Opinion

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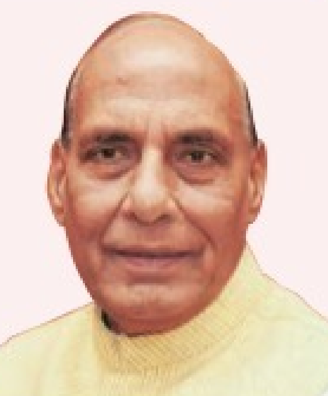

ON SIACHEN VISIT

Defence Minister of India, Rajnath Singh

I am proud of all Army personnel serving in Siachen who are leaving no stone unturned to defend our motherland.

RationalExpectations

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Cut budget size, time to get real

Taxes won't grow anywhere near the target, so govt investment will slow; in which case, where will higher GDP come from?

GIVEN HOW SO much official data, including even budget numbers, lack credibility, the best thing finance minister Nirmala Sitharaman can do is to shrink its size relative to what the FY20 interim budget had projected. If she doesn't, she too will have to fudge the budget numbers; as *FE* reported, as compared to the 3.4% of GDP reported, the real fiscal deficit for FY19 was 4.1%. While the size of the budget was projected at ₹27.8 lakh crore in the FY20 interim budget, the government can't possibly achieve the tax targets implicit in this. Indeed, since the government has, in the past, tried to compensate for the slump in private investment by increasing capex on roads and railways, primarily, the tax problem means the government can't possibly fund even its modest capex plans either, and that will result in a further slowing of GDP in FY20.

The FY19 tax projections of ₹22.7 lakh crore were high, but there was some basis for the 18% growth as there was still a possible demonetisation dividend—₹1.75 lakh crore of deposits were said to be suspicious as they didn't match the income profile of those putting the money in the bank—and, with GST expected to stabilise, it was expected that people would have no option but to declare their real business turnover and, as a result, would also declare higher personal income tax returns. As it turned out, the FY17 demonetisation bump—when total tax collections rose 18%—soon dissipated. So, as compared to the ₹22.7 lakh crore tax target for FY19, the government achieved just around ₹20.8 lakh crore, making the actual tax growth in FY19 a mere 8% as compared to the 18% target. Much of the shortfall took place in GST revenues; these were projected to be ₹1 lakh crore short when the interim budget was presented, and even this turned out to be optimistic; the final shortfall on account of the central government GST alone was ₹1.6 lakh crore.

Given the FY19 collapse, the FY20 tax targets are unachievable. When the interim budget was presented, the FY20 numbers meant a 13% growth; this was high given a GDP growth projection of 11.5%, but it was still doable. Now, however, the FY20 target implies a tax growth of a whopping 23% or around three times the FY19 growth. What makes it likely that FY20 will also see large shortfalls is that, with the economy still sluggish, both corporate and personal income taxes are unlikely to grow very fast—in FY20, personal income taxes are projected to grow 34% as compared to FY19's 10%. And in the first two months of the year, GST collections are already short by around ₹8,000 crore per month.

Even if FY20 collections fall short by ₹1.6-1.8 lakh crore, finance minister Sitharaman can, it is true, still find ways to bridge the gap. There can be a step up in disinvestment receipts from the ₹80,000 crore target if the government decides to go in for aggressive privatisation; on the other hand, if it decides to go in for the PSU-buying-PSU shares that it relied on in the past, there may even be a shortfall here since PSU balance sheets are a lot weaker, having surrendered so much money to the government over the last two years.

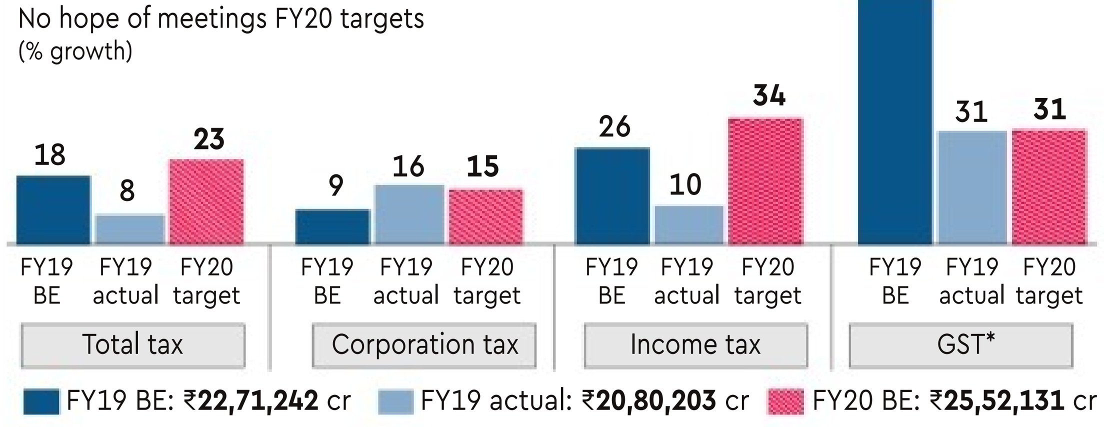
Another possible source of funds is the ₹1-2 lakh crore of 'excess' reserves from RBI; while it is expected the Bimal Jalan panel will recommend cutting RBI's reserves by this amount, it is risky to base the budget on this assumption. After all, some of its members like former RBI deputy governor Rakesh Mohan have opposed this in the past. And even if Jalan does recommend this be given to the Centre, it is unlikely it will allow this to be used for anything other than PSU bank recapitalisation; so it won't help defray the general fiscal deficit.

A third possibility is to sell the government's excess food stocks, and that can fetch ₹1 lakh crore. Indeed, the government can reduce costs by another ₹50,000 crore or so a year if, while keeping the ration entitlements the same as under the food security Act—two-thirds of Indians get 5 kg of wheat/rice per month at a highly subsidised rate of ₹2-3 per kg—it gives this in cash instead of physical rations. While 80 crore persons getting a cash subsidy of ₹25 per kg—that's the price difference between the market and ration shops—will cost ₹1.2 lakh crore, the government spends ₹1.7-1.8 lakh crore on food subsidies using primarily Food Corporation of India (FCI). But this requires a complete rethink of the policy towards agriculture and FCI; while this is a theoretical possibility, the government hasn't moved in this direction in the last five years. Even while proposing the initial ₹75,000 crore of cash transfers to farmers under PM Kisan scheme, and increasing this by ₹12,000 crore last week, the government never said it planned to trim or do away with the ₹1.9 lakh crore of other agriculture subsidies given by the centre/states today.

If Sitharaman doesn't cut the size of the budget, then she too will have to resort to getting other government departments to fund it. When tax growth collapsed in FY19, the government had no option but to slash its expenditure in order to maintain the fiction of the fiscal deficit remaining broadly under control; if the deficit was patently out of control, GSec yields would have risen further and hit private investment even more. The lion's share of the expenditure cut of ₹1.5 lakh crore was made in food subsidies (₹69,000 crore), but this wasn't done by actually cutting subsidies, it was just done by putting this expenditure on FCI's books; the transaction will be reversed later. It would be a pity if finance minister Sitharaman's maiden budget is tarnished by such accounting jugglery.

Taxing times

No hope of meetings FY20 targets (% growth)



*Growth relative to FY19 actuals

BitterHARVEST

Falling crop yields because of climate change portend disaster; India must encourage agri R&D and sustainable farming

THE UNIVERSITY OF MINNESOTA'S Institute on Environment says the production of barley, cassava, maize, oil palm, rapeseed, rice, sorghum, soybean, sugarcane, and wheat has fallen globally due to climate change. South Asia, along with Europe, and North and Central America, are the worst-affected. In India, where food security is already a concern, rice and wheat production fell by 2.1% and 0.7%, respectively, between 1978 and 2008 due to climate change. Given these grains are both staples and important agri-export items—India exported 7% of its non-basmati rice and 0.3% of its wheat produced in 2017-18—these numbers are alarming. Falling production because of climate change will intensify rural agrarian distress and contribute to hunger. The costs that this imposes on the future get compounded since children are the group most vulnerable to poverty-induced hunger, chronic malnutrition, and micronutrient deficiency.

While India had insisted at Paris that it shouldn't be made to bear the costs—in terms of foregoing development—of anthropogenic climate change because it had contributed little, historically large polluters continue down a high-emission path. So, even if India and a handful of other nations adopt climate-sensitive growth strategies, there is no avoiding the unfolding climate crisis. Against such a backdrop, the government must back agri R&D, apart from encouraging innovative and sustainable agricultural practices.

THE REAL MAINSTREAM

UNLESS WE REDUCE EMISSIONS FROM COAL AND BIOMASS BURNING, WE CANNOT HOPE TO REDUCE AIR POLLUTION SIGNIFICANTLY

Prioritise action on air pollution

CHANDRA BHUSHAN

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Views are personal

TODAY IS WORLD Environment Day (WED), and the theme this year is air pollution. Fittingly, China is hosting the global WED celebrations in Hangzhou, its high-tech industrial centre. Over the past few years, China has shown how air pollution can be reduced rapidly by a combination of strict actions and use of cutting-edge technologies in pollution control and monitoring. India too will need massive technological innovations to combat the menace of air pollution. But how should we prioritise our actions?

Let me start by acknowledging that some of the best ideas come from those who are not experts. Sometimes experts miss the big picture while the 'non-expert' ignores the trifling details and provides a simpler and fresher perspective on a problem.

Recently, in a gathering of 'non-experts', I was discussing air pollution in Delhi. While I was trying to inform my audience about the diverse sources of pollution and what we needed to do to control them, a friend made a point that made me rethink the whole issue from a new perspective. He simply said, 'What we burn the most, pollutes the most.' Though this sounds like a no-brainer, the fact is we have never applied this simple principle in addressing air pollution in the country. Let us understand this.

There are three major sources of air pollution: burning of fossil fuels and biomass for energy; burning of agricultural residues and waste; and dust emissions from natural and human-made sources. There are other sources as well such as methane and NOx from agriculture that contribute to ozone pollution. But let's only look at the things that we burn, as they are the largest source of toxic emissions.

Burning for energy: We burn 1600–1700 million tonnes of fossil fuels and biomass annually to meet our energy needs. Of this, about 55% is coal and lignite, 30% is biomass, and 15% is oil and gas. Biomass and coal have the highest pollution potential because they do not burn completely, and hence emit large amounts of unburnt carbon and other pollutants. Biomass has the added problem that there is no possibility of installing pollution control equipment on *chulhas* (cookstoves), and hence, everything is emitted into the atmosphere. On the other hand, natural gas is the cleanest fuel, while oil products fall in the middle range.

While coal is largely used for electricity generation and in industries, biomass—which includes firewood, agricultural residues and animal dung—is predominantly used as cooking fuels. About 50% of oil is used for transportation, 40% in industries and 10% as kerosene and diesel in households. We consume about a hundred million tonnes of diesel and petrol annually for transportation, which is a significant source of pollution in our cities. Gas is used for electricity generation, transportation and cooking.

Agriculture residue and waste burning: About 100-150 million tonnes of agricultural residues are burned each year on the fields. This is a seasonal activity, and hence, during the burning seasons, they are a significant contributor to air pollution. Waste burning is also a critical source of pollution in cities, but there are no accurate estimates as to how much waste we burn. India produces about 60 million tonnes of waste annually, of which only about 25 per cent is processed, and the rest is dumped or burned in open areas. Even if we assume that about one-third to one-fourth of the waste is burnt in open areas (an underestimate, in my opinion), then we burn 15-20 million tonnes of waste annually.

So in totality, we burn 1800-1900 million tonnes of fossil fuels, biomass and waste every year. Of these, 1500-1550 million tonnes or 85% are just coal, lignite and biomass. They also happen to be the most polluting fuels.

If we only consider the amount of materials we burn, which is a good proxy, then at an all-India level, 85% of air pollution comes from the burning of coal and biomass; oil and gas contribute less than 15%. So what should our priority in tackling air pollution be?

It is indisputable that we cannot reduce pollution unless we significantly cut emissions from coal and biomass burning. The topmost priority must be biomass burning as this has the added benefit of reducing indoor air pollution and hence saving the lives of hundreds of thousands of womenfolk.

Curbing emissions from thermal power plants and industries has to be the next priority. This is a difficult one; our pollution monitoring and enforcement systems are extremely weak, and we will need massive innovation and cutting-edge technology in pollution control, especially for small-scale industries, to accomplish this.

This doesn't mean that the transport sector and waste burning are not problems. They might not rank high as overall polluting sources, but they are important sources of pollution in cities. For instance, in Delhi, the transport sector contributes to 20–30%, and in Mumbai, waste burning contributes to about 15% of the PM2.5 levels.

But air pollution is not only a Delhi or a Mumbai phenomenon; it is a pan-India problem. Nearly all Indians breathe air that is considered unsafe by the World Health Organization's air quality standards. The pan-India principle and priority, therefore, is clear: act urgently on what we burn the most.

What are we burning?

	Quantity (million tonnes/annum)	Pollution potential
Coal and lignite	900	High
Biomass for cooking	500	Highest
Oil	225	Medium
Agricultural residues in fields	100-150	Highest
Natural gas	40 (LNG equivalent)	Low
Waste	15-20	Highest

Source: Estimated by the author

MNCs are the bogeymen again

The building blocks of the multinational corporation—supply-chain fragmentation, and foreign direct investment—are eroding

DAVID FICKLING

Bloomberg

ONCE UPON A TIME, multinational corporations were such an essential and respected building block of the world economy that only die-hard anti-capitalists opposed them.

How things have changed. While popular discontent at the role of cross-border companies may have died down, they now find themselves in the sights of a far more dangerous enemy. As the world's two biggest economies take pot-shots at each other, it's multinationals that are getting caught in the political firing line.

China's ministry of commerce has said it will establish a list of "unreliable entities" for foreign companies that discriminate against the country's firms or otherwise threaten its industries or national security. The government started an investigation of FedEx Corp. too, accusing it of misdirecting packages. That looks a lot like a retaliation against President Donald Trump's decision last month to blacklist Huawei Technologies Co., preventing U.S. companies from doing business with the Shenzhen-based telecommunications giant.

The new atmosphere is bad news for companies like Apple Inc., Toyota Motor Corp., and Constellation Brands Inc., which depend on supply chains spanning borders where tariff levies are now rising. At the same time, it's little more than an acceleration of a trend that's been crystallising for a while.

The building blocks of the multinational corporation—supply-chain fragmentation, and foreign direct investment—are eroding.

The former can be considered the extent to which industries concentrate their activities in countries with the strongest comparative advantage, improving productivity by (say) locating a car company's tyre-making in a place with ready access to rubber while its final assembly is set up somewhere with a large work-force.

Such fragmentation had been sharply retreating even before Trump's election as U.S. president. The share of foreign value-added in gross exports from members of the Organization for Economic Cooperation and Development fell to 19% in 2016 from 23% in 2012, according to figures from the group, meaning activity was increasingly happening in fewer countries. That trend has been even more pronounced in emerging markets, falling to 33% from 38% in Thailand; to 30% from 41% in Taiwan; and to 16% from 25% in India over the same period. Next to those countries, China's decline to 17% from 21% looks almost modest.

> **Henceforth, businesses that don't want to play politics will increasingly find that politics ends up playing them**

To split up a supply chain, you must first spend money on the myriad facilities it will use around the world. But growth in foreign direct investment is heading toward its weakest levels since the Cold War. New FDI inflows of $1.43 trillion in 2017 came to just 5.2% of the existing $27.66 trillion inward investment stock. The value of new greenfield FDI projects came to just $720 billion in 2017; that was the second-lowest figure since 2005, after 2012. The $53 billion of greenfield investments in China was the lowest since 2003.

That decline is what makes the current situation particularly risky for multinationals. In their days as the bogeymen of anti-globalisation protesters, they were unpopular because they were powerful. Now, they're losing influence because they're weak. Carlos Ghosn, the embodiment of Davos Man, sits under virtual house arrest in Japan, removed from his positions at Renault SA and Nissan Motor Co., and cut loose by the French government. In Vancouver, Huawei's chief financial officer, Meng Wanzhou, awaits her next extradition hearing. Executives considering travel to Japan, or China—or even, now, Hong Kong—will want to think twice about whether the journey is worth the legal jeopardy.

It's hard to see this changing soon. President Trump's mantra of bringing jobs home depends on knitting those fractured supply chains back together, but this time in America. The increasing use of Washington's Office of Foreign Assets Control to extend U.S. jurisdiction not just to domestic companies, but to any company globally that transacts in dollars, means that every step outside home territory is freighted with risk.

China, too, has been getting less and less dependent on foreign trade for more than a decade, in line with its rising wealth and increasingly state-directed economy. The risk of becoming an "unreliable entity" means companies are increasingly being forced to choose sides between Beijing and Washington.

Multinationals will no doubt survive this. Their first incarnations grew up in an epoch when trade barriers were so high that you often had to set up a plant in a foreign country if you wanted to sell products there at all. Compared with that, times aren't so hard. But the era of the apolitical global company dedicated only to its bottom line seems increasingly in the past. Henceforth, businesses that don't want to play politics will increasingly find that politics ends up playing them.

This column does not necessarily reflect the opinion of the editorial board of Bloomberg LP and its owners

LETTERS TO THE EDITOR

SP-BSP unity ends

The bonhomie of SP-BSP has come to a dead end with BSP chief Mayawati announcing to go it alone in the by-polls. In Uttar Pradesh the SP-BSP alliance netted 15 seats of which 10 seats were bagged by BSP and the remaining 5 by SP. Samajawadi chief Akhilesh Yadav has no alternative. He too expressed that his party would go solo. The Lok Sabha election debacle of SP-BSP has made these two parties fall apart. In fact, SP and BSP were sworn political enemies. Somehow they had buried their differences with the sole aim of cornering BJP in general and Modi in particular. Election time is the season for all hotch-potch parties to come together and the post-election time is the season for disintegration of all the parties if they suffer defeat. The conglomerate parties hold together loosely if per chance they emerge victorious. When such parties come to power, the stability of the government is not at all guaranteed which has been proved when Janata Party started disintegrating due to internal feuds. The Morarji Desai government fell like house of cards due to the power greed of Charan Singh and Chandrashekhar. Morarji Desai, Charan Singh and Jagjivan Ram were the trinities who were competitors to each other for Prime Ministership. Desai and Singh could somehow fulfill their ambitions but Ram was left out. People have wisely exercised their franchise in the 2019 Lok Sabha election. The decisive mandate was given contrary to the expectations during pre-exit poll time that the result will be hung Parliament. Exit poll results had allayed the apprehension of hung Parliament. If Mayawati feels that the joint venture of SP-BSP marred their chances to get fair number of seats, she is thoroughly wrong. BJP would have got some more seats in UP if SP and BSP had contested separately. SP-BSP combine check-mated BJP. In the joint fight, the SP is the aggrieved party with just 5 seats scored by it in UP as against BSP's 10.

— KV Seetharamaiah, Hassan

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India and e-commerce: It's now or never

The government must not get deterred by the narrative against data localisation being perpetrated by some players with one foot in India and another in the developed world. No country in history has prospered by giving away its raw materials to other countries for free

ELECTRONIC COMMERCE SHOULD be one of the hot button issues demanding almost immediate attention of the new NDA government. This issue has generated considerable debate and witnessed sharply divergent views. There is an urgent need for the government to evolve a common and consistent approach across all ministries for taking action domestically, as well as on the external front.

So, why is e-commerce critical for India and what is the reality behind the debate on some of the core issues concerning the digital economy? Let us examine both these questions.

Within a short period of time, the salience of economic activities connected with the digital arena has significantly enhanced, both globally and in India. According to some estimates, by 2020, 15-20% of global GDP will be based on data flows. Further, by 2022, the size of digital economy in India is likely to be $1 trillion, and by 2030 it could constitute almost 50% of the entire economy.

So that the digital economy creates jobs and generates high-value-creating activities, the government has to get its act together on the core issue, i.e. data flows across borders. A wrong policy choice on this issue can severely dent, and considerably extinguish, India's aspirations from the digital economy.

Why is cross-border data flow at the heart of the digital economy? The reason is not far to seek. Think of some of the businesses in the digital domain that have permeated our everyday lives: platform-based retail trade; advertisement on search engines and social media in the virtual world; online messaging services; online entertainment streaming; credit card transactions; online delivery of services. All of them thrive by leveraging their access to data. New entrants, without having the advantage of access to data, cannot survive for long.

Coming back to India, the country is unlikely to be the source of new technology in the digital sphere in the next few years. The ecosystem required for it just does not exist here. However, India's competitive advantage in the digital sphere is in data. To illustrate, the total number of internet users in India exceeds the combined users in the US and Japan.

Undoubtedly, India is poised to be one of the biggest sources of data in the world. With suitable policies, the country's huge data advantage can be leveraged for economic development. This appears to have provided inspiration for the draft national e-commerce policy formulated by the Department for Promotion of Industry and Internal Trade (DPIIT).

The draft policy strongly advocates retaining flexibility for imposing restrictions on cross-border outflow of data collected by IoT devices installed in public places, and data generated by users in India by various sources. This is aimed at monetising the data and giving a fillip to players in the digital arena within India. However, this has proved to be contentious. We turn to the various grounds of criticism of the proposed policy advocating restrictions on cross-border flows.

First, some players in the digital sector, and a few academicians, are of the view that by advocating restrictions on cross-border flow of data, the draft e-commerce policy is a throw-back to the protectionist model followed by India prior to 1991. Even without going into the merits of this contention, the proponents of this perspective need to be reminded that India succeeded in creating a vibrant domestic automobile industry by going against the prescription of free traders. The government should not uphold trade liberalisation as a dogma to be followed even if it hurts the country and prevents establishment of new domestic players in emerging segments.

> In a bid to prevent India from enforcing restrictions on data flows, developed countries are seeking to use the G20 platform to commit India to join WTO negotiations on e-commerce

Second, a narrative is sought to be created that if India imposes restrictions on cross-border data flows, then other countries, particularly the US, will retaliate against it by prohibiting outflow of data to India. The critics of the draft policy contend that this will hurt India's exports of IT services, which are about $100 billion. Anyone with even a rudimentary technical knowledge of the WTO will easily comprehend why this fear is highly exaggerated.

The ability of a country to impose restrictions on outflow of data is not unfettered. It is restricted by the country's existing commitments under the General Agreement on Trade in Services at the WTO. As most developed countries have committed to a fairly open regime under cross-border delivery of services, they would be unable to impose restrictions on outflow of data in most services sectors. This reduces the risks for India's exports of IT services.

It is relevant to mention that unlike developed countries, India has not taken extensive commitments on services. This provides it considerable elbow room to impose restrictions on outflows of data.

The third strand of criticism is that on account of restrictions on cross-border data flows, SMEs and start-ups in the digital sector will not be able to access cloud computing services and their costs will rise. However, the critics miss the fact that the draft policy provides an exception whereby software and cloud computing services involving technology-related data flows will not be subject to restrictions on data flows.

Fourth, some commentators fault with data localisation by stating this would restrict competition in the domestic market and the Indian consumer would be subject to monopoly abuse. It is not difficult to spot flaws in this criticism. Given the market size in India, MNCs cannot afford to abandon the market. Localisation of data will compel them to undertake their operations from India, instead of servicing the Indian market from abroad. Also, data localisation may give a fillip to new firms emerging in India. Thus, competition is unlikely to get reduced.

In sum, the case against restrictions on cross-border data flows is not persuasive. The government must move forward quickly and finalise the national e-commerce policy.

So far, we have focused on domestic issues, but what about developments on the external front? Deliberations on e-commerce at two important international platforms merit attention.

At the WTO, even without any multilateral mandate, 75 countries have initiated negotiations on e-commerce. It should not come as a surprise that prohibiting restrictions on cross-border data flows is at the centre of these negotiations. This is a blatant attempt by global players in the digital arena to continue to have access to data generated in other countries for free, and preventing countries like India from leveraging their data advantage.

It is almost a foregone conclusion that the rules emerging from the negotiations among a sub-set of WTO members will prohibit countries from imposing restrictions on data flows. India has rightly refused to join the negotiations. However, in a determined bid to prevent India from enforcing restrictions on data flows, developed countries are seeking to use the G20 platform to commit India to join the negotiations on e-commerce.

Shinzo Abe, Japan's PM, has announced that during the G20 Leaders' Summit to be held in Japan later this month, he would "set in train a new track for looking at data governance—call it the Osaka Track—under the roof of the WTO." Joining the Osaka Track would commit India to joining the WTO negotiations on e-commerce. All efforts must be made by the government to resist this pressure.

In conclusion, the government must not get deterred by the narrative against data localisation being perpetrated by some players with one foot in India and another in the developed world. No country in history has prospered by giving away its raw materials to other countries for free. In the context of data flows, this is what is being demanded of countries at the WTO negotiations. India must strongly resist this, even if it has to stand alone at G20 and WTO meetings. Let it not be said a decade down the line that India missed the digital revolution and the country became merely a consumer of digital products because it shied away from enforcing restrictions on cross-border data flows. If we want a vibrant digital economy to flourish in India, then a bold and clear-headed decision is urgently called for.

Post-script: The Centre for WTO Studies has not received funds from any entity operating in the digital domain. For the sake of transparency, we urge think tanks writing articles on e-commerce to make a similar disclosure.

WORLD ENVIRONMENT DAY

How to defeat climate change

PARNIKA PRALEYA

Independent analyst and scholar at School of International Studies, JNU

If you would choose life over lifestyle for yourself, then why not for the planet?

GREEN NEW DEAL IN the US. Climate Emergency in the UK. Greta Thunberg's "I want you to panic" in Europe. Environment has transcended the scope of a symbolic day in its name. And yet, as another Environment Day approaches, it makes sense for us to take stock of what has been happening and what we can do.

The UN's IPCC released its landmark report last year that was prepared after heads of small island nations, threatened by rising sea levels, asked scientists to examine the effects of a rise in temperature of 1.5°C above preindustrial levels. So far, climate negotiations focused on 2°C of warming above preindustrial levels, the accepted threshold for most severe effects of climate change to start kicking in. The report acknowledges that many of those effects will come sooner at the 1.5°C mark. It warns of a world of worsening food crisis, wildfires and a mass die-off of coral reefs as soon as 2040. A more severe climate accompanied with the intensification of drought and poverty stares us in the face. We are more than halfway to the 1.5°C mark (human activities have caused warming of about 1°C since the 1850s as per the report). Scientists highlight that while it is still possible to avert the disaster, it seems politically unlikely. GHG emissions should be reduced to net zero by 2050 to limit global warming to 1.5°C, which would require heavy taxes or prices on CO2 emissions, perhaps as high as $27,000 per tonne by 2100. If temperatures continue to rise, then scientists have warned that at 2°C of warming, a disproportionately rapid evacuation of people from the tropics would be needed, making national borders irrelevant. One scenario is, of course, that we overshoot the 2°C target and then through lowering emissions and carbon capture technology bring temperature back down below 1.5°C threshold, but after causing irreversible damage like the death of all corals. Where does this leave us, as individuals, as a society and as a nation?

As individuals: An individual gets diagnosed with a life-threatening allergy that requires her to stay away from wheat—the choice is hers to make between dying and changing her lifestyle forever. The latter is not easy but it is her only chance. If at the individual level you would choose life over lifestyle, then why not for the planet? Changing one's lifestyle is difficult but we will have to do it for the sake of our future generations. Our current consumerist lifestyle embodies intergenerational theft that is depriving future generations' right to life. We need to stop hailing climate criminals as role models to emulate. Trying our best to reduce our carbon footprint is a good way to begin our fight for the planet.

As a society: The role of society is fundamental. We can change ourselves as individuals, responding to exhortations and suggestions at greening our lives, but is that enough? Capitalism and free markets taught us that individuals respond to incentives, make it in their self-interest to work hard. Then why are we still relying on people's goodwill to save the planet? Adam Smith taught us that every individual working in her self-interest, guided by the invisible hand, will lead to an outcome that is efficient. However, one needs to be aware that self-interest is socially constituted—our system has created individuals with a lot of ambition and very little vision—hence the slogan system change, not climate change. This crisis needs collective action; we have to ask difficult questions and compel policymakers to make policy for the general good of this planet, giving future generations a chance. The UN report cited earlier says that the aggressive action needed to save the planet is politically unrealistic. It is also culturally unthinkable given the dominant paradigm of the day—competitive self-interest and hyper-individualism embedded in a consumerist society, where decisions good for the planet is bad for business. We need to start thinking of ourselves as interdependent communities living on space ship Earth.

As a nation: Mahatma Gandhi famously said nature has enough for a man's need but not enough for man's greed. Embodying that ethos, we need to come together to demand climate action from our government: zero waste economy, carbon neutrality, increasing green cover, economic planning which prioritises the local over the global and infrastructure planning which prioritises public transport. We need to make our government act before it is too late. We need to reverse the trend of India responding to global pressures and not homegrown demands when it comes to the environment.

Defeating climate change and preserving a semblance of life as we know it on this planet will require a lot of work. Let us address climate change with the sincerity and effort it deserves, moving beyond lip service. While the path ahead is difficult it is still not unachievable. Liberty fraternity and equality was unthinkable till the French revolution happened. Similarly, a life can be lived, and a happy one at that, which does not necessarily leave behind a massive ecological dent. In the case of this planet, we no longer have the leeway to feign ignorance and/or make mistakes.

MGNREGA

Story of two parties

How political will impacted NREGA's implementation

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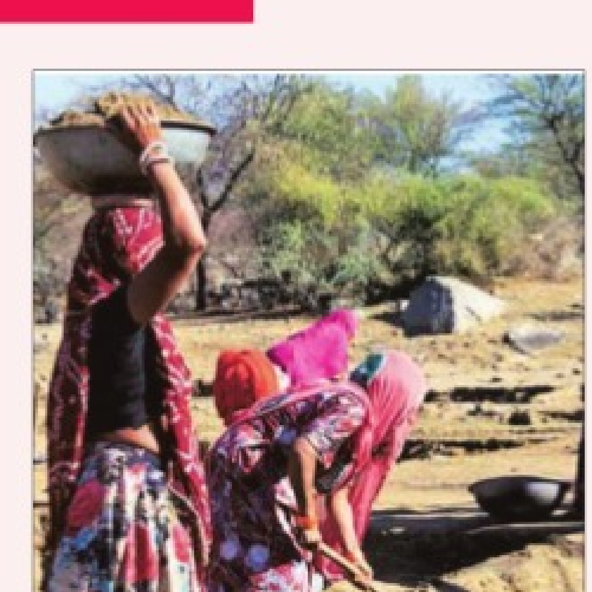

THE MAHATMA GANDHI National Rural Employment Guarantee Act (MGNREGA) has been described by the World Bank as the largest antipoverty state-run employment-generation scheme in the world. It formed the cornerstone of the shift in the UPA's approach to development towards universalisation and entitlements, articulated in the National Common Minimum Programme. The idea of an employment guarantee was also central to the Congress's agenda in its 2004 election manifesto.

The BJP's ascendance post-2014 raised several questions over the continuation of MGNREGA, especially in light of its welfare narrative distinguished from that of the Congress by way of its focus on 'empowerment', as opposed to a 'rights' and 'entitlements' focused agenda. Despite the BJP's ideological differences with the Congress over the approach to employment generation, it has made the highest-ever budgetary allocations to MGNREGA, with ₹550 billion allocated to the scheme for FY19, up from ₹480 billion in the previous year. The preceding three years witnessed the NDA increase budgetary allocation towards it.

Even though the UPA was led by the Congress, a left-of-centre political party, a key factor in ensuring that the NREGA, when passed in 2005, was not watered-down to adhere to neoliberal conceptions of social policy was the dependence of the UPA on Left Front parties. After 2004 elections, the UPA would not have secured the numbers to form a government without the support of parties like the CPI(M). Left Front parties enjoyed disproportionate policy influence in such a set-up until their decision to withdraw support from the UPA. This influence was exercised by way of interventions played out through the UPA-Left Coordination Committee negotiations, a party political process. Moreover, UPA alliance partners like the RJD brought political leaders to the Centre like rural development minister Raghuvansh Prasad Singh, who played the crucial role of a bridge between the fiscal conservatives and populists in the UPA.

MGNREGA was the flagship scheme among the many policy initiatives of the first term of the UPA. Its success and impact on rural India is believed to have carried the UPA to another term at the Centre. However, as the second term of the UPA (2009-14) became increasingly mired in corruption scandals, the existing issues in MGNREGA's implementation with states failing to provide employment, delaying and withholding wages, and corruption occurring due to a lack of proper social auditing and monitoring, were exacerbated by the UPA's overall image of policy paralysis and inaction. According to Ashok Pankaj, upon "reaching full accumulation in 2009-10 and 2010-11, (MGNREGS) decelerated in 2011-12 while the UPA was dilly-dallying with the idea of a cash transfer-based social protection programmes, aiming at 2014 parliamentary elections", and the shift in attention from MGNREGA to DBT is partly to blame for the slack implementation of the scheme during 2011-14. Systematically cutting funding for MGNREGA began in 2010, by way of caps on allocated funds, causing administrative failures like problems with wage payment and provision of employment. Its impact on the employment generated through the scheme was that the number of households that got jobs increased by 89.5% over a decade. But the number peaked at 5.49 crore in 2011 and has since declined steadily.

The right-wing BJP-led NDA came to power in 2014, with Narendra Modi as PM. The BJP commanded a majority in the Lok Sabha by itself, and was thus less beholden to coalition partners in formulating its policies. It also placed technology at the heart of its policy agenda, onboarding the UPA's DBT approach early on through its Jan Dhan-Aadhaar-Mobile trinity, with a view to migrating towards a cash-based welfare setup. Some believe this unfortunately glosses over the roots of governance delivery failures like complex procedures, weak human resources and poor training.

While proposals to scale back MGNREGA had been discussed during the first year of Modi government, in light of its pro-business and investment-oriented approach—hinged on a narrative of 'empowerment', exemplified by Make in India, Skill India, and Start-up India, etc—as opposed to the 'entitlements' and 'rights'-oriented framework of the Congress, the NDA has made increasingly higher budgetary allocations to MGNREGA, with the figure for FY19 being the highest allocation till date, and has simultaneously not abandoned the programme. But these allocations have followed the BJP learning from the adverse political consequences of initially attempting to strangulate MGNREGA through pointedly low allocations in the NDA's first two years. At the same time, the NDA has altered the focus of MGNREGA towards emphasising on top-down, target-driven, asset-creation, which is the polar opposite of the UPA's demand-driven job-creation regime focused on participatory decentralised development.

Ashok Pankaj argues there has been a sharp distinction in the nature of the programme pursued by the UPA and the NDA, which he describes as "wage-focused" against "asset-focused", and "target-focused" at the cost of "demand-focused", compromising the objective of participatory decentralised development. But this "asset fetishism", while not entirely undesirable, has nevertheless tilted the benefits of MGNREGA in favour of agriculturists, excluding landless rural labourer households that constitute a quarter of India's rural population from accessing benefits of individual assets owing to their lack of land, and affecting job-creation. The UPA had prioritised job-creation over asset-creation by mandating a wage-material expenditure ratio of 60:40 in the Act, which also mandated that four out of the eight works are to be labour-intensive.

Only a weak relationship exists between 'political will' and the implementation of a scheme, especially in Indian context, since there is a lack of a one-to-one mapping between economic and social ideologies on either side of the political spectrum in India. While lying on two opposite ends of the political spectrum, the Congress and the BJP have followed broadly the same paths in the pursuit of neoliberal policy. With Modi lending no personal ideological support to MGNREGA, the BJP has been forced to retain the scheme for fear of losing electoral support in rural India. The enhanced outlays, and mere tweaking the programme's attributes to justify its own ideological underpinnings, prove that political will cannot be seen as an important determinant of the implementation of MGNREGA in the case of the BJP.