win-win outcomes for both.

A growing partnership now spans trade, defence, energy, education and innovation

The views expressed are personal

KEY HIGHLIGHTS:

Context of the News

- Prime Minister Narendra Modi's 2026 visit to Australia reaffirmed the growing India–Australia Comprehensive Strategic Partnership (CSP).
- Both countries reviewed progress in trade, defence, critical minerals, clean energy, education, and Indo-Pacific cooperation.
- The visit focused on strengthening cooperation amid evolving geopolitical and supply chain challenges in the Indo-Pacific.

Key Points

Bilateral Trade & Economy

- India-Australia Economic Cooperation and Trade Agreement (ECTA) (effective: 29 December 2022) has significantly expanded bilateral trade.
- Bilateral trade target: US$100 billion by 2030 (from about US$33 billion).
- Nearly all Indian exports receive preferential access to Australia.
- Australia exports critical minerals, wool, and agricultural products to India.
- Negotiations continue for the Comprehensive Economic Cooperation Agreement (CECA).

Critical Minerals

- Australia is a major supplier of:
  - Lithium
  - Cobalt
  - Nickel
  - Rare Earth Elements
- Critical for India's:
  - Electric Vehicles (EVs)
  - Battery manufacturing
  - Renewable energy
  - Semiconductor ecosystem

Defence & Maritime Security

- Regular defence dialogues and growing interoperability.
- Major exercises:
  - AUSINDEX
  - Malabar
  - Talisman Sabre
- Cooperation areas:
  - Maritime Domain Awareness (MDA)
  - Cyber security
  - Artificial Intelligence
  - Defence manufacturing
  - Shipbuilding

Indo-Pacific Cooperation

- Shared commitment towards a:
  - Free
  - Open
  - Inclusive
  - Rules-based Indo-Pacific.
- Cooperation through:
  - Quad
  - Indian Ocean Rim Association (IORA)
  - Supply Chain Resilience Initiative (SCRI)

Energy Cooperation

- India-Australia Renewable Energy Partnership covers:
  - Green Hydrogen
  - Solar Energy
  - Critical Minerals
- Australia remains an important potential supplier of uranium for India's civilian nuclear programme.

Education & Mobility

- Over 1 lakh Indian students study in Australia.
- Australian universities are opening campuses in India under NEP 2020.
- Collaboration in:
  - Research
  - Skill development
  - Innovation
  - Emerging technologies

Indian Diaspora

- Indian-origin community in Australia exceeds 10 lakh.
- Acts as an important pillar of bilateral relations.

Static Linkages

- Australia is a member of:
  - Quad
  - Indian Ocean Rim Association (IORA)
  - APEC
  - OECD
- SCRI was launched by India, Japan and Australia (2020).

- ECTA is an interim trade agreement; CECA is under negotiation.
- Australia possesses one of the world's largest reserves of lithium and rare earth minerals.
- India follows:
    - Act East Policy
    - Indo-Pacific Oceans Initiative (IPOI)
    - SAGAR (Security and Growth for All in the Region)

Critical Analysis

Significance

- Strengthens India's Indo-Pacific strategy.
- Diversifies critical mineral supply chains.
- Enhances maritime security.
- Supports Make in India and clean energy transition.
- Promotes trusted technology and resilient supply chains.

Challenges

- Delay in CECA negotiations.
- Competition with China in the Indo-Pacific.
- Supply chain vulnerabilities.
- Limited defence industrial collaboration.
- Regulatory barriers affecting investments.

Way Forward

- Conclude CECA at the earliest.
- Strengthen long-term critical mineral partnerships.
- Expand defence co-development and defence manufacturing.
- Deepen cooperation in semiconductors, AI and cyber security.
- Enhance maritime cooperation under Quad and IORA.
- Improve skilled mobility and educational partnerships.
- Develop resilient supply chains for strategic sectors.

Grand ambitions

India's cooperative sector can serve as a worker-centric model of development

Hypercompetitive business models that dominate the economic lives of people have undesirable social consequences. The cooperative model offers an alternative, albeit with its own imperfections. India's Ministry of Cooperation, which completed five years on July 6, is a bold experiment in harnessing the potential of this approach. Traditionally confined largely to agriculture, cooperatives now have the opportunity and a requirement to expand into other sectors, particularly services. Cooperatives, by their very character, are relatively small-scale and fragmented; organising them, and connecting them to the broader economy that disproportionately rewards hyper-scalers is a balancing intervention – an economic, political and social imperative. The Ministry aims to transform the cooperative landscape by bringing policy coherence across agriculture, dairy, fisheries, banking, housing, consumer cooperatives, and exports. This requires collaboration with States and national federations, capacity building, wise use of digital technology, and market linkages. Primary Agricultural Credit Societies (PACS) are the foundation of rural cooperatives. Through a reformed legal framework, they have been empowered to undertake over 25 business activities, transforming them into multifaceted institutions delivering many economic services in rural India.

The Ministry has facilitated new national-level multi-State cooperative societies, expanding market access for members and strengthening cooperative value chains from production to global markets. Cooperative enterprises are being encouraged to grow and compete, and a National Cooperation Policy is in the making. But there are challenges amid the opportunities. Corruption and inefficiency eroded the potential of India's cooperative sector, and the fear of local communities and States losing control of cooperatives to a national-level mechanism needs to be assuaged. The task is in finding the sweet spot of consolidation and decentralisation; localisation and nationalisation; technology and human labour, for boosting the sector. Union Home Minister Amit Shah, who holds the portfolio, is pushing the cooperative sector to expand into production and marketing, beyond agricultural credit and input facilitation, which could help mitigate the sector's endemic crisis. A well-coordinated, yet federated, cooperative sector can offset the social, environmental and political costs of global capitalism, which is the default model of the economy. Government and business leaders worldwide are viewing cooperatives with renewed interest, as the pitfalls of hypercapitalism become pronounced. India can develop its cooperative sector as a global model.

KEY HIGHLIGHTS:

Context

- The Ministry of Cooperation completed five years (6 July 2026) since its establishment in July 2021.
- It aims to strengthen the cooperative movement under the vision "Sahakar Se Samriddhi".
- Current focus is on expanding cooperatives beyond agricultural credit into production, processing, marketing, exports and services.
- A National Cooperation Policy is under preparation to modernize the cooperative sector.

Key Points

- Ministry of Cooperation established: July 2021.
- Constitutional status strengthened through the 97th Constitutional Amendment Act, 2011.
- Article 43B directs the State to promote voluntary, autonomous and democratically managed cooperative societies.
- Part IXB deals with cooperative societies.
- Supreme Court (2021) upheld Part IXB only for Multi-State Cooperative Societies.
- Cooperative Societies fall under Entry 32, State List (Seventh Schedule).
- Primary Agricultural Credit Societies (PACS) have been permitted to undertake 25+ business activities, including:
    - Warehousing
    - Dairy
    - Fisheries
    - Custom Hiring Centres
    - LPG Distribution
    - Common Service Centres (CSC)
    - Retail outlets
- New national multi-state cooperative societies have been created for:
    - Exports
    - Organic farming
    - Certified seeds
- Digitalisation, transparency and professional management are key reform areas.

Static Linkages

- 97th Constitutional Amendment Act, 2011
- Article 43B (Directive Principles of State Policy)
- Part IXB (Cooperative Societies)
- Entry 32, State List (Seventh Schedule)
- Multi-State Cooperative Societies Act, 2002 (amended in 2023)
- Directive Principles of State Policy
- Cooperative Federalism

Critical Analysis

Positives

- Strengthens inclusive and participatory economic development.
- Enhances farmers' bargaining power.
- Promotes value addition and market access.
- Diversifies rural income sources.
- Improves financial inclusion through PACS.
- Encourages local employment and entrepreneurship.

Challenges

- Political interference.
- Weak governance and accountability.
- Corruption and poor auditing.
- Regional imbalance in cooperative development.
- Concerns over excessive centralisation.
- Low professional capacity and technology adoption.

Way Forward

- Finalise the National Cooperation Policy.
- Professionalise cooperative management.
- Strengthen transparency through digitisation.
- Improve auditing and governance standards.
- Promote women- and youth-led cooperatives.
- Enhance market integration and export competitiveness.
- Maintain balance between national coordination and State autonomy.

Deceptive dispute

Courts should not waste their time in examining figments

In 2015, a civil suit sought to declare the Taj Mahal a Hindu temple. This April, after an Agra trial court refused the petitioners' request to appoint an Advocate Commissioner to survey the monument, the Allahabad High Court – hearing the petitioners' challenge – has sought responses from the Centre and the ASI before deciding whether the lower court's refusal should stand. The legal position aside, the matter is both frivolous and vexatious. The idea today that the Taj Mahal was 'originally' a Hindu temple is associated with the late 20th century writings of Purushottam Nagesh Oak. Professional historians and archaeologists have repeatedly rejected his claims because they bank on speculative linguistic arguments and unsupported historical assertions. On the other hand, evidence that Shah Jahan built the Taj Mahal is rooted in contemporary chronicles, administrative records, European travellers' accounts, architectural histories, and archaeology. No archaeological study has produced evidence of a medieval Hindu temple beneath the Taj. Even though the ASI has previously submitted in affidavits that some rooms are locked because they are structurally vulnerable, supporters of the temple idea have alleged that they conceal Hindu idols. A Bharatiya Janata Party leader also unsuccessfully filed a PIL in 2022 and activists tried to offer 'gangajal' in 2024. Given the right historical, political, economic, and social conditions, an idea can persist long after its origins from pseudohistory.

The ongoing case resembles aspects of the Gyanvapi and Mathura disputes, where requests for ostensibly objective surveys were also platforms to advance revisionist political narratives. Courts are empowered to reject pleadings that disclose no sustainable cause of action – even as they are not commissions of historical inquiry and should not treat every speculative historical hypothesis as sufficient grounds for a supervised investigation. Equally, civil procedure should not tolerate re-litigating claims lacking any real evidentiary foundation. All major monuments accumulate materials of additions and alterations over time but heritage scholars draw a line between studying a monument's evolution and redefining its identity outright. The Taj Mahal became a UNESCO World Heritage Site in 1983. Repeated attempts to redefine its identity can also muddle international perceptions of India's stewardship of the monument and disrupt the region's tourism-based economy. The High Court may ultimately agree with the trial court's order after due examination, but the claim deserves not a breath of air. The petitioners have not advanced any new evidence, even as heritage institutions continue to face sustained legal pressure to manufacture controversies from figments.

KEY HIGHLIGHTS:

Context

- The Allahabad High Court sought responses from the Union Government and the Archaeological Survey of India (ASI) on a petition challenging an Agra trial court's refusal to appoint an Advocate Commissioner to survey the Taj Mahal.
- Petitioners claim the Taj Mahal was originally a Hindu temple; the claim is based on theories that have been repeatedly rejected by historians and archaeologists.
- ASI has consistently maintained that the Taj Mahal was built by Shah Jahan in the 17th century, supported by historical and archaeological evidence.

Key Points

  - Taj MahalBuilt by Shah Jahan in memory of Mumtaz Mahal (1632–1653).
  - UNESCO World Heritage Site (1983).
  - Protected as a Monument of National Importance under the Ancient Monuments and Archaeological Sites and Remains (AMASR) Act, 1958.
  - Archaeological Survey of India (ASI)Nodal agency under the Ministry of Culture.
  - Responsible for conservation and maintenance of centrally protected monuments.
- ASI has stated that there is no archaeological evidence supporting the claim of a pre-existing Hindu temple beneath the Taj Mahal.
- Courts generally require prima facie evidence before ordering surveys or investigations.

Static Linkages

- Article 49 – Duty of the State to protect monuments of national importance.
- Article 51A(f) – Fundamental Duty to preserve India's composite cultural heritage.
  - AMASR Act, 1958Protection of ancient monuments and archaeological sites.
  - Regulates construction around protected monuments.
  - AMASR (Amendment) Act, 2010100 m Prohibited Area
  - 200 m Regulated Area
- India is a State Party to the UNESCO World Heritage Convention, 1972.
- UNESCO recognition does not transfer ownership or management; conservation remains the responsibility of the State Party.

Critical Analysis

Significance

- Reinforces evidence-based interpretation of history.
- Highlights the role of ASI in heritage conservation.
- Tests judicial balance between access to justice and frivolous litigation.

Concerns

- Repeated litigation without new evidence burdens the judiciary.
- May affect communal harmony.
- Can undermine scientific archaeology.
- May adversely impact tourism and India's international heritage image.

Way Forward

- Ensure decisions are based on archaeological and documentary evidence.
- Strengthen scientific conservation by ASI.
- Discourage repetitive litigation lacking substantive evidence.
- Promote public awareness through evidence-based history.
- Fulfil constitutional and UNESCO obligations for heritage protection.

For the Indo-Pacific, a 'G Minus 2' strategy

RAJA MANDALA

BY C RAJA MOHAN

PRIME MINISTER Narendra Modi's eastward journey this week — from Indonesia to Australia and New Zealand — marks the consolidation of a new Indo-Pacific approach that might be called "G Minus Two". The idea of a US-China condominium in Asia has always made Indian strategists uneasy. President Donald Trump's occasional references to a G2, along with his administration's decision to discard the Indo-Pacific terminology, have reinforced those anxieties.

Delhi is responding to the new dynamic between Washington and Beijing by expanding its cooperation with the rest of Asia. This is similar to the ways in which several Asian powers are dealing with the changes in US-China relations. The unfolding Asian pattern of "G Minus Two" should help shift India's Indo-Pacific debate away from sterile slogans about American intentions or Chinese ambitions. The more practical question is what India can build with the rest of Asia.

The visits to Delhi by Japanese PM Sanae Takaichi this month and South Korean President Lee Jae-myung in April underlined the urgency in Tokyo and Seoul, two key Asian allies of Washington, to widen their Asian ties. Modi's visits to Jakarta, Melbourne and Auckland point to the same logic — the importance of expanding the geopolitical room for manoeuvre by strengthening cooperation among themselves.

"G Minus Two" is not about Asia turning its back on America. Quite the contrary. Most Asian countries recognise that there can be no stable balance of power in Asia without a sustained US strategic presence. China's rising military weight cannot be balanced by the rest of Asia, even if they act in concert. That is why Japan, South Korea, Australia and New Zealand continue to build on their security partnerships with Washington. If anything, uncertainty under Trump has increased the incentive to bind the US more closely to Asian security.

India and Indonesia, despite their non-aligned tradition, have reached similar conclusions. As China flexes its military muscle, both have intensified defence cooperation with the US. Their "strategic autonomy" under China's shadow rests not on keeping America at arm's length, but on working with it and navigating Trump's mercurial diplomacy. Both Delhi and Jakarta are now "major defence partners" of Washington.

If "G Minus Two" is not about distancing from the US, neither is it about containing China. Every major Asian nation, including India and the three countries Modi is visiting this week, knows that Chinese power in Asia and the Indo-Pacific is a reality that must be managed. They also have to deal with the extraordinary economic interdependence with China.

The Asian objective is to "de-risk" Beijing's weaponisation of interdependence. India's annual trade with China is now at $150 billion. Comparable figures for America's Asian partners underline the same reality: South Korea trades roughly $300 billion with China, Japan more than $300 billion, Australia over $200 billion, while ASEAN's trade with China has crossed the trillion-dollar mark. Commercial decoupling is not a realistic option. The Asian imperative for deeper economic cooperation among the regional powers has been reinforced by Trump's tariff wars. This logic was evident during President Lee's visit, which emphasised strategic economic cooperation, and during PM Takaichi's visit, which expanded the agenda on economic security. Similar themes of economic resilience and defence cooperation will dominate Modi's discussions in Indonesia, Australia and New Zealand.

The objective is neither an anti-China coalition nor an alternative to the American alliance system. Nor is it an attempt to create an independent bloc of middle powers. It is a practical effort to strengthen India's partnerships with the major industrial, technological and maritime powers of Asia.

Japan brings advanced manufacturing, defence technology and infrastructure finance. South Korea offers world-class capabilities in shipbuilding, semiconductors and defence production. Australia has become indispensable in critical minerals, maritime security and the stabilisation of the eastern Indian Ocean. New Zealand offers important opportunities in trade, higher education, agriculture and advanced technologies.

Every major Asian nation, including India and the three countries Modi is visiting this week, knows that Chinese power in Asia and the Indo-Pacific is a reality that must be managed

Whether Washington uses the term Indo-Pacific or not, Indonesia remains the geographical and geopolitical heart of that concept. Sitting astride the confluence of the Indian and Pacific Oceans, it occupies one of the most consequential strategic locations in the world. Greater economic integration between two of Asia's largest markets and deeper security cooperation between Delhi and Jakarta have long been missing links in the regional search for peace and prosperity.

Taken individually, India's partnerships with Japan, South Korea, Indonesia, Australia and New Zealand each advance important national interests. Collectively, however, they create something larger. They widen the strategic space available to all these countries between the US and China.

That is the essence of "G Minus Two".

Asia now has a remarkably capable group of industrial, technological and maritime powers. Together, they account for a substantial share of global manufacturing, innovation, shipping and trade. Their mutual cooperation cannot replace either Washington or Beijing. It can, however, widen Asia's strategic horizons beyond the constricting imagery of a G2 world.

Ultimately, the success of India's "G Minus Two" will depend less on Modi's summit diplomacy than on India's own urgency for internal economic reform and defence modernisation. The more competitive India's economy becomes, and the stronger its defence industrial base grows, the deeper its partnerships with the rest of Asia can be. That, more than the endless speculation about US-China relations and their consequences, will determine India's place in the emerging Asian order.

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KEY HIGHLIGHTS:

Context of the News

- PM Narendra Modi's visits to Indonesia, Australia, and New Zealand signal India's evolving Indo-Pacific strategy amid changing US–China strategic dynamics.
- India is promoting a "G Minus Two" approach—strengthening partnerships with major Indo-Pacific countries rather than viewing regional geopolitics through a US–China (G2) lens.
- The strategy seeks to enhance India's strategic autonomy, economic resilience, and maritime security.

Key Points

- "G Minus Two" refers to expanding cooperation among Indo-Pacific middle and major powers without forming an anti-China bloc.
- India supports a Free, Open, Inclusive and Rules-Based Indo-Pacific (FOIP) based on UNCLOS, 1982.
- The strategy focuses on:
  - Maritime security
  - Supply chain resilience
  - Critical minerals
  - Defence cooperation
  - Emerging technologies
  - Economic security
- Indonesia is central due to its location between the Indian and Pacific Oceans and proximity to the Malacca Strait.
- Australia is India's key partner for:
  - Critical minerals
  - Maritime security
  - Defence logistics
  - Indo-Pacific stability
- Japan and South Korea are important for:
  - Semiconductors
  - Defence manufacturing
  - High technology
  - Infrastructure
- New Zealand offers cooperation in:
  - Agriculture
  - Food processing
  - Education
  - Innovation
- India continues economic engagement with China while reducing strategic vulnerabilities through de-risking, not complete decoupling.

Static Linkages

- Act East Policy
- SAGAR (Security and Growth for All in the Region)
- Indo-Pacific Oceans Initiative (IPOI)
- Quad
- UNCLOS, 1982
- Sea Lines of Communication (SLOCs)
- Strategic importance of:
  - Malacca Strait
  - Sunda Strait
  - Lombok Strait
- Supply Chain Resilience Initiative (SCRI)
- Strategic Autonomy in India's foreign policy.

Critical Analysis

Advantages

- Enhances India's strategic autonomy.
- Diversifies defence and technology partnerships.
- Strengthens maritime security in the Indian Ocean Region.
- Builds resilient supply chains.
- Reduces overdependence on China.
- Expands India's role in Indo-Pacific governance.

Challenges

- Large economic dependence on China.
- Uncertainty in US strategic commitments.
- Limited domestic manufacturing capability.
- Growing geopolitical competition in the Indo-Pacific.
- Need for faster defence modernisation.

Way Forward

- Strengthen Act East Policy implementation.
- Accelerate defence indigenisation.
- Expand critical mineral partnerships.
- Deepen maritime cooperation with Indo-Pacific partners.
- Improve connectivity with ASEAN.
- Build resilient supply chains through trusted partners.
- Enhance cooperation in semiconductors, AI and clean energy.

Our right to walk is broken —just like our footpaths

ANURADHA MASCARENHAS

THE LITTLE girl in a T-shirt and cotton trousers gently opened her umbrella to avoid one loose spoke tearing into the polyester. She pranced about on the footpath, twirling the umbrella to send the raindrops at the end of the spokes scattering around.

It brought out the girl in me, reviving memories of the time when I received my first umbrella, a pink one, from my dad. Would I shed inhibitions and join the little girl with my umbrella? I would have loved to, but I have snapped ligaments in one ankle. It forces me to tread with care on broken footpaths.

I'm particularly wary of the dislodged interlocking tiles on our footpaths, gingerly sidestepping them lest the ankle buckle again. Walking on our footpaths is certainly no pleasure. Worse, the absence of the footpath itself can have serious consequences. In a recent ruling, the Supreme Court recognised the need for safe, demarcated footpaths as a fundamental constitutional right while hearing a man's plea for compensation after his five-year-old son was killed by a tanker while walking on the road.

According to recent news reports, as many as 36,000 pedestrians were killed in accidents on Indian roads in 2024. And as per the Road Safety Network's white paper for 2025, India continues to lose 1.7 lakh lives annually to road accidents, with pedestrians, cyclists and two-wheeler riders at greatest risk.

Remember when the ignored footpath of today was a muse for filmmakers and lyricists? Raj Kapoor as Raju in the 1950s romanticised the footpath in *Awaara*. Later, in *Chhoti Si Baat*, South Mumbai's footpaths witnessed the heartwarming courtship of Arun (Amol Palekar) following Prabha (Vidya Sinha) around, hesitant to profess his love but not knowing that she knew about his interest. In *Rajnigandha*, Deepa (again Vidya Sinha) contemplates her two suitors on the footpath.

The footpath has been lost to congestion, encroachment and unplanned infrastructure. In many cities, it becomes a getaway for two-wheelers in heavy traffic, works as a parking bay or hosts makeshift chai tapris

Over time, the footpath has been lost to traffic congestion, encroachment and unplanned infrastructure. In many cities, it becomes a getaway for two-wheelers in heavy traffic, works as a parking bay or hosts makeshift chai *tapris*. While municipal squads have been acting against illegal shop extensions and mobile hawkers to ensure footpaths remain encroachment-free, city administrators have taken the SC's ruling seriously by initiating measures to ensure the pedestrian's right of way.

The UK's National Health Service (NHS) recently initiated its Movement 26.2 challenge in which adults walking 30 minutes a day for a month are eligible for rewards and discounts. The NHS is concerned that one in six deaths in the UK is due to lack of physical activity. Here, we aren't even asking for such incentives — all we want is good footpaths to walk on.

With better implementation of existing policies, we could perhaps ensure that the monsoon gambol of the little girl with the umbrella on the footpath is no longer an exception.

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KEY HIGHLIGHTS:

Context

- The Supreme Court held that safe and demarcated footpaths form an integral part of the Right to Life under Article 21, while hearing a compensation case involving the death of a child forced to walk on the road due to the absence of a usable footpath.
- The judgment reinforces the constitutional obligation of governments and urban local bodies to ensure safe pedestrian infrastructure.

Key Points

- Article 21 includes the right to safe mobility and dignified access to public spaces.
- Pedestrians are classified as Vulnerable Road Users (VRUs) along with cyclists and two-wheeler riders.
  - MoRTH – Road Accidents in India Report (2024):Around 36,000 pedestrian deaths in road accidents.
  - India records nearly 1.7 lakh road accident fatalities annually.
- Major causes:
  - Absence/discontinuous footpaths.
  - Encroachments and illegal parking.
  - Poor road design and unsafe crossings.
  - High-speed urban traffic.

Static Linkages

- Article 21 – Right to Life and Personal Liberty.
- Article 38 – Promotion of social welfare.
- Article 39(e) & (f) – Protection of health and children.
- Article 243W & Twelfth Schedule – Municipal functions relating to urban planning and roads.
- 74th Constitutional Amendment Act, 1992 – Strengthened Urban Local Bodies.
- Motor Vehicles Act, 1988.
- National Road Safety Policy, 2010.
- National Urban Transport Policy (2006) – "Move People, Not Vehicles."
- SDG 3.6 – Reduce road traffic deaths.
- SDG 11 – Inclusive, safe and sustainable cities.

Critical Analysis

Significance

- Expands the scope of Article 21.
- Promotes people-centric urban planning.
- Strengthens accountability of Urban Local Bodies.
- Supports inclusive mobility for children, elderly and persons with disabilities.

Challenges

- Encroachment of footpaths.
- Weak municipal enforcement.
- Poor urban planning.
- Inadequate pedestrian infrastructure.
- Limited investment in non-motorised transport.

Way Forward

- Develop continuous, obstruction-free footpaths.
- Adopt Complete Streets approach in urban planning.
- Conduct mandatory Road Safety Audits.
- Improve pedestrian crossings, traffic calming and street lighting.
- Strengthen municipal accountability and enforcement against encroachments.
- Promote walking and cycling under sustainable mobility initiatives.

On ethanol, make haste slowly

THE CENTRE is apparently going slow on implementing ethanol blending in petrol beyond the current 20 per cent. The rethink, as reported by this newspaper, comes even as the Finance Ministry, only last month, exempted petrol containing 22, 25, 27 and 30 per cent ethanol from excise duty after the Bureau of Indian Standards had issued specifications for these higher blends. The move to not hurry the transition to 20 per cent-plus blends makes sense. The all-India average ethanol-petrol blending ratio rose from 5 to 10 per cent between 2019-20 and 2021-22. It has since further doubled to 20 per cent, with this blend (E20) being made mandatory for all petrol sold from April 2026. Given how fast it has happened — well before the originally planned 2030 deadline — a pause isn't a bad thing from a policy or practical standpoint.

The pause period should be used by the government to address genuine concerns of motorists. The first has to do with lower mileage because of ethanol's calorific value being 30-35 per cent less compared to that of pure petrol. The second is on account of ethanol's hygroscopic (moisture-absorbing) property, which can lead to corrosion of steel fuel tanks and internal metal components. As it is, only vehicles sold in India after April 2023 have full material compatibility with E20. Handling fuel with ethanol blends may require major overhaul of internal combustion engines and auto parts to resist any potential ethanol-related degradation. Not surprisingly, it's the older car and two-wheeler owners who are feeling short-changed; reduced mileage and wearing of engine parts from ethanol is something they were not told about at the time of purchase before April 2023. All the more reason for transparent communication before embarking on E25 or E30. The government can even consider fiscal measures that would make the higher ethanol-blended fuels cheaper than E20, which will make consumers more receptive to them.

That said, the focus on biofuels and electrification of transport must continue. The risks of 90 per cent crude petroleum import dependency are too high — and the Iran war will not be the last of the global oil supply shocks. India needs a clear, calibrated and forward-looking roadmap for higher ethanol blends that avoid the abruptness of the earlier rollouts. Equally important is the feedstock for producing ethanol. It's certainly not desirable to make ethanol from water-guzzling rice. More effort is required to promote sweet sorghum, bajra and other millets as sustainable feedstocks, with breeding of varieties/hybrids with higher starch content and fermentation efficiencies comparable to maize or sugarcane.

KEY HIGHLIGHTS:

Context of the News

- The Union Government is reportedly slowing the rollout of ethanol blends beyond 20% (E20) despite recent policy measures encouraging higher blends (E22, E25, E27 and E30).
- The Ministry of Finance has exempted higher ethanol-blended petrol from excise duty after fuel specifications were notified by the Bureau of Indian Standards (BIS).
- India achieved 20% ethanol blending (E20) ahead of the original target year (2030), making E20 petrol mandatory nationwide from April 2026.
- The government is now focusing on addressing consumer concerns, vehicle compatibility, and sustainable ethanol feedstocks before moving to higher blends.

Key Points

- Ethanol Blending Programme (EBP) launched in 2003.
- Implemented by the Ministry of Petroleum & Natural Gas (MoPNG).
- Objective:
  - Reduce crude oil imports.
  - Enhance energy security.
  - Lower greenhouse gas emissions.
  - Improve farmers' income.
- India imports nearly 90% of its crude oil requirement, making fuel diversification strategically important.
- E20 denotes 20% ethanol + 80% petrol.
- Vehicles manufactured after April 2023 are generally designed to be compatible with E20 fuel.
- BIS has issued fuel specifications for E22, E25, E27 and E30 blends.
- Major ethanol feedstocks:
  - Sugarcane juice
  - Molasses
  - Damaged food grains
  - Maize
- Concerns:
  - Lower energy content than petrol, reducing mileage.
  - Hygroscopic nature may increase corrosion risks.
  - Older vehicles require modifications.
  - Water-intensive crops like paddy are environmentally unsustainable as ethanol feedstock.

Static Linkages

- India's energy security is closely linked to reducing dependence on imported fossil fuels.
- Ethanol is an oxygenated renewable biofuel produced through fermentation of sugars and starch.
- Biofuels are classified into:
  - First-generation (food crops)
  - Second-generation (agricultural residues)
  - Third-generation (algae-based)
- Sustainable biofuel production must balance:
  - Food security
  - Water security
  - Environmental sustainability
- Crop diversification helps reduce groundwater depletion.
- Millets require comparatively less water than paddy and support climate-resilient agriculture.
- Reduced fossil fuel consumption contributes to India's Nationally Determined Contributions (NDCs) under the Paris Agreement.

Critical Analysis

Advantages

- Reduces crude oil import dependence.
- Improves India's energy security.
- Lowers carbon emissions.
- Creates additional income opportunities for farmers.
- Promotes domestic biofuel industry.
- Supports India's climate commitments.

Concerns

- Reduced fuel efficiency due to lower calorific value.
- Compatibility issues in older vehicles.
- Potential engine corrosion.
- Consumer awareness remains inadequate.
- Excessive reliance on sugarcane and paddy increases water stress.
- Risk of food-versus-fuel conflict.

Stakeholder Perspective

- Government: Energy security and emission reduction.
- Farmers: Additional market for crops.
- Consumers: Concerned about mileage and maintenance costs.
- Automobile Industry: Needs technological adaptation.
- Environmentalists: Prefer non-food and low-water feedstocks.

Way Forward

- Adopt a phased roadmap for E25 and E30 implementation.
- Promote second-generation biofuels from agricultural residues.
- Encourage ethanol production from millets, sweet sorghum and maize.
- Provide fiscal incentives for higher compatible vehicles.
- Launch consumer awareness campaigns on ethanol compatibility.
- Strengthen R&D for efficient engines and sustainable feedstocks.
- Improve ethanol storage and distribution infrastructure.
- Integrate ethanol policy with groundwater conservation and crop diversification strategies.

The safety net and the trade-off

IN RECENT years, several states have introduced cash transfer schemes aimed at women. From the Ladli Behna Yojana in Madhya Pradesh to the Maiya Samman Yojana in Jharkhand and the Magalir Urimai Thogai scheme in Tamil Nadu, these typically involve transfers in the range of Rs 1,000 to Rs 2,500 per month. The quantum of funds channelled through these schemes has increased significantly. In 2025-26, 12 states were estimated to spend Rs 1.68 lakh crore on unconditional cash transfers, as per a report by PRS Legislative Research. To put this in perspective — the Union government allocated Rs 86,000 crore for the MGNREGA in 2025-26.

Unconditional cash transfers have emerged as an instrument of social welfare and empowerment for women, and as an electoral strategy for political parties. A new study — 'Unconditional Women Cash Transfer Programmes in India', EAC-PM Working Paper Series — provides evidence to support these. Examining such schemes in Maharashtra and Odisha, it finds that they have led to improvements in consumption and savings of beneficiaries, raising household welfare, with more being allocated for medical, educational and lifestyle purposes. These are welcome trends, and underline the reasons for the spread of such schemes.

Over the last few years, however, concerns have been expressed that as states allocate more resources for such schemes and populist measures such as free electricity, their ability to spend on other areas gets affected. The central bank has echoed these concerns, saying that they "run the risk of crowding out" investments. This shift to cash transfers has also come at a time of mounting disquiet over state finances. As per a report from Axis Bank, the resources for these schemes are garnered through expenditure switching and higher deficits. While the consolidated debt of states has fallen from 31 per cent in March 2021 to 29.2 per cent in 2026 (budget estimates), there is a marked variation across states. For instance, Punjab has a debt burden of 46.4 per cent of the GSDP, West Bengal 38.9 per cent and Bihar 36.8 per cent. "High debt levels, growing contingent liabilities from guarantees and cash transfer schemes pose risks to state finances," the RBI noted. This requires closer attention.

KEY HIGHLIGHTS:

Context

- Several States have expanded unconditional cash transfer schemes for women (e.g., Ladli Behna–MP, Maiya Samman–Jharkhand, Magalir Urimai Thogai–Tamil Nadu).
- Monthly assistance generally ranges between ₹1,000–₹2,500.
- PRS Legislative Research (2025–26): 12 States budgeted about ₹1.68 lakh crore on such schemes.
- Union Budget 2025–26: Allocation for MGNREGA – ₹86,000 crore.
- EAC-PM Working Paper: Cash transfers improved household consumption, savings, spending on health and education.
- RBI cautioned that excessive welfare spending may crowd out capital expenditure and weaken State finances.

Key Points

- Nature: Unconditional Direct Benefit Transfer (DBT) to eligible beneficiaries.
- Purpose: Income support, women's empowerment, poverty alleviation.
- Delivery: Direct transfer through JAM (Jan Dhan–Aadhaar–Mobile) architecture.
- Estimated State expenditure (2025–26): ₹1.68 lakh crore (PRS).
- Comparison: Exceeds MGNREGA allocation (₹86,000 crore).
  - EAC-PM FindingsHigher household consumption.
  - Increased savings.
  - Better spending on education, health and nutrition.
  - RBI ConcernsCrowding out productive public investment.
  - Higher fiscal deficits.
  - Rising contingent liabilities.
  - High Debt States (BE 2026)Punjab – 46.4% of GSDP
  - West Bengal – 38.9%
  - Bihar – 36.8%

Static Linkages

- Welfare State.
- Directive Principles of State Policy (Articles 38, 39, 41, 46).
- Fiscal Responsibility and Budget Management (FRBM) framework.
- Direct Benefit Transfer (DBT).
- JAM Trinity.
- Revenue Expenditure vs Capital Expenditure.
- Fiscal Deficit and Public Debt.
- Fiscal Federalism.

Critical Analysis

Advantages

- Enhances women's financial autonomy.
- Reduces poverty and income vulnerability.
- Improves nutrition, healthcare and education outcomes.
- Promotes financial inclusion through DBT.
- Stimulates rural demand and local consumption.

Concerns

- Increases revenue expenditure.
- May reduce capital expenditure on infrastructure.
- Can widen fiscal deficit and public debt.
- Risk of competitive populism among States.
- Limited impact on employment generation and productivity.

Way Forward

- Improve targeting using verified socio-economic databases.
- Balance welfare expenditure with capital investment.
- Ensure compliance with FRBM targets.
- Conduct periodic outcome-based evaluation.
- Link cash support with skilling, livelihood and employment programmes.
- Strengthen States' own tax revenues and fiscal sustainability.