

# Highways to unsustainability

India's 2022-23 budget gives environment and climate token attention

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Deep Ocean Mission and Blue Revolution will both threaten India's marine biodiversity and livelihoods of small fisherfolk © Ashish Kothari

“The risks of climate change are the strongest negative externalities that affect India” said the country’s Finance Minister Nirmala Sitharaman while introducing its 2022-23 national budget. Her [speech and the budgetary documents](#) also refer to ‘sustainable development’ several times. These signal a stated intention to not only meet India’s obligations under the UN SDG framework, but also recent [climate commitments](#) made by Prime Minister Narendra Modi at the Climate COP26 at Glasgow.

How much does the budget back up this stated intention? How much will it contribute to environmental sustainability and to the immediate and long-term livelihood and life security of one-sixth of the world’s population? And beyond – for as the world’s 5<sup>th</sup> largest economy, and the third biggest emitter of greenhouse gases, India’s budgetary allocations have significance not only for its 1.4 billion people but for the world as a whole.

An early indication of the severely contradictory approach to sustainability taken in the Budget is the fact that while SD and climate are stressed in the Finance Minister's speech, the following words are completely absent: nature, wildlife, environment, ecology, ecosystem, pollution, conservation, other than in usage like 'business environment' and 'growth ecosystem'.

But beyond symbolism, the environmental implications of a country's budget can be analysed in three dimensions:

- direct allocations for environmental sectors;
- allocations for environmental sensitivity in non-environment sectors;
- allocations for other sectors with environmental impacts.

These aspects were dealt with in detail at a recent online discussion, [organised](#) by the Impact and Policy Research Institute (IMPRI). Here, I am supplementing my own understanding of the budget with insights gained from participants of this webinar, and points that were made in a note produced by the national network [Vikalp Sangam](#).

## Direct allocations for environmental sectors

Primary responsibility for environmental matters in India is with the Union Ministry for Environment, Forests and Climate Change. Its budget has been increased by less than 10%, an increase easily wiped out by inflation. More importantly, its allocation is only 0.08% of the total budget, which is a clear indication of just how important the government considers its role. Of course, if other sectors were already incorporating ecologically sensitive approaches, this tiny budget may be appropriate, but as we shall see below, this is simply not the case.

Since 1991, when India brought in fundamental 'reforms' to integrate it more centrally into the global economy, incentivize the private sector, and attract foreign investments, the budget for this Ministry has been steadily decreasing. It has never been over 1% of the total outlay. But 0.08% is perhaps its lowest ever share.

On specific parts of the environment budget, there is mixed news. There is a higher allocation for forestry and wildlife, which is welcome. But as I'll point out below, the gains from this will be overshadowed by the losses of natural ecosystems due to massive infrastructure development. Additionally, official forestry and wildlife conservation remains very top-down and exclusionary, resulting in loss of livelihoods and even physical displacement of ecosystem-dependent communities including Adivasis (India's indigenous peoples). The Forest Rights Act of 2006, which could have provided a balance by recognizing the collective rights of such

peoples and enabled more community-led conservation, has been very poorly implemented, and there is no indication in the budget of increased allocation to help change this.

Shockingly, the budget has actually reduced allocations for tackling air pollution through the National Clean Air Plan; despite the horrendously hazardous quality of urban air across India having been headlined over the last few years. 12 of the 25 most polluted [cities](#) in the world are in India, well over a [million](#) people are reported to be killed by it annually, and at current pollution levels, average life expectancy could be [reduced](#) by 9 years in places like New Delhi and Kolkata. Though she lives in one of these cities, India's capital New Delhi, the Finance Minister appears unwilling to give this issue priority.

## Allocations for environmental and climate sensitivity of other sectors

Every economic sector has environmental implications, and civil society has demanded for decades to build sustainability and ecological criteria as central components of planning and budgeting. There is mixed news on this in the 2022-23 budget.

Given that about 60% of India's population has agriculture as its primary livelihood, and that 60% of its land is devoted to agricultural occupations, this is a high priority area for sustainability. For the last few decades, the model of Green, White and Blue Revolutions has focused on high input, chemical-intensive, monocultural production, with severe ecological impacts that more and more studies are pointing to. In this context, the Finance Minister's announcement of supporting 'chemical-free farming throughout the country' and promoting natural and organic farming is a breath of fresh air. So is the support she has announced for promoting millets, many species and varieties of which Indian farmers have traditionally grown but which have been widely displaced by wheat and rice. However, specific allocations for these shifts have not been clarified, nor is it clear whether the backward and forward linkages necessary to make such farming viable, including manure and markets, will be supported. Meanwhile, one of the budget's biggest allocations is for subsidizing chemical fertilisers, a long-standing item but which it was hoped would start being shifted to organic inputs. Alas, no. Additionally, there is little focus on dryland and rainfed farming, which still employs a sizeable chunk (60%) of the farming population, and is ecologically more sustainable than artificially irrigated agriculture.

Another problem is that big corporations are increasingly getting into the organic sector, sensing big profits. The budget gives a boost to food processing, without reserving this for decentralized village-level units. This combined with an increasing push for contract farming and

commercialization could encourage corporate capture of non-chemical agriculture. This is precisely the fear, sparked by the enactment of three laws pushing agriculture into a highly commercialized, privatized regime, that launched the recent remarkable [farmers' movement in India](#), a movement that succeeded in rolling back these laws.

A pleasant surprise in the budget is the proposed 'paradigm shift' towards sustainable urban living. A high-level committee is being set up to come up with measures for this, so we will have to wait to see its recommendations, and what measures the government takes subsequently. One explicit direction in the budget is public transport; but most of the allocation for this appears to be for metros, which are extremely carbon intensive in terms of their construction, and extremely expensive to run. Support to electric vehicles (EVs) is also positive, but will mostly benefit rich consumers. There is no clear indication of a substantial boost to buses, cycling and walking, which would benefit the vast majority of urban residents as also be environmentally sensitive. As VR Raman of WaterAid India notes, this and other measures for urban sustainability are especially lacking in India's burgeoning small towns, but have been given poor attention in successive budgets.

As mentioned above, this is the first ever budget to stress climate action. A number of steps towards less carbon intensity of the economy (a promise Prime Minister Modi made at Glasgow) have been included: biomass for power stations, boost to batteries, energy-efficient Vande Bharat trains, energy efficiency measures in large commercial buildings, sovereign green bonds, and a significant increase in renewable energy. However, as Soumya Dutta of the South Asia People's Action on Climate Crisis (SAPACC) says, there is deep hypocrisy in how the budget (and the government in general) deals with climate. For whatever gains may accrue from them, will be completely wiped out by the 'business-as-usual' approach for most of the economy, especially the massive boost to infrastructure development (to which I return below).

Shockingly, though evidence of the climate crisis already affecting millions of people is mounting and impossible to ignore, the budget has no focus on risk reduction, building resilience, supporting adaptation, preparing for disasters, and other measures that are urgently and desperately needed. The National Climate Action Plan gets only Rs. 30 crores (300 million), which is not even an increase over 2021-22 and is abysmally inadequate for what needs to be done. There is also no focus on a 'just transition' in which workers in fossil fuel sectors, like coal, can be reskilled to get alternative employment in climate and environment-friendly sectors.

Even on renewable and 'clean' energy, there are serious concerns that this budget does nothing to assuage. India's goal to have 50% of its total energy production by non-fossil fuels or clean energy by 2030, one of

Prime Minister Modi's five commitments at Glasgow, is heavily dependent on mega-solar and wind parks, nuclear and large hydropower. All of these are ecologically devastating, as also entail the grabbing of lands and waters from farmers, fishers, pastoralists and Adivasis (indigenous peoples). India could have oriented its energy sector much more towards decentralized renewable sources, with less ecological impacts and greater community access; as also towards strongly regulating luxury and wasteful demand. There is a welcome, substantial additional allocation for solar pumping for farmers and some focus on rooftop solar, but these are minuscule compared to the mega-projects; and off-grid solar has seen a big drop in allocation.

## Allocations to other sectors with implications for the environment

The single biggest blow to sustainability and equity is the enormous budgetary allocation to infrastructure. As the Finance Minister stated, the stress is on "a transformative approach for economic growth and sustainable development. The approach is driven by seven engines, namely, Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure." For anyone sold to the westernized, neo-liberal model of development, this is music for the ears. To anyone who wants to see India move towards sustainability and socio-economic justice, it represents a red flag ... or seven of them.

There is no doubt that many areas of India, especially villages and small towns, need better infrastructure for mobility, communications and services. But much of the emphasis of this government is on mega-projects, such as 25,000 km more of highways. The budget for the National Highway Authority of India alone is 40 times higher than that of the Environment Ministry! Linear projects like highways and railway lines have had very serious impacts on environment, including fragmentation of fragile ecosystems, dumping of millions of tons of rubble into rivers, and landslides; ironically, such projects have even been exempted from some mandatory environmental assessment and clearance procedures. They also have severe negative impacts on people's livelihoods due to displacement and land acquisition. The budget has missed a chance to shift the paradigm to decentralized, community-oriented infrastructure especially for villages and small towns. One small concession is that in the case of some 'difficult hilly areas', ropeways are proposed as alternatives to roads.

Also getting a major push in the budget is the idea of 'river-linking'. Mooted back in the 1980s but coming into prominent consideration only in the 2000s, the National River Interlinking Project envisages connecting up many of India's rivers through inter-basin canals. This is



ostensibly to shift water from ‘surplus’ areas to ‘deficit’ ones. Researchers and activists have repeatedly pointed to the disastrous ecological and social [consequences](#) of such a massive engineering agenda. But to a government drunk on visions of grandiosity, these objections are inconsequential. The 2022-23 budget has made a huge allocation for the Ken-Betwa river linking project in central India, despite studies showing its negative environmental consequences including on tiger habitat, land dispossession of indigenous and other communities, and the fact that it does not yet have all the [statutory clearances](#). The budget also proposes support to five more river linking projects. Again, ecologically and socially sensitive, decentralised alternatives for irrigation and rainfed agricultural production, all proven to be feasible through grounded experiments, have been ignored.

Yet another area of concern are plans for India’s oceans and coastal areas. A Deep Ocean Mission was initiated in 2021-22 with the narrative of conservation, but fully oriented to exploring minerals and other exploitable produce. Allocation for this has been substantially increased this year. Also increased is the outlay for the Blue Revolution, focused on increasing extraction through commercial aquaculture and capture fisheries. Debadityo Sinha, who leads the Climate and Ecosystems work of the Vidhi Centre for Legal Policy, points out that in both these projects there are serious implications for coastal and marine biodiversity and for the several million small fishers that depend on it. Major beneficiaries are likely to be commercial trawler-owners, fishery and mining companies. Globally, while several companies are saying that [mining the deep seas](#) could help deal with the climate crisis, there is serious concern about its ecological consequences in a situation where the oceans are already stressed.

There is a large rise in funds allocated to water in the budget, through schemes like the Jal Jeevan (‘water life’) mission. This is surely welcome, given the serious deficiencies in availability of potable water in many parts of India. A recent [report](#) by the NITI Aayog (the apex official thinktank advising the Indian government on development matters), said that “India is suffering from the worst water crisis in its history and millions of lives and livelihoods are under threat. Currently, 600 million Indians face high to extreme water stress and about two lakh (200,000) people die every year due to inadequate access to safe water.” Such water stress has steadily increased due to pollution, overdrawing, mismanagement, and absence of effective (or any!) regulation. Unfortunately, it is not clear that larger allocations will by themselves solve the crises. Sharachchandra Lele, of the Centre for Environment and Development, Ashoka Trust for Research in Ecology and the Environment, points out that in the recent past a lot of attention has gone to setting up capital infrastructures like pipelines and taps, without reviving and ensuring the ecological and social conditions for water

access, bringing in necessary regulatory and institutional mechanisms for sustainable use, and empowering communities for local governance and management.

A new item in the budget is palm oil, linked to the government's recent announcements that it wants to reduce its import dependence for this oil by enhancing domestic production. Unfortunately, the areas targeted for plantations are ecologically fragile north-east India and the Andaman and Nicobar Islands. Ecologists have rightly raised concerns, given the damaging track [record](#) of oil palm plantations in South-East Asia, the Amazon, and parts of Africa. A study by researchers at the Centre for Ecological Sciences, Indian Institute of Science, shows that unless the plantations are carried out in decentralized, small pockets of agricultural land (an approach this government is not known for, as we see above), they could be at the expense of the rich [biodiversity](#) of north-east Indian states. Being extremely water intensive, they could also heighten water shortages and conflicts.

## No fundamental orientation towards sustainability

Overall, for the economy as a whole, this budget does not signal any significant shift towards sustainability. There are some welcome allocations and indications of shifts in thinking (e.g. in agriculture and climate). However, environment continues to be a 'sideshow' – it is given a few token sops, while in fact financial allocations continue to fuel an economy that is fundamentally unsustainable. Madhu Verma of the World Resources Institute points out that even limited measures that have been discussed and advocated for years, such as green accounting, are not yet on the agenda. If the government was truly interested in sustainability, it would also introduce sectoral environmental assessments that could give an idea of the overall environmental impact of each economic sector, enabling mechanisms to integrate sustainability as a core feature.

Also missed out is a chance to begin a firm journey towards green jobs – the revival and sustenance of livelihoods centred around the conservation of nature and natural resources, regeneration of the over 60% of lands that have suffered erosion, and the transition of manufacturing, services and other sectors towards climate, environment, and job-intensive measures. Even India's biggest livelihood security programme, the Mahatma Gandhi Rural Employment Guarantee Scheme, which could have been used for such a shift, has seen a decline in allocation. There is no sign of a similar scheme for urban areas, though it is desperately needed given the widespread employment stress caused by Covid-19 and the associated economic lockdowns. The revival

of India's enormous household-level craft diversity, also linked to natural ecosystems, could be another big environment-cum-livelihood area of budgetary focus, but continues to get poor secondary attention compared to big industry.

Over the last two years, the Indian government could have enabled a [rainbow recovery](#) from Covid-19, combining environment, justice and livelihoods that prioritized community action and multiple knowledge systems. Many community resilience [initiatives](#) in 2020-21 have pointed to the feasibility and directions of such a recovery. But successive budgets labeled as '*atmanirbharbharat*' (self-reliant India) packages have done little to support such approaches.

But to any astute observer of the Indian economy and polity, the ecological tokenism of the budget should not be a surprise. For decades, and especially [since 1991](#), there has been promotion of a state and corporate dominated economy, increasingly capitalist in orientation, and the continuation of deep caste, gender, and class schisms. With economic growth as an all-consuming god, the country's natural foundations will continue to be treated as [resources](#) for exploitation, and its people as fodder for labour and consumer markets. The only arenas of hope are the myriad grounded [initiatives](#) that 'ordinary' people and communities have come up with, occasionally supported by governmental action, and the resistance movements of which the recent farmers' mobilization is an inspiring example. Even the few insertions towards sustainability and justice that one sees in the 2022-23 budget, are possibly an outcome of such movements and of the continuation of democratic assertions that are deep-rooted in the civilizational ethos of this part of the world. Howsoever bleak the situation, it is the hope for radical transformation towards justice and sustainability, pinpricks of which penetrate the dark, that spurs social and ecological movements to continue striving.

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