

Environmental legislations and Economy of India.

By Neha Patange, Assistant Professor.

Abstract

Environmental legislations have been formed to control the degradation of overall environment which includes prevention of pollution, prevention of biodiversity loss etc. These regulations have put lots of restrictions on industries to install pollution control equipments which is indirectly restricting various processes of industries and affecting economy. Due to this, industries are mandatorily contributing for conservation of environment but facing some problems to implement all the regulations. But with this, industries have participated successfully to maintain the clean environment inside as well as outside the industries. This paper focuses on positive and negative impacts of environmental legislations on India's industrial growth.

Keywords: Environmental legislations, Conservation.

Introduction

Over the years because of environmental consciousness perceptions were changed regarding environment conservation and economic growth and people realized that both should go hand in hand. The framework for environmental laws was established after the UN conference on Human Environment (Stockholm conference) in 1972. Constitutional sanction was given after 42nd amendment. Ministry of Environment and Forest was evolved in 1985 which is the apex administrative body for regulating environmental regulations. Environment Action Programme was formulated under MoEF in 1993, with the objective of integrating environmental considerations into development programmes.

As rapid industrialization and urbanization started overall the globe, there were various negative impacts on biodiversity and overall quality of environment. At various places, cases of pollution were registered. Government of all the countries implemented various environmental legislations to monitor environment along with development. Some policies were made mandatory for the industries also as they are the major contributor to pollution worldwide.

Environmental legislations have shown positive impacts on the part of environmental conservation but it has definitely affected economic growth of industries and international competitiveness. In India, various industries have followed environmental regulations strictly and contributed to environmental conservation along with their economic development.

Following are some of the policies which are taken into consideration while developing industrial sector:

Water (Prevention and Control of Pollution) Act, 1974 (amended in 1988) - Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB) prohibits discharge of water pollutants beyond the permissible limits and lay down penalties for the industries who are not complying with it.

Water (Prevention and Control of Pollution) Cess Act, 1977 - This collects Cess on the water consumed by industries. The rules were formulated in 1978 and have given provisions for indication of water meters for every consumer.

Air (Prevention and Control of Pollution) Act, 1981 - This act prohibits emission of polluting substances from industries and boards have right to monitor air in air polluting area.

Environment (Protection) Act, 1986 (EPA) - This act empowers government to set emission standards, to regulate location of industries, manages hazardous waste, protection of public health and welfare. CRZ notification of this act, 1991, regulates activities in coastal stretches and ask for the clearance from MoEF for the discharge of any waste.

The Environment (Protection) Rules, 1986 – Provisions have been given to restrict location and operation of industries in different areas and lay down procedures for taking samples and monitoring laboratory analysis and reports etc.

The National Environment Appellate Authority Act, 1997 – This act has established authorities to restrict industrial processes in specific areas without maintaining safeguards given under Environment Protection Act 1986. Various Acts for coal, mining industries, conservation and development of oil and natural gas resources were enacted.

These acts are continuously monitoring industries for the welfare of environment. Industries have adopted various technologies for the implementation of given acts.

Positive impact of Environmental Policies on Industrial growth

Various industries are trying to comply with environmental legislations. They have shown some modifications in their working processes to keep with environmental parameters.

Gujarat Ambuja Cement, the most profitable cement company has installed the most efficient plant in the world. It has received a highest quality award i.e. The National Quality Award. This company is flourishing well with all the environmental policies and it has been accepted that the cleaner environment is not just better for the people but also maintains the plant and machinery. The industry has maintained the pollution standards very well that rose garden flourishes very well next to the main plant.

Hindustan Newsprint Limited has adopted sustainable approach towards environment. It is using renewable resources as raw material, reducing use of natural resources such as energy, fuel, reusing and recycling water, and controlled use of forest resources. Waste water treatment plant is complying with environmental standards and all the processes are upgraded to minimize and eliminate sources of pollution. It has progressed towards zero waste disposals. In other branches of industry solid waste is being used as landfill by controlled dumping for reclamation of low lying areas for future development. Industry has taken initiatives for plantations on degraded land and specially for bamboo plantations with the help of NGOs. Industry is promoting afforestation, taking initiatives to spread awareness about eco-friendly technologies amongst customers, suppliers, communities etc.

Hindustan Petroleum Corporation limited is improving performance of all the facilities by adopting eco friendly techniques, adopting special techniques for optimal use of energy by modernization of fire heaters, overall instrumentation and effective use of waste heat and to reduce hazardous emissions, creating environmental awareness amongst employees. HPCL refineries are giving highest priorities to energy conservation. HPC initiated automation of its off site facilities. Industry is monitoring steam balance, flaring losses, fuel consumption for power generation etc.

As economy is moving from polluting activities to cleaner technology, it is definitely affecting production and employment in industries as cleaner technologies will lead to overall changes in industries, will create new business and economy.

Environmental regulations should be weighed against its benefits.

All these efforts by industries have proved that environmental regulations induce innovative technologies in the processing of industries while moving towards greener technology. Cleaner technologies are doing major contributions to maintain environment by reducing air and water pollution. Each and every renowned industry is willing to get involved in reduction of pollution to get the credit that it is contributing somewhere in sustainable development.

Negative impact of Environmental policies

Environmental policies have shown certain negative impacts in initial stages. It affects productivity and employment. A changeover from polluting activities to cleaner production process can change overall system of the industry including technologies, machines, economy etc. depending on the type of the industry. Compulsion on implementation of policies can cause financial loss at the initial stages. To some extent, it can affect international competitiveness.

Central pollution control board has identified some polluting industries majority of which are manufacturing industries. Around 70% industries are adopting pollution control technologies and some industries are closed down due to inadequate pollution control facilities.

Most of the largest industries have financial capacity to adopt pollution control technologies but smaller industries are struggling with finance to convert their processing to pollution free technologies which is going to affect suppliers and buyers inevitably.

In India, most of the industries are contributing as small and medium scale enterprises. The mandatory mechanism to implement environmental policies is going to affect these industries. As these industries will not be able to comply with regulations because of economic constraints, they will have to close down the unit which will reduce production, lead to worker unemployment losing their livelihood and affect overall manufacturing sector.

Cost benefit analysis should be done before implementing environmental policies. Many times policies make production more expensive creating negative effect on production. Even competitors will have to comply with these policies; otherwise there will be a tremendous economic loss to industries complying with regulations.

In case of Ganga river pollution, the case was taken against Kanpur mahanagarपालिका and court issued directions to the tanning industries, located on the banks of Ganga River. Large amount of sewage water was being discharged into river Ganga from the Kanpur and U.P. Deaths were observed due to water pollution and diseases were spread. The provisions of water act were implemented to enforce the mechanism to treat effluents from industries. Applications for license to establish new industries were refused and immediate actions were taken against industries responsible for the pollution of water. The industries were directed to be closed which didn't respond to the notices of court and failed to take precautionary steps for the treatment of industrial effluent before discharging into the river.

In Taj Mahal case study, major cause of air pollution was foundries, chemical industries. Sulphur dioxide was the major gas responsible for acid rain which has affected white marble of a beautiful heritage Taj Mahal. To save Taj, immediate actions were taken to stop air pollution in Taj Trapezium. Various industries in Mathura were closed. Some small scale industries and foundries were relocated in south east of Agra beyond Taj Mahal. U.P pollution control board issued notices to all the foundries and industries to implement pollution control measures. The court issued various orders and indicated that relocation of industries from Taj Trapezium is to be resorted only if the natural gas will be used by the industries as a substitute for coal. Varadharajan Committee further recommended that no large industry in Agra region should be established without a detailed study of environmental effects on such industries. Committee was given all the powers to monitor air pollution by industries on continuous basis and to specify necessary steps for industries who are exceeding pollutant levels beyond the permissible limits Provision of green belt was made around Agra and Mathura industries to control the pollution. All the rubber industries, glass industries, refineries, chemical industries etc. were strictly instructed to install anti pollution measures in industries. Alternatives were found out to replace coal in industries. Round 511 industries in Agra region were issued notices. It was noticed that around 507 industries out of all had not installed any air pollution control equipment, 212 did not respond to the notice so were closed with immediate effect.

In above two cases, the pollution caused by industries was too high and thus suffered a lot when industries started to implement the environmental policies.

In 2013, Tamil Nadu Pollution Control Board gave directions to close M/s sterile industries as per the air act and directed Tamil Nadu Electricity Board, to disconnect the electricity supply to the appellant company. The cases of eye irritation and throat infection were registered because of emission of sulphur dioxide as air pollution control measures were not properly operated but after completing all the analysis, Pollution board directed that, industry

was not responsible for the pollution but still suffered due to closure of the plant. Later on industry was allowed to carry its own business.

In this case, even though industry was not the culprit, suffered on account of provisions of environmental policy as the case was filed against appellate industry by people. With this, it is obvious that industries should not be charged unnecessarily under environmental policies without proper analysis and study.

Observations:

- Environmental policies are aiming at to prevent and reduce the pollution. Pollution affects human health, which may give rise to economic cost in the form of higher health care spending.
- Improvement in environmental quality results in enhancing the productivity of resource.
- However, reducing the emissions that cause pollution and environmental damage may imply diverting resources from production of goods and services demanded by market (such as power steering or air-conditioning in cars) to pollution abatement activities (such as catalytic converters), that is, the production of goods and services imposed on market sectors. It has been observed in some cases that environmental policies have shown improvement in entire processing of industries but it has not shown great impact on the quality of the final product.
- In countries like India, compliance with environmental regulations might be difficult at the earlier stages as most of the industries are small scale industries, but now most of the industries are taking interest in pollution abetments, so economy may suffer at the earlier stages but it will not be a permanent effect.
- In Indian government, according to five year action plan from 2012 to 2017, it has started with funds for clean technologies.

Conclusions:

- Environmental regulations make a small difference to productivity and employment. Environmental regulations can reduce employment and productivity by small amounts, in particular in pollution- and energy-intensive sectors, at least during the transitory period when the economy moves away from polluting activities and towards cleaner production processes.
- Job effects are more likely to occur within countries. This suggests that government policies should encourage labour mobility, such as flexible labour markets, affordable housing and lifelong training which can help to reduce the costs of environmental regulations.
- Environmental legislations only marginally affect international competitiveness. There is little evidence to suggest that strengthening environmental regulations deteriorates international competitiveness. The effect of current environmental regulations on where trade and investment take place has been shown to be negligible compared to other factors such as market conditions and the quality of the local workforce. However, the impact could increase in the future if efforts to control pollution diverge significantly across countries.
- Emerging research comparing environmental efforts in different countries will play a key role in being able to assess and prevent adverse impacts on trade and investment in the future.
- The costs of environmental regulations need to be weighed up against the benefits they provide and which justify those regulations in the first place. The benefits are often important and severely underestimated. Future research should systematically compare the costs of environmental regulations with their benefits.
- Environmental regulations induce innovation in green technologies.
- There is ample evidence that environmental regulations induce innovation in clean technologies and discourage research and development in conventional (polluting) technologies. Thus,
- Environmental policies are aiming at to prevent and reduce the pollution. Pollution affects human health, which may give rise to economic cost in the form of higher health care spending.
- Implementation of environmental policies increase productivity of resource automatically as future benefits will be permanent with respect to environment conservation.

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