Editorials - 29th Aug 2026

1. Five years on, Taliban are still at a fork in the road (GS Paper II International Relations)

This editorial '**Five years on, Taliban are still at a fork in the road**' was published in **The Hindu** on 29th Aug 2026, highlights **Afghanistan's relative stability** under Taliban rule alongside persistent **political regression**, **economic fragility** and the need for calibrated engagement.

Stability amid Political Regression

- Since **August 2021**, IEA 2.0 has avoided mass retribution, improved security and prohibited **cross-border terrorist operations**, partly easing concerns associated with its earlier rule.
- The return of **5.7 million refugees** from Pakistan and Iran strained **poverty management**, though the government handled the influx reasonably well.
- Taliban rule restored restrictions on **girls' education**, music and child-marriage safeguards, alongside **political exclusion** of women, non-Pashtuns and ethnic minorities.
- Disregard for the **2020 Doha accord** hardened global non-recognition, while **UNSC Resolution 2593** linked engagement to counterterrorism, human rights and inclusive governance.
- Afghanistan operates as an **uncodified unitary theocracy**, with Supreme Leader **Hibatullah Akhundzada** exercising combined political, military and religious authority.

Fragile Economy and External Engagement

- Stronger **fiscal discipline** stabilised the Afghani and curbed corruption and smuggling; **nominal GDP** reached $19.66 billion after a nearly 20% post-2021 contraction.
- Inflation stood at 2% and growth at 4.3% in 2025, but **2026 growth** is projected at 2.3%; **services** contribute 49% of GDP and agriculture 26%.
- Nearly half of 49 million Afghans face **poverty and food shortages**, while the **HDI score** of 0.496 and 13.3% unemployment indicate deep deprivation.

- An 11% population rise, largely through immigration, caused a 4% fall in **GDP per capita** to $448 despite growth, worsening **employment pressures** on women and youth.
- Foreign trade reached $13.9 billion, but exports cover only 15% of imports; weak **foreign investment**, declining grants and **$9.6 billion frozen assets** constrain welfare and infrastructure.
- Pursuit of **international legitimacy** has expanded diplomatic and regional trade links, although **Russia** remains the only country formally recognising the IEA.

India’s Engagement and Reform Pathway

- Without granting **formal recognition**, India expanded **substantive engagement** through ministerial visits, nearly $1 billion in trade, humanitarian assistance and cricket mentoring.
- Some Taliban leaders recognise the **hardline agenda’s unsustainability**, claiming that funding shortages prevent segregated **higher education for girls**.
- India could align mutual expectations through a **multilateral donors’ conference**, using collective incentives to encourage reform and gradual **normalisation**.

Beyond Editorial

Implications for India’s Strategic Security

- **Terrorism threat:** The 2022 attack on Kabul’s Karte Parwan Gurdwara demonstrated how persistent extremist networks can threaten Afghan minorities and communities with close links to India.
- **Historical vulnerability:** The 1999 IC-814 hijacking and the 2008–09 attacks on India’s Kabul embassy show how instability in Afghanistan can directly affect Indian security interests.
- **Pakistan instability:** Growing conflict between the Taliban and Pakistan over Tehreek-e-Taliban Pakistan militants may weaken Islamabad’s influence but increase regional violence and militant mobility.
- **Chinese influence:** China’s acceptance of a Taliban-appointed ambassador in 2024 illustrates its expanding diplomatic presence, which could reduce India’s strategic space in Afghanistan.

- **Connectivity stakes:** India used Chabahar Port to deliver 10,000 tonnes of wheat in 2023, demonstrating its importance as an alternative to Pakistan-controlled transit routes.
- **Developmental leverage:** The Salma Dam, Afghan Parliament and Zaranj-Delaram Highway preserve Indian goodwill and provide a people-centric counterweight to Pakistan and China.
- **Narcotics spillover:** Afghanistan's opium ban reduced production sharply, but continued methamphetamine trafficking requires intelligence coordination among India, Iran and the Central Asian republics.

2. Economy weathered West Asia shock. Now, reform for sustained growth (GS Paper III Economy)

This editorial '**Economy weathered West Asia shock. Now, reform for sustained growth**' was published in **The Indian Express** on 29th Aug 2026, highlights that India's **cyclical resilience** must be **converted** into **sustained growth** through stronger consumption, exports, employment and private investment.

Drivers of Economic Resilience

- Subsidised **FCNR inflows** strengthened the external position, while high-frequency indicators suggest quarterly **GDP growth** could reach 8% despite the West Asia conflict.
- A coordinated **2025 stimulus** combined direct-tax cuts, Goods and Services Tax rationalisation, regulatory easing and a 150-basis-point reduction in **policy rates**.
- **Non-oil exports** accelerated due to resilient global demand, lower United States tariffs and a nearly 15% depreciation in the **real effective exchange rate** since 2025.
- Rapid **energy diversification** towards Russian crude and liquefied natural gas from the United States and Oman prevented shortages, though absorbing the oil shock increased **fiscal pressures**.
- The present **cyclical recovery** relies heavily on tax cuts, lower interest rates and credit expansion; growth could weaken unless supported by stronger **structural fundamentals**.

Investment and Demand Constraints

- **Fixed investment** remains near its decadal average of 32% of GDP, while **corporate capital expenditure** stagnates at 10–11% despite healthy company balance sheets.
- **Central capital expenditure** growth fell from 30% during 2020–23 to 1.6% in 2025, while cash-transfer commitments threaten **state capital expenditure** already growing below nominal GDP.
- Decade-long **capacity utilisation** of 75–76% and expanding **Chinese overcapacity** weaken demand visibility and discourage firms from undertaking new investment.
- Export growth of 16% during 2003–12 crowded in private investment, whereas roughly 5% **post-pandemic demand growth** in consumption and exports has constrained **private investment**.
- **Service-export growth** halved from 16% to 8%, major information-technology employment remained flat, and rising employment increasingly reflects **self-employment** rather than salaried jobs.
- Household demand is increasingly **credit-driven**, with non-banking financial company lending rising 20% and unsecured bank lending 25%; sustained consumption therefore requires faster **income growth**.

Structural Reform Priorities

- India's rising **capital-labour ratio**, intensified by automation and artificial intelligence, requires stronger **human capital**, rationalised labour laws and fiscal support for labour-intensive sectors.
- **Goods exports** declined from 17% to 11% of GDP in a decade; free trade agreements and exchange-rate flexibility must be reinforced by lower **trade barriers** and reduced overregulation.
- Stronger **structural demand** can trigger sustained private capital expenditure, crowd in **foreign direct investment** and stabilise the balance of payments.

Beyond Editorial

Distributional Quality of Economic Growth

- **Income concentration:** The World Inequality Lab estimated that India's top 1% received 22.6% of national income and controlled 40.1% of wealth in 2022–23.

- **Poverty reduction:** NITI Aayog estimated that multidimensional poverty fell from 29.17% in 2013–14 to 11.28% in 2022–23, benefiting 24.82 crore people.
- **Rural-urban divide:** Household Consumption Expenditure Survey 2023–24 recorded monthly per-capita expenditure of ₹4,122 in rural India against ₹6,996 in urban India.
- **Consumption inclusion:** The same survey showed consumption Gini coefficients falling to 0.237 in rural areas and 0.284 in urban areas, indicating broader distribution of consumption gains.
- **Employment informality:** The India Employment Report 2024 found nearly 90% of workers informally employed, leaving most workers without stable wages, contracts or social security.
- **Gender disparity:** Female labour-force participation reached 41.7% in 2023–24, but the 47.6% rural rate contrasted sharply with only 28% in urban areas.
- **Health vulnerability:** National Health Accounts 2021–22 placed government health spending at 1.84% of GDP, while households still bore 39.4% of health expenditure directly.

3. Problem with ethanol blending isn't sugar — it's reliance on grains; the way forward (GS Paper III Economy)

This editorial '**Problem with ethanol blending isn't sugar — it's reliance on grains; the way forward**' was published in **The Indian Express** on 29th Aug 2026, highlights how **excessive dependence** on foodgrains has **distorted** India's ethanol-blending programme and created food-security and environmental concerns.

• ETHANOL SUPPLY BY FEEDSTOCK (in Crore Litres)

Supply Year	C-Heavy Molasses	B-Heavy Molasses	Cane Juice	Maize	Surplus FCI Rice	Damaged Foodgrain	Total
2013-14	38	0	0	0	0	0	38
2014-15	67	0	0	0	0	0	67
2015-16	111	0	0	0	0	0	111
2016-17	67	0	0	0	0	0	67
2017-18	151	0	0	0	0	0	151
2018-19	146	33	1	0	0	10	190
2019-20	74	68	15	0	0	16	173
2020-21	39	183	39	0	2	39	302
2021-22	11	265	85	0	49	24	434
2022-23	6	235	128	32	74	32	507
2023-24	58	149	64	286	0	116	673
2024-25	17	139	165	498	140	80	1039
2025-26*	12	110	166	479	233	48	1048

*Allocated quantities. Supply years are Dec-Nov till 2021-22, Dec-Oct for 2022-23 and Nov-Oct from 2023-24.

Evolution of the Ethanol Programme

- The **Ethanol Blended Petrol programme** initially created additional revenue for sugar mills to ensure timely payments to **sugarcane farmers**.
- Until 2017–18, ethanol came from **C-heavy molasses** without reducing sugar output; later incentives encouraged **B-heavy molasses** and direct cane juice diversion.
- These incentives raised ethanol supply from 38 crore litres in 2013–14 to 190 crore litres in 2018–19, while the **blending rate** increased from 1.6% to **4.9%**.
- Standalone **grain-based distilleries** subsequently expanded using maize, damaged grain and **Food Corporation of India rice**, making grains the programme's primary feedstock.
- In **2025–26**, grains constitute 759.8 crore litres or 72.5% of allocated ethanol, while **sugarcane feedstocks** contribute only 288.5 crore litres or 27.5%.

Consequences of Grain Dependence

- Sugar diversion was about three million tonnes in 2025–26, roughly one-tenth of estimated **sugar production**; low stocks may nevertheless restrict **cane-based ethanol** next year.
- The **E20 target** requires about 1,050 crore litres annually, but nearly 2,000 crore litres of **distillery capacity** is driving demands for E22–E30 blends.
- Potential constraints on **maize availability** could deepen dependence on **FCI rice**, of which 7.2 million tonnes was allocated to distilleries in July 2026.
- This rice allocation can produce only 325–330 crore litres, insufficient to sustain **E20 blending** without further diversion from **food stocks**.
- Diverting **water-intensive rice** is economically questionable because distilleries receive it at ₹23.2 per kg, significantly below prevailing **market prices**.
- Ethanol demand benefited **maize farmers**, raising wholesale prices from ₹13.8–17.8 per kg in 2021 to ₹22.1–24.5 in 2024, but intensified competition with **livestock feed**.

Way Forward

- The government should discourage standalone **grain distilleries** heavily dependent on **subsidised FCI rice**.
- Distilleries can shift towards **bajra and jowar**, whose recoverable starch and ethanol yield are comparable to maize while requiring **less water**.

- India should avoid prematurely raising **blending targets**, as the programme succeeded at 10–15% blending and could pragmatically return to **E10**.

Beyond Editorial

Life-Cycle Sustainability of Ethanol

- **Carbon certification:** Brazil's RenovaBio programme rates biofuel producers by lifecycle carbon intensity and awards tradable decarbonisation credits, offering a model for performance-based incentives.
- **Water footprint:** NITI Aayog estimated that producing one litre of sugar-based ethanol requires about 2,860 litres of water, weakening its environmental advantage in water-stressed regions.
- **Feedstock efficiency:** NITI Aayog identified maize as the least water-intensive grain for ethanol, with a lower water footprint than rice, broken rice and wheat.
- **Residue utilisation:** Indian Oil's Panipat second-generation plant uses two lakh tonnes of rice straw annually to produce three crore litres of ethanol and reduce stubble burning.
- **Pollution burden:** The Sir Shadilal Distillery case exposed untreated spent-wash discharge into the Mansurpur drain, demonstrating the need for strict zero-liquid-discharge enforcement.
- **Vehicle efficiency:** NITI Aayog estimated that E20 could reduce fuel efficiency by 6–7% in older four-wheelers and 3–4% in two-wheelers not designed for the blend.
- **Land safeguards:** European biofuel rules exclude feedstocks sourced from high-biodiversity land, providing India a model for preventing ethanol expansion from damaging forests and ecosystems.