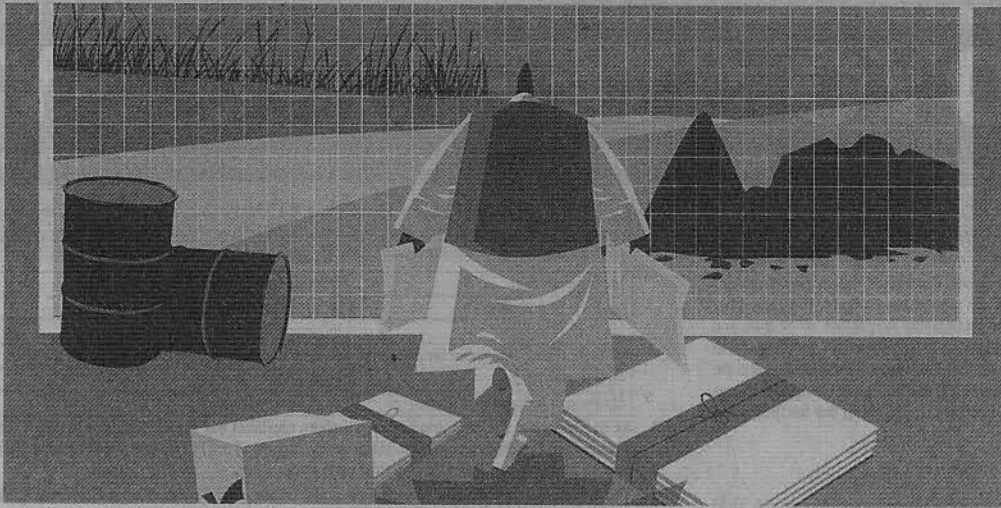


ILLUSTRATION BY BINAY SINHA



Budget disappoints on ecological sustainability

India should make a strategic shift to a pattern of growth that is not only resource-frugal but progressively uses more renewable energy

The Budget 2017-18 has been commended as a “do-no-harm” effort by Finance Minister Arun Jaitley, allowing the economy to recover from the avoidable trauma of an ill-conceived demonetisation. But in the realm of ecological sustainability, so critical to India’s future prospects, the Budget fails to reflect the urgency and scale of effort required. There is no word on how the government proposes to deliver on the far-reaching commitments it has made under the various sustainable development goals (SDGs). While the enhanced outlays on the National Solar Mission are welcome, there is no overall plan on the implementation of the nationally determined contributions the country has signed on under the Paris climate agreement. The national Budget should have included ecological benchmarks as an integral component, ensuring that various spending heads and outlays do not run counter to the overall objective of ecological sustainability.

It had been reported just a week before the Budget announcement the government proposed to add three new national missions to the eight already included in the National Action Plan on Climate Change (NAPCC). These relate to impacts of climate change on public health, on coastal zones and an exclusive mission on waste-to-energy. However, there is not even a mention of this important initiative in the Budget, let alone any outlay to initiate their implementation.

One hopes that the coal cess of ₹400 per tonne stands. It provides substantial funds for the Clean

Energy Fund, which may be used for the promotion of clean energy projects. A couple of years ago, the purpose of the Fund was diluted by renaming it as the Clean Energy and Environment Fund and included a host of environment-related projects such as cleaning the Ganga within its mandate. Not all the cess on coal collected is allocated to the Fund and spending still lags far behind the availability of money.

At the end of the current financial year, the amount accumulated in the Fund is ₹54,336 crore. There is an urgent need to have transparent rules on the use of the coal cess, explaining why the entire amount collected should not go to the Fund and to devise a well-thought out plan to use these resources for projects that promote clean and renewable energy.

Agriculture and irrigation are areas of focus in the current Budget and this is understandable. The commitment to doubling of farmer incomes within a five-year period is commendable. The measures the government proposes to deliver on these commitments, however, run counter to the goal of ecological sustainability. The agricultural sector in India is suffering from the diminishing returns from the Intensive Agriculture Development Programme (IADP), which delivered the first phase of the green revolution which began in the 1960s. This strategy involved the use of hybrid seeds, water-, chemical fertiliser- and pesticide-intensive techniques to deliver higher crop yields. The IADP strategy has run out of steam and the continuance of the strategy is leading to the loss of



SHYAM SARAN

fertility of land, the increasing toxicity in the food chain and the precipitous decline in the water table across the country. Increasing fertiliser subsidies will only compound the problem. Higher outlays for irrigation, without taking into account the acute water stress that has already built up in large parts of the country, will yield sub-optimal results. One is not even taking into account the adverse health effects on farmers and their families resulting from constant exposure to toxic chemicals whether in the form of chemical fertilisers or pesticides. If the government were serious about implementing its new climate change mission on health, then a review of the existing agriculture strategy is inescapable.

The NAPCC, adopted in June 2008, had eight inter-related national missions covering renewable energy, agriculture, water, forests, enhancing energy efficiency and urbanisation among others. Of these, only the solar mission has recorded significant progress; the others have mostly fallen off the radar screen. This is a pity because ecological sustainability can only be advanced when there is parallel progress in each of these domains. Every annual Budget should have a special section devoted to the NAPCC, with outlays to contribute to meetings targets in each mission. The current Budget talks of an outcome oriented approach; this is most sorely needed in meeting the challenge of ecological sustainability.

With Donald Trump becoming President of the US, there is a real possibility that the international consensus, which made possible the Paris climate agreement and the adoption of SDGs, will begin to unravel. Mr Trump has already given notice that restrictions on fossil fuel industry in the US will be either relaxed or eliminated altogether. There are indications that the US may even repudiate the Paris Agreement altogether. Other major economies may well follow suit in order to maintain their competitiveness vis-a-vis the US. What should be India’s response in case such a scenario begins to unfold?

The discourse in India usually posits a trade-off between energy security on the one hand and meeting the challenge of climate change on the other. In fact, both for reasons of promoting energy security and tackling climate change, India should make a strategic shift from its current reliance on fossil fuels to a pattern of growth which is not only energy- and resource-frugal but progressively uses more renewable sources of energy such as solar energy and cleaner sources of energy such as nuclear energy. Consider the fact that India currently imports over 70 per cent of its oil and this will go up to 90 per cent by 2030. This is no energy security. The Budget fails to acknowledge such a challenge.

It is evident that pursuit of economic aspirations defined by the West is not viable for a country like India. This requires a change in political narrative, in social attitudes, fostering a concept of affluence and material well-being aligned with ecological sustainability. This used to be a defining feature of India’s civilisational ethos. A government committed to reviving India’s ancient values would do well to put this respect for nature and ecological integrity at the centre of its endeavours.

The writer is a former foreign secretary and senior fellow, CPR