In speech after speech, Union home minister Amit Shah and other Sangh Parivar leaders like Mohan Bhagwat have been insisting that no Hindu will ever be deported from India when their plan to create a National Register of Citizens (NRC) is enforced across the country.

At a political rally in Kolkata on October 1, Shah said, “I want to assure all Hindu, Sikh, Jain, Buddhist and Christian refugees that you will not be forced to leave India by the Centre. Don’t believe rumours. Before NRC, we will bring the Citizenship Amendment Bill, which will ensure these people get Indian citizenship.”

Now, if—like me—you were brought up on the values of the Indian Constitution, you would likely be scratching your head and asking how on earth a minister could speak like this. Granted, he is talking about refugees and not Indians, but by what canon of morality, law or tradition is it okay for the home minister to say India by the Centre. Don’t believe rumours. Before NRC, we will bring the Citizenship Amendment Bill, which will ensure these people get Indian citizenship.”

This kind of politics goes against not just the letter and spirit of the Constitution but marks a potentially dangerous turn—even by the violent track record of Hindutva organisations. But beyond that, Shah’s reassurance to Hindu refugees, and those who care only for them, rests on a gigantic fib.

Ever since the 2014 Lok Sabha election, when Modi and the Bharatiya Janata Party (BJP) first began playing dangerous communal politics over India’s laws governing foreigners and citizenship, the government has moved swiftly to segment and eventually even segregate the country’s residents on the basis of religion. Let us be very clear about this monstrous reality: if we take Amit Shah’s words at face value, the only people without the requisite documentation who will
actually face deportation once an NRC-type exercise is run across India will be Muslims.

India has more than 1.3 billion residents, the overwhelming majority of whom are citizens. A tiny, tiny fraction of the country’s population comprises foreigners. Most of them are probably long-term residents and it is safe to assume the majority do not have proper entry or residence documents because successive governments simply never bothered to create a rational migration and refugee policy. Of these, the largest single group are of Bangladeshi origin, but there are also people from Tibet, Sri Lanka, Myanmar, Afghanistan and Pakistan, most of whom have been living in India for years and have children who are full-fledged Indian citizens.

Labour migration is a fact of life, in South Asia and around the world, and is a product of underlying economic dynamics in which labour shortages are actually transmitted from region to region. For example, economic opportunities in North America lead to Punjabis migrating out of India. Biharis then come to Punjab to work the farms. But this means there are less Biharis available to work in West Bengal and Delhi, which pulls workers in from Bangladesh. Like Indians, Bangladeshis also migrate to the West, leading to skill shortages back home. A few years ago, the World Bank published data that Indians working in Bangladesh had remitted $3.7 billion back home that year—roughly half the amount that Bangladeshi workers in India send home each year.

Now India and the Indian people are very sensitive to the mistreatment of Indian migrants worldwide—rightly so—including those who are undocumented. Yet when it comes to the fate of undocumented migrants in India, we behave just as horribly as the worst racists in the West. Just look at the language that the government, the media and even the courts use to describe undocumented migrants: we call them “infiltrators”.

An infiltrator conjures up the image of a man with a gun coming to kill people. But an undocumented migrant is someone who crosses a border in order to make an honest day’s wage. Now, we have Amit Shah calling Bangladeshi migrants ‘termites’ and promising to drive them out of India. It is not clear where he intends to send those whom his government is able to identify; into the Bay of Bengal perhaps? Because Bangladesh has said repeatedly that it does not believe the people India wants to deport are Bangladeshis and thus will not accept them. That is why Modi has been forced to reassure Sheikh Hasina that she need not worry about the NRC and External Affairs Minister S. Jaishankar has said the consequences of the exercise is and will remain an internal matter for India.

The NRC process has already turned 1.9 million into virtually stateless people. Now Shah wants to compound the problem that has arisen in Assam by replicating this dangerous exercise in West Bengal and other parts of India. Since many Hindus have also ended up in this excluded list, the home minister is busy reassuring Hindus in Bengal and elsewhere who fail to produce the proper papers that their Indianness will not be in doubt. This assurance is a blatant violation of his oath of office that obliges him to “do right to all manner of people in accordance with the Constitution and the law, without fear or favour, affection or ill-will.”

Shah’s plan hinges on communalism, fear and division but also on a lie. This is because the government’s plan to accommodate Hindu, Buddhist, Sikh, Jain and Christian refugees from Bangladesh, Pakistan and Afghanistan has a cut-off date and that date is December 31, 2014.

In 2015 and 2016, the government amended the Passport (Entry into India) Rules and the Foreigners Act rules to declare that migrants belonging to those specific religions from these three countries would never be considered “illegal immigrants” in law provided they came to India before December 31, 2014. The proposed Citizenship Amendment Bill will make it easier for these same groups to acquire Indian citizenship, but again provided they came in before December 2014.

The carve-out for all religions except Islam, the limited geographic scope of the move and the cut-off date are proof of not just the government’s communalism but total insincerity and dishonesty as well.

If India wants to adopt a genuinely humanitarian policy towards refugees from neighbouring countries, it should open its doors to all victims of religious persecution and not just non-Muslims. This means Hindus from Bangladesh or Pakistan should be welcomed, but also Ahmadiyas, Hazaras or anyone else.

Second, either you have a policy for the neighbourhood or you don’t. Why are Modi and Shah being humane to the religiously persecuted from just Bangladesh, Afghanistan
and Pakistan? Why not Myanmar and Sri Lanka? By what logic is the government excluding Rohingya Muslims fleeing persecution in Myanmar, or Tamil Muslims and Hindus fleeing violence or persecution in Sri Lanka, should the situation (heavens forbid) ever worsen there?

Now Shah and his apologists will likely scoff at these objections because—as their guru Mohan Bhagwat reminded us recently—India is a ‘Hindu Rashtra’ and must therefore open its doors to Hindus who have nowhere else to go, while Muslim refugees have dozens of Muslim countries to seek refuge in. This is, of course, idiotic but if their heart really bleeds for Hindu refugees, why do they have a 2014 cut-off date?

Why is there no space in their new citizenship amendment for Hindus persecuted in Pakistan or Bangladesh since 2015 who fled to—or want to flee to—India?

The reason Narendra Modi and Amit Shah have no place for them is because they love power more than they love refugees, even Hindu ones. They know that if they were to scrap the cut-off date—which already violates the 1971 cut-off date stipulated in the Assam Accord—voters in Assam will surely throw the BJP out of power there.

So how do you “appease” Assamese sentiment while also appealing to Hindu sentiments in the rest of India? Modi and Shah calculated that the 2014 cut-off date would help them strike a balance between appealing to Assamese sentiment—which is fiercely against giving Indian citizenship to any Bangladeshi, even Hindu ones—and using the citizenship and NRC process to polarise the whole country and consolidate their Hindu vote bank.

This is the ugly politics which Shah is engaging in; it should surprise us that this politics requires the use of ugly, vulgar words like ‘infiltrator’ and ‘termites’. Depending on how desperate the BJP is to divert the attention of voters away from the real issues, the NRC exercise could be used to polarise India in ways we cannot even imagine.

Sadly, as of today, no one—not even the Supreme Court—seems willing to stop them.

(Siddharth Varadarajan is journalist, political analyst and academic. He is a Founding Editor of The Wire. He was earlier the Editor of The Hindu.)

The Constitution as a Living Document

Nandini Sundar

The republic has never felt more endangered than it does at 69. When Union minister Anant Kumar Hegde let slip the public secret that the BJP/RSS government is here to change the constitution, the problem is not that the constitution cannot and should not be changed, but what direction that change will take, and whether it will destroy the very basis of the republic or strengthen it.

Justice, liberty, equality, fraternity—these progressive values in the constitution are the last defence of the republic. It is clear, however, that these are not values shared by the RSS from the moment of its inception and that indeed, the RSS regards these as an obstacle to realising its own vision of the country.

In the last couple of years, the ABVP, supported by pliant university authorities, has stopped several campus events which explicitly set out to celebrate the constitution or Indian democracy, such as one at the Delhi School of Economics in August 2017 and another at Allahabad in September 2017, titled Jashn-e-Samvidhan.

It is only an organisation which is itself deeply anti-national and anti-democratic that can object to others celebrating the constitution or democracy.

If people are to be reduced to their caste or religious identity, as Hegde, the Karni Sena, and various other fronts of the RSS want, it is not only the term secularism which will go, but equality, liberty and fraternity as well. For secularism is nothing but the equality of all religions in the public sphere and fraternity across religions and caste as practiced by individuals in their public and personal capacities.

Authoring the constitution

The constitution has never been a frozen document, and it has always had multiple authors. Notwithstanding the sterling role played by the drafting committee and Babasaheb Ambedkar, the constitution as it exists today is a product of interactions between three elements: the text, the courts and above all, ‘the people’.

Even at the time it was framed, the text was not a closed document. There were at least
four elements that informed the making of the constitution—existing administrative provisions such as those embodied in the Government of India Act of 1935, internationally accepted constitutional principles, the ideals of the freedom struggle, including universal adult suffrage, and the events that were taking place in a country slowly emerging out of World War II, famine and above all, Partition. As the chronicler of the constitution, Granville Austin, famously wrote, “Fundamental rights were to be framed among the carnage of fundamental wrongs.”

At one level, the similarities with the 1935 Act make the constitution appear almost pre-ordained. But the final product came out of sometimes deeply-contested arguments between deeply-opposed individuals. Not every shade of opinion was equally represented, especially the Communists, and the franchise on the basis of which members were elected was less than 30% of the adult population.

Chauvinism was rife, for instance, when Shri R.V. Dhulekar declared that he would only speak in Hindi as “People who do not know Hindustani have no right to stay in India” or when Muslim members were heckled, for example, on their demand for proportional representation. The great adivasi leader Jaipal Singh was taunted about his elite lifestyle, and simultaneously accused of being parochial, forcing him to list the multiple languages he could speak and the tribal areas he had visited. Women like Sarojini Naidu were courteously infantilised, but also managed to turn the tables on their male colleagues.

In all, the constituent assembly was just as much as a space of conflict and collegiality, as many current assemblies, and its hallowed status in the country’s history should not blind us to the fact that real individuals and not mythic heroes populated it.

The final shape the constitution took was often weaker than it could have been, and this is very visible in the 5th Schedule, where the original proposal gave far more power to the Tribes Advisory Council than it currently has (where the council can only consider matters referred to it by the governor). In response to Jaipal Singh’s demand that the powers of the Tribes Advisory Councils be preserved, K.M. Munshi declared that the tribes could not be allowed to advise on questions of law and order or forests.

But those are precisely the issues that have subsequently agitated adivasi movements. Had Jaipal Singh’s suggestion to use the term adivasi in the constitution not been rejected, we would not have had absurd judgments like the one in Prem Mardi vs Union of India, 2015, where the judge rejected the demand to ban MSG 2 for glorifying the killing of adivasis on the grounds that the constitution did not mention the term adivasi anywhere.

The constitution makers had much to answer for, including the neglect of villages. But what is equally amazing is how much they got right, especially in terms of fundamental rights, universal suffrage and a host of other features.

And where they missed out, the citizenry has intervened to expand the constitution in meaningful directions.

The courts

Much of the work on the Constitution, such as Granville Austin’s Working a Democratic Constitution or the Oxford Handbook of the Indian Constitution, has focused on the landmark judgments by which the courts have interpreted and extended the constitution.

In particular, we recall with a sense of relief and gratitude the outcome of the 13-judge bench which decided Kesavanand Bharati upholding a ‘basic structure’ to the constitution, or the several PILs which have extended the Right to Life to life with dignity. But the constitutional statements of the courts, as we all know, are themselves a medley of factors.

The most important, perhaps, is the text of the constitution itself, which in principle at least, shapes judicial activism. The caste, class and gender backgrounds of the judges matter, even though in India we have relatively little information on how these influence their judgments, at all levels of the judiciary, not just the Supreme Court. At the same time, there is a certain kind of common habitus that professional training develops in them. The text of the constitution and a certain professional fidelity to interpreting its spirit means that judges often go beyond their background in remarkable ways.

The recent judges’ press conference was such a remarkable event, precisely because of the psychological hurdles that judicial professionalism imposes. If judges who are trained to be silent start speaking, we must assume that things are seriously amiss for them to have taken this step. Finally, the court’s contribution to shaping the constitution depends heavily on the kind of cases that are brought before them, even though there are also many instances of lawyers (and even judges) mobilising petitioners when
they want certain principles argued.

And this is where the people come in—for without petitioners to bring a complaint against Aadhaar, against Section 377, for the right to food, or for the freedom of expression, the judges would have no occasion to exercise their craft. Rohit De’s work on the early years of the Supreme Court provides a fascinating glimpse into how people engaged with the constitution and transformed it. It is true that often the courts are closed off to the poor, but citizens have a responsibility to try and force the judiciary and legislature to attend to sections of the public or take up issues that they would not otherwise have cared about.

**The people**

The role of ‘the people’ in preserving and extending the constitution, however, goes far beyond bringing cases to court, or electing representatives once every five years. While the ideologies and programmes of successive governments are clearly important to the functioning of the constitution, through the various amendments they have brought in (land reform, abolition of privy purses, 73rd and 74th amendment etc.), in the end, they seek legitimacy for their changes in the name of public opinion.

The ‘public’ is clearly not homogenous, and while corporates can quietly get an SEZ act passed, other citizens have to struggle for years to get an act on the Right to Information, or the Right to Education. Some states are almost handed over to their elites on a platter like Chhattisgarh, while others like Jharkhand, Uttarakhand and Telangana have been long in

the making.

When Dalit groups memorialise their caste histories as in Bhima Koregaon, youth are rounded up and arrested for having taken part, compared to the kid gloves with which dominant castes are treated.

When it comes to the constitution, however, it is important to remember that the goal of Dalit or adivasi mobilisation is usually towards greater equality.

On the other hand, when traditionally dominant communities take umbrage at imagined slights or demand reservation for themselves, they do so in order to perpetuate inequality. Not all mobilisations are, therefore, in keeping with the values of the constitution, but the constitution has grown because all of these issues have been debated. In some respects like the Citizenship Act, which now makes citizenship conditional on having an Indian parent, rather than on birth alone, the constitution has actually shrunk from the vision of its founders.

As Ranabir Sammadar points out in an essay titled “Sovereignty and the dialogic subject”, when governments say that they will talk to insurgents in the Northeast or Kashmir only “within the framework of the constitution” they tend to forget that the constitution is not just a set of administrative provisions but also embodies the spirit of dialogue. The year 1950 cannot and does not represent a closure on what can or cannot be discussed, since the constitution is a living document.

Ultimately, the only thing that is not negotiable in the constitution is the hope for justice, equality, liberty and fraternity. A party or a government which comes to power swearing on the constitution but does not share this vision, and which believes in the supremacy of one religion or one language, is not only committing perjury, but is profoundly anti-republic.

(Nandini Sundar is a Delhi-based sociologist.)

**How Far Have We Deviated From the Ideology of Our Constitution?**

S.V. Narayanan

Constitution day on November 26, similar to other days of national importance, has become another day of ritualistic celebration without much critical introspection.

The significance of constitution day is not in the explicit ritualistic reverence to the supreme legal document, but in critical introspection of our progress in fulfilling the basic ideology of our constitution. The constitution makers’ clarity of thought in creating a just society is clearly reflected in the founding philosophy of our constitution.

The Constituent-Assembly debates show the commitment of its members in giving life to the idea of India in an inclusive manner based on the principles of social justice and democracy. The unique nature of Indian nationalism, as highlighted by historian Ramachandra Guha, is not based on any single religion or language, as in European counterparts. That shows the inclusive nature of Indian nationalism overcoming the conflicting social identities to create a political citizenship for the overall
development of the nation. The constitution and its ideology have laid a strong foundation for such an inclusive nation respecting the differences and strengthening social justice in the newly independent nation.

**Ideology of the Indian constitution**

Ideology could be defined as a set of ideals or beliefs, which forms the basis of the economic or political system. Ideological beliefs not only give hope for a better society, but also recognise/accept the existing inequalities in society for its people to introspect about their progress in the future.

Even though our constitution is a lengthy document, its ideology is well entrenched in its preamble, revealing the nature of the newly independent nation. The ideology in the preamble not only declares our freedom, but lays a strong foundation for a society based on equality, justice and liberty. The Objective Resolution moved by Jawaharlal Nehru in 1946, which was adopted by the Constituent Assembly in 1947, is almost reflected in the preamble of the Indian constitution. It clearly lays down the path to be taken by the future Indian state to create a strong, united and inclusive country, eliminating all forms of discrimination.

The principles of justice, equality and liberty, along with secularism, form the core components of the ideology of the Indian Constitution. The founding fathers of our constitution envisaged an egalitarian society based on such ideal principles, but does our contemporary reality really reflect these values?

**Reality check**

The founding principles of our constitutional ideology are mutually interdependent, making it indivisible and inalienable rights of every citizen. Justice—social, economic and political—lays the foundation for other principles of equality and liberty to be realised in an effective manner. Justice not only gives equal opportunities but also means positively treating unequals in an unequal manner to create equality. This basic social liberal ideology laid a strong foundation for all positive discrimination intervention by the government. The protection of individual rights along with social justice can be understood clearly from the preamble of constitution.

**Inequality**

Persistent and increasing inequality in a society shows that the principle of economic justice failed to realise its objectives. Further, the denial of economic justice extends its influence in denying justice in the political and social domain as we witness in our contemporary India.

According to Thomas Piketty and Lucas Chancel in their research paper titled ‘Indian income inequality, 1922–2014: From British Raj to Billionaire Raj?’ income inequality is at its highest in the last 100 years in India. The top 1% had around 21% of total income in 1930s, which reduced to 6% in 1980s and again reached 22% by 2014—reaching the highest level. The period after the 1980s, when we starting adopting a neoliberal political economy (officially in 1991), the income share of the bottom 50% reduced considerably and the top 1% increased consequently.

Further, according to Anand and Thampi, in ‘Recent trends in Wealth Inequality in India’, the top 1% of India had 28% of the country’s wealth by 2012, which was an increase of 11 percentage points since 1991. The same period saw the decline of the share of the bottom 40% from 5% to less than 4%.

The Report on Fifth Annual Employment-Unemployment Survey (2015–16) by the Ministry of Labour and Employment, showed that at the all-India level, around 77% of households did not have a single regular/salaried person. More than 67% of households had an average monthly earning that did not exceed Rs 10,000. Within the labour force, more than 71% were not eligible for any social security benefits. Only 1.8% of labour force in India earned more than Rs 50,000 a month and 0.2% earned more than Rs 1,00,000 a month. This data shows the vulnerability and inequality among the working population of India.

**Global Hunger Index**

India occupied the 100th position in the Global Hunger Index (GHI) 2017, out of 119 countries. In Asia, only Afghanistan and Pakistan are behind us. The report further stated:

“At 31.4, India’s 2017 GHI score is at the high end of the ‘serious’ category, and is one of the main factors pushing South Asia to the category of worst performing region on the GHI this year, followed closely by Africa South of the Sahara.”

The shocking aspect of the hunger index is that we were at the 55th position in 2014 and now we are at the 100th position within three years. The worrying aspect is that the totalitarian regime of North Korea and war-ravaged Iraq are ahead of India in the index. The high malnutrition level among children, women and other vulnerable groups contribute towards our declining position in the GHI. This further shows how economic and social justice is being denied to a majority of the population, violating the basic ideology of our constitution.
Discrimination against minorities

The Sachar Committee report (2006) on the social, economic and educational status of the Muslim community in India revealed the institutional discrimination Muslims face in India. The literacy rate of Muslims was far below the national average and only one out of 25 in undergraduate and one out of 50 in postgraduate courses in ‘premier colleges’ were found to be Muslim. Muslim representation in Civil Services was around only 3%. Muslim children are in greater risk of being underweight or stunted compared to other communities.

Banks in Muslim areas are marked as ‘negative’ or ‘red’ zones indicating that giving loans is not advisable—limiting their institutional support. Poverty among Muslims is high and even basic facilities like post offices were not operational in Muslim areas. Such institutional discrimination has kept the Muslim community vulnerable, causing them to turn to religious support systems.

The professor Amitabh Kundu committee, formed in 2014 to review the implementation of Sachar Committee recommendations, did not find much improvement in the institutional support system for Muslims. This is against the foundational ideology of justice in the Indian constitution.

Privatisation of educational institutions

The constitutional ideology mixing social justice with individual liberties came under threat after we formally adopted the neoliberal political economy in 1991. The state slowly started moving away from positive intervention through the creation of support systems for vulnerable groups. Privatisation of the public sector has excluded the hitherto deprived communities from the benefits of social justice.

Table I shows the surge in private institutions of higher learning in India between 2011 and 2017. Since private educational institutions do not follow the system of reservations, a majority of minority, SC/ST and Muslim students are excluded from any meaningful participation, thus defeating the whole ideology of social justice as envisaged in the Constitution.

Need for course correction

The founding ideology of the constitution, combining liberalism and social justice in the form of social liberalism, is slowly being defeated as we have already deviated from it considerably. The ‘justice’, ‘liberty’ and ‘equality’ in the preamble are slowly losing relevance and have become mere ritualistic words for the ruling class during times of celebrations like constitution day. Critical introspection clearly shows how we have failed miserably to live up to the expectations of our founding fathers. The further weakening of constitutional values is going to threaten the idea of India that evolved from a complex mix of cultures, religions, regions etc, with social justice, secularism, liberty and equality as its core principles.

(S.V. Narayanan is an independent policy analyst.)

Table 1: Percentage of Private Institutions of Higher Education – All India

<table>
<thead>
<tr>
<th>Year</th>
<th>University</th>
<th>Colleges / Recognised institutes</th>
<th>Stand-alone institutes</th>
<th>All institutions</th>
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<tr>
<td>2011-12</td>
<td>29.25</td>
<td>72.58</td>
<td>78.73</td>
<td>60.19</td>
</tr>
<tr>
<td>2012-13</td>
<td>31.86</td>
<td>73.77</td>
<td>76.91</td>
<td>60.85</td>
</tr>
<tr>
<td>2013-14</td>
<td>33.19</td>
<td>74.59</td>
<td>75.66</td>
<td>61.15</td>
</tr>
<tr>
<td>2014-15</td>
<td>35.36</td>
<td>76.09</td>
<td>75.07</td>
<td>62.17</td>
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<td>36.47</td>
<td>76.69</td>
<td>75.18</td>
<td>62.78</td>
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<tr>
<td>2016-17</td>
<td>38.74</td>
<td>76.86</td>
<td>74.44</td>
<td>63.35</td>
</tr>
</tbody>
</table>

Source: All India Survey of Higher Education (AISHE) – 2011 to 2017

Articles Put on Janata Blog

Last Week (Nov. 24, 2019)

1. P.C. Joshi, “Gandhi-Nehru Tradition and Indian Secularism”
2. Arjun Sengupta, “Nehru and Indian Socialism”
4. Nishrin Jafri Hussain, “Bless Us, Abba!”
5. Abhishek Kumar and Harshvardhan, “Phool Walon Ki Sair: A Festival of Communal Harmony among Hindus and Muslims”
7. Nino Pagliccia, “Bolivia and Venezuela: Two Countries, But Same Hybrid War”
8. Zoe PC, “Bolivians Bravely Fight Back Against Coup: “We Are Going to Resist Until the Last”
Finance Ministry Rejected RBI's Dissent on Electoral Bonds

Gaurav Vivek Bhatnagar

The Reserve Bank of India’s (RBI’s) repeated warnings on the electoral bond scheme in bearer form having the potential to increase black money circulation, money laundering, cross-border counterfeiting and forgery were ignored by the Centre as it was more keen on protecting the identity of donors, the Ministry of Finance’s responses to right to information queries has revealed.

In response to applications around the electoral bond scheme filed by RTI activist Anjali Bhardwaj, the ministry has released the correspondence between the RBI and the Centre. These clearly show how the Centre went ahead with a “bearer” electoral bond scheme, as announced in the Union Budget 2017-18, regardless of the concerns raised.

While HuffPost India broke the story of how the RBI objected to the electoral bonds scheme earlier this week, documents provided by Bhardwaj give further details on the back-and-forth that took place.

RBI: Electoral bonds will promote money laundering

A look at the communication between then RBI governor Patel and then finance minister Arun Jaitley reveals that the government repeatedly ignored concerns raised by the central bank around the scheme.

On September 14, 2017, Patel in a letter to Jaitley clearly spelt out his concerns. He wrote:

“We are concerned that the issue of EBs as bearer instruments in the manner currently contemplated has the possibility of misuse, more particularly through use of shell companies. This can subject the RBI to a serious reputational risk of facilitating money laundering transactions.”

The RBI governor also stated that “given that the major objective of the EB Scheme is to provide anonymity to persons making a contribution to political parties, we believe that this can be better achieved if EBs are issued in electronic form (demat form), with the Reserve Bank as the depository, rather than as a physical scrip.”

He said, “apart from avoiding the use of EBs for money laundering, this arrangement will be more secure and will also reduce the cost, as the need for printing security features in obviated. Moreover, this will be in the fitness of things given the larger objective of digitalisation that the government is pursuing.”

On the need to issue electoral bonds in demat form, Patel further explained that these “will be akin to a central-bank floated ‘digital currency’ that would obviate the need for any other entity to issue such instruments. At a later state, and if so desired, such EBs can pave the way for fully transparent electoral funding, viz., Reserve Bank as the custodian would record the payer of money in the transaction, who is the effective contributor to electoral funding.”

However, Patel’s concerns and advice clearly failed to move the government.

Govt: Bearer bonds will ensure secrecy of donor

In his response to the governor’s letter on September 24, 2017, secretary of the Department of Economic Affairs in the finance minister, Subhash Chandra Garg, wrote, “RBI’s suggestion on issuance of EBs in electronic (demat) format only with the bond holders sharing unique identifier with the political party may take away a key feature of the scheme to protect the identity of the donor from the political parties. The donors may apprehend that the system may not be able to ensure secrecy of identity of the donor.”

Conveying the Centre’s intent, the secretary added, “the Government, therefore, considers that issuing bonds in physical bearer bond form, as approved earlier, needs to be the mode of issuance of electoral bonds.” He also urged the RBI governor to “urgently send” the draft notifications of the Electoral Bond Scheme as per the structure forwarded to RBI on August 30, 2017.

Thus, it is clear that the contours of the scheme had been framed up by the Centre earlier itself.

RBI: Increased risk of forgery, cross-border counterfeiting

In a follow-up letter, dated September 27, 2017, Patel again wrote to Jaitley asking that the government “revisit its stance on issuing EBs in scrip form”. He also conveyed to the minister that the Committee of the Central Board (of the RBI) suggested that the bank “advise the central government, in our fiduciary capacity, to reconsider the idea of issuing EBs in the form of physical scrips in view of the
likely unintended consequences that it could result in”.

Patel noted that the Committee flagged certain issues. It felt that “issue of EBs in scrip form is fraught with serious risk of money laundering as consideration for transfer of scrips from the original subscriber to a transferee and thereafter, till it is eventually given to a political party for encashment, will be paid in cash.”

The panel cautioned that “this will leave no trail of the transactions and in the process of providing anonymity to the contributor to the political party, anonymity will be provided to several others in the chain of transfer of the EBs” and that “this can render the scheme to abuse by unscrupulous elements.”

Another major concern raised by the RBI committee pertained to national security. It cautioned that “EBs in scrip form could also be exposed to the risk of forgery and cross-border counterfeiting besides offering a convenient vehicle for abuse by unscrupulous elements.”

In this regard, the panel said, “one of the major positives arising out of the demonetisation was that cash lying outside the formal economy has been brought into the banking system”.

But, it said, while “public at large endured serious physical and other kinds of inconveniences only because they saw this as a concerted effort to deal with the black money hoarders,” the EB scheme could undo the good. “The moment the proposed scheme of EBs in scrip form is operationalised, the possibility of that helping black money to be laundered will surely be highlighted in various quarters.”

The panel also cautioned that “this would expose the government and RBI to adverse public criticism and consequent loss of goodwill for both.”

Despite the concerns and red flags raised, the Centre stood its ground. On October 5, 2017, Garg wrote to the RBI governor saying, “it has been decided that issuance of such bonds would be in the form of physical bearer bond form only. Your views and suggestions have been duly considered and this is the final decision of the Government.”

Editor’s Note: In another article published in the Wire, Gaurav Bhatnagar notes that the Election Commission too had raised concerns regarding the electoral bond scheme. He writes:

“The Election Commission had in 2017 filed an affidavit in the Supreme Court in which it criticised the electoral bond scheme. Its argument was that electoral bond project and removal of caps on the extent of corporate funding would have ‘serious repercussions/impact on the transparency aspect of political finance/funding of political parties’.

“The Commission had then termed the scheme a ‘retrograde step’ and argued that non-disclosure of donor identity and clauses would allow for shell companies and foreign entities to fund and influence Indian political parties and elections.

“Then, in April this year, the EC also told the apex court that it was opposed to the veil of anonymity associated with such bonds. The Election Commission maintained that it wanted transparency in political funding and that disclosure of the identity of the funders as well as the recipients was essential for democracy. ‘People have the right to know about the antecedents of their representatives and the political party that candidate represents,’ it submitted.

(Gaurav Vivek Bhatnagar is Deputy Editor at The Wire.)

**What Policies Can India's Corporates Buy With Half a Billion Dollars?**

Raghu Karnad

Between the years 2005 and 2018, the world’s five largest tech firms—Amazon, Apple, Google, Facebook and Microsoft—grew to dominate global business and media, and firmed their grip on global markets and on lawmakers. According to Forbes, the ‘Big Five’ collectively “spent half a billion dollars lobbying [the US] Congress” over those 13 years.

In India, anonymous political donors spent a similar amount—Rs 3,622 crore, or $514 million—in just two months, March and April 2019.

On May 5, the State Bank of India responded to a Right to Information request from activist Vihar Durve, disclosing the value of electoral bonds issued just prior to the general election.

In March and April of 2019, respectively, Rs 1365.68 crore and Rs 2256.37 crore were transferred to political parties, with no taxes levied.

Since 2017, electoral bonds have allowed donors—including subsidiaries of foreign firms—to remain anonymous, regardless of the
scale of their donation.

Finance minister Arun Jaitley recently argued that electoral bonds allow citizens to support a party or candidate, using white money, and without fear of repercussions. But the trade-off for this freedom is the loss of any public oversight of who is funding elected leaders.

In Jaitley’s view, donations have to be enabled as democratic freedom. But evidence suggests that these donors are not regular citizens. In a prior period, 99.8% of the value of electoral bonds were issued in denominations of Rs 10 lakh or one crore, according to the Association for Democratic Reform. Large donations usually represent lobbying, *quid pro quos* or a transaction within a cycle of institutionalised corruption.

Data is not yet available on who received what share of the half-billion-dollar deluge just before the election. But in a prior period, FY 2017–18, 98% of the value of all electoral bonds issued went to the ruling BJP.

So how much is half a billion dollars worth, in political terms? We have seen that it is comparable to 13 years worth of US lobbying by the ‘Big Five’ in tech.

Here are a few other revealing comparisons in the US, about the scale of corporate influence and control sought in exchange for half a billion dollars:

- **Between 1999 and 2009**, the combined lobbying expenditure of the 50 largest US agro and food patent-holding firms, plus top biotechnology and agrochemical trade associations, was $572 million—over the full decade. This estimate was published in a report by the NGO Food and Water Watch. This was a period when genetically-modified crops loomed large in US policy debates.
- **Between 1998 and 2008**, half a billion dollars was the average annual lobbying spend by the entire US financial services sector, according to a consumer report. Only one third was in actual political contributions; the other two-thirds were spent on paid lobbyists. This was a period when banks and financial firms defeated regulations and oversight, maintaining a free run of illegal or unethical practices, which culminated in the 2008 financial crisis and global recession.
- **Between 2012 and 2014**, six hundred companies with interests in US food and agribiz—including Exxon, DuPont and Monsanto, as well as banks and the US Chamber of Commerce—collectively spent half a billion dollars to influence the US Farm Bill (which sets food and agriculture policy and dictates a trillion dollars in government spending).
- **The largest telecom firms in the US**—Comcast, Verizon, AT&T and the National Cable & Telecommunications Association (NCTA)—collectively spent $572 million on lobbying over the nine years leading up to 2017. This was during the height of the States-side political debate on regulatory oversight and net neutrality.

In all these cases, massive lobbies—comprising the largest corporations in the world—have poured money into political coffers, over a course of years, to reach a total spend in the range of half a billion dollars.

In India, however, entities have deluged politicians with funds on this scale over just two months. And Indian citizens are denied the right to know who those entities are, or to understand what they are hoping to get in return.

*(See also: Divya Guha, “India's Shadow Lobbies: How Business Captured the Government”, published in Janata Blog this week - Editor.)*

*(Raghu Karnad is a Contributing Editor at the Wire.)*

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### Pathetic State of Economy: Modi Govt Hides Data

**Prabhat Patnaik**

The National Statistical Office (NSO) has decided not to release the quinquennial survey data on consumer expenditure for 2017–18. This is because these data, leaked by The Business Standard (November 15) show a drop of 3.7 per cent in real per capita consumer expenditure between 2011–12 and 2017–18, from Rs 1,501 per month to Rs 1,446 per month (at 2009–10 prices).

An actual drop in per capita consumer expenditure is an extremely serious matter. Such a drop has occurred for the first time in over four decades; the previous occasion when a drop had occurred was in 1972–73, when a poor harvest had combined with the first oil shock by OPEC to push up inflation...
and to squeeze drastically the real purchasing power in the hands of the people. Those however had been erratic disturbances: either external factors (OPEC price-hike) or episodic factors (poor harvest) for which the government could not be held responsible, though it could of course be faulted for the way it handled these disturbances.

In 2017–18 there are no such erratic disturbances outside of the government’s control. The only disturbances that had shaken the economy during the 2017–18 survey period were the demonetisation of currency notes and the rolling out of the Goods and Services Tax, for both of which the Modi government was solely responsible.

To be sure, these disastrous decisions alone cannot explain the fall in per capita consumer expenditure. The incidence of the fall has been particularly sharp in rural India where per capita expenditure has declined by 8.8 per cent between 2011–12 and 2017–18, compared to a rise, though by a mere 2 per cent, in urban India between these dates. And in rural India signs of distress had been visible for quite some time, quite apart from demonetisation and GST. The latter in short acted on an already distressing situation to make it more distressing; but it is not as if the situation was tolerable otherwise.

The clearest proof of this comes from production data. The government is claiming that production data run contrary to the data on consumer expenditure, but this is a false claim. If we take the current price net value added in “agriculture and allied activities”, which is the source of all incomes derived within this sector, and divide it by the agriculture-dependent population (estimated by assuming that its ratio in total population did change over a short period), then we find that, deflated by the consumer price index for rural India, the per capita real income of the agriculture-dependent population declined slightly between 2013–14 and 2017–18. Since the agriculture-dependent population also includes the landlords and the agricultural capitalists, who have a large share despite being few in number and whose incomes could be safely assumed not to have fallen over this period, the decline for the bulk of the rural population, the working people of rural India, must have declined even more sharply. (And even if the ratio of the agriculture-dependent population in total population is assumed to have fallen over this period, the fall could not have been large enough to negate this conclusion). The same conclusion holds if we change the terminal date from 2017–18 to 2016–17, i.e., before demonetisation could have had any impact. It follows that whatever impact demonetisation (and the GST) had was superimposed upon an agrarian economy already in distress because of the neo-liberal policies being pursued by successive governments, and pursued with particularly ruthless single-mindedness by the Modi government.

The decline in food expenditure has been especially sharp, by as much as 10 per cent in per capita terms between 2011–12 and 2017–18 in rural India. This must have increased the magnitude of poverty quite significantly. Contrary to official claims, the magnitude of poverty which is defined with respect to a calorie norm in India had been rising both in urban and in rural areas over the period of neo-liberal policies. This is evident if we compare the figures for 1993–94 and 2011–12 (both quinquennial survey years). This magnitude must have got a further sharp upward push in 2017–18.

It is typical of the Modi government to suppress these data on consumer expenditure, which it finds uncomfortable. It had done the same with employment data before the Lok Sabha elections, which had shown an unemployment rate higher than ever before in the last 45 years; but these data at least were officially released afterwards. With regard to the consumer expenditure data however it has decided not to release them at all. It will wait till 2021–22 for the next quinquennial survey, by which time it would have suitably modified the method of data collection to ensure that it gets a prettier picture, before it comes out with any figures on consumer expenditure.

The argument it has advanced for suppressing the consumer expenditure data are quite absurd: the “data quality” according to it is poor. But this is a matter that could have been left to the researchers and the public at large, instead of being decided by a set of bureaucrats and hand-picked “experts”. The government could have just released the data and taken the stand that not much should be read into them because of poor “data quality”.

In fact when the quinquennial survey on consumer expenditure in 2009–10 showed a substantial increase in poverty compared to 2004–05, the government of that time ordered a fresh large sample survey in 2011–12. The argument advanced was that the 2009–10 survey could not be taken seriously because it had been carried out
during a drought year; but that did not prevent the government of the time from releasing the data for 2009–10. And indeed 2011–12, which was a good crop year, showed a substantial increase in per capita consumer expenditure compared to 2009–10, though it did not negate the conclusion about a rising trend of poverty (in terms of calorie deprivation) in the neo-liberal period.

In fact this is the first time that the data thrown up by an official statistical survey have been entirely suppressed, with all the expenditure undertaken for the survey going down the drain. For a government to waste so much of the nation’s resources, by commissioning a survey whose results are then suppressed, just because it does not want its hype about ‘acche din’ destroyed, shows a level of megalomania that is unimaginable.

What is even more worrying is that its megalomania would destroy the statistical system that the country had built up so painstakingly under the leadership of Professor P.C. Mahalanobis, when Jawaharlal Nehru was the Prime Minister. The National Sample Survey that Mahalanobis had set up was the largest sample survey in the world, a source of information unparalleled anywhere in the third world, a matter of pride for the country, and an immensely valuable input for research. To muck about with it, to destroy this valuable source just so that the hollowness of the government’s claims about its “achievements” is not exposed, constitutes an instance of criminal callousness.

The government argues that the consumer expenditure data are not in keeping with other official indicators, and that this is the basis of its argument that the “data quality” is poor. But these data are completely in conformity with what one gleans from all other sources. They are in conformity with the unemployment data mentioned above. They are in conformity with the agricultural income figures mentioned above. They are in conformity with the massive downturn that the economy is experiencing at present, when not a day passes without some fresh news appearing about its miserable performance. The fact that the sales of even simple consumer items like biscuits have been falling of late is in conformity with the absolute decline in per capita consumer expenditure.

When the nation is in the grip of a severe economic crisis, instead of using every bit of available information to understand the crisis, the Modi government is suppressing valuable information. This is the measure of its seriousness in overcoming the crisis.

(Prabhat Patnaik is Professor Emeritus at the Centre for Economic Studies and Planning, Jawaharlal Nehru University, New Delhi.)

Jharkhand: Where Is the Mineral Wealth Going?

Subodh Varma

According to various estimates, Jharkhand has 40% of the country’s mineral resources. It has 27.3 per cent of India’s coal reserves, 26 per cent of iron ore, 18.5 per cent copper ore, besides having deposits of uranium, mica, bauxite, granite, limestone, silver, graphite, magnetite and dolomite. It also has large quantities of stone, limestone and sand. Almost 20% of the state’s revenue arises from mining activities.

But despite this abundance, and despite mining having started as far back as the first decade of the 20th century, Jharkhand continues to be one of the poorest states in the country ranking low on various economic and social indicators. It was thought that after the state was carved out of Bihar in 2000, development will take place. But that also doesn’t seem to have happened. Why?

Disastrous Model

The main reason for this is that mineral resources were seen by the political rulers as something that has to be appropriated, or rather seized, and sold off. The people living on those lands were mostly seen as encumbrances—obstacles that had to be duped or coerced into giving way for big mining companies. Thus mining became an activity that was hostile to the people. They were evicted, turned into serfs, forced to migrate, or survive in inhuman conditions. This naturally led to resistance to mining and all the problems that follow.

Besides this, the other major fault in policy lay in handing over mines to private entities. The contradiction with people intensified as 3,963 lessees and 6,647 dealers took over mining and trading operations in the state. These were unscrupulous operators with only one objective—to make profit, come what may. As a
result, the distance between mineral resources and people became even greater and the relations even more fraught.

Some may argue that the state government does earn royalties and fees from leasing out the mines, so what is wrong with this model? The answer is very simple: the state government (this one and previous ones) has fixed the game in such a way that only a small amount of royalties and other fees finally accrue to it, leaving the operators with huge profits. As it is, royalty rates are low and mostly levied on pit mouth prices or even cost of production prices for captive mines. Even the CAG has castigated the Jharkhand state government for non- or short levy of royalties by applying incorrect rates, under-estimating production, not penalising late payments etc.

As a result, the richest mineral state is earning a paltry sum from various fees it charges from companies that are exploiting the minerals and selling them off for big profits. According to the latest Budget presented by the BJP ministry that rules Jharkhand, in 2018–19, Rs 6,783 crore was the revenue (revised estimate) accruing to the Mines Department from various fees and rents. In 2019–20, the Budget hoped to collect Rs 8,042 crore. In addition, sand extraction yielded revenue of Rs 299 crore in 2018–19 and was expected to yield Rs 362 crore in the current year.

These are paltry sums, nowhere near the actual final sale value of minerals that are being relentlessly extracted from the land in Jharkhand. Partly, they reflect the clout of mining industrialists who keep such rates low by pressurising the government. But partly they also result from the rather low level of mineral extraction because of not taking the people in confidence and hence facing resistance to mining.

District Mineral Fund Sham

In 2016, the Modi government announced that in order to plough back some of the profits that mining activities generate, the mining operators will have to pay 10% of the royalties to a trust set up in each district. It was called the District Minerals Foundation (DMF). The funds thus collected would be used for such development work like providing piped water supply to communities, building roads and toilets, and so on.

The chart reveals the fate of this program—called Pradhan Mantri Khanij Kshetra Kalyan Yojana or PM Mining Sector Welfare Programme. Remember, the state has been ruled by BJP since 2014, so there is complete political convergence with the BJP led central government in Delhi. No questions of any dissonance. As you can see, just 24% of the funds thus collected have been used for the ‘developmental work’.

Clearly, the whole thing has turned into a macabre joke. It seems all the projects sanctioned till date in Jharkhand—some 25,000 odd—are still in progress! In three years not a single one has been completed.

Meanwhile the state’s inhabitants continue to get ground down in abject poverty, face joblessness and the state has reported some of the most shocking numbers in terms of malnutrition, even starvation deaths. The coming elections may see the BJP state government dislodged, going by the widespread discontent, but a deeper relook is necessary at the mining and mineral policy if the people are ever to get the benefit of these resources.

(Subodh Varma is a senior journalist.)

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Global Climate Disaster: Science is Screaming

Jake Johnson

An alarming United Nations report released this week said global temperatures are on track to rise as much as 3.2°C by the end of the century, meaning only drastic and unprecedented emissions reductions can stave off the most devastating consequences of the climate crisis.

According to the report, produced by an international team of leading scientists and researchers, greenhouse gas emissions must begin falling 7.6 percent annually by 2020 to prevent global temperatures from rising more than 1.5°C by 2030.

"Our collective failure to act early and hard on climate change means we now must deliver deep cuts to emissions," Inger Andersen, UNEP’s executive director, said in a statement. "This shows that countries simply cannot wait until the end of 2020, when new climate commitments are due, to step up action. They—and every city, region, business, and individual—need to act now."

Andersen added that only "major transformations of economies and societies" will be enough.

(Jake Johnson is a staff writer for Common Dreams, a nonprofit, US-based, news website.)

Capitalism versus Life on Earth

Ian Angus

These sentences are from a recent report on the consequences of climate change:

Sea level rise, changes in water and food security, and more frequent extreme weather events are likely to result in the migration of large segments of the population. Rising seas will displace tens (if not hundreds) of millions of people, creating massive, enduring instability....Salt water intrusion into coastal areas and changing weather patterns will also compromise or eliminate fresh water supplies in many parts of the world.... A warming trend will also increase the range of insects that are vectors of infectious tropical diseases. This, coupled with large scale human migration from tropical nations, will increase the spread of infectious disease.

Many reports have made such points. What makes this one significant is that it was commissioned by the Pentagon, by the General who is now chair of the Joint Chiefs of Staff. The authors are senior officials of the U.S. Army, the Defense Intelligence Agency, and NASA, and it was published by the United States Army War College.

Their report recommends strengthening the U.S. military, already the biggest war machine on Earth, to protect the U.S. empire from the consequences of the environmental chaos. They call for a “campaign-plan-like approach to proactively prepare for likely conflict and mitigate the impacts.” As we know, when the U.S. military embarks on a campaign, the result is always devastation and destruction for the poor and oppressed.

As this report shows, the U.S. Army, unlike the U.S. president, knows that climate change is real, and that the consequences may be catastrophic. The generals recognize that something has gone terribly wrong in the relationship between human society and the Earth.

Planetary Boundaries

Climate change is the most extreme example of the crisis, but it is not the only one. Earth System scientists have identified nine planetary boundaries—global environmental conditions that define “a safe operating space for humanity.” Crossing any one of those thresholds could have deleterious or even disastrous consequences for civilization. Seven of the nine critical planetary boundaries are close to or already in the danger zone.

Such research leads irresistibly to the conclusion that modest reforms and policy shifts are not enough. We confront not individual problems that can be tackled separately, but an interlocked set of disruptions of Earth’s life support systems. Fundamental natural processes that have evolved over millions of years are being shattered in just a few decades.

Radical remedies are obviously required, but we won’t find a cure
unless we identify the underlying cause, the systemic disease that is attacking our planet.

Why Growth?

Many environmentalists identify the underlying problem simply as growth. And indeed, as many books and articles show, the drive to extract, produce and grow ever more stuff is killing our rivers with poison and our air with pollution. Oceans are dying, species are disappearing at unprecedented rates, water is running short, and soil is eroding faster than it can be replaced—but the growth machines push on.

Corporate executives, economists, bureaucrats and politicians all agree that growth is good and non-growth is bad. Unending material expansion is a deliberate policy promoted by ideologues of every political stripe, from social democrats to conservatives. When the G20 met in Toronto they unanimously agreed that their highest priority was to “lay the foundation for strong, sustainable, and balanced growth.” The word growth appeared 29 times in their final declaration.

Uncontrolled growth is clearly a central issue, but that raises a further question—why does it continue? Why, in the face of massive evidence that expanded production and resource extraction is killing us, do governments and corporations keep shoveling coal for the runaway growth train?

In most environmental writing, one of two explanations is offered—it’s human nature, or it’s a mistake.

The human nature argument is central to mainstream economics, which assumes that human beings always want more, so economic growth is just capitalism’s way of meeting human desires. For our species, enough is never enough. That view often leads its proponents to conclude that the only way to slow or reverse the pillaging of Mother Earth is to slow or reverse population growth. More people equals more stuff; so fewer people would equal less stuff.

That claim is fatally undermined by fact that the countries with the highest birth rates have the lowest standard of living, own the least stuff, and produce the least pollution. If the poorest 3 billion people on the planet somehow disappeared tomorrow, there would be virtually no reduction in ongoing environmental destruction.

The other common explanation for the constant promotion of growth is that we have been seduced by a false ideology. The drive for growth has been described as a fetish, an obsession, an addiction, or even a spell. Greens often use the term growthmania.

Such accounts present the drive for growth as a choice that politicians and investors make, under the influence of a bizarre obsession. As British socialist Fawzi Ibrahim says, this “must be the first time in history that a necessity has been described as a fetish. You might as well describe fish having a fetish for water as capitalism having a fetish for growth. Growth is as essential to capitalism as is water to fish. As fish would die without water, so would capitalism drown without growth.”

Growth ideology doesn’t cause perpetual accumulation—it justifies it. Uncontrolled growth is not the root cause of the global crisis—it is the inevitable result of the profit system, of capitalism’s inherent drive to accumulate ever more capital.

Personifications of capital

As individuals, the people who run the giant polluters undoubtedly want their children and grandchildren to live in a clean, environmentally sustainable world. But as major shareholders and executives and top managers they act, in Marx’s wonderful phrase, as “personifications of capital.” Regardless of how they behave at home or with their children, at work they are capital in human form, and the imperatives of capital take precedence over all other needs and values. When it comes to a choice between protecting humanity’s future and maximizing profit, they choose profit.

As a case in point, consider the nitrogen oxide gases, nitrogen monoxide and nitrogen dioxide, which are produced by burning petroleum fuels, especially by diesel engines. They don’t get as much media attention as carbon dioxide, but they are powerful greenhouse gases, and they are directly harmful to human health. They cause throat and lung diseases, and they increase the severity of diseases such as asthma.

In 2009, regulators in Europe and North America introduced strict limits on automobile nitrogen oxide emissions. All automakers had to submit their cars for testing. That was a big problem for the world’s second largest automobile company, Volkswagen, because much of their profit came from vehicles with diesel engines that did not meet the new standards.

But, as we are often told, capitalism encourages innovation. Just in time, VW announced that its engineers had solved the problem. They had invented technology that fully met or exceeded the new standards. They promoted it very heavily under the slogan “Clean Diesel,” and it was hugely successful. Between 2009 and 2016 Volkswagen sold over 11 million Clean Diesel cars worldwide.

That’s pretty impressive—a
giant corporation was doing well by doing good, making huge profits while protecting the environment and human health.

Or so it seemed.

In 2016, thanks to investigations by some dedicated engineers, we learned that Clean Diesel was a hoax. Volkswagen had not invented new emissions technology. Volkswagen had invented software that cheated on the tests. When the software detected that a test was being conducted, it reduced the engine’s power and performance. Under laboratory conditions, VW’s Clean Diesel cars met the emission regulations. On the road, they emitted up to 40 times more nitrogen oxide than the legal limit.

Senior executives have been fired and the company has paid heavy fines, but that’s after the fact. Seven years of Volkswagen pollution and seven years of big Volkswagen sales illustrate two fundamental characteristics of capitalism—short-term gains are always more important than long-term losses, and profit is always more important than protecting human health.

Volkswagen’s owners and executives are personifications of capital, and capital must grow, no matter who gets hurt.

**Machines for accumulation**

The reason is very simple, although its implications are complex and profound. Big banks and money funds and multimillionaires invest in corporations like Volkswagen in order to get more money back. They really don’t care if Volkswagen makes cars or clothes and candy bars, so long as they get a return on their investment.

*Corporations are giant social machines for turning capital into more capital.* That’s what shareholders expect and want, and that’s what managers and executives must deliver.

A person who is unwilling to put the needs of capital first is not likely to become a major corporate executive. If the screening process fails, or if a CEO has an inconvenient attack of conscience, he or she will not last long in that position. It has been called the ecological tyranny of the bottom line. When protecting humanity and planet might reduce profits, corporations will always put profits first.

Capital has only one measure of success. How much more profit was made in this quarter than in the previous quarter? How much more today than yesterday? It doesn’t matter if the sales include products spread disease, destroy forests, demolish ecosystems, and treat our water, air, and soil as sewers. It all contributes to the growth of capital, and that is what counts.

Each corporation seeks to ensure that its products produce an attractive profit on invested capital. A corporation with lower costs or more attractive products can drive its competitors out of business. There is constant pressure to expand physically, financially and geographically.

If nothing stops it, capital will try to expand infinitely, but Earth is not infinite. The atmosphere and oceans and forests are finite, limited resources, and capitalism is now pressing against those limits.

Capital must grow. A zero-growth capitalist economy simply cannot exist. As Marx wrote, the historical mission of the bourgeoisie is “accumulation for accumulation’s sake, production for production’s sake…. production on a constantly increasing scale.”

Of course, the fact that capital needs to grow does not mean that it always can grow. On the contrary, the drive to grow periodically leads to situations in which more commodities are produced than can be sold. The result is a crisis in which immense amounts of wealth are destroyed. Individual corporations can and do go out of business in such situations, but over the long term, the drive for profit, to accumulate ever more capital, always reasserts itself.

That is the defining feature of the capitalist system and the root cause of the global environmental crisis. Mass opposition and public pressure can slow down or hinder the drive to expand more and faster, but it will always reassert itself in some form.

**Metabolic rifts**

The anti-ecological results of such a system were first analyzed in the nineteenth century, when the productivity of English agriculture was in decline.

In the mid-1800s, the German scientist Justus von Liebig showed that in its natural state, soil provides the essential nutrients that allows plants to grow, and replenishes nutrients from plant and animal waste. But when crops are produced for distant markets, as they increasingly were in 19th Century England, soil fertility suffers because food waste and excrement do not return to the soil. Liebig called this a robbery system, because nutrients were being stolen from the soil and not returned.

Karl Marx studied Liebig’s work carefully. He seized upon the then-new scientific concept of metabolism, of biological and physical cycles that are essential to life, and made it central to his analysis of the relationship between humanity and nature. He viewed the shift away from using human manure as an important example of capitalist society’s alienation from the natural world on which human life depends.

Marx integrated Liebig’s
explanation of the soil exhaustion crisis into his historical and social analysis of capitalism, concluding that “a rational agriculture is incompatible with the capitalist system,” because the imperatives of capitalist growth inevitably conflict with the laws of nature.

He described the separation of humans from food production, this break in an age-old nutrient cycle as “an irreparable rift in the interdependent process of social metabolism, a metabolism prescribed by the natural laws of life itself.”

Marx’s analysis of nineteenth-century British agriculture provides the theoretical starting point for what is now known as metabolic rift theory, which is used by many radical ecologists to analyze and understand modern environmental crises.

The concept of metabolic rift expresses society’s simultaneous dependence on and separation from the rest of nature. Like an autoimmune disease that attacks the body it dwells in, capitalism is both part of the natural world and at war with it. It simultaneously depends upon and undermines the Earth’s life support systems.

An incurably short-term horizon

Capital’s ecologically destructive impacts are driven not just by its need to grow, but by its need to grow faster. The circuit from investment to profit to reinvestment requires time to complete, and the longer it takes, the less total return investors receive. Competition for investment produces constant pressure to speed up the cycle, to go from investment to production to sale ever more quickly.

That’s why it took sixteen weeks to raise a two-and-a-half pound chicken in 1925, while today chickens twice that big are raised in six weeks. Selective breeding, hormones, and chemical feed have enabled factory farms to produce not just more meat, but more meat faster. The suffering of the animals and the quality of the food are secondary concerns, if they are considered at all.

But most natural processes cannot be manipulated that way. Nature’s cycles operate at speeds that have evolved over many millennia—forcing them in any way inevitably destabilizes the cycle and produces unpleasant results.

Fertile land is destroyed, forests are clear-cut, and fish populations collapse, all because of what Istvan Mészáros calls the incurably short-term horizon of the capital system. There is an insuperable conflict between nature’s time and capital’s time—between cyclical processes that have developed over hundreds of millions of years, and capital’s need for rapid production, sale, and profit.

The metabolic rifts that Liebig and Marx knew of and wrote about were initially local or regional, but they have grown along with capitalism. Colonialism extended the damage by transporting products and nutrients from distant places.

Since the middle of the 20th century, capitalism has caused unprecedented changes in the entire biosphere, Earth’s lands, forests, water, and air. In its endless search for profits, it is massively disrupting and destroying Earth’s life support systems—the natural processes and cycles that make life itself possible. Metabolic rifts have become metabolic chasms.

Ecosocialist revolution

That’s why the environmental crisis can’t be just a talking point for socialists—it’s a planetary emergency that we must treat as a top priority. We need to initiate and join struggles for immediate environmental aims. We need to participate, not as sideline critics, but as activists, builders and leaders. And at the same time, we need to find the best ways to patiently explain how those struggles relate to the larger fight to save the world from capitalist ecocide.

As Simon Butler and I wrote in Too Many People?, “in every country, we need governments that break with the existing order, that are answerable only to working people, farmers, the poor, indigenous communities, and immigrants—in a word, to the victims of ecocidal capitalism, not its beneficiaries and representatives.”

Such governments will have two fundamental and inseparable characteristics.

First, they will be committed to grassroots democracy, to radical egalitarianism, and to social justice. They will be based on collective ownership of the means of production, and they will work actively to eliminate exploitation, profit and accumulation as the driving forces of our economy.

Second, they will base their decisions and actions on the best ecological principles, giving top priority to stopping anti-environmental practices, to restoring damaged ecosystems, and to reestablishing agriculture and industry on ecologically sound principles.

Such a profound transformation will not just happen. In fact, it will not happen at all unless ecology has a central place in socialist theory, in the socialist program, and in the activity of the socialist movement.

In short, in the 21st century, socialists and greens must be ecosocialists, and humanity needs an ecosocialist revolution.

(Ian Angus is a social and ecosocialist activist in Canada. He is editor of the ecosocialist journal Climate & Capitalism.)
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