

ECO-LOGIC

Economic Survey Sees Disease, Finds no Cure

The Survey narrates the government's strategy of conserving natural resources and controlling pollution, but does not show how the year's policies have managed to achieve these steps, says *Ashish Kothari*

REVEALING FIGURES

FISH & FISH PRODUCT EXPORTS

Rs 960 crore (1990-91) to
Rs 2,552 crore (1993-94)

AGRO-EXPORTS

Rs 7,430 crore (1992-93) to
Rs 10,062 crore (1993-94)

FLOWER EXPORTS

Rs 1.8 crore (1987-88) to
Rs 14.4 crore (1992-93)

INCREASE IN VEHICULAR SALES

In 1993-94 : 20% for cars,
30% for jeeps, 25% for
commercial vehicles, 18%
for 2-wheelers, and 41% for
3-wheelers

IMPORTS OF LEAD ACID BATTERY

From Australia : 1,26,000 kg
(1992) to 3,46,000 kg (1993)

FOREIGN COLLABORATIONS

5,778 deals (1991-94) in
power, oil refineries, electrical
equipment, chemicals, and
export-related sectors

FE GRAPHICS

FOR the second year now, the annual Economic Survey (1994-95) of the Government of India has included a section on the environment. Once again, however, the critical links between the economy and the environment have been given a cursory glance: the section totals just three out of 167 pages, and is tucked away in the chapter on Infrastructure.

In official planning circles, there obviously remains a careless apathy towards the cross-cutting significance of the environment. The fact that all human (including economic) activity is ultimately based on four elements—land, water, air, and biological resources—and, therefore, economic activity must be mindful of the sustainability of these elements seeks to continue to elude our economist planners. This realisation is especially crucial at a time when economic policies are putting India onto the fast track of 'development' which depends on the accelerated exploitation of the country's natural resources.

The section on the environment in the Economic Survey briefly describes the dismal situation regarding forests, land and water, and pollution, and then lists a few steps that the government is taking to tackle these. It does not analyse whether the year's major economic developments were detrimental or beneficial for the environment. This failure is all the more glaring because the facts presented themselves point to the need to drastically review the country's economic policies.

The Survey admits that industrialisation has put severe pressure on natural resources, that 90 per cent of water in 241 Class II cities is polluted, and that 54 per cent of the urban and 97 per cent of the rural population do not have sanitation facilities. Yet, it fails to state that the economic activities of the past year have only served to put further pressure on resources, cause more pollution, and destroy more forests.

Unsustainability and Inequality

THE new economic policies announced by the government in the early 1990s have intensified India's march towards unsustainability and inequality, in the following ways.

1. The drive towards an export-led model of growth has rapidly sacrificed natural resources to earn foreign exchange. Exports of fish and fish products as a whole have shot up (see table) in the 1990s, during which 82 companies were given clearance for joint venture marine fisheries. After having overfished all the other waters, the rich of the world are looking at the Indian Ocean for their insatiable demand for fish and other marine products.

In addition, an estimated one million hectare are suitable for aquaculture of prawns and shrimps, and the

government (fueled by a World Bank loan) has ambitious plans to encourage it. This is despite evidence from Thailand, Philippines, Taiwan, Ecuador and other countries that such farming leaves marine deserts in its wake, displacing small farmers and fisherfolk.

Another sector targeted for major exports is mining, including that of granite and iron-ore, both of which devastate forests and agricultural lands.

The National Mining Policy and the Mines and Minerals development Act were amended in 1994, primarily to encourage investments by private and foreign concerns. Already, the world's most notorious mining companies, including RTZ, are lining up.

The GATT secretariat projects that the major boost in international trade by this treaty will be in the sectors of textiles, agriculture/forestry/fish-

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eries, and processed foods/beverages. In the Economic Survey 1994-95, the government has gleefully reported that these sectors could earn the country an extra \$2.7 to 7 billion per annum. With such commercial stakes, environmental and social concerns will clearly get a short shrift.

2. The move towards liberalisation has resulted in an atmosphere of a free-for-all, with industries increasingly ignoring environmental standards, and state governments sacrificing natural habitats, to make way for commercial enterprises. All industrial countries of the world have gone through a process of tightening environmental controls; in India, it is the other way round. For instance, the government has announced tax holidays for new industries being set up in the so-called Backward Areas. Invariably, they are areas where the last vestiges of natural habitats and traditional cultures remain: Kutch, Ladakh, Andaman and Lakshadweep Islands, Bastar, Haryana has set up a high-powered committee to take spot decisions on foreign investments, NRI projects, and 100 per cent export-oriented projects; it has announced that all projects will be cleared through the State Pollution Control Board within

15 days. Punjab proposes to provide land "off the shelf," and to ensure clearances within 24 hours of the submission of a proposal. Rajasthan has exempted 155 SSIs from obtaining a clearance from the State Pollution Control Board.

Another alarming example of industrial deregulation is the automobile industry. As data presented in the Economic Survey shows, there is a jump in vehicular population. Already Indian cities are among the most polluted in the world, with severe health impacts on their residents. While many of the new vehicles will be less polluting than the existent Indian models, the sheer jump in numbers will lead to an increase in aggregate pollution levels, as is very evident in Delhi, where 90,000 new vehicles are added every year.

3. The opening up of the economy is bringing in companies with a notorious track record on the environment, e.g., pesticide producers Du Pont, ICI, Monsanto, Cargill, Shell and Ciba Geigy, who are finding it difficult to market their wares within their own parent countries. Liberalisation of imports is also bringing in wasteful consumer goods and toxics, adding to the country's burgeoning garbage and health problems. Pepsi Cola company is reportedly importing 45,000 tons of plastic waste into India; Australia is believed to have exported 3.46 lakh kg of lead acid battery wastes in 1993, and five million kg of metal wastes in 1994 to India.

Survey Fails to Make Links

THE Economic Survey narrates the government's strategy of conserving natural resources and controlling pollution, but does not show how the year's policies and programmes have actually managed to achieve these steps. If it had actually drawn the links, it would have reached the logical conclusion that mechanised trawling, large-scale agriculture, intensive cash cropping, mining, and other such activities which are now being promoted must be halted and alternative forms of economic activity sought which are ecologically and socially sensitive.

The government has grandly declared in the Economic Survey that the country's basic goals are "growth, equity, self-reliance, and modernisation." Actually, the goals of growth and modernisation are being vigorously pursued, at the cost of those of equity and self-reliance. NSS household consumption data suggests that in the first two years of economic reforms, the upper 30 per cent of population increased their share of the nation's economic pie at the cost of the remaining 70 per cent; this increase in inequality is even more pronounced if one accounts for the snatching away of non-marketed goods and services (fresh water, free

fodder, medicinal plants, etc.) from the poor to be commercialised for the benefit of the rich.

People's Resistance Increases

AN analysis of industrial trends clearly shows that investments on sustainable and conservation-oriented projects are insignificant as compared to what is going into resource-exploitative, polluting, land grabbing, iniquitous projects. This is not surprising, given that those who stand to gain from short-term exploitation of natural resources—the trawler owner, the large farmer, the big Indian industrialist, the multinational company, the contractor, the mine-owner, the politician and the bureaucrat—are the ones who are dictating the economic decisions. If forest-dwellers, village women, marginal farmers, tribals and nomads, small-scale fisherfolk, and other such ecosystem-dependent people were taking the decisions, we would have a very different structural adjustment process taking place.

Simultaneously, however, people's mass resistance to the new policies and programmes has increased. The nation-wide agitation of traditional fisherfolk last year led the Government of India to announce a review of the new fisheries policy. Sustained opposition by villagers and activists continued to stall work on the Du Pont-Thapar Nylon plant in Goa.

In Gujarat, the High Court has reversed the denotification of the Narayan Sarovar Sanctuary, which had been illegally done by the state government in 1993 to make way for a cement factory. In Orissa, a mix of environmental and political opposition has stalled the denotification of two important sanctuaries. Innovative protests against the ridiculous proposal to import 7-10 million tons of cattle dung from the Netherlands (impregnated with chemical feedstock), including the dumping of 50 tons of 'swadeshi' dung by farmers outside the Lok Sabha, led to the proposal being rejected.

The most pressing need now is for environmentalists, social activists and sensitive academics to work out an alternative strategy for the economic renewal of the country. Elements of such a strategy are present in the above movements, and in the various alternative energy, agricultural, and industrial projects which are successfully being run by citizens' groups and a handful of government officials across the country. It is time for these to be bound together into a comprehensive conceptual and practical alternative, the absence of which will allow the government to continue selling India's future for the highest price available.

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