Undefined role

India must be clear on how it wants to shape Afghanistan's destiny under the Taliban

By holding the Third Regional Security Dialogue on Afghanistan, chaired by NSA Ajit Doval this week, New Delhi has sent out three strong messages: one, that it wishes to remain an important and engaged player in the future of Afghanistan; second, that with the exit of U.S.-NATO troops, the ideal solution to the situation is through consensus in Afghanistan's extended neighbourhood including Russia; and third, that the Afghan humanitarian crisis should be the region's immediate priority and political differences can be set aside to help. It is the last message that spurred New Delhi to invite the NSAs from China and Pakistan, despite the LAC standoff and deep differences with the Imran Khan government over Kashmir and cross-border terrorism. By declining the invitation, Beijing and Islamabad have made it clear that they do not intend to assist India in its Afghan engagement, further demonstrated by the Khan government's churlishness in refusing India road access to send wheat and medicines to Kabul. To that end, the Delhi Declaration issued by the eight participating nations, including Iran and Russia, is a milestone in keeping India inside the discussion on Afghanistan. The declaration goes farther than the previous such regional discussion of SCO countries in Dushanbe in September, in its strong language on terrorism, terror financing and radicalisation. It also expands on the need for an inclusive government in Kabul that will replace the Interim Taliban regime, and promotes a national reconciliation process.

While the consensus over the Delhi Declaration is a creditable feat, it does not paper over all the differences between India and the other countries over their far stronger engagement with Kabul. For instance, Turkmenistan sent a Ministerial delegation to discuss connectivity with the Taliban, while Uzbekistan accorded the visiting Taliban Deputy PM full protocol and discussed trade, transit and the construction of a railway line. Russia and Iran still maintain their embassies in Kabul, and a "Troika-plus" U.S.-China-Russia-Pakistan engagement is taking place with the Taliban Foreign Minister, in Islamabad this week. With the "normalisation" of ties with the Taliban regime growing, New Delhi must now consider how far it wishes to go in its engagement with Afghanistan. On the one hand, India has publicly held talks with Taliban officials twice and expressed solidarity with Afghans, but on the other has refused practically all visa seekers, made no monetary contribution to the humanitarian crisis there, and has made no bid to continue with plans for trade and connectivity with Afghanistan. India's desire to lead the discussion on Afghanistan's destiny, as demonstrated by the NSA dialogue, is a worthy goal for a regional leader, but can only be fulfilled once the Government defines more clearly what it wants its Afghan role to be, despite all its differences with the regime now in power.

Season of floods

Tamil Nadu's cities need long-term solutions to avoid the monsoon woes

The ongoing spell of heavy rain in Chennai has again exposed the vulnerability of the city, a coastal metropolis with a flat terrain, to floods, and raised more questions than answers about the Government's preparedness to deal with the northeast monsoon. The first spell of heavy rain of 21 cm, mostly in the early hours of Sunday (November 7), caught everyone by surprise. Despite storm water drains and waterways running to about 700 km being cleared in the last four months, no tangible improvement was seen in the problem of inundation. The nightmare of the 2015 December floods haunted Chennai in the backdrop of the authorities monitoring the release of surplus water from the reservoirs on the outskirts. Even as the city was struggling to get back to normality, there was a depression in the Bay of Bengal, which crossed the coast near Chennai on Thursday. This time, the city did not experience very heavy rainfall but several suburbs such as Tambaram and Red Hills recorded over 22 cm of rain. In the last four days, other parts of the State too were at the receiving end of the monsoon. Nagapattinam, one of the backward areas of the Cauvery delta, was battered after 31 cm fell in a day.

The crux of the problem is the issue of drainage, be it in Chennai or in Nagapattinam. In a large urban setting such as Chennai, shrinking open space, the gap between the coverage of the drains and that of sewer lines, ageing drains and sewer networks in core areas of the city, and encroachments or obstructions hampering the free flow of water are responsible for the mess. The city is blessed with a few rivers such as the Cooum and the Adyar, apart from a number of canals including the Buckingham Canal. All these waterbodies, if properly maintained, can be very effective flood carriers, sparing several residential localities from inundation. The State Government, which is executing a couple of integrated storm water drain projects, should look for durable solutions to the city's long-standing woes and executing them in a short span of time. The Government has been swift in providing relief and its seriousness in the matter can be seen from the fact that Chief Minister M.K. Stalin visited flood-hit areas continuously since Sunday for a first-hand account of the problems. Often in the past, the determination shown in finding a long-term solution to waterlogging waned during the non-monsoon periods. Mr. Stalin, who was Chennai Mayor and Local Administration Minister earlier, is well-placed now to put his experience to use and pull the city out of the quagmire. The people too should be responsible enough in ensuring that the waterbodies and drains are not turned into dumps.

The lowdown on India's Glasgow announcement

The newly unveiled commitments at COP26 deserve examination as they came amidst very contradictory official signals

D. RAGHUNANDAN

GETTY IMAGES

Prime Minister Narendra Modi's surprise declaration on November 2, 2021 at the COP26 Climate Summit in Glasgow, Scotland, of striking enhancements in India's emissions reduction targets did not, for several reasons, get the rave reviews the Government may have expected. Except for a few specialists, international commentators expressed disappointment that India was promising net zero emissions only by 2070 instead of 2050. In India, several analysts praised the new targets as indicating a new climate-oriented development policy.

Persisting trend

The Government's raised ambition represents a welcome continuity of the cross-partisan consensus prevailing since the 2015 Paris Agreement. The new policy paradigm, initiated at the Copenhagen Summit in 2009, had departed from the earlier long-held stance that India, as a developing country, was not obliged to cut emissions, and asserted that although India was not a part of the problem, it was now willing and able to contribute to reduction efforts in global emissions. India's pledge at Glasgow, not yet formally submitted as an updated Nationally Determined Contributions (NDC) as required, adheres to the Paris Agreement decision to increase emission cuts to tackle the rapidly escalating climate crisis.

India's newly unveiled commitments deserve close examination, since they came amidst sharply contradictory signals from the Government over several months. Many interactions took place with high-ranking emissaries visiting India and at the G20 meeting before COP26, with India giving no indication of revising its current NDC. Right up to the Prime Minister's speech, senior Indian officials were loudly proclaiming the unacceptability of net-zero and the unlikelihood of higher targets by India. People in India are familiar with the penchant for dramatic announcements by this Government, but the value of such secrecy in the climate negotiations is questionable. India insufficiently communicated the significance of its enhanced commitments, especially in contrast to the weak pledges of developed countries, and little effort was made to leverage India's updated pledge to extract deeper emission cuts from them.

At the time of writing, India has further muddied the waters and taken some sheen off its Glasgow announcement, with senior officials stating that the new pledges are contingent upon substantial financial assistance from developed countries, with figures such as \$1 trillion being mentioned in press interviews. Ramifications of such post-facto conditions would unfold gradually, and further speculation here is pointless.

The substance

India's new targets, details perhaps varying in an updated NDC, comprise five elements: reducing Emissions Intensity (EI), or emissions per unit of GDP, by 45% in 2030 relative to 2005 levels; cutting absolute emissions by one billion tonnes, presumably from projected business-as-usual (BAU) 2030 levels; 500 GW (1 Giga watt = 1,000 Megawatts) of non-fossil fuel installed power generation capacity by 2030; 50% electricity generation from renewable sources by 2030; and net-zero emissions by 2070.

India's existing NDC and subsequent submissions to the United Nations Framework Convention on Climate Change (UNFCCC) confirm a steady decline in EI of over 2% p.a. from 2005 onwards. Both the 33%-35% decline promised at Paris, and the updated 45% reduction by 2030, are quite achievable and par for an emerging economy.

Emissions reduction by one billion tonnes by 2030, the first time India has put an absolute number to this, can be read in different ways. India's current annual emissions are around 2.8 billion tonnes and projected to reach about 4.5 billion tonnes in 2030 on a BAU basis, so the pledged reduction would be a substantial 20%, comparing favourably with several developed country targets. However, the Prime Minister's speech in Glasgow mentioned the Railways' net-zero 2030 target cutting 60 million tonnes annually, and LED bulbs cutting another 40 million tonnes a year, yielding one billion tonnes over 10 years from just these two measures, making the pledged reduction seem easy, which it probably is not.

On installed power generation capacity, India's extant NDC had incorporated the Government's declared goal of 175 GW from renewable energy (RE) sources by 2022, even though the NDC stretched to 2030, raising an anomaly. Even so, India has reached only around 101 GW of solar and wind due to numerous constraints. If one adds large hydro and nuclear, both now considered renewable, current RE installed capacity is about 150 GW or just under 40% of total, almost achieving the NDC target for 2030 showing under-projection. The Central Electricity Authority (CEA) in its 2020 Report on Energy Mix for 2029-30 has projected around 525 GW or 64.3% non-fossil fuel installed capacity including 280 GW Solar and 140 GW wind. Only 267 GW is projected to come from coal and lignite, compared to 203 GW in 2019, so almost all of India's future growth of capacity is to come from RE. Without actually saying so, India at Glasgow therefore seems to have pledged virtually no additional coal-based power! Even accounting for some confusion about whether the Prime Minister meant installed capacity or electricity produced, India's Glasgow pledge of 50% electricity from RE by 2030 is just a tad more than the CEA projection of 44.7%. These commitments may prove difficult as currently witnessed, combined with the need for storage and grid stability.

Address the deep inequities

The Glasgow pledges come from a few sectors mostly related to electricity generation. However, a truly transformational low-carbon future must embrace many more aspects, as indeed emphasised at Glasgow by the Prime Minister as "Lifestyle for Environment (LIFE)". It is also time that India, hitherto vociferous about equity between nations, now seriously addresses the deep inequity in access to energy and other essentials within India. Climate change is multi-dimensional, not confined to mitigation alone and, as all studies tell us, should be tackled cross-sectorally.

Accelerated deployment of electric or fuel-cell vehicles must go alongside a rapid reduction in personal vehicle use and a major push for mass transportation. Carbon lock-ins and energy use need to be minimised through mandatory "green" construction codes for the huge housing and other buildings stock, highways and infrastructure yet to be built. A leap in employment-intensive recycling of waste goods and materials, including in solid and liquid waste management linked to methane recovery, would deliver substantial co-benefits across sectors.

Where New Delhi slipped

Two big disappointments with India's stance at Glasgow deserve mention. First, India refused to join over 110 countries in a declaration to end deforestation by 2030. India's pledges also do not mention the NDC target for forests and tree cover, in which India is known to be slipping, with deleterious impacts on both the environment and livelihoods of tribals and other forest dwellers. Read together, these may confirm the worst fears of many regarding efforts to dilute environmental regulations in favour of corporate interests. Second, India also did not join the Global Methane Pledge by over 100 nations to reduce emissions of the short-lived but potent greenhouse gas by 30% by 2030 from 2020 levels, when methane is among the fastest growing emissions in India.

On the other hand, Glasgow saw India launch another international climate initiative called Infrastructure for Resilient Island States (IRIS), aimed at providing technical, knowledge and financial assistance to small island nations with the help of developed countries. One wishes such an initiative was undertaken in India too, where coastal erosion, sea-level rise, and urban flooding due to extreme rainfall exacerbated by haphazard urbanisation are acquiring threatening dimensions.

It would be ideal too if the ongoing updating of the NDC was done through a cross-partisan multi-stakeholder consultative process that would make it truly "nationally determined" and implemented.

D. Raghunandan is with the Delhi Science Forum, a constituent of the All India Peoples Science Network

A tax burden that attacks the federal rights of States

The Centre's levy of fuel surcharges is way beyond basic taxes and an abject misuse of provisions of the Constitution

K.N. BALAGOPAL


GETTY IMAGES/ISTOCKPHOTO

The Narendra Modi Government reduced excise duty on petrol and diesel on the eve of Deepavali. While the reduction for petrol was ₹5, duty on diesel came down by ₹10. The Finance Ministry 'dedicated' the reduction to farmers for keeping "the economic growth momentum going even during the [COVID-19] lockdown phase" and said the reduction "will come as a boost to the farmers during the upcoming *Rabi* season". Not only this, soon after announcing the decision, Bharatiya Janata Party workers in Opposition-ruled States held protests demanding that these Governments decrease Value Added Tax on petrol and diesel.

What else can be more hypocritical than this? The Centre has been levying around ₹31 and ₹33 as additional cess on petrol and diesel, respectively, till the beginning of November. We, the Left parties, had stridently voiced our concern when the Centre began this practice of imposing special additional excise and cess on petrol and diesel. I remember moving a statutory motion in the Rajya Sabha during the winter session of 2014 against the overall increase in the excise duty by the then Finance Minister, Arun Jaitley. The Centre then amended the rules to increase the taxes on petrol and diesel.

The Constitution does permit the Centre to levy cess and surcharges beyond the basic taxes and duties in extraordinary situations. But making it manifold higher than the basic taxes is nothing but a misuse of such provisions of the Constitution. These additional taxes do not go to a divisible pool and such a high burden of taxes is an attack on the people and the federal rights of States.

Surcharge is defined as a small amount of tax levied over and above the existing tax. How can it be seven or eight times higher than the basic tax? What is the justification for this? Now the basic excise duty is ₹1.40 and the rest of the tax is made up of special additional excise duty and cess which would not go to divisible pool and to the States. Article 271 says: "Notwithstanding anything in articles 269 and 270, Parliament may at any time increase any of the duties or taxes referred to in those articles except the goods and services tax under article 246A by a surcharge for purposes of the Union and the whole proceeds of any such surcharge shall form part of the Consolidated Fund of India." This is a saving clause, which is being misused by the Centre to curtail the rights of all States.

Revenue data

To make this point clear, let us look at the following estimates. The Union government has collected around ₹3.72-lakh crore in 2020-21 as revenue from petroleum products as per the data published by the Petroleum Planning and Analysis Cell (PPAC). Of this, only around ₹18,000 crore is collected as Basic Excise Duty. Around ₹2.3-lakh crore is collected as cess and the rest ₹1.2-lakh crore is collected as special additional excise duty. Here, three important points emerge to be noted: 1. The basic tax component of the entire ₹3.72-lakh crore is merely ₹18,000 crore, which is as low as 4.8% of the total revenue from petroleum products; The divisible pool is only 41% of this ₹18,000 crore; Most importantly, cess and additional excise duty on petroleum products constitute around 95% of the total revenue from petroleum, which are not to be shared with the States at all. This is a classic example of undermining federalism prevailing in the country. This has to be subjected to intense discussions including dimensions of constitutional provisions under which the aforementioned duties and cess have been imposed.

After the implementation of Goods and Services Tax (GST), States have the right to decide the taxes on just three goods – petrol, diesel and liquor. By unilaterally taking away the bulk of the tax revenues on petrol and diesel, the Centre has done injustice to the States. This is obtuse use of fiscal federalism. All States must oppose this in a united manner.

Relevant questions

The Centre has made lakhs of crores of rupees from these additional taxes and cess. The Centre might have amassed lakhs of crores of rupees from these taxes even amid a pandemic. But where has this money gone? Who has received the benefits of this money? Answering these questions will unravel the real crisis of States and the Centre.

The country is going through an unprecedented crisis. The novel coronavirus pandemic has worsened it. States have to earmark funds to assist the people. In a State such as Kerala, we have done our best to protect the people by providing a food kit, monthly financial assistance to Below Poverty Line families who lost their bread-winners due to COVID-19 and other necessary arrangements.

Relevance of RNR

The promise was that the revenue neutral rate (RNR) will be implemented, which means States would get revenues similar to what they were getting before the implementation of GST. The average taxes on goods was 16% during the initial GST period. The average rate of taxes in goods at present is 11.3%. But has any consumer benefited from it? Instead, inflation has also been rising. All essential items are more expensive than the pre-GST price. Neither Governments nor the people have benefited from this.

On an average, the country collects ₹1-lakh crore a month as GST – ₹12-lakh crore in a year; ₹6-lakh crore each for the States and the Centre. Had RNR been maintained, the total amount would have been ₹18-lakh crore at the rate of 16%. States would have received at least ₹3-lakh crore additionally. Kerala would have got ₹12,000 crore as SGST and at least ₹2,500 crore as the State's share from the divisible pool. So when the Centre lost ₹1,80,000 crore just because RNR was not maintained, Kerala lost ₹14,500 crore from its revenues annually. This has to be corrected. Democratically decided taxes are essential for any State or the country to survive. The promise at the time of implementing the GST was to maintain RNR. But the facts are different. A detailed analysis must be done on why States are losing revenue. GST has to be streamlined to ensure RNR, but without hurting the common people.

After fleecing the States, the Centre has now proposed the National Monetisation Pipeline which will impact even the sovereignty of the Republic of India. To meet even daily expenses such as the salary of employees, the Centre is resorting to massive sale of the wealth of the country. The real reason for such a crisis is the neoliberal policies followed by governments at the Centre since 1991. As a result, even profitable Navratna companies, national highways and railway stations are up for sale.

Entities that gain

And who are the beneficiaries of all these steps? A handful of corporate houses. The Centre, which has calculated ₹6-lakh crore as the value of the public wealth that will be monetised, waved off corporate loans worth ₹8.75-lakh crore. Now, a bad bank will take care of the non-performing assets created by these corporate houses at the cost of public money deposited primarily in public sector banks. On the one hand, public wealth is being handed over on a platter to corporate houses while on the other hand the debt of these houses is being taken care of by the Centre using people's money. Strange, indeed. About ₹1-lakh crore worth of corporate taxes were also foregone in the last financial year. The sops given to corporate houses resulted in huge revenue losses for the Centre, and in turn for the States from a divisible pool. To compensate for this, the Centre is exploiting people during a pandemic by levying taxes on petrol and diesel to the maximum possible extent. Revenues which would have helped the people during a pandemic are flowing towards a group of corporate companies. This has to stop. Collective action by all Opposition parties is needed against these policies at this time.

K.N. Balagopal is the Finance Minister of Kerala

LETTERS TO THE EDITOR

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Demonetisation

That the fifth anniversary of demonetisation was conveniently ignored by the ruling party is proof enough of its failure and the untold miseries it inflicted. The article (Editorial page, November 11) brought back the harrowing memories of the year 2016. It is still impacting the informal sector. The ills of demonetisation must be highlighted in a scientific manner and countrymen made to understand its long-term implications.

G.B. Sivanandam,
Coimbatore

Water level and wildlife

Every year when the water level in the Mullaperiyar dam rises above 140 feet, tensions between Kerala and Tamil Nadu begin to simmer. Lost in this battle is the impact of rising water levels on wildlife. The meadows bordering the lake and the low-lying marshy grasslands (called *Vayals*) are under water during this period denying food for herbivores which are the lifeline for carnivores. Animals are forced to move to higher ground and in doing so, some of them have to cross the swollen river and eventually die. Inundation for a prolonged period will also affect some tree species. The high water levels may also impact the nesting success of the great cormorant, as the deep and fast flowing river will affect their fish finding ability for their growing chicks. Storing water at high levels even during the summer will severely impact ground nesting birds such as pipits, wagtails, terns and pratincoles which used the islands (called *Thuruthus* in Malayalam) that appear when the water level recedes. So when raising the water level or constructing a new dam, the State Forest Departments must be consulted when taking such critical decisions.

J. Patrick David,
Madurai