EDITORIALS - 21ST AUG 2026

1. CENTRE'S FISCAL OUTLOOK FACES GEOPOLITICAL, REVENUE RISKS (GS Paper III Economy)

This editorial 'Centre's fiscal outlook faces geopolitical, revenue risks' was published in The Hindu on 21st Aug 2026, highlights how weak tax revenues, rising subsidies and geopolitical uncertainty may test the Centre's fiscal targets despite strong non-tax receipts.

Revenue Pressures

- Gross tax revenue grew only 3.7% in Q1 2026–27; PIT rose 6.8% while GST contracted 11%, reflecting the continuing cost of rate rationalisation.
- PIT growth was merely 0.037% in 2025–26, implying zero buoyancy, while 4.67% GST growth in the second half showed limited tax-base expansion.
- The West Asian crisis raised crude oil and retail fuel prices, prompting duty cuts that reduced Union excise revenue by 22.4% in Q1.
- The HSNS Cess replaced the GST Compensation Cess from February 1, while higher windfall taxes and precious-metal duties sought to offset revenue losses.
- Nominal GDP growth may reach 12.5–13%, against 10.04% budgeted; however, new-series GDP of ₹391 lakh crore may leave GTR marginally below target.

Transfers and Expenditure

- The Sixteenth Finance Commission retained States' 41% share, but the non-shareable HSNS Cess may marginally reduce the divisible pool.
- Tax devolution to States contracted 19.5% in Q1 but may recover subsequently, while Finance Commission grants are budgeted to fall by ₹23,556 crore.

- RBI dividends transferred in May covered 77% of annual budgeted dividends and profits, while non-tax revenue formed 37% of Q1 net receipts.
- Major subsidies rose 37.4% because of crude prices; extrapolation suggests annual expenditure may exceed the budgeted level by about ₹50,000 crore.
- Revenue expenditure growth remained contained at 7.4%, while front-loaded capital expenditure grew 23.7%, reversing the previous quarter's 23.3% contraction.

Debt and Deficit Outlook

- The Q1 fiscal deficit reached 18.2% of its annual target, while the revenue deficit remained only 0.4% due to strong non-debt receipts.
- The projected ₹18.16 lakh crore deficit implies a fiscal deficit-to-GDP ratio of 4.6% and debt-to-GDP ratio of 55.8%, broadly near budgeted levels.
- Fiscal slippage may arise from weak taxes, additional subsidies, rupee pressure and higher external debt, though major deviation appears unlikely without war escalation.

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Strengthening Fiscal Resilience

- Revenue diversification: CBDT's Annual Information Statement and GST e-invoicing demonstrate how digital transaction trails can widen tax compliance without repeatedly increasing tax rates.
- Counter-cyclical buffers: Chile's Economic and Social Stabilisation Fund saves surpluses from high copper prices for financing fiscal deficits during adverse economic conditions.
- Subsidy targeting: Under PAHAL, LPG subsidies enter beneficiaries' bank accounts directly, while 4.08 crore duplicate, fake or inactive connections were deactivated by July 2025.

- Energy risk mitigation: India's 5.33-million-tonne strategic petroleum reserves at Visakhapatnam, Mangaluru and Padur provide an emergency cushion against crude-supply disruptions.
- Independent oversight: The Thirteenth Finance Commission proposed an autonomous Fiscal Council to evaluate fiscal forecasts and strengthen parliamentary scrutiny of government finances.
- Expenditure prioritisation: The SASCI scheme provides States with 50-year interest-free loans for capital investment, helping protect infrastructure expenditure during fiscal constraints.
- Debt transparency: The Sixteenth Finance Commission recommended bringing off-budget borrowings into government budgets with annual entity-wise disclosure of liabilities and debt-servicing costs.

2. THE VANASHAKTI VERDICT IS BALANCED AND PRAGMATIC (GS Paper III Environment)

This editorial 'The Vanashakti verdict is balanced and pragmatic' was published in The Hindu on 21st Aug 2026, highlights the Supreme Court's closure of existing environmental-clearance regularisation routes while preserving scope for a lawful one-time framework for legacy violations.

Judgment's Legal Position

- The Vanashakti v. Union of India judgment of July 29, 2026 reaffirmed prior Environmental Clearance as mandatory under the EIA Notification, 2006.
- Projects commenced without prior clearance cannot seek regularisation under the 2017 Notification or 2021 Office Memorandum if they missed the earlier violation windows.
- An administrative memorandum cannot override prior clearance, but Section 3 of the Environment (Protection) Act, 1986 permits a carefully designed statutory mechanism.

- The Court recognised stranded legacy violations arising from regulatory uncertainty, misinterpretation or non-compliance without weakening the principle of mandatory clearance.

Conditional Scope for Regularisation

- The Court did not mandate a new scheme but allowed the central government to consider a one-time notification for specified projects in the larger public interest.
- Any scheme must rest on statutory authority and include damage assessment, remediation, compensation and strict compliance conditions.
- Regularisation cannot become a permanent “violate first, regularise later” route encouraging deliberate violations and routine post-facto approvals.
- The judgment balances enforcement with public interest, recognising that indiscriminate closure of environmentally acceptable projects may disregard substantial investments without advancing environmental protection.
- While old regulatory routes stand closed, Parliament’s environmental legislation leaves space for a lawful, transparent and environmentally robust fresh framework.

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Environmental Justice Perspective

- Community participation: In the Niyamgiri case, the Supreme Court placed the Dongria Kondh community’s religious and forest-rights claims before Gram Sabhas prior to the final clearance decision.
- Unequal burden: The Bhopal gas disaster demonstrated how hazardous industries can impose severe and prolonged environmental costs on densely populated, economically vulnerable communities.

- Livelihood security: The Samatha judgment restricted private mining leases in Andhra Pradesh’s Scheduled Areas to protect tribal land, resources and livelihood interests.
- Cumulative assessment: The Supreme Court-appointed committee for the Char Dham project examined its combined impact across Himalayan valleys instead of assessing individual road stretches separately.
- Health safeguards: The long-term medical consequences of the Bhopal disaster underline the need for baseline health surveys, continuous monitoring and polluter-funded treatment.
- Intergenerational equity: In the Goa mining case, the Supreme Court directed the creation of a permanent fund to preserve mineral wealth benefits for future generations.
- Effective remedies: Section 15 of the National Green Tribunal Act, 2010 empowers the Tribunal to award compensation and order restitution of damaged property and ecosystems.

3. CAN FREE PUBLIC TECHNOLOGY BREAK THE PRIVATE COACHING INDUSTRY? (GS Paper I Society)

This editorial ‘Can free public technology break the private coaching industry?’ was published in The Hindu on 21st Aug 2026, highlights whether free technology-based coaching can replace private institutions by providing structured, personalised and accessible competitive-examination preparation.

Structural Context

- The 2026 Independence Day announcement proposed free online competitive-examination coaching through digital public infrastructure, reducing household costs and enabling home-based preparation.

- Following protests over the NEET paper leak, the initiative seeks education equity by reducing dependence on family income, geography and access to elite coaching centres.
- Anubhav Shrivastava argues that accessibility and affordability are secondary to the education system's deeper coaching dependence; another video library cannot resolve it.
- School curricula emphasise conceptual and board learning, whereas competitive examinations demand rapid problem-solving, strategic selection and performance under intense time pressure.

Requirements for Effective Public Coaching

- Existing platforms such as SWAYAM and SAATHI remain traditional; agentic AI could provide mobile-based, adaptive and personalised learning suited to Gen-Z students.
- Private coaching provides structured classes, weekly assessments, doubt forums, test strategies, peer competition and mentoring; therefore, free lectures alone cannot replace it.
- Some applications already provide structured coaching for ₹700–₹800, while government access to IITs and IIMs can support free preparation only if the complete coaching ecosystem is replicated.
- A hybrid model combining personalised digital twins with physical mentoring through school skill hubs, encouraged by NEP, 2020, can preserve essential human assistance.

Implementation Architecture

- India has over 100 national-level examinations, including UPSC, JEE and NEET; covering all through one platform risks quality dilution.
- Since 70–80% of examinations share reasoning, language, awareness and current-affairs requirements, Chandrasekhar proposes a common learning stack with an adaptable layered grid.
- Shrivastava favours exam-specific platforms because identical subjects require different teaching for NEET and JEE, making a common grid presently unfeasible.

- Millions face a double hurdle of unreliable electricity and Internet for online learning, alongside examination centres located hundreds of kilometres away.
- Satellite-connected centres using LEO or GEO links, offline servers and encrypted digital pads could conduct examinations without continuous Internet connectivity.
- Alternatively, existing centres can use smart boards to deliver lectures, while local mentors explain concepts and conduct classroom activities.

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Regulation of the Coaching Industry

- Mandatory registration: The Rajasthan Coaching Centres Act, 2025 exemplifies State-level regulation requiring coaching institutions to operate within a formal registration and accountability framework.
- Fee transparency: The Union government's 2024 Coaching Centre Guidelines require websites to disclose fees, course duration, exit conditions and refund policies.
- Truthful advertising: By May 2026, the CCPA had issued over 60 notices and imposed penalties exceeding ₹1.46 crore for misleading coaching advertisements and unfair practices.
- Academic standards: The 2024 guidelines require disclosure of tutor qualifications, curricula and student outcomes, enabling families to assess institutional quality before enrolment.
- Student well-being: The Coaching Centre Guidelines emphasise counselling, mental-health protection and prohibition of discriminatory batch segregation based on academic performance.
- Grievance redressal: The guidelines require complaint mechanisms, while the Consumer Protection Act, 2019 enables action against deficient services, unfair contracts and denied refunds.
- Digital accountability: Section 9 of the DPDP Act, 2023 requires parental consent and restricts tracking or targeted advertising involving children, subject to prescribed exemptions.