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Reflections on the Strategies for Operationalizing Sustainable Development in Governance

Framework in Developing Countries with Specific Reference to India

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Operationalizing sustainable development as a concept is one of the major challenges faced by state as well as non-state actors involved in economic growth as well as developmental processes. Since the Rio Earth Summit in 1992, the international community, national and local governments, private sector organizations, NGOs, and others have strived to find ways to operationalize it (UNDP, 2004). While the notion of sustainable development has exhibited broad political appeal but has proven difficult to define in precise terms (Parris and Kates, 2003). Achieving sustainable development will require deep structural changes and new ways of working in all areas of economic, social and political life. This will include promoting pro-poor economic growth and reforming fiscal policies, which negatively affect the poor or promote environmental damage. Analysts have been identifying opportunities that ensure economic practises and lifestyles, sustainable (Lester, 2006). In

different sectoral activities and regions, successful initiatives towards triple bottomline are showcased for replication. But experience demonstrates that these 'bottom up' opportunities have often remained 'islands of excellence' and in the realm of possibilities for replication mainly because of the limitations of the macroeconomic policies and institutional mechanisms. For replicating the sustainable approaches across regions and sectors there is a need to correct systemic flaws in 'top down' development as a complement to 'bottom up' development (Auty, 2003). This paper attempts to analyze the strategies for operationalizing sustainable development in the existing governance framework in India as a means to correct 'top down' developments and qualitatively evaluate opportunities and constraints for institutionalizing sustainable development using Strategic Environmental Assessment (SEA) as a tool. It also presents a plausible way forward for concretely moving in the direction of operationalizing sustainable development strategy in India.

Sustainable development as a concept has elements of vagueness with regard to its understanding as well as operationalizing in divergent spatio-temporal contexts. In spite of this vagueness, given the wide appreciation of its underlying philosophy efforts have being made across the world to relook at the systems, processes and culture in business operations and public governance so as to translate sustainable development into current spheres of activities. In the context of business units, attempts to translate sustainable development have led to evolution of tools such as Environmental Management Systems (e.g., ISO 14,001 certificate), Environmental Impact Assessment (EIA), environmental accounting, risk assessment etc., for internalizing environmental externalities. Similarly, for addressing the social, economic and equity concerns in a voluntary proactive manner by business units and means to evaluate their performance tools such as Corporate Social Responsibility (e.g., GRI Guidelines for CSR), Social Compact, Social Accountability (SA 8,000), Equator Principles for Financial Institutions etc., have evolved. Though majority in the corporate world across the globe are yet to give

strategic attention to environmental, social, economic and equity dimensions in the regions as well as domains of their operations but there is a wide variety of examples of exemplary work in this context, both in the developed and developing countries.

As it evolved sustainable development is perceived as an inter-generational issue, hence, solutions require strategic choices for the longer time and the capacity to maintain commitments over time, as well as capacities to provide decision makers with adequate information and knowledge to support their decisions (OECD, 2002). With reference to developmental processes and existing governance framework in most of the countries across the world, operationalizing sustainable development concept has been a greater challenge primarily due to the sheer magnitude and diversity in sectoral and regional set-ups and the variety as well as number of entities and individuals involved. Thus, it creates a new institutional difficulty because it not only challenges the government capacities to act rapidly but also it contradicts the way policies and programmes are traditionally formulated and developed (OECD, 2002).

While broad contours of initiatives towards sustainable development across sectors and regions have been initially evolved globally in the form of Agenda 21 at Earth Summit in 1992 but the same were subsequently elaborated in various international conferences and finally culminating in evolution of Plan of Implementation under World Summit on Sustainable Development (WSSD), Millennium Developmental Goals (MDGs). Plan of implementation and MDGs spell out targeted action initiatives and goals for states and their supporting agencies including non-governmental organizations (NGOs). National strategies for sustainable development (NSSDs) are being prepared by various national governments for achieving sustainable development. According to OECD, depending on circumstances, a sustainable development strategy may be viewed as a system comprising the following components:

• Regular multi-stakeholder fora and means for negotiation at national and decentralized levels, with links between them.

- A shared vision and set of broad strategic objectives.
- A set of mechanisms to pursue those objectives in ways that can adapt to change (notably an information system; communication capabilities; analytical processes; international engagement; and co-ordinated means for policy integration, budgeting, monitoring, and accountability).
- Principles and standards to be adopted by sectors and stakeholders, through legislation, voluntary action, market-based instruments, etc.
- Pilot activities, to generate learning and ownership.
- A secretariat or other facility with authority for co-ordinating these mechanisms.
- A mandate for all the above from a high-level, central authority such as the prime minister's office and, to the extent possible, from citizens and business organizations (OECD, 2001).

While the technical, scientific dimension is perhaps more obvious, it is clear that the institutional arrangements which currently exist in many countries, are often not consistent with effective assessment of indirect and cumulative impacts, as well as impact interactions. In practice, the application of these techniques for the identification and assessment of impacts is either limited or has not been developed to its full potential. In developing countries' context, the principal obstacle to environmentally sustainable policies is that of government failure to promote economic and environmental policies that have clearly established benefits (Auty, 2003). Addressing economic, social and environmental concerns simultaneously requires a change in the governance framework that impacts livelihoods and environmental resource use. State interventions and markets must be made to work for the poor and the environment while contributing towards economic growth. Analysts have shown that priority of policy and institutional attention demands of economic growth receive far greater attention than social and equity considerations of the decision makers, similarly social and equity considerations receive higher attention than environmental resource use and conservation dimensions. Hence,

an evaluation of the sustainable development strategy by focusing on environmental management concerns clearly demonstrates the preparedness of policies and institutions of a country or region. In the following section an attempt has been made to understand the environmental regime in India and evaluate it against requirements of sustainable development criteria.

Environmental Governance Framework in India

Transparency, accountability, equity, participation and building a sense of belonging and ownership to policies and programmes of the state have a predominant influence on the quality of governance. Thus, the strengths and weaknesses in terms of these qualities should also be taken into account in order to assess the environmental governance of a given region. Environmental governance means—legal instruments to prevent control and/or mitigate environmental damage resulting from production and consumption activities of human beings including enforceable laws and norms that prevent actions that cause environmental damage or require actions that improve the environment; economic instruments such as taxes, charges and levies; subsidies or incentives that induce methods to protect environment and its resources; institutions that interact to improve or maintain environmental quality as desired by policy as well as individuals who man these institutions.

In the process of achieving rapid economic growth, India had to face large number of environmental problems. Environmental governance in India has evolved considerably in the last three decades with increased regulations that have wider dimensions and more power. Gradually, regulatory and institutional mechanisms are incorporated for addressing environmental concerns. Since 1974 to this day large number of regulations have been promulgated to deal with various dimensions of environment in terms of media as well as areas. The two main pollution control statutes in India are the Water (Prevention and Control of Pollution) Act of 1974, and the Air (Prevention and Control of Pollution) Act, which came into being in 1981. Thereafter, parliament passed the Environment (Protection) Act in 1986. This was designed to act as

an umbrella legislation for the environment, with responsibility for administering the new legislation falling on the central and state boards. As defined in the EP Act 1986, 'environment' includes not only the natural environment and but also some human effects such as health and material assets. It also requires an analysis of a plan's secondary, cumulative and synergistic effects. The law prohibits the pollution of water bodies and requires that generators of effluents/discharges get the prior consent of the SPCBs. This consent to operate must be renewed periodically. An important initiative in this regard has been introduction of a notification of Environmental Impact Assessment (1994) as part of Environmental Protection Act, 1986. This has promulgated in addressing environmental concerns on project-to-project basis, whereby all new environmentally sensitive investments are mandatorily required to undertake multi-stage environmental clearance.

The Central Pollution Control Board (CPCB) serves as the national board, with oversight powers over the various State Pollution Control Boards (SPCBs) at state level and Pollution Control Committees (PCCs) at union territories (See Figure 1 for an outline of the institutional framework for environmental management in India). CPCB was legislated into existence in 1977, following the implementation of the Water Act. The mandate of the CPCB is to set environmental standards for all plants in India, lay down ambient standards, and coordinate the activities of the SPCBs. SPCBs have the legal authority to conduct periodic inspections of plants to check whether they have the appropriate consent to operate, whether they have effluent treatment plants, take samples for analysis, etc. Some of these inspections are also programmed in response to public requests and litigation. The penalty for non-compliance is fines and imprisonment, but until 1988 the enforcement authority of the SPCBs was very weak. It was limited to criminal prosecution (with its attendant delays) and seeking injunctions to restrain polluters. Now, however, SPCBs have the power to close non-compliant factories or cut-off their water and electricity by administrative orders. The *potential* cost to the plants of non-compliance is thus not trivial, so there should be an incentive for plants to comply with the law. However,

compliance depends on *both* monitoring and enforcement of the law by the SPCBs. The functions of SPCBs are as follows:

- Assessment of ambient air quality.
- Assessment of water quality.
- Plan a comprehensive programme for the prevention, control or abatement of water/air pollution.
- Advise the state government on any matter concerning the prevention, control or abatement of water and air pollution and location of industries.
- To organize mass education programmes related to prevention, control or abatement of water/air pollution.
- To inspect any pollution control equipment, industrial plant, manufacturing process and to give direction to such persons involved in prevention, control or abatement of water/air pollution.
- To provide consent to establish or operate an industrial unit under Water Act 1974 and Air Act 1981.
- Assessment of water cess under Water (Prevention and Control) Cess Act, 1977 and to collect the water cess from industries/local bodies/Jal Sansthans etc., and send the same to MOEF every month.
- Identification and assessment of industrial and municipal pollution control sources and control thereof.
- Conducting mass awareness programmes.
- Notification of effluent and emission standards.
- Development of pollution control technologies.
- Instituting legal action against defaulters.
- Issue of authorization under the Hazardous Waste (Management and Handling) Rules, 1989.
- Implementation of Biomedical Waste (Management and Handling) Rules, 1998.
- Implementation of Municipal Solid Waste (Management and Handling) Rules, 2002.
- Implementation of Battery Rules.

Some of SPCBs have increased the institutional capabilities so as to enhance effectiveness of environmental monitoring and compliance. Due credit should also be given to other stakeholders such as NGOs, Media and Judiciary for the progress achieved. Owing to the institutionalized experience of SPCB by and large they have been successful in addressing industrial air and water pollution concerns especially those arising from large industries. Here again the behavioural change in regulated industries is more due to the reputational risks that entail negative publicity due to environmental emissions beyond stipulated norms. Despite a strong legal framework and the existence of a large bureaucracy for dealing with environmental regulation, the public perception is that

Figure 1
Institutional Framework for Environmental Management in India

Institutional Framework for Environmental Management in India
Note: —— Indicates flow of authority
.... Indicates reporting mechanism
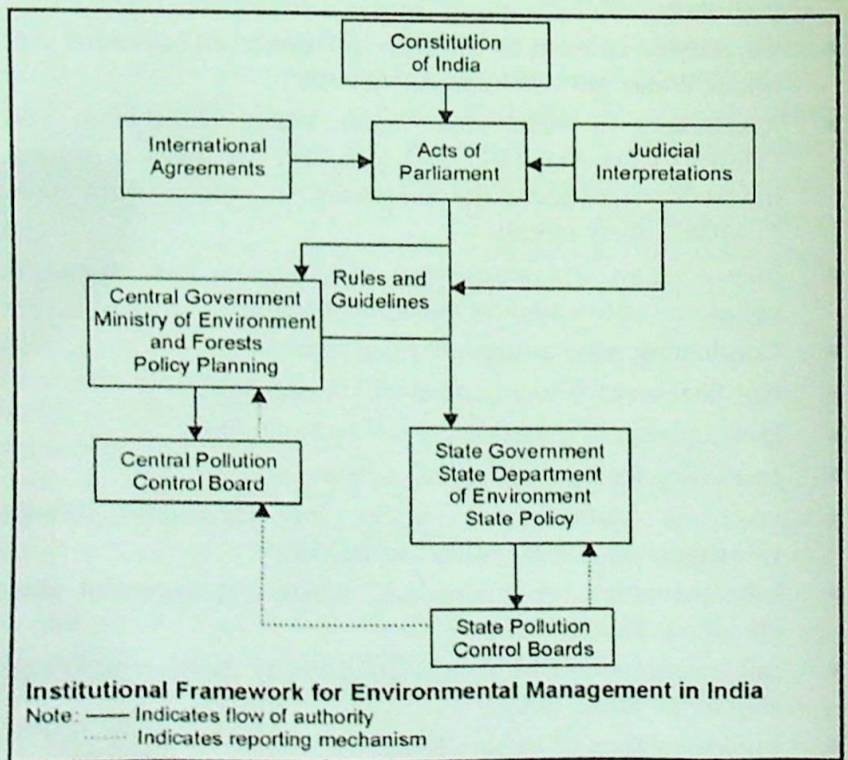
implementation remains weak. Even the practice of Environmental Impact Assessment (EIA) in India is laden with limitations, as a result experience shows that the effectiveness of this tool in addressing the issues is limited. The primary form of attention towards environment focuses on industrial emissions and the use of command and control instruments of various forms. These involve the setting of standards, monitoring and enforcement that result in only limited compliance due to weak enforcement. For household waste water, soil erosion and other non-industrial environmental problems there is little or no abatement of damage in India as in many other developing countries. While there are positive changes that are achieved in environmental compliance and enforcement there is enormous scope for improving environmental quality with the appropriate changes in the policy and institutional frameworks for environmental management in India.

In the last 30 years of Indian environmental regulatory history, the level of attention paid to monitoring and enforcement has been limited across the country. This in turn has a telling effect both on environmental quality as well as social welfare (Cohen, 1998). One needs to acknowledge the fact that over the years the regulatory regime is becoming stricter and complex but noncompliance to regulatory norms is evident. Governments and society in general cannot afford unlimited resources for environmental monitoring and enforcement to ensure regulatory compliance. Hence, cost dimension of monitoring and enforcement in evolving policies and programmes of SPCBs are essential. As McKean (1980) points out, high enforcement costs and imperfect compliance make regulations less effective than desired. Thus, monitoring and enforcement concerns "should influence choices about how to regulate, and in some instances, about whether to regulate at all" (McKean, 1980).

Recent global evaluation of environmental sustainability of different countries illustrates that India ranked 101 among a 146 countries' study. Thus, it falls into a category of low system score, moderate stress and vulnerability, low capacity and stewardship (Esty et al., 2005). It is due to limitation at the policy level,