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Note on Environment Policy in a Dynamic Global Scenario: Indian Case

Abstract

It is a widely accepted fact that judicial activism on environmental issues and growing international pressure had compelled the government to come out with environment policy. Moreover, disturbing environmental problems like depletion of ozone layer and forest cover, increase water stress and water insecurity, climate induced natural disasters including droughts urged the government to adapt to NEP 2006. With this as the backdrop, the paper in section 1 deals with the theory of economic and environment policies. Section 2 of the paper briefly describes global "core development challenges" where the solution lies in accelerated economic growth with human face. Recognizing the importance and centrality of water for socio-economic development with respect to NEP has also been examined in section 3. The paper in the final section examines the relevant aspects that need careful considerations in NEP 2006.

Keywords: National Environment Policy, Sustainable Development, Water, Core Development Challenges.

Prologue

The Directive Principles of the State Policy Articles 48 and 51A of Indian Constitution direct the Government to care for natural resources like water, forests, wild life and the environment. But for judicial activism on environmental issues and international compulsions, which started with World Commission on Environment and Development (1987) Our Common Future, a few World Development Reports: Poverty (1990), The Challenges of Development (1991), Development and the Environment (1992), Sustainable Development in a Dynamic World – Transforming Institutions, Growth and Quality of Life (2003) and the Millennium Development Goals (MDGs) adopted by UN General Assembly in 2000 compelled the Government to come out with Draft New Environment Policy in 2004. It was finally adopted in 2006 popularly known as National Environment Policy 2006 (NEP 2006). NEP 2006 notes: "To set forth an immutable National Environment Policy in this dynamic situation would be unwise" (Para 5.10). Though the global scenario is fast changing and at home front environmental and non- renewable finite natural resources situation has become alarming, nothing is so far done to adapt to alarming environmental and natural resource issues. Issues related to Global Common are aggravating to the extent that the very existence of mankind is endangered: climate changes are devastating. Depletion of ozone layer and forest cover, increase water stress and water insecurity, climate induced natural disasters including droughts are equally alarming global and national issues. Transforming the World - The 2030 Agenda for Sustainable Development which focuses on People, Planet, Prosperity, Peace and Partnership (United Nations 2016) is also pressing upon the government to review and adapt NEP 2006. But so far no move is visible to adapt to NEP 2006. This note is addressing some of the NEP 2006 related issues.

Given an open economy, the very success of an economic or environmental policy depends more on the model related to an economy or a specific economic or environmental phenomenon. "Over-abstraction is often the result of out-dated models of natural resource use and governance, where the use of resources for economic growth is under-regulated and undertaken without appropriate controls". (World Water Development Report 2015:2) Assuming that a proper model is given, how the environmental and natural resources policy is to be designed? In this context **Section 1** deals with

the theory of economic and environment policies. Environmental and / or natural resources policy is an on-going process. It requires reviewing and revision at regular interval or if needed earlier. Revision should be done on the basis of medium term and long run well defined and quantified socio – economic – environmental objectives. These objectives are normative part but designed policy for effective execution is an action program. Here the perspective for revision of NEP 2006 should be The 2030 Agenda for Sustainable Development (United Nations 2016). In this context **Section 2** briefly describes global "core development challenges" (World Development Report 2003:1), National issues are more or less the same, and there may be difference of degree so they are not discussed here. Normally in designing the environmental and natural resources policies, water is treated as one of the sectors like agriculture, industry, energy, health and sanitation etc. As such water, though finite and most vulnerable natural resource, is beyond a sector, it is elixir of life, and hence it is a human right too. Beside, water has nexus with multiple sectors like eco-systems, food, energy, public health, agriculture, industry etc. We also have to recognise that water belongs to earth and its entire species and that we are only the trustees of this precious resource. Without recognizing the centrality of water and its global dimensions (World Water Development Report 2012: Chapter 1) and domestic dimensions exercise of adapting NEP 2006 may prove to be futile. And, therefore, World Water Development Report (2015) has a theme: Water for a Sustainable World. Hence **Section 3** emphasises the role of water in adapting NEP 2006**.** **Section 4,** in context of adapting the policy, looks into reviewing NEP 2006.

Section I: Theory of Economic and Environment Policy

Jan Tinbergen's pioneering work on theory of economic policy provides the guidelines on modelling economic policy. (Tinbergen Jan 1956 and 1965). Given an appropriate model for an economy, you require set of targets to be achieved, the targets are supposed to be well defined and quantified socio – economic objectives. Now to realise the objective you need instrument or control variables, whose manipulation may yield the anticipated results. The instrument variables are various measures of different macro and micro economic policies. According to him numbers of instrument variables and target variables are supposed to be equal.

So far there is no universally accepted model of environment policy. Survey of the literature related to environment policy, (Baumol and Oates 1975 and 1988: Theory of Environmental Policy, Jeron C J M van den Bergh ed. 1999 Handbook of Environmental and Resource Economics Part III on Economics of Environmental Policy and World Development Report 2003: Sustainable Development in a Dynamic World – Transforming Institutions, Growth and Quality of Life), gives an impression that, by and large, the environmental and natural resources issues are to be addressed through management approach. All contributions, in general, suggest that addressing the issues of market imperfections and negative externalities may be of great help to take care of environmental and natural resources issues. Taxes / subsidies, input – output and emissions related quality controls, and tradable permits – market based instruments, are a few measures suggested to take care of the issues. So far the global issues are concerned, international partnership is very critical. Besides, the policy issues are more case specific and priorities may vary from case to case. Looking at the approach of United Nations' Sustainable Development Goals 2030 – 17 goals and 169 targets – gives the impression that the basic issue is of abject poverty in developing countries and craze-conspicuous consumption, those are to be managed by Economic Growth which is to be humane, just and sustainable. This will automatically take care of the present day constantly aggravating environmental and natural resources issue. Implications are obvious that meaningful economic growth process should be top priority issue in handling global and local environmental and natural resources problems.

Section II: The Core Challenges of Sustainable Development

World Development Report 2003 basically deals with issues related to management of realising the goal of Sustainable Development in a dynamic world by 2050 via transforming institutions, growth and quality of life. It also describes and enumerates the core challenges for realising the dream of sustainable development: "How can productive work and a good quality of life be provided for the

2.5–3 billion people now living on less than $2 a day—and the 3 billion people likely to be added to developing countries by 2050—in an environmentally and socially sustainable way? (WDR 2003: xiii) This will require substantial growth in productivity and incomes in developing countries and that too the growth should be environment friendly, humane and just. A brief accounting of the pressing issues reveals that poverty though declining but still a challenge, inequality of income and wealth including productive assets in middle and lower income groups, polluted air and water, increasingly scarce fresh water, degrading soil, deforestation, disappearing biodiversity, declining fisheries, thinning of ozone layer, adverse climate changes and climate induced disasters mostly affecting poor strata of the urban and rural population and on the political economy front, increasing local conflicts and constraints on globalization process due to enhanced nationalism in many parts of the world are also assuming serious dimensions. All these problems are the outcome of unsustainable economic growth. The basic solution lies in accelerated economic growth in most developing countries with human face and in an environment friendly manner. In addressing the developmental and environmental challenges, global cooperation through international agencies like UN, World Bank, IMF, WHO and UNICEF etc. and international NGOs seems inevitable.

Section III: Recognizing the Centrality of Water

World Water Development Report 2012 observes: "Economic, social and political crises have been emerging at an accelerated rate. Although often described individually – the 'food' crisis, the 'energy' crisis, the 'financial' crisis, the 'human health' crisis, or the 'climate change' crisis, to name but a few – these crises are all inter- related through their causes and consequences. Their underlying causes often boil down to the ever-increasing competition for a few key – often-limited – resources, of which water is common to all."(WWDR 2012:126). It is all because the centrality of water is not recognised in sustainable development. Recognition of the centrality of water to socio-economic development comes from the fact that it has interrelationship with human wellbeing and the multiple components of economy and environment. Human life, human health and hygiene as well as human settlement are dependent on the availability of pure, safe water in an affordable manner in vicinity. Interconnection with multiple sectors of economy – energy, food and agriculture, industry etc - is obvious. Ecosystems, climate, poverty and gender equity are other closely related issues. Hence neglect of water in attaining Sustainable Development Goals by 2030 will discount human well-being to a very great extent. Assured water supply and sustainable hydropower are critical for productive employment oriented economic growth in most developing countries. (World Water Development Report 2016)

World Water Development Report 2015: Water for a Sustainable World is very optimistic in managing this problem. In its prologue, it observes "The fact is there is enough water available to meet the growing needs, but not without dramatically changing the way water is used, managed and shared. The global water crisis is one of governance, much more than of resource availability, and this is where the bulk of the action is required in order to achieve a water secure world." (WWDR 2015:7) Thus the basic issue is to conserve and enhance and manage natural resources in an efficient-economic efficiency – and in very productive manner by decreasing resource intensity in production of goods and services. This highlights the role of environment policy. In this context let us look at our NEP 2006.

Section IV: Implications for NEP 2006

Rationality suggests that act now for long term problems, think globally and act locally as the cost of unsustainable growth and inaction is always borne by the future generations. Always view the issues in the context of the whole system i.e. the socio – economic – environmental systems together. Set priorities given the objectives and time frame. Now it is time to revise NEP 2006.

It is beyond the scope of this note to provide the revised draft of NEP 2006. Here some broad issues that need serious considerations are highlighted. Looking at the centrality of water, in reframing the policy, the pivotal role of water should be duly recognised. The 2030 Agenda for Sustainable Development Goals and the Paris Agreement, which was adopted in 2016 for greenhouse gases

emission mitigation adaptation and finance, is a historic turning point in the goal of reducing global warming. In fact, both these are the strategic compulsions for tuning of NEP 2006 accordingly. According to World Resources Institute, New York, for the first time Environment Democracy Index was prepared in 2015, where India ranks 24th among 70 countries. (World Resources Institute 2015). The index takes into account the environmental rights of the given legislative framework of the country. There is a dire need to improve upon the present legislative framework so as to enhance India's Environmental Democracy and to make stakeholders a party in the process of sustainable development. Innovative technology as well information and technology have a role to play in effective water governance, which is so poor in India. Long back, in 2005, World Bank Report: India's Water Economy – Bracing for a Turbulent Future (World Bank 2015**)** had warned Government about the poor water governance – India's water crisis is more of government failure rather than water scarcity - but it was not seriously attended! Singapore has no natural water, but by reusing and recycling it has become almost self sufficient (Kristine Wong 2015). In India, there is ample scope in this area. Wastewater, an untapped resource, its management is an art, and this will prove to be a blessing in disguise for India. (United Nations 2017).

Along with water, energy sector also needs careful attention. By and large India depends on thermal power. Priority should be given to tap benign power sources – solar and wind energy sources. Adaptation of appropriate technology for water and power sectors requires huge investment and finances and so aid through international agencies has to be planned. Safe and assured water supply in rural areas and some urban pockets is a day dream and the heavy incidence is on poor and marginalised people. As water is a human right, its deprivation should be taken care of. Environmental information, awareness and education are equally important in managing water and energy crisis. NGOs and sound institution framework should be assigned this responsibility. Last but not the least, stakeholders' voice and meaningful participation is the dark side the issue. In democratic set up, people matter. This will go a long way in reducing the burden of government in managing these issues and in result oriented management of the policy.

Summary

Indian government's concern for environment and natural resources management is relatively less. Without compulsions like environmental activism and MDGs, government would not have adopted NEP 2006. Again it is high time for its revision. In this context **Section I** deals with the theory of economic and environment policies. **Section II** briefly describes global and national core development challenges, those need careful attention in sustainable development planning and programming. **Section III** attempts to highlight the role of water so that accordingly NEP 2006 can be tuned. **Section IV** highlights the relevant aspects that need careful considerations in NEP 2006.

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