EDITORIALS - 17TH SEP 2026

1. Mining amendment is unfair to States (GS Paper III Economy)

This editorial '**Mining amendment is unfair to States**' was published in **The Hindu** on 17th Sep 2026, highlights how **central restrictions** on **mineral taxation** threaten States' fiscal autonomy and India's federal balance.

Mining Economy and the 2026 Amendment

- Mineral-rich States gain investment and employment but bear **displacement**, environmental damage, infrastructure pressure and **resource exhaustion**.
- Section 9D of the **MMDR Amendment Act, 2026** restricts State taxes, cesses and levies on **mineral rights** and mineral-bearing land.
- The Centre argues that **tax predictability** prevents excessive levies and encourages **long-term mining investment**.
- Although States receive royalty and auction revenues, the amendment may restrict their **future revenues** and increase **Central dependence**.

Fiscal Consequences for Mineral-Rich States

- Minerals provide States a **natural economic advantage**, which Section 9D limits by centralising control over related **fiscal resources**.
- **Odisha and Chhattisgarh** perform strongly in NITI Aayog's Fiscal Health Index, partly through effective **mining revenue** mobilisation.
- Mining districts require greater **public expenditure** because States bear extraction-related environmental, infrastructural and **social costs**.

Constitutional and Federal Concerns

- **Entry 50** empowers States to tax mineral rights, subject to parliamentary limitations imposed through mineral development laws.
- **Entry 49** separately grants States exclusive constitutional power to tax **lands and buildings**, including mineral-bearing land.
- In **Mineral Area Development Authority v. SAIL (2024)**, the Supreme Court held that royalty is not tax and affirmed **State taxation powers**.
- Section 9D may neutralise this judgment by extending Central restrictions from mineral rights to **mineral-bearing land**, raising questions of **legislative competence**.
- India's **fiscal federalism** weakens when States retain extraction-related responsibilities without adequate revenue capacity or **policy autonomy**.

Beyond Editorial

Framework for Equitable Mineral Revenue Sharing

- **Needs-based formula:** Mineral transfers should reflect extraction intensity, affected population and ecological damage, as PMKKKY recognises environmental, health and socio-economic mining impacts.
- **Priority spending:** PMKKKY earmarks at least 70% of funds for drinking water, health, education, sanitation, skills and vulnerable groups in mining areas.
- **Community oversight:** A Karnataka CAG survey found 85% of beneficiaries unaware of PMKKKY and 72% absent from related Gram Sabha meetings.
- **Utilisation accountability:** The NHRC sought an Odisha report after a 2025 complaint claimed ₹13,327 crore of accumulated DMF funds remained unused.
- **Audit safeguards:** A 2026 CAG audit of Chhattisgarh identified ineligible expenditure, weak planning and non-compliance in mining-welfare fund utilisation.
- **Intergenerational saving:** The Supreme Court-directed Goa Iron Ore Permanent Fund reserves 10% of specified mining-sale proceeds for sustainable development.
- **Federal coordination:** The GST Council demonstrates how a Union-State institution can harmonise rates while preserving regional participation in fiscal decisions.

2. A small fee, a stronger UPI (GS Paper III Economy)

This editorial '**A small fee, a stronger UPI**' was published in **The Indian Express** on 17th Sep 2026, highlights how a **limited merchant fee** can strengthen UPI's financial sustainability without burdening most users.

Fee Structure and Consumer Safeguards

- From **October 15**, UPI merchant payments above ₹2,000 will attract **0.4% MDR**, capped at ₹300; person-to-person payments remain excluded.
- Merchants receiving over **₹1 lakh monthly** through UPI have been advised against **passing costs** to customers.
- Rail tickets, fuel, agricultural inputs, dues, bills, insurance and taxes will attract a **₹5 flat fee**, limiting costs on **essential payments**.

Rationale and Expected Impact

- The **Taxation and Other Laws (Amendment) Act, 2026** follows the **Standing Committee on Finance**, which deemed zero MDR financially unsustainable.
- UPI began with **MDR in 2016**, while the **zero-MDR policy** was introduced in 2020 to expand digital adoption.
- In **2025-26**, over 24,000 crore UPI transactions worth **₹314 lakh crore** underscored the need for sustainable processing revenue.

- Limited MDR can finance **payment infrastructure** and service improvement while preserving UPI's accessibility and **wider reach**.
- Consumer-burden concerns are limited because over **95% of transactions** remain below ₹2,000 and **person-to-person transfers** stay exempt.
- Since credit cards already charge **MDR**, permitting limited UPI fees may promote **market competition** and better service delivery.

Beyond Editorial

Inclusion Risks from Reintroducing MDR

- **Cost pass-through:** Traders in Delhi's Sadar Bazaar warned that absorbing MDR would reduce already-thin margins, while passing it onward could discourage customers.
- **Cash reversion:** The Retailers Association of India cautioned that transaction charges could push merchants back towards cash, weakening digital-payment adoption.
- **Sectoral pressure:** Petrol-pump dealers threatened to reject larger UPI payments because the ₹5 fee would reduce their regulated dealer margins.
- **Operational burden:** Zerodha estimated that repeated high-value transfers by 10,000 users could create monthly MDR costs reaching ₹2 crore.
- **Hidden exposure:** Although the government says 96% of merchant transactions remain exempt, Citi estimates 45–50% of transaction value could attract MDR.
- **Unequal gains:** Brokerage estimates suggest banks may receive around 60% of the projected MDR revenue, while merchants directly bear the charge.
- **Legal uncertainty:** A Supreme Court petition has challenged the September 2026 notification for narrowing statutory zero-charge protection under the Payment and Settlement Systems Act.

3. Along the coasts and in the sea, the dawn of a sunrise sector (GS Paper III Economy)

This editorial '**Along the coasts and in the sea, the dawn of a sunrise sector**' was published in **The Indian Express** on 17th Sep 2026, highlights India's **fisheries potential** through deep-sea expansion, sustainable governance, exports and coastal employment.

Fisheries Potential and Economic Contribution

- India's **11,000-km coastline** and nearly **24-lakh-sq-km EEZ** contain vast marine resources, while fishing traditionally remained nearshore.
- The EEZ and high seas offer opportunities for **sustainable harvesting** of **high-value species**, including tuna.
- India is the second-largest fish producer, contributing **8% of global output**; production exceeded **195 lakh tonnes** in 2024-25.
- The sector supports nearly **three crore fisherfolk and fish farmers**, strengthening **food and nutritional security**.

Policy and Institutional Framework

- Establishment of the **Fisheries Ministry in 2019** provided the sector independent institutional attention and **policy focus**.
- The **Union Budget 2025-26** introduced a **sustainable fisheries framework** for harnessing resources within the EEZ and high seas.
- The **Fisheries Rules for the EEZ** and **High Seas Guidelines, 2025** establish a new regulatory framework.
- Fishing **authorisations** prioritise cooperatives, Fish Farmer Producer Organisations and **Indian fishermen**, placing communities at the centre.
- Lakshadweep's **four-lakh-sq-km EEZ**, nearly one-sixth of India's total, has received fisheries projects under **PMMSY**.

Exports, Employment and Sustainability

- Indian seafood reaches over **120 countries**; exports exceeded **₹73,000 crore**, rising over 140% since 2013-14.
- **Digital authorisation**, vessel tracking and international certification can strengthen market access, while conservation rules target **illegal fishing**.
- **Deep-sea fisheries** can generate employment across harvesting, processing, cold chains, transport, packaging, logistics and **export services**.
- Science-led fisheries can expand **youth participation**, while processing and value addition create greater opportunities for **women**.

Beyond Editorial

Ecological Limits of Deep-Sea Fishing

- **Stock depletion:** FAO's latest assessment classifies 35.5% of evaluated global marine fish stocks as overfished, underlining risks from rapid capacity expansion.
- **Illegal extraction:** FAO estimates illegal, unreported and unregulated fishing contributes about one-fifth of global catches, threatening compliant fishers and ecosystems.
- **Bycatch reduction:** NOAA research found monofilament leaders reduced shark bycatch by roughly 40%, demonstrating the value of mandatory gear standards.
- **Seasonal protection:** India imposes a 61-day annual fishing ban on each coast to protect breeding stocks during monsoon-linked reproductive periods.
- **Ownership opacity:** European fishing companies reportedly reflagged vessels through Indian Ocean States to access tuna quotas, complicating monitoring and accountability.
- **Livelihood protection:** Tamil Nadu provided ₹8,000 each to 1.75 lakh fishing families during the 2025 ban, linking conservation with income support.
- **Regional governance:** Indian Ocean Tuna Commission assessments show that migratory tuna stocks require shared catch limits, scientific monitoring and coordinated enforcement.