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THE HINDU



The Indian EXPRESS

SUMMARY OF IMPORTANT EDITORIALS

26th Mar 2026

TOPICS:-

- 1. An energy transition driven by ethics**
(GS Paper III - Economy)
- 2. In informal economy, mapping the lag**
(GS Paper III - Economy)
- 3. Amid troubled times, legal framework must insulate data centres against risks**
(GS Paper III - Science & Technology)

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1. AN ENERGY TRANSITION DRIVEN BY ETHICS

(GS Paper III - Economy)

This editorial 'An energy transition driven by ethics' was published in **The Hindu** on 26th Mar 2026, highlights that the **shift to renewable energy** must be **guided by ethics**, not merely by geopolitical fear or fossil fuel shocks.

Fossil dependence and strategic vulnerability

- **Fossil fuels** erode **national security** by creating dependence, subservience and rising economic costs.
- The **West Asia** war has hurt India disproportionately because nearly **60% of crude oil** comes from the region.
- Closure of the **Strait of Hormuz** forced state-run refineries to declare **force majeure**.
- Pushing India to abandon coal or domestic gas before renewable maturity could cause **industrial collapse**.
- Western impatience ignores that advanced economies earlier used **fossil fuels** to build strategic reserves and strength.
- India's present dependence on West Asian fossil fuels has made its economy hostage to the region's **geopolitical crisis**.

Renewables and the mineral bottleneck

- Installed **solar panels** and **wind turbines** cannot be embargoed because they generate as long as the sun shines and wind blows.
- **Critical minerals** remain a major bottleneck because many sectors, from electronics to missile targeting, depend on them.
- Mineral supply chains are even more concentrated than oil, though **OPEC+** controls around **40% of global oil** production.
- The **Democratic Republic of the Congo** and **Australia plus Chile** extract most cobalt and lithium respectively.
- **China** processes almost **60% of lithium**, **70% of cobalt**, and **90% of rare-earth elements**.
- A blockade of renewable hardware components or rare-earth magnets could be as damaging as an **oil blockade**.

Price shocks, transition incentives and India

- The present lesson against fossil fuels appears sharper because of the prevailing **oil situation**.

- If **Brent crude** had remained at **\$65 a barrel**, renewable trade-offs would look more like a moral luxury.
- War-driven price shocks can push governments away from fossil fuels by improving renewable economics.
- Without war, high upfront renewable costs make them less attractive when **oil is cheap**.
- Offshore wind payback may be **15 years**, but a **50% gas price** jump could reduce it to **4-5 years**.
- Without conflict, governments would likely prioritise **fiscal responsibility** over **energy sovereignty**.
- For India, stable oil supply could allow a gradual transition while continuing domestic coal and cheap imported gas.
- A prolonged **Hormuz blockade** could still force India to accelerate renewable investment because it has no choice.

Ethics as the durable basis of transition

- The editorial rejects **fear** as an effective long-term tool for driving climate action.
- Simon Stiell's emphasis on **national security** is presented as a fear-based argument.
- Fear weakens once countries imagine ways to outmanoeuvre new threats.
- What should sustain renewables is **ethics**, not temporary geopolitical panic.
- Renewables should be adopted to **save the planet**, not merely to save the economy for another month.
- When oil is cheap, the environmental cost of **lithium mining** may receive less public scrutiny.
- **Human rights** abuses in Congolese cobalt mines deserve scrutiny irrespective of fossil fuel prices.

BEYOND EDITORIAL

Building a just and resilient energy transition architecture

- **Energy security must remain central:** India cannot expand **renewables** while ignoring oil shocks seen after the **Hormuz** crisis.
- **A just transition is essential:** Coal regions like **Jharkhand** need reskilling, investment and social protection during the shift.

- **Critical mineral resilience is necessary:** India is pursuing **KABIL** projects in Argentina, Australia and Chile to secure supplies.
- **Domestic manufacturing needs strengthening:** The **PLI** scheme for solar modules aims to cut imports and build nearly **48 GW** capacity.
- **Grid and storage capacity are indispensable:** Projects like **Green Energy Corridor** show transmission is as vital as generation.
- **Ethical sourcing must be institutionalised:** Clean energy cannot rely on abusive **mining practices** in places like Congo's cobalt chain.
- **Policy stability should guide the transition:** Schemes like **PM Surya Ghar** show stable incentives can scale household solar adoption.

2. IN INFORMAL ECONOMY, MAPPING THE LAG

(GS Paper III - Economy)

This editorial 'In informal economy, mapping the lag' was published in **The Indian Express** on 26th Mar 2026, highlights that **despite expansion** in India's **informal sector**, **weak productivity and earnings** growth show it is lagging behind the broader economy.

Expansion in establishments and employment

- **ASUSE 2025** maps changes in the **informal sector** for January-December 2025 against 2023-24.
- Informal sector here covers **unincorporated non-agricultural enterprises**, excluding agricultural units.
- Total establishments rose from **7.34 crore** in ASUSE 2023-24 to **7.92 crore** in ASUSE 2025.
- The increase of nearly **8%** was described by **MoSPI** as healthy.
- Employment also expanded, with **74.5 lakh** more people working in the sector.
- Total informal-sector employment reached about **12.8 crore workers** in January-December 2025.
- Employment growth of **6.2%** was presented by MoSPI as evidence of a robust labour-market expansion.

Productivity and income signals of weakness

- Headline expansion masks clear **sluggishness** in the informal economy.
- **Gross Value Added** rose only **4.5%**, from **Rs 1.56 lakh crore** to **Rs 1.62 lakh crore**.

- Establishments grew more slowly at **2.85%**, reaching **Rs 2,521 lakh**.
- The modest rise in **GVA** suggests weak labour productivity across the sector.
- Earnings per worker increased by just **3.9%** in 2025.
- This was a sharp fall from the **13%** rise recorded between the 2023 and 2024 survey periods.
- Even the **74.5 lakh** jobs added in 2025 were fewer than the new jobs created in 2024.

Macroeconomic implications and policy message

- **ASUSE** provides an important input for estimating India's **GDP**.
- It also matters for policymaking in sectors linked to **MSMEs**, textiles and allied activities.
- While overall GDP growth stayed close to **9%** in nominal terms, the informal sector lagged behind.
- Informal-sector output growth remained weaker than aggregate economic expansion.
- Value creation per worker also trailed the broader economy.
- The data strengthens the case for moving more people into the **formal sector**.
- It also underlines continuing vulnerabilities among firms in the **informal economy**.

BEYOND EDITORIAL

Pathways to formalisation without harming livelihoods

- **Formalisation must be gradual:** India cannot treat **informal workers** as marginal when **ASUSE 2025** still shows their vast economic presence.
- **Compliance costs need reduction:** Simple digital entry through **Udyam Registration** can lower barriers for small firms entering the formal economy.
- **Credit access must improve:** **MUDRA** and **Udyamimitra** show that formal identification can widen loan access for micro enterprises.
- **Social security should expand:** The **e-Shram** portal, with over **31.58 crore cards**, shows protection must accompany formalisation.
- **Productivity support is essential:** Formalisation must raise **value addition**, not merely numbers, through technology, skilling and market access.
- **Urban policy has a role:** Schemes like **PM SVANidhi** show vendors need legal recognition and easier working-capital support.
- **Formalisation should raise incomes:** The real test is whether **workers' earnings** and enterprise productivity improve, not just registration counts.

3. AMID TROUBLED TIMES, LEGAL FRAMEWORK MUST INSULATE DATA CENTRES AGAINST RISKS

(GS Paper III - Science & Technology)

This editorial ‘Amid troubled times, legal framework must insulate data centres against risks’ was published in **The Indian Express** on 26th Mar 2026, highlights that **India’s data-centre push** needs legal safeguards against geopolitical, environmental and data-sovereignty risks.

Tax incentive and India’s AI ambition

- India seeks to become an **AI infrastructure** hub, with a **21-year tax holiday** for foreign data-centre investors.
- The policy goal is to attract large investments after data-centre pledges worth **\$240 billion** followed February’s AI summit.
- Data centres are the computing backbone for **AI**, cloud storage and digital services.
- The editorial questions whether foreign-owned data infrastructure on Indian soil can create **geopolitical risks**.
- Environmental pressures from high **power** and **water** use also require stronger regulatory oversight.
- Indian companies running data centres do not receive this tax holiday, making the move asymmetrical.

Limits of the tax-holiday design

- The tax break aims to prevent taxation in India for firms taxed in their home country on **significant economic presence**.
- Such presence can arise when companies contract to download data or software above a prescribed limit without physical presence.
- **DTAAs** usually reduce these risks, but the **Tiger Global** ruling has reopened scrutiny where commercial substance is weak.
- To qualify, foreign firms must procure services from a **specified data centre** approved under a MeitY-linked scheme.
- Under **FDI** rules, Indian residents must hold over **50% shares** for a company to count as Indian-owned.
- The scheme also requires resale in India to be routed through an **Indian reseller**.
- Yet there is no **technology-transfer** condition, limiting gains in domestic capability and manufacturing.

Strategic dependence and sanction exposure

- Under the prevailing **India-US trade** framework, Indian firms remain more likely to import US equipment than build domestic capacity.
- The editorial argues that Indian-owned and operated centres, routing Indian sales through Indian firms, reflect valid **data sovereignty** concerns.
- Global tensions have shown digital infrastructure can be weaponised in a **troubled geopolitical** environment.
- Iran's attacks on **AWS** data centres in the UAE and Bahrain highlighted risks to critical digital infrastructure.
- Iran also reportedly listed major US technology firms, including data centres, as **enemy technology infrastructure**.
- The **US CLOUD Act** allows US law enforcement to compel access to overseas-stored data.
- In 2025, the **International Criminal Court** prosecutor reportedly lost access to email after US sanctions, showing coercive leverage.

Legal uncertainty under sanctions and privacy law

- Indian ownership alone does not shield specified data centres from **international sanctions** exposure.
- Even a minority foreign stake can create vulnerability, as shown by the **SAP-Nayara** dispute before the Delhi High Court.
- SAP withdrew services to **Nayara Energy** after EU sanctions because Rosneft, a Russian state oil company, held a **49% stake**.
- Though Nayara and SAP India were Indian companies, the Court did not grant Nayara interim protection.
- It is also unclear whether specified data centres fully comply with the **Digital Personal Data Protection Act, 2023**.
- **Section 17** exempts some cross-border processing tied to contracts, which could exclude foreign providers from liability before the **Data Protection Board**.
- Yet **Section 8(1)** still requires compliance with the DPDP Act irrespective of contractual terms, creating legal ambiguity.

Environmental and innovation safeguards needed

- The Budget move offers tax certainty, but misses stronger safeguards on **environmental standards** and **domestic innovation**.
- The editorial rejects dismissing water concerns as a Western luxury in a country facing severe **water stress**.

- India holds about **18% of the world's population** and **4% of freshwater**, making such risks serious.
- The **World Resources Institute** reports that 50 existing Indian data centres are in zones facing high water stress.
- MeitY should impose environmental standards, including **water-use reduction**, on foreign companies.
- The scheme should also require **knowledge transfer** and direct incentives for Indian operators.
- Without these, India remains only in the infrastructure tier of the **AI value chain**, not the capability tier.

BEYOND EDITORIAL

Need to treat data centres as strategic digital infrastructure

- **Strategic classification is necessary:** Data centres now support AI, cloud services and digital governance, making them infrastructure, not mere real estate.
- **National resilience must be built in:** India's **Budget 2026-27** itself treats data centres as part of critical digital infrastructure.
- **Security governance should be formalised:** The NCIIPC framework for protected systems already requires an **ISSC** and a **CISO**.
- **Continuity standards are essential:** Protected-system rules require regular **log backups**, incident reporting and real-time coordination with NCIIPC.
- **Public digital capacity matters too:** NIC already provides secure and resilient DC and cloud services, showing the state's parallel role.
- **Scale makes regulation urgent:** India's installed **data-centre capacity** is about **1,280 MW** and may grow four to five times by 2030.
- **AI ambitions require infrastructure discipline:** The **IndiaAI Mission** seeks a broader AI ecosystem, so data-centre resilience becomes foundational to future capability.