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The Making of an Ecological Disaster in the Nicobar

Context

- **India's policy decisions over the past decade have often been criticised** for being hasty and ill-conceived, but few projects embody these flaws as starkly as the **Great Nicobar mega-infrastructure plan**.
- With an **estimated cost of ₹72,000 crore**, this venture promises not only to uproot indigenous communities but also to devastate one of the planet's most unique ecosystems.
- It disregards constitutional safeguards, **undermines environmental laws, and exposes the region to existential risks**.
- What **unfolds is a troubling tale of development that privileges ambition over justice**, law, and sustainability.

Concerns Surrounding the Nicobar Project

- **Displacement of Indigenous Communities**
 - Great Nicobar is **home to two indigenous groups**: the Nicobarese and the Shompen. Both face existential threats from this project.
 - **The Nicobarese, whose ancestral villages fall within the project's designated land**, had already endured forced evacuation during the 2004 tsunami.
 - Their **aspiration to return has now been permanently foreclosed** by state action.
 - **The Shompen**, a Particularly Vulnerable Tribal Group, confront an even graver danger.
 - The **government has denotified parts of their reserve**, destroyed forests central to their survival, and paved the way for a large influx of outsiders.
 - This **effectively cuts the Shompen off from their lands** and jeopardises their cultural and economic continuity.
- **Bypassing Constitutional and Statutory Protections**
 - Most disturbingly, **the project has bypassed constitutional and statutory protections**.
 - **Article 338-A mandates consultation with the National Commission for Scheduled Tribes**, but no such engagement has taken place.

- Similarly, **the Tribal Council's opposition, including its revoked Letter of No Objection**, has been brushed aside.
- **These manoeuvres reflect not just administrative neglect but a wilful subversion** of due process.

Legal and Regulatory Subversions

- **Social Impact Assessment (SIA)**

- Conducted under the 2013 Land Acquisition Act, it should have examined consequences for indigenous communities.
- Instead, the report omitted the Nicobarese and Shompen altogether.

- **Forest Rights Act (2006)**

- This law empowers the Shompen to protect and manage their forests.
- Yet, they were excluded from consultations, violating both the spirit and the letter of the law.

- **Environmental safeguards**

- The project extends into the Coastal Regulation Zone (CRZ) 1A, where construction is strictly prohibited to protect coral reefs and turtle nesting grounds.
- Despite this, a government-appointed High-Powered Committee reclassified parts of the area to circumvent restrictions, and its report remains unpublished.
- The consistent pattern here is not of oversight, but of deliberate evasion.

Ecological Devastation and the Farce of Compensatory Afforestation

- The **environmental implications are equally catastrophic**. The project will destroy up to 15% of Great Nicobar's Forest cover.
- **Estimates vary between 8.5 lakh trees (government data) and 32-58 lakh trees** (independent studies).
- The government's proposed solution, compensatory afforestation in faraway is **both ecologically meaningless and absurd**.
- **Not only is climate incompatible with Nicobar's rainforest ecology**, but a portion of the designated land has already been auctioned for mining.
- **Beyond deforestation, the port site itself overlaps with turtle nesting zones** and coral reefs.
- **Biodiversity assessments used flawed methods**: turtle studies were conducted outside nesting season, and drones ill-suited for deep-water observation were deployed to assess dugong habitats.
- **These methodological lapses raise questions of scientific integrity** and potential coercion of research institutions.

Seismic Vulnerability and Human Risk

- Geology makes the Great Nicobar project even more precarious.
- The **island lies in a seismically active zone**, as demonstrated by the catastrophic 2004 tsunami, which caused permanent land subsidence of 15 feet. More recently, a 6.2-magnitude earthquake in July 2025 underscored this vulnerability.
- **Constructing massive infrastructure** in such a zone is not only reckless but **jeopardises both human lives and investments**.

The Way Forward: A Call for Conscience

- At its core, **the Great Nicobar project represents a betrayal of both India's vulnerable communities and its natural heritage**.
- It displaces the Nicobarese and Shompen, disregards constitutional protections, ravages ancient forests, threatens biodiversity, and places infrastructure in a disaster-prone zone.
- **Development cannot come at the cost of justice**, ecology, and human dignity.
- Our **collective responsibility demands that we resist such shortsighted ventures**.
- The **survival of indigenous tribes**, the preservation of unique ecosystems, and the safety of future generations depend on raising our voices against this travesty of justice.
- **To remain silent is to become complicit in the erasure of both culture and nature**.

Conclusion

- The **Great Nicobar mega-infrastructure project epitomises development pursued at the expense of justice**, ecology, and human survival.
- By displacing indigenous tribes, destroying irreplaceable forests, and situating infrastructure in a seismic hotspot, **it undermines both legal safeguards and environmental responsibility**.
- **True progress must prioritise equity and sustainability**, not sacrifice them for short-term ambition.

The Making of an Ecological Disaster in the Nicobar FAQs

Q1. What is the primary concern of the Great Nicobar mega-infrastructure project?

Ans. The project threatens indigenous communities, fragile ecosystems, and legal safeguards in pursuit of development.

Q2. Which tribes are directly affected by the project?

Ans. The Nicobarese and the Shompen tribes are directly affected by the project.

Q3. How has the government bypassed due process?

Ans. The government ignored mandatory consultations with tribal bodies and omitted indigenous communities from impact assessments.

Q4. Why is compensatory afforestation criticised in this case?

Ans. It is planned in Haryana, far from Nicobar's rainforest ecology, making it an inadequate and meaningless substitute for destroyed forests.

Q5. What natural risk makes the project especially dangerous?

Ans. The island lies in a seismically active zone prone to earthquakes and tsunamis, endangering people and infrastructure.

Source: [The Hindu](#)

A Complex Turn in India's FDI Story

Context:

- Foreign direct investment (FDI) has been a key driver of India's growth since the 1991 reforms, modernising industries, fostering innovation, and integrating India with global markets. Sectors like e-commerce and IT saw transformative FDI inflows.
- However, recent trends show a decline, with much of the capital now geared toward short-term profit rather than long-term industrial development.
- Meanwhile, rising overseas investments by Indian firms raise concerns about the strength of the domestic investment climate.
- This article highlights the evolving trajectory of FDI in India — from its historic role in driving growth and modernization, to emerging concerns over declining net inflows, rising outflows, and structural challenges that undermine long-term developmental impact.

Rising FDI Inflows but Sharper Outflows

- India's gross FDI inflows rose to \$81 billion in FY 2024-25, up 13.7% from the previous year, reflecting continued investor interest.
- However, alongside inflows, foreign investors are increasingly withdrawing capital.
- Between 2021-25, India received \$308.5 billion in FDI, but \$153.9 billion was repatriated or disinvested, reducing the net inflow sharply.
- **FDI net inflows** — gross inflows minus repatriations and repayments — have fallen drastically since FY 2021-22.
- After adjusting for outward FDI by Indian firms, **India retained only \$0.4 billion in FY 2024-25**. This limited retention undermines FDI's developmental impact.

Shift to Short-Term Investments

- Investor behaviour shows a **move from long-term industrial commitments to short-term profit-driven flows**.
- Disinvestments rose by 51% to \$44.4 billion in FY 2023-24 and further to \$51.4 billion in FY 2024-25, accounting for over 63% of inflows.
- Manufacturing, once a major FDI sector, now makes up just 12% of inflows, reflecting declining long-term commitments.

Surge in Outward Indian Investments

- FDI outflows by Indian firms rose from \$13 billion in FY 2011-12 to \$29.2 billion in FY 2024-25.
- Companies cite regulatory inefficiencies, infrastructure gaps, and policy uncertainty as reasons to invest abroad.
- This capital flight weakens domestic growth, jobs, and innovation.
- **Systemic Barriers Remain**
 - Despite reforms and better global rankings, India still faces structural barriers like regulatory opacity, inconsistent governance, and legal unpredictability.
 - These issues discourage both foreign investors and domestic firms, reinforcing a cycle of weak capital retention and outward flows.

FDI and India's Long-Term Growth Challenges

- While gross FDI inflows appear strong, underlying trends reveal weakening confidence in India's economy.
- Rising disinvestments, capital outflows, and reliance on tax-haven hubs like Singapore and Mauritius suggest **much of the inflow is short-term and profit-driven** rather than developmental.
- Traditional industrial investors from the U.S., Germany, and the U.K. have reduced their role, while funds now flow into services and rent-seeking sectors with **limited multiplier effects compared to manufacturing or technology**.
- This shift erodes long-term growth potential and economic resilience.
- Declining FDI net inflows also threaten India's macroeconomic stability, affecting balance of payments and monetary flexibility.
- The RBI has warned that while outward flows mirror trends in other emerging economies, they carry risks, **as nearly half of Indian FDI outflows head to developed nations offering better tax regimes, stability, and resources**.
- To reverse this, India must simplify regulations, ensure policy consistency, and focus on infrastructure, skills, and technology to attract and retain long-term, productive investments.

Building a Stronger FDI Framework for India

- For India to emerge as a global investment hub, it must prioritise the **quality and sustainability** of FDI over headline figures.
- Mere inflows without alignment to national priorities risk masking economic weaknesses.
- What India needs is long-term, committed capital that strengthens domestic capabilities.
- Achieving this requires **streamlined regulations, reliable policies, upgraded infrastructure, and institutional trust**.
- Equally important is investment in human capital to attract high-value sectors like advanced manufacturing, clean energy, and technology.
- India now faces a decisive moment in shaping its FDI ecosystem for durable growth.

A Complex Turn in India's FDI Story FAQs

Q1. What role has FDI played in India since the 1991 reforms?

Ans. FDI modernized industries, boosted innovation, and integrated India with global markets, especially transforming sectors like e-commerce, computer hardware, and software.

Q2. Why are rising disinvestments a concern for India's economy?

Ans. Disinvestments surged to over 63% of inflows in FY 2024-25, showing a shift toward short-term profit flows that undermine long-term industrial development.

Q3. How has outward FDI by Indian firms changed in recent years?

Ans. Outward FDI rose from \$13 billion in FY 2011-12 to \$29.2 billion in FY 2024-25, driven by regulatory inefficiencies and policy uncertainty.

Q4. What risks do declining FDI net inflows pose for India?

Ans. Falling net inflows weaken macroeconomic stability, strain the balance of payments, reduce monetary flexibility, and limit capital for infrastructure, manufacturing, and innovation.

Q5. What steps are needed to build a stronger FDI framework for India?

Ans. India must simplify regulations, ensure policy stability, upgrade infrastructure, and invest in human capital to attract durable, high-value investments in advanced sectors.

Source: TH

Future of Indian Cities - Building Climate-Resilient and Inclusive Urban Growth

Context:

- Cities hold the key to India's future, as they will generate 70% of new jobs by 2030.
- By 2050-2070, India's **urban population will touch almost 1 billion**, with megacities surpassing the size of entire countries.
- India has a **narrow window to design** infrastructure, housing, and services that can sustain growth **while addressing climate change vulnerabilities**.

Urban Infrastructure Needs:

- **Housing demand:**
 - **By 2070**, India will require 144 million new homes – more than double the existing stock – along with the transportation systems and municipal services that can cater to these unprecedented numbers.
 - The new infrastructure will need to withstand the **growing impacts of climate change** like the floods, heatwaves, cyclones, landslides, earthquakes.
 - Therefore, compact city design, **climate-resilient housing**, and forward-looking planning are crucial.

- **Transportation challenges:**

- **For example**, 25% of urban roads are exposed to flooding. Even 10–20% road inundation can disrupt over 50% of city transport systems.
- Therefore, **flood risk mapping**, drainage improvement, alternative routes, and road maintenance are essential to ensure mobility and productivity.

Climate Change Risks to Cities:

- **Flooding:**

- **For example**, more than two-thirds of India's urban dwellers will face the risk of pluvial or surface flooding, potentially racking up losses of \$5 billion by 2030, and \$30 billion by 2070.
- **Solutions:** An **integrated approach** — demarcating high-risk areas as no-build zones, improving city-wide drainage, promoting nature-based solutions that can absorb excess rainwater, and installing flood warning systems — can help reduce this risk.
- **Best practices:**
 - **Brazil:** Which is now 80% urban, has moved beyond channelisation and structural flood control towards this more integrated approach.
 - **India: Kolkata** has adopted a city-level flood forecasting and warning system, while **Chennai** is improving storm water management and flood preparedness to support the most vulnerable populations.
- **Extreme heat:**
 - **Urban heat island effect:** This is causing nighttime temperatures in major Indian cities to exceed those of surrounding areas by 3°C to 5°C year-round.
 - **Measures:** With temperatures expected to rise throughout the 21st century, cities can build on **Ahmedabad's Heat Action Plan** by –
 - Increasing tree cover and canopies,
 - Replacing heat-intensifying roofs with easily doable cool roofs, and
 - Shifting the working hours for outdoor labourers.
 - **Benefits:** Scaling up these measures can prevent hundreds of thousands of deaths, sustain economic productivity.

Way Forward:

- **Municipal services modernisation:**

- Large investments in modernising municipal services, including **waste collection and converting waste to energy**, can improve the quality of air, water and soil, vital for **sustainable urbanisation**.

- **Institutional and financial framework:**

- As projected investment for climate-resilient urban infrastructure by 2050-2070 is about **\$10.95 trillion, capacity building and collaboration** between government, citizens, and private sector is required.
- **Short-term benefits:** The private sector brings **innovative financing, efficiency, and technical expertise**.
- **Long-term benefits:** Reduced disaster losses, improved living standards, job creation, and innovation.

Conclusion:

- India's cities stand at the **crossroads** of unprecedented growth and looming climate challenges.
- **Early investments** in climate-resilient, inclusive, and sustainable urban planning will safeguard lives, reduce economic losses, and unlock India's demographic and entrepreneurial potential.
- Building compact, resilient, and efficient cities is not just an **environmental necessity** but a **strategic imperative** for India's economic future.

Future of Indian Cities FAQs

Q1. Why are Indian cities considered central to the country's economic future?

Ans. By 2030, cities will generate over 70% of new jobs, and by 2070, they will host nearly 1 billion people, making them engines of growth and innovation.

Q2. What are the major climate change risks faced by Indian cities, and how can they be mitigated?

Ans. Key risks include flooding and extreme heat, which can be mitigated through nature-based solutions, drainage improvements, flood warning systems, cool roofs, heat action plans, and urban greening.

Q3. How can urban housing development contribute to climate resilience in India?

Ans. Planning compact, well-located, and disaster-resilient housing will reduce vulnerability to floods, heatwaves, cyclones, and earthquakes, while ensuring inclusivity and sustainability.

Q4. What is the role of transportation planning in building climate-resilient Indian cities?

Ans. Flood-resilient roads, improved drainage, alternate routes, and maintenance are crucial to prevent disruptions, sustain productivity, and ensure mobility during climate-induced disasters.

Q5. What is the significance of investing in climate-resilient urban infrastructure for India?

Ans. Such investment can save billions annually, attract investments, generate jobs, foster innovation, and improve quality of life.

Source: **IE**

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