EDITORIALS - 1ST AUG 2026

1. A HEALTHY TAX

(GS Paper III Economy)

This editorial 'A healthy tax' was published in The Hindu on 1st Aug 2026, highlights the need for fiscal and regulatory action against foods high in fat, sugar and salt.

India's Nutritional Challenge

- India faces a double burden as persistent undernutrition coexists with rising adult obesity and diet-related metabolic disorders.
- Recent NFHS data show that gains against stunting remain incomplete, while evolving lifestyles have accelerated overnutrition.

Proposed Regulatory Measures

- A Parliamentary Standing Committee has recommended mandatory front-of-pack labels identifying packaged foods with high sugar content.
- The Committee also seeks sugar disclosure in baby foods, addressing excessive consumption from early childhood.
- The Let's Fix Our Food consortium, led by ICMR-NIN, recommends an HFSS health tax, stricter advertising controls and healthier school food environments.
- These proposals combine health taxation with marketing regulation and front-of-pack labelling to reduce obesity and diet-related NCDs.

Global Experience and Urgency

- According to the WHO, at least 133 countries have introduced or increased a health tax since 2017.
- Colombia's 2023 junk food law imposed a 10% tax on packaged foods, rising to 15% and then 20% over two years.
- Norway, Hungary, Denmark, Bermuda, Dominica, St. Vincent and the Grenadines, and the Navajo Nation have taxed unprocessed sugar and sugar-added foods.
- An ICMR-NIN report estimates that over 17 million Indian children and adolescents have obesity, potentially exceeding 27 million by 2030.

Beyond Editorial

Challenges in Implementing an HFSS Tax

- Regressive burden: Low-income households bear a higher immediate price burden, although World Bank evidence suggests they may gain more through reduced disease and medical expenditure.
- Classification difficulty: Hungary taxes snacks containing over 1 gram of salt per 100 grams, illustrating the need for precise nutrient thresholds and product definitions.
- Substitution risk: Mexico's beverage tax increased purchases of untaxed bottled water, showing that broad tax coverage is necessary to encourage genuinely healthier substitution.
- Coverage gaps: Although 116 countries tax sugary drinks, products such as sweetened milk, fruit juice and ready-to-drink coffee often remain exempt.
- Monitoring burden: The United Kingdom's levy produced a 47% average sugar reduction in covered drinks during 2015–2024, requiring continuous monitoring of reformulation and changing product composition.
- Industry resistance: Two major U.S. beverage companies reportedly spent $60 million during 2009–2010 lobbying against sugary-drink taxes, demonstrating the political resistance such measures can face.
- Revenue accountability: Hungary earmarked around $219 million from its public-health product tax for health spending, showing how transparent utilisation can strengthen legitimacy.

2. Western Ghats conservation with science and dialogue (GS Paper III Environment)

This editorial 'Western Ghats conservation with science and dialogue' was published in The Hindu on 1st Aug 2026, highlights the need for scientifically informed, inclusive and locally sensitive conservation of the Western Ghats.

Ecological Significance and ESA Evolution

- The Western Ghats, spanning six coastal States, contain 39 biodiversity-rich protected areas recognised as UNESCO World Heritage Sites in 2012.
- Constituted in 2010, the WGEEP recommended declaring 142 talukas across 44 districts as an Ecologically Sensitive Area divided into three ESZs.
- Notification under the Environment (Protection) Act, 1986 would legally regulate human activities to protect fragile Western Ghats ecosystems.
- Following opposition, the Kasturirangan panel in 2012 restricted protection to natural landscapes, reducing proposed ESA coverage to 37%.

- The MoEFCC issued its first draft in 2014 and formed the Sanjay Kumar panel in 2022, yet five notifications during 2015–2026 failed to secure consensus.
- Gujarat and Goa favour finalisation, Maharashtra seeks review, and talks with Karnataka, Kerala and Tamil Nadu continue; the 2024 draft permits phased or State-wise finalisation.

Karnataka's Concerns

- Karnataka's Western Ghats cover 10 districts, house 23.4% of its population and include 20,668 sq. km proposed as ESA, prompting livelihood and development concerns.
- The State opposes the proposal over its possible impact on agriculture and plantations, mining and infrastructure development.
- Communities near protected areas report relocation pressures, declining village populations and restrictions on minor forest produce, farming and forest rights.
- Residents fear a uniform 10-km buffer zone, eviction and erroneous satellite-based classification of plantations as forest cover without adequate field verification.
- Local officials and some communities nevertheless support regulating stone quarrying and unplanned tourism projects, including forest ropeways.
- Differing experiences around Kali Tiger Reserve, Kudremukh National Park and Mookambika Wildlife Sanctuary demonstrate the need for local consultation and context-specific decisions.

Inclusive Conservation Approach

- The Union government's decision to proceed reflects political commitment, as ecological systems cross State boundaries and indefinite delay can weaken biodiversity protection.
- ESA planning should address genuine stakeholder concerns through an empathetic approach before finalising restrictions affecting settlements and livelihoods.
- Indigenous communities should remain within forest landscapes because their sustainable practices connect conservation with mainstream society and protect biocultural diversity.

Beyond Editorial

Ecosystem Services of the Western Ghats

- Water security: The Western Ghats provide drinking, irrigation and commercial water to an estimated 245 million people, including through the Kaveri, Kabini and Tungabhadra river systems.

- Reservoir protection: Western Ghats forests reduce sediment inflow into reservoirs, maintain cleaner water and sustain aquatic ecosystems, lowering water-treatment and desilting requirements.
- Carbon storage: Five Karnataka protected areas, including Bandipur and Nagarhole, provide carbon-sequestration services valued at an estimated $17.51 million annually.
- Soil conservation: Forests across five protected areas provide soil-protection services valued at about $149.6 million, with Bandipur contributing the largest estimated share.
- Agricultural support: Water originating in protected landscapes supports crops such as paddy, ginger, banana, sugarcane and areca nut around BRT and Shettihalli sanctuaries.
- Livelihood security: Non-timber forest products and agriculture contributed about 60% of household income among surveyed communities around BRT and Shettihalli wildlife sanctuaries.
- Economic value: A Karnataka study valued selected provisioning, regulating and recreational services of Western Ghats protected areas at over $612 million annually.

3. America's tariff state is expanding. India must be patient (GS Paper III Economy)

This editorial 'America's tariff state is expanding. India must be patient' was published in The Indian Express on 1st Aug 2026, highlights the structural expansion of U.S. tariff policy and the need for India to avoid permanent concessions under pressure.

Structural Shift in U.S. Tariff Policy

- The Russia sanctions Bill, advanced by the Senate 86-12 on July 28, could impose tariffs up to 100% on Russian-oil buyers, including India, if enacted.
- Congressional backing is transforming tariffs from temporary trade remedies into instruments of U.S. economic policy and foreign policy.
- As the temporary Section 122 tariff expired, Washington replaced it with Section 301 tariffs on 60 economies, making higher duties a continuing policy objective.
- India's proposed 12.5% tariff was reduced to 10% after its forced-labour import ban, but imposed without credible evidence, reflecting a broader tariff strategy rather than a specific trade remedy.
- The U.S. tariff regime now layers MFN duties, Sections 232 and 301: cotton T-shirts face 26.5% tariffs and auto parts 27.5%.

- Expanding executive and legislative tariffs weaken WTO commitments, replacing the earlier predictable trading system with a permanent, layered and uncertain regime.

Expanding Scope and Risks for India

- Proposed measures include a Section 301 probe into excess capacity in Indian textiles, steel and petrochemicals, and 100–200% tariffs on imported generic medicines from 2028-29.
- Such pharmaceutical tariffs could hurt U.S. consumers because India supplies nearly half of American generic prescriptions and sends 38% of pharmaceutical exports to the U.S. market.
- A June 2026 investigation covering Brazil's Pix, digital rules and regulatory policies shows Section 301 expanding beyond trade disputes into challenges against domestic regulation.
- Similar U.S. concerns target India's tariffs, data localisation, intellectual property, agriculture, procurement and UPI, potentially exposing Indian policies to trade action.
- India has granted unilateral concessions on bourbon, motorcycles, ICT goods, medical devices, metals, nuclear inputs, cloud services, agriculture and e-commerce, without slowing U.S. tariffs or gaining reciprocal benefits.
- Premature concessions weaken negotiating leverage because trading partners normally retain offers until a balanced and reciprocal agreement is reached.

India-U.S. BTA and Strategic Response

- The proposed bilateral trade agreement lacks its main U.S. concession after the Supreme Court struck down reciprocal tariffs, eliminating the promised reduction from 25% to 18%.
- India need not rush because it lacks dependence on U.S. security guarantees, while the EU, Japan and South Korea show that trade agreements do not prevent later Section 301 actions.
- With retaliation less feasible than in 2019, India should strengthen domestic competitiveness, diversify export markets and preserve policy autonomy.
- India should accept a BTA only for stable, reciprocal commercial gains, as temporary export losses are preferable to permanent concessions that weaken long-term interests.

Beyond Editorial

Macroeconomic Costs of Tariff Uncertainty

- Export deterrence: WTO research equates trade-policy uncertainty to tariffs of 1.7–8.7 percentage points and finds that reducing uncertainty increases firms' probability of exporting.
- Investment delays: Federal Reserve research estimates that trade-policy uncertainty in 2018 may have reduced aggregate U.S. investment by more than 1%.
- Supply-chain relocation: Policy uncertainty after the U.S.-China dispute redirected sourcing towards Mexico, which overtook China as America's largest import source by late 2023.
- Employment losses: Greater exposure to the 2018 tariffs was associated with a 1.4% relative decline in U.S. manufacturing employment as input costs and retaliation outweighed protection.
- Inflation pressure: Federal Reserve research finds that tariffs on intermediate inputs create persistent inflation by transmitting higher costs throughout global value chains.
- Growth slowdown: The IMF estimated that higher tariffs, policy uncertainty and tighter financial conditions reduced global growth by 0.6 percentage points in 2025.
- Fiscal burden: U.S. farm-support programmes provided $23 billion during 2018–2019 to compensate agricultural producers affected by retaliatory tariffs.