

# Modi demands India's workers and toilers make "sacrifices" as economic fallout from Iran war expands

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India's far-right BJP government has raised petrol and diesel prices just days after Prime Minister Narendra Modi exhorted Indians to slash energy and fertiliser consumption in response to the ever-widening economic fallout from the illegal US-Israeli war on Iran.

Speaking in Vadodara, Gujarat, on May 11, Modi compared the war's impact to the COVID-19 pandemic, and urged Indians to "unite" and make "sacrifices" as they did during India's post-1947 wars.

"Whenever India faced war or any major crisis, citizens fulfilled their responsibility on the government's appeal. We need to do the same now," Modi declared.

"There is a need for all of us," he continued, "to come together and fulfil our responsibility to reduce the burden on the country's resources." Specifically, he called on Indians to reduce expenditures on imports, so as to preserve foreign exchange, under conditions where "the prices of imported goods are soaring, and global supply chains have also been severely disrupted. Just as every drop fills a pot, every small and big effort matters."

Modi's speech had a double purpose: to lay the political groundwork for a fresh wave of price increases and austerity measures, aimed at making India's workers and rural toilers bear the burden of the economic crisis triggered by the criminal war on Iran; and to delegitimize popular opposition to this class war assault by painting it as "anti-national," if not outright treasonous.

Modi urged people to cut back their use of petrol and diesel, rely more heavily on public transport, increase carpooling and reduce "unnecessary" travel. Government and private sector employees were encouraged to work from home and conduct virtual meetings, while schools were asked to consider temporary online classes to reduce fuel consumption and commuting costs.

India imports over 80 percent of its oil. Prior to the war more than half was sourced from the Gulf States, including Saudi Arabia and the UAE.

Modi also urged Indians to slash purchases of edible oils and gold. India is one of the largest importers of cooking oils,

including sunflower, soybean and palm oil, while gold is the country's second largest import item. It is used in the country's jewelry industry, a major exporter, and by ordinary Indians, in accordance with tradition, as a store of wealth.

Particularly significant was Modi's call, in the name of expanding "natural farming," for farmers to halve their use of chemical fertilisers and replace diesel-powered irrigation pumps with solar alternatives. India's agriculture sector, upon which the livelihoods of more than 40 percent of Indians depend, is heavily reliant on imports from the Gulf States of urea and ammonia, key inputs for nitrogen fertilizers.

The suggestion that farmers can rapidly and largely painlessly transition to natural fertilisers is absurd. Absent massive state financial and technical support, the result would be a sharp drop in yields, which would slash farmers' incomes and fuel large food price increases.

As it is, war-induced chemical fertiliser shortages and price rises will invariably compel farmers—especially those with low incomes and at the mercy of money-lenders—to slash their use of nitrogen fertilisers, with the same socially incendiary impacts. And this in a country where hundreds of millions already face food insecurity and hunger.

With the war now in its third month, chemical fertiliser shortages are increasingly manifest. Even before the war's outbreak, there was ample evidence, as documented in an 2025 Indian parliamentary report, of a large illegal black-market, driven by hoarding and price-gouging.

The BJP government has thus far refrained from raising chemical fertiliser prices, which are subsidized. But Modi's call for a dramatic reduction in chemical fertiliser use is clearly meant to set the stage for hiking prices in the weeks and months ahead.

Modi's description of the "sacrifices" he is demanding from India's workers and toilers as "small efforts" underscore his government's callous indifference to the plight of working people. In a feeble attempt to give a populist veneer to his demands for "sacrifice," India's prime minister appealed to the better-off to curtail foreign holidays and airline travel.

The reality is his government is utterly devoted to upholding

the interests of big business. As its call for working people to slash consumption underlines, it is utterly opposed to offsetting the growing fiscal and monetary crisis by targeting corporate profits or the incomes and wealth of the super-rich.

Instead, as the war continues and the crisis deepens, the BJP government will move ever more aggressively to place the full burden on working people.

Four days after Modi's Vadodara speech and in response to explicit demands from corporate media outlets like the *Indian Express* and *Times of India* that his government stop shielding the population from the rise in world energy prices, it took a first step in this direction. It increased petrol and diesel prices by three rupees per litre—the first hike in over four years—and ordered a two rupee per kilogram rise in the price of CNG (Compressed Natural Gas), which is also widely used in India as a transport fuel.

These increases are almost certainly just an initial downpayment. Analysts were quick to point out that they are a far cry from what would be needed to compensate for the surge in world oil prices to over \$100 a barrel. Earlier, in an attempt to contain oil industry losses, the BJP government rolled back fuel excise taxes, while keeping overall fuel prices frozen. But this has only transferred a share of the losses from the balance sheets of the state-owned oil refineries and fuel-retailers to that of the government.

As for Modi's suggestion that people work from home, for the vast majority—from construction and factory workers to street vendors, salespeople and health care workers—it is simply an impossibility. They will be forced to absorb these and future fuel price rises. Food delivery workers across India have already faced mass layoffs or seen their incomes cut by two-thirds after war-related LPG (Liquefied Petroleum Gas) shortages forced restaurants and food stalls to cut hours or shut down.

Modi's Vadodara speech, which implicitly raised the spectre of a balance of payments crisis, is an indication of the depth of the crisis roiling India as a consequence of the US-Israeli assault on Iran—a war in which the Hindu supremacist BJP government and the Indian ruling class are complicit.

New Delhi has repeatedly denounced Iran, a supposed ally, for defending itself against imperialist aggression, while remaining studiously silent on all the war crimes committed by the US and Israel—from the launching of an unprovoked war under the cover of continued negotiations and the “decapitation” strikes directed against its political leaders and scientists to Trump's genocidal threats to end Iranian civilization.

Much as the war is destabilizing India's economy, New Delhi is determined to do nothing that might damage its anti-China Global Strategic Partnership with Washington, nor its relations with Israel, which Modi visited on the eve of the war's launch.

Significantly, in his speech, Modi did not even refer to Iran directly, calling the war on Iran “the war in West Asia,” so as

to obscure who is the war's victim and India's ties to and support for the aggressors.

India's economy is under increasing pressure. The value of the rupee has slid from 91 rupees per US dollar—already an all-time low—at the beginning of the war on February 28 to 96.5 rupees, despite massive intervention by the Reserve Bank of India. There is widespread speculation the rupee could soon crash below the 100 rupee-per-dollar mark. A major factor in the slide has been the withdrawal of some \$23 billion in foreign portfolio investment, as global capital sours on the prospects of an Indian economy that is being squeezed by energy price rises and fertiliser shortages.

“Modi's comments signal that the pressure on the government fiscal finances is reaching a tipping point, that there is less appetite for further rupee depreciation, and that the burden of adjustment may be incrementally shared with consumers,” commented economists at the Japanese Financial Services firm Nomura.

Opposition politicians have noted the contrast in Modi's pronouncements about the state of the Indian economy, before and after the April-May state elections.

In comparing the current crisis with the COVID pandemic and claiming that “just as we together overcame” the pandemic, “we will overcome this crisis, India's would-be Hindu strongman no doubt said more than he intended. The government's ruinous mishandling of the pandemic and homicidal “profits before lives” policy made India one of the global epicentres of the pandemic and resulted in more than 5 million deaths.

The BJP government is keenly aware that it is precariously poised atop a social powder keg. Its response to growing social discontent is state repression and communal incitement. Modi's rhetoric about “national unity” and war-time “sacrifices” is a pre-emptive strike aimed at providing ideological cover for criminalizing working class opposition.

Working through the BJP state and territorial governments in Delhi, Haryana, and Uttar Pradesh, the Modi regime has mounted a massive campaign of repression against a wave of strikes and protests that erupted in the industrial belts that surround Delhi, India's national capital and largest urban agglomeration. As the *World Socialist Web Site* has previously reported more than a thousand workers have been arrested and face trumped up charges of violence for participating in the protests. Scores of labour activists have also been targeted, with the authorities smearing them as “Naxalite” terrorists and agents of Pakistan.



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