Editorial of the Day – 26.03.2026

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1. An energy transition driven by ethics (TH)

GS Paper IV- Ethics

Topic- Environmental Ethics.

Sub-Topic- Environmental Ethics.

1. Introduction

India's energy strategy is at a crossroads. While the nation aims for a green transition, the immediate reality is a heavy reliance on fossil fuel imports, which exposes the economy to volatile geopolitical shocks. The 2026 West Asia conflict has highlighted that an energy transition is not merely a technical or economic shift but a strategic and ethical imperative to ensure long-term sovereignty and climate justice.

2. Fossil Fuel Dependence & Geopolitical Risks

The recent disruptions in the Strait of Hormuz have demonstrated the fragility of the "Old Energy Order"-

National Security Threat- Heavy reliance on external fossil fuels undermines India's economic sovereignty and national security.

Import Vulnerability- India currently imports approximately 60% of its crude oil from the West Asian region.

The Hormuz Factor- The closure of key maritime routes like the Strait of Hormuz has triggered force majeure declarations, leading to supply shortages and emergency fiscal responses.

The Transition Risk- An abrupt move away from fossil fuels without a robust alternative could destabilize industrial growth and cause economic "shocks."

3. The Ethics of Global Energy Inequality

A transition "driven by ethics" must acknowledge the historical divide between the Global North and South-

Historical Privilege- Developed nations utilized cheap fossil fuels for decades to build their economic might.

The Developing Dilemma- Developing nations like India are now pressured to transition at an accelerated pace, often despite limited financial and technological readiness.

Climate Frustration- Growing dissatisfaction with global climate forums (like recent COPs) stems from the lack of "Common but Differentiated Responsibilities" (CBDR).

Sustainability vs. Growth- India must solve the "Trilemma" of balancing immediate economic growth with long-term sustainability and energy affordability.

4. The Renewables Paradox- Critical Mineral Dependency

Transitioning to solar and wind does not eliminate dependency; it changes its nature-

From Molecules to Minerals- While renewables rely on free sources (sun/wind), the infrastructure requires Critical Minerals like Lithium, Cobalt, and Rare Earth Elements (REE).

Supply Chain Concentration- Unlike oil, which is found in many regions, the processing of critical minerals is highly concentrated.

The China Factor- China dominates the processing of Lithium and Cobalt, posing a new strategic challenge for India's renewable expansion.
Manufacturing Risks- Any disruption in the supply of components like magnets or turbines can halt the entire green energy trajectory.

5. Economic Trade-offs & Strategic Choices

The transition is often dictated by the price at the pump rather than the health of the planet-
Investment Barriers- Renewable energy requires massive upfront capital investment, making it less attractive when fossil fuel prices are artificially low.
The Volatility Incentive- Ironically, geopolitical crises and high oil prices make renewables economically viable much faster.
Fiscal Priorities- In times of peace, governments often prioritize short-term fiscal stability (subsidizing fuel) over the long-term investment needed for a transition.
Strategic De-risking- There is an urgent need to shift focus from "importing energy" to "domestic production and supply chain security."

6. India's Path- Ethics over Fear

For a truly sustainable transition, the motivation must move beyond "energy insecurity"-
Fear vs. Responsibility- Policies driven solely by the fear of supply disruptions (energy insecurity) may not sustain long-term systemic change.
Ethical Mining- A transition is only "green" if it addresses the environmental damage and human rights violations often associated with critical mineral mining.
Calibrated Approach- India must utilize a mix of domestic resources (including coal and gas in the interim) while aggressively diversifying its mineral import sources to avoid "replacing one dependency with another."

Conclusion

India's energy future must be anchored in a Dual-Front Strategy- reducing fossil fuel risk while securing the mineral pipelines of the future. The transition should be viewed not just as a reaction to geopolitical shocks in West Asia, but as a proactive commitment to Environmental Ethics and resilient economic planning. Only a calibrated, multi-source approach will ensure that India's path to 2070 is both secure and just.

Source- [https-//www.thehindu.com/opinion/op-ed/an-energy-transition-driven-by-ethics/article70785393.ece](https://www.thehindu.com/opinion/op-ed/an-energy-transition-driven-by-ethics/article70785393.ece)

Question

"The transition from fossil fuels to renewable energy is often framed as a technical necessity, yet it is profoundly an ethical choice. Discuss the ethical dilemmas India faces in balancing immediate energy security with long-term environmental responsibilities and global climate justice." (250 Words, 15 Marks)

1. Introduction

Energy is the lifeblood of modern civilization, but its source defines the ethical character of a nation. As India faces disruptions in the Strait of Hormuz, the urge to transition to renewables is high. However, this transition is not just about changing "fuels"; it is about navigating the ethical tensions between utilitarianism (the greatest good for the greatest number now) and deontological duties (the obligation to protect the planet for future generations).

2. Ethical Dilemmas in India's Energy Path

The "Right to Development" vs. "Ecological Duty"- India has millions of citizens still rising out of energy poverty. Is it ethical to sacrifice their immediate need for cheap (fossil-fuel-based) electricity at the altar of global green goals that were largely necessitated by the historical emissions of the Global North? This represents a conflict between Inter-generational Equity and Intra-generational Justice.

National Security vs. New Dependencies- Relying on West Asian oil is a risk, but moving toward Critical Minerals (Lithium, Cobalt) processed by a single dominant power (China) creates a new ethical vulnerability. A state's primary ethical duty is to protect its citizens' Sovereignty, which may be compromised by a hasty, ill-planned transition.

The "Dirty" Side of Green Tech- Renewable infrastructure requires minerals often mined in conditions involving human rights violations (e.g., child labour in cobalt mines) or severe local ecological destruction. Using "clean" energy produced through "unethical" mining practices presents a classic ethical inconsistency.

3. The Concept of "Climate Justice" (Ethics of Equality)

Historical Responsibility- Ethical energy transition must be grounded in the principle of "Common but Differentiated Responsibilities" (CBDR). It is ethically unfair to expect a developing nation to bear the same burden as nations that achieved prosperity through two centuries of carbon-heavy growth.

Equity in Access- An ethical transition ensures that green technology is not just for the wealthy. If the shift to renewables makes power unaffordable for the poor, it fails the "Rawlsian Veil of Ignorance" test—where the most vulnerable should be the primary consideration in policy design.

4. A Framework for an Ethically Driven Transition

Calibrated Decarbonization- Ethics requires a "Middle Path" (Madhyamaka). India should utilize domestic coal as a bridge while building green capacity, ensuring the economy doesn't collapse during the transition.

Diversified and Ethical Sourcing- India must ensure its supply chains for minerals are transparent and free from human rights abuses, moving beyond "lowest cost" to "highest ethical standard" in procurement.

Global Solidarity- Developed nations have an ethical debt to provide technology transfer and green finance to developing nations, transforming the transition from a competition into a collaborative moral act.

5. Conclusion

An energy transition driven purely by geopolitical fear is fragile; one driven by ethics is sustainable. India's journey to 2070 must be a moral one, where the search for energy security does not come at the cost of human dignity or planetary integrity. Ultimately, the transition should be viewed as an act of Stewardship, where we hold the earth's resources in trust for the future while meeting the urgent needs of the present.

Source- https-//www.thehindu.com/opinion/op-ed/an-energy-transition-driven-by-ethics/article70785393.ece

2. FCRA Amendment Bill introduced in Lok Sabha, Opposition calls it 'draconian', 'dangerous' (IE)

GS Paper II - Governance & Constitution

Topic- Development processes and the development industry — the role of NGOs, SHGs, various groups and associations, donors, charities, institutional and other stakeholders.

Sub-Topic- Statutory/Regulatory Bodies (FCRA), Fundamental Rights (Article 14, 19), and Executive vs. Legislative Powers.

1. Introduction

In March 2026, the Union Government moved to further tighten the screws on foreign funding through the FCRA Amendment Bill. While the state aims to "sanitize" the flow of foreign capital into the social sector to prevent anti-national activities, the move has faced stiff resistance. Critics argue the Bill creates a "draconian" level of executive discretion, potentially transforming the regulatory "watchdog" into a "gatekeeper" that could stifle dissent and grassroots advocacy.

2. The FCRA Framework- Origins and Evolution

Understanding the current Bill requires looking at the legislative trajectory of the Foreign Contribution (Regulation) Act-

Historical Roots- Originally enacted in 1976 during the Emergency to prevent foreign interference in domestic politics.

The 2010 Pivot- Replaced by the FCRA 2010 to consolidate the law on utilizing foreign funds for activities detrimental to national interest.

Tightening the Reins- Subsequent amendments in 2016, 2018, and 2020 introduced mandatory Aadhaar for key functionaries, restricted administrative expenses, and barred the sub-granting of funds.

Economic Scale- Today, approximately 16,000 registered associations receive nearly ₹22,000 crore annually, highlighting why the state views this sector as a significant regulatory domain.

3. Key Features of the FCRA Amendment Bill, 2026

The 2026 Bill introduces several "high-intensity" regulatory shifts-

Designated Authority for Asset Control- Proposes a central authority empowered to seize, manage, and dispose of assets created via foreign funds if a license is cancelled or surrendered.

Vesting of Contributions- In cases of registration cessation, foreign contributions and related assets may be transferred directly to government control.

Expanded Executive Discretion- Many core procedural aspects—timelines, management methods, and exemptions—are left to executive rule-making, rather than being explicitly defined in the statute.

Prior Investigation Approval- Mandatory prior approval from the Central Government is required before enforcement agencies can initiate probes against an NGO.

4. The Government's Rationale- Security & Accountability

The state justifies these stringent measures on four primary grounds-

National Security- Concerns that foreign funds might be funnelled into activities that incite internal unrest, religious conversions, or biased political lobbying.

Financial Integrity- Preventing the diversion of non-profit funds for the personal gain of office-bearers.

Transparency- Ensuring a granular, real-time "paper trail" for every rupee entering the country from abroad.

Sovereignty- Aligning with global trends where nations (including Western democracies) are increasingly wary of "foreign influence" in their domestic social and political fabric.

5. Critical Concerns- The Civil Liberties Perspective

Critics and opposition parties have flagged several constitutional and functional risks-

Doctrine of Excessive Delegation- By leaving essential legislative functions to "rules" decided by bureaucrats, the Bill may violate the constitutional principle that the legislature cannot abdicate its core functions.

Article 14 (Arbitrariness)- Broad discretionary powers could lead to selective targeting of NGOs that are critical of government policies, undermining the right to equality.

Shrinking Democratic Space- NGOs often fill gaps in health, education, and environmental advocacy; excessive compliance may force smaller, grassroots organizations to shut down.

Trust Deficit- The requirement for prior government approval for investigations might actually shield "favoured" organizations while allowing the state to stall or initiate probes based on political convenience.

6. Constitutional and Legal Dimensions

The Bill will likely be tested against established legal doctrines-

Article 19(1)(c)- While citizens have the freedom to form associations, the state can impose "reasonable restrictions" in the interest of sovereignty and public order.

Doctrine of Proportionality- The Supreme Court has consistently held that any state restriction must be the "least intrusive" method to achieve a legitimate goal.
Judicial Balance- While courts generally defer to the state on "national security" matters, they emphasize that procedural fairness and non-arbitrariness are non-negotiable.

7. Implications for Governance and Development

Impact on Social Sectors- A potential drop in foreign funding could hit "hard-to-reach" areas where NGOs are primary service providers in health and disaster relief.
Ease of Doing "Social Work"- The rising compliance burden may deter young professionals and philanthropists from entering the non-profit sector.
Global Perception- India's regulatory stance on NGOs is often cited in international indices regarding civic space and democratic health, impacting the nation's "soft power."

8. Conclusion

The FCRA Amendment Bill, 2026, is a classic example of the tension between a "protective state" and a "participatory democracy." While preventing the misuse of foreign funds is a legitimate state interest, the path to transparency should not lead to the permanent "statization" of civil society assets. A balanced approach—where regulation is rule-based rather than discretion-based—is essential to ensure that national security and civil liberties can coexist.
Source- [https-//indianexpress.com/article/india/fcra-amendment-bill-introduced-in-lok-sabha-opposition-calls-it-draconian-dangerous-10601544/](https://indianexpress.com/article/india/fcra-amendment-bill-introduced-in-lok-sabha-opposition-calls-it-draconian-dangerous-10601544/)

3. Pn3, Amidst Fragile Capital Flows (BL)

General Studies Paper III – Indian Economy
Topic- Investment models (FDI)
Sub-Topic- Economic reforms and liberalisation

Introduction

India's FDI policy has undergone a calibrated shift with the easing of Press Note 3 (PN3) norms, particularly for countries sharing land borders. This move reflects an attempt to attract long-term capital amid fragile global investment flows, but it raises concerns regarding strategic, economic, and regulatory implications.

1. What is PN3 Policy?

1. Introduced in 2020 to regulate FDI from countries sharing land borders with India.
2. Mandates government approval route for such investments.
3. Aimed to prevent opportunistic takeovers during economic stress (COVID-19).

2. Recent Policy Shift

1. Partial easing allows limited automatic route investments (up to 10%) in certain sectors.
2. Signals a pragmatic approach to attract capital, especially from China.
3. Reflects need to balance economic growth with national security concerns.

3. Context- Fragile Capital Flows

Declining FDI Inflows

1. FDI inflows have slowed compared to previous years.

Rising Outward FDI

1. Indian firms increasingly investing abroad.

Global Uncertainty

1. Geopolitical tensions and economic slowdown affecting investment sentiment.

4. Key Concerns

National Security Risks

1. Investments from neighbouring countries may raise strategic vulnerabilities.

Dependence on Foreign Capital

1. Over-reliance may weaken domestic investment capacity.

Outward Investment Puzzle

1. Indian firms investing abroad despite domestic capital needs.

5. Economic Implications

Boost to Investment

1. Easing norms can increase capital inflows and economic activity.

Technology Transfer

1. Potential gains in innovation and manufacturing capacity.

Balance of Payments Impact

1. Influences external sector stability.

6. Structural Issues Highlighted

Weak Domestic Investment

1. Private sector investment remains subdued.

Policy Uncertainty

1. Frequent regulatory changes affect investor confidence.

Capital Allocation Inefficiency

1. Outward FDI suggests better opportunities abroad than domestically.

7. Way Forward

Balanced FDI Policy

1. Combine openness with strategic safeguards.

Strengthening Domestic Investment

1. Improve ease of doing business and infrastructure development.

Regulatory Stability

1. Ensure predictable policies to enhance investor confidence.

Monitoring Strategic Sectors

1. Safeguard critical sectors from unwanted foreign control.

Conclusion

India’s easing of PN3 norms reflects a pragmatic response to global capital flow challenges. However, sustaining growth requires a balanced approach that promotes domestic investment, ensures national security, and leverages foreign capital effectively.

Source- https-//www.thehindubusinessline.com/opinion/pn3-amidst-fragile-capital-flows/article70784807.ece

UPSC Mains Practice Question

Q. Discuss the rationale behind India’s Press Note 3 (PN3) policy and analyse the implications of its recent easing in the context of fragile global capital flows. (250 words)

Model Answer

Introduction

Press Note 3 (PN3), introduced in 2020, aimed to regulate FDI from neighbouring countries to prevent opportunistic takeovers. Recent easing reflects changing economic priorities.

Rationale

1. National Security

1. Prevent strategic acquisitions during economic vulnerability.

2. Economic Stability

1. Ensure controlled foreign investments.

Implications of Easing

1. Increased Capital Inflows

1. Boost investment and growth.

2. Strategic Concerns

1. Risk of foreign control in sensitive sectors.

Conclusion

A balanced FDI policy is essential to harness foreign investment while safeguarding national interests. Stability and transparency will be key to long-term economic growth.

Source- https-//www.thehindubusinessline.com/opinion/pn3-amidst-fragile-capital-flows/article70784807.ece

4. Economic Interdependence and War (BS)

General Studies Paper III – Indian Economy

Topic- Economic development, globalisation, energy security

Sub-Topic- International relations, global order

Introduction

Economic interdependence was long believed to reduce the likelihood of conflict by creating mutual dependence among nations. However, recent geopolitical crises reveal that interdependence can also become a source of vulnerability and leverage, reshaping the dynamics of modern warfare.

1. Concept of Economic Interdependence

1. Refers to mutual reliance between countries for trade, energy, and supply chains.
2. Based on the idea that economic ties promote peace and cooperation.
3. Strengthened through globalisation and integration of markets.

2. Changing Reality- Interdependence as a Weapon

Weaponisation of Trade and Energy

1. Countries use sanctions, trade restrictions, and energy supplies as strategic tools.

Supply Chain Disruptions

1. Conflicts disrupt global flows of oil, gas, semiconductors, and food.

Geoeconomic Competition

1. Economic tools increasingly used to achieve strategic objectives.

3. Case Study Insights (West Asia Conflict Context)

Energy Markets

1. Disruptions in key chokepoints impact global oil and gas prices.

Regional Spillovers

1. Smaller economies face inflation, trade shocks, and instability.

Industrial Impact

1. Sectors like electronics and manufacturing suffer due to supply constraints.

4. Limitations of Interdependence

Failure to Prevent Conflict

1. Economic ties do not necessarily deter strategic or ideological conflicts.

Asymmetric Dependence

1. Countries dependent on specific resources are more vulnerable to coercion.

Global Inequality

1. Benefits of interdependence are uneven, increasing economic disparities.

5. Strategic Implications

Shift to Resilience

1. Countries prioritise self-reliance and diversification of supply chains.

Fragmentation of Global Order

1. Emergence of regional blocs and protectionist policies.

Increased Uncertainty

1. Global economy becomes more volatile and unpredictable.

6. Implications for India

Energy Security

1. Need to reduce dependence on imported oil and gas.

Supply Chain Diversification

1. Strengthen domestic manufacturing and alternative trade routes.

Strategic Autonomy

1. Balance economic engagement with national security priorities.

7. Way Forward

Diversification Strategies

1. Reduce reliance on single sources for critical resources.

Strengthening Domestic Capacity

1. Promote Atmanirbhar Bharat in key sectors.

Multilateral Cooperation

1. Work with global partners to ensure stable supply chains.

Conclusion

Economic interdependence is no longer a guarantee of peace but a double-edged sword. Countries must balance integration with resilience to navigate a world where economic ties can both connect and constrain.

Source- https://www.business-standard.com/amp/opinion/columns/in-an-interconnected-world-war-s-costs-spiral-far-beyond-just-borders-126032501349_1.html

UPSC Mains Practice Question

Q. "Economic interdependence does not necessarily prevent conflict but can become a tool of strategic leverage." Discuss with examples and examine its implications for India. (250 words)

Model Answer

Introduction

Economic interdependence refers to mutual reliance among nations for trade and resources. While it was expected to promote peace, recent conflicts show it can also be used as a strategic tool.

Analysis

1. Weaponisation of Interdependence

1. Use of sanctions and supply restrictions.

2. Supply Chain Vulnerability

1. Disruptions in energy and critical sectors.

3. Asymmetric Dependence

1. Unequal reliance creates strategic leverage.

Implications for India

1. Energy Security

1. Need for diversification of imports.

2. Supply Chain Resilience

1. Strengthen domestic production.

Conclusion

Economic interdependence must be balanced with resilience strategies. India should adopt a diversified and self-reliant approach to safeguard its interests.

Source- https-//www.business-standard.com/amp/opinion/columns/in-an-interconnected-world-war-s-costs-spiral-far-beyond-just-borders-126032501349_1.html