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# The budget's ecological bankruptcy



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**The NDA's first budget has thrown a few sops in the direction of the environment and the millions dependent on it. But much like its predecessors, in painting the big picture it remains embarrassingly devoid of innovative ideas on how to move India towards ecological sustainability and justice**

“While 2015 will be a landmark year for sustainable development and climate change policy, 2014 is the last chance for all stakeholders to introspect to be able to wisely choose the world they want post 2015.”

These are significant words, contained as they are in the government of India's Economic Survey 2013-14. The reference is to the framing of a new set of sustainable development goals to replace the Millennium Development Goals (MDG) that all countries agreed to in 2000 (due to end in 2015), and to a possible new climate agreement to be framed in 2015. The Economic Survey was released a day before Union Finance Minister Arun Jaitley presented the first annual budget of the National Democratic Alliance (NDA).

So, does the rest of the survey and the budget reflect such introspection? Are the new power-holders in New Delhi any wiser about protecting the interests of the next generation while meeting the needs of the present? Or indeed about how several hundred million people of the present generation, who are directly

dependant on nature and natural resources, can have more secure livelihoods?

**Lower carbon emissions economy** Let us first look at the good news. The survey contains (for the third year running) an independent chapter on 'Sustainable Development and Climate Change', which contains a few more pearls of wisdom like the one quoted earlier. It recounts in detail several goals set by the United Progressive Alliance (UPA) government (without mentioning it of course), especially as part of the National Action Plan on Climate Change (NAPCC). Of significance is the goal to reduce "emissions intensity of GDP" quite substantially, meaning moving towards a lower carbon emissions economy.

The budget too has a few provisions to gladden the hearts of "sustainable development" and "green economy" advocates, such as cleaner energy technologies, a big fund for cleaning the Ganga, a boost to watershed development and provisions for water purification in areas badly affected by toxic wastes. Solar energy gets Rs.1,000 crore, including for agriculture pump sets and water pumping stations. A doubling of the Clean Energy Cess (from Rs.50 per tonne to Rs.100 per tonne of coal) is aimed at financing "clean environment" initiatives.

**No solutions** Unfortunately, as in the case of previous budgets and economic surveys, the few concessions given to securing our environmental future are overwhelmingly submerged by what is missing and, worse, what is contradictory. The survey's chapter on 'Sustainable Development and Climate Change' appears to exist in isolation of the other chapters; indeed, if the government was serious about "sustainable development," sustainability

would run like a thread through all the sectoral chapters. A few examples will suffice to show that it does not.

The survey's chapter on industry acknowledges that it is a cause of "natural resource depletion (fossil fuel, minerals, timber), water, air, coastal and marine, and land contamination, health hazards, degradation of natural ecosystems, and loss of biodiversity." Yet, neither in this chapter nor anywhere else is there an indication of how this is to be tackled. The chapter on agriculture and food has no mention of the enormous health implications of the use of chemical fertilizers and pesticides, nor does the 'Sustainable Development and Climate Change' chapter say anything about the need to reduce emissions from fertilizer use. Indeed, the Union budget makes an increased allocation for the fertilizer subsidy, ignoring the repeated advice from both within and outside government to begin moving towards organic, ecological fertilization measures (it does have a token

*The budget speech is deaf to development, forests, wild*

provision of Rs.100 crore for organic farming in northeast India, peanuts when compared to the Rs.70,000 crore plus subsidy for chemical fertilizers). Nowhere in the survey are the issues of dryland farming or the importance of reviving millets for the health of soils and people mentioned.

**Sustainability** A lot more could be said about the ecological bankruptcy of the Economic Survey; for instance, how can anyone gauge whether we are moving any closer to

sustainability in the complete absence of any indicators to measure this? But let us move now towards the budget Mr. Jaitley presented on July 10. Astonishingly, his 43-page budget speech is deafeningly silent on sustainable development, forests, wildlife, biodiversity, ecology. It is as if a quarter of the country that contains forests and grasslands and wetlands and other ecosystems, and the 500 million people directly dependent on these, simply do not exist for the purposes of deciding where the country's money is to be allocated. Tribal welfare does get a substantial allocation, but there is no indication whether it will be allocated to continuing the intricate nature-culture relationship of such peoples; thus far it has not, and the NDA is unlikely to be any different. And what appears to be good news on the solar energy front pales into insignificance when one realises that the allocation is only 0.6 per cent of the total energy budget, with the lion's share still going to dirty sources like coal and big hydro and nuclear.

The "Key Features of Budget 2014-2015" document has no section on the environment. Mr. Jaitley's speech mentions the environment only in respect of coal, clean energy cess and mining. The promise of sustainability in the mining sector has been made for many years, but no government has taken serious measures to implement it. We need to see whether the NDA does any better. It will be surprising given the other measures it is already taking or proposing, such as faster environmental clearances and even self-monitoring by companies which have shown scant regard for even mandatory provisions.

**River linking** The budget lays great stress on industrial corridors. If Gujarat's

model is anything to go by, this will mean massive amounts of forcible or induced land acquisition and pollution. This is a recipe for conflicts and social disruption. Early July has seen massive farmer protests in Raigad district of Maharashtra, against the proposed acquisition of 67,500 acres for a part of the Mumbai-Delhi Industrial Corridor.

The budget also initiates the River Linking project (Rs.100 crore for Detailed Project Reports), which has been under discussion for many years. Mr. Jaitley's speech lamented that India was "not uniformly blessed with perennial rivers." Both the UPA and the NDA are ignoring expert opinion that warns of the enormous ecological disruption and social displacement that such a massive engineering project would cause; equally important, they are turning a blind eye to the hundreds of initiatives that have shown how water security can be achieved through decentralised solutions even in the driest of regions.

I have said earlier that Mr. Jaitley's omission of crucial ecological terms was astonishing. Perhaps it is not. The fact that almost uniformly, corporate India welcomed the budget is an indication that the NDA is as gung-ho about a neo-liberal agenda as the UPA was ... if not even more. In such an agenda, the focus is on growth through making it easier for industry and commerce, with the assumption that a larger economic pie will help the poor rise above the poverty line. The fact that despite a blistering pace of growth through much of the 1990s and 2000s, the employment situation worsened (latest figures show nearly 15 per cent unemployment), and 70 per cent of Indians remained deprived of one or more basic needs, appears lost on the proponents of such an agenda. And the fact that such growth actually trashes the ecological pie on which all of us depend for our very lives, appears to be of little consequence. Not even the World Bank's 2013 study showing that environmental damage annually knocks off 5.7 per cent of GDP growth, seems to have made a dent in such thinking.

The NDA's first budget has thrown a few sops in the direction of the environment and the millions dependent on it. But much like its predecessors, in painting the big picture it remains embarrassingly devoid of innovative ideas on how to move India towards ecological sustainability and justice.

*(Ashish Kothari is with Kalpavriksh, Pune.)*

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