

Inclusive Green Growth: A Key to Unlock Multi-Dimensional Problems

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Abstract

This study aims to evaluate and analyze the development path of India to see whether benefits are available to all the section of society. This study is based on doctrinal research. The researcher analyzed the reports of national and international bodies, judgments of hon'ble supreme court and various high courts. Gap between haves and have not is increasing with every step India is taking towards development. Majority of Indians are still waiting for a strong government policy to regularize the development so that every person can reap the benefit of the growth. The results of this study would help the policymakers to adopt the suitable and strict policies to deal with the problem which is grappled with so many issues. Academics can use the results to build models to deals with such a complicated issue. This study is original and suggestions given if followed can go a long way to grips with the environmental challenges posed by the 21st century.

Keywords: Poverty, Inclusiveness, Growth, Sustainable Development, Environment.

The poverty is endemic in this world and will always be prone to ecological and other crisis.¹ In Stockholm Conference, 1972 Mrs. Indira Gandhi said “of all the pollutants we face, the worst is poverty. We want more development”. In *Brundtland Commission Report*, 1986 it was once again observed that the poverty is a major cause and effect of global environmental problems because the poor will be forced to overuse the environment to ensure their own

¹ G.S.Tiwari (2010), “Sustainable Development as a Socio- Economic Growth Strategy: Expanding Horizons of Environmental Law in India”, *Journal of the Indian Law Institute*, pp. 435-452 at p. 439.

survival.² It is a complex multidimensional problem and all the states are making concerted efforts to eradicate poverty and hunger, and to attain greater equity in income distribution.

Whatever is the protestation of the Government at the national³ and international level, the poverty persists. It perseveres on the scale that is not acceptable. The percentage of the population below the official poverty line has come down from 36% in 1993–94 to 32% in 2009–10. However, not only is this still high, the rate of decline in poverty has not accelerated along with the growth in GDP, and the incidence of poverty among certain marginalized groups, for example the STs, has hardly declined at all. Because population has also grown, the absolute number of poor people has declined only marginally. This performance is all the more disappointing since the poverty line on which the estimate of the poor is based is the same as it was in 1973–74 when per capita incomes were much lower. Other indicators of deprivation suggest that the proportion of the population deprived of a minimum level of living is much higher. For example, National Family Health Survey-3 (NFHS-3) shows that almost 46% of the children in the 0 to 3 years' age group suffered from malnutrition in 2005–06, and what is even more disturbing is that the estimate shows almost no decline from the level of 47% reported in 1998 by NFHS-2.

The famous Kuznet curve against, which posits that inequality first increases and then decreases with growth of income, is not supported by the evidence. It has increased in various parts of the world. At this juncture when we are moving ahead on the path of development the issue that is gnawing all of us is that why despite all the technological advancements, we remain fail to eradicate poverty? Why still the humanity is suffering with malnutrition? What is the solution?

Rapid pace of growth is the only answer to tackle of all those who are at the bottom of the economic pyramid. The development is indisputably necessary for substantial poverty alleviation, but the rapid growth should not come at the expense of the environment. Any growth to be sustainable in the long run should be broad-based across sectors, and inclusive of the large part of a country's labour force. This definition implies a direct link between the

² Although the poverty is considered as the major cause and effect of global environmental problems but it is not the only factor. The greed is the root cause of all the major problems. High-income countries—which, with 16 percent of world population, still account for more than 75 percent of global consumption and 41 percent of global emissions of carbon dioxide (CO₂)—still want to put burden on the developing countries to reduce the level of green house gases.

³ National Rural Employment Guarantee Act; the National Rural Health Mission; (including the Janani Suraksha Yojana); the expanded Sarva Shiksha Abhiyan and a National Cooked Mid Day Meal Programme. These include programs to provide elementary education, basic health care, health insurance; rural roads and rural connectivity, and other services to the poor.

macro and micro determinants of growth. Inclusive growth should mainstream the poor to actively participate in the growth process, thereby contributing to raising their standard of living. The Indian government has already exhibited its determination to eradicate poverty in the Eleventh Plan as the theme of Eleventh plan is to achieve faster and more inclusive growth⁴. This theme clearly reflects the need to find a sustainable balance between growth, inclusion and development.

Inclusive Growth

Inclusive green growth is the pathway to sustainable development. This is the growth which yields broad-based benefits and ensures equality of opportunity for all. It is a process, in which, economic growth, measured by a sustained expansion in GDP, contributes to an enlargement of the scale and scope of opportunity, access, capability, security and the mode to achieve all the four dimensions of inclusive growth. The Indian government has engineered a major directional change in public policy by its focus on inclusive development. Creation of legal entitlement for an individual's right to work has added to the resilience and dynamism in Indian rural economy.⁵

Attributes of Inclusiveness

1. Opportunity Every person should have the equal opportunity to earn livelihood. Besides this basic Right, the most crucial thing is to generate more and varied ways for people to earn a living and increase their incomes over the time. In the recent budget the Indian government made concerted effort by announcing that the Government will provide a real wage of Rs. 100 per day to the labour.

2. Capability: Is the economy providing the means for people to create or enhance their capabilities in order to exploit available opportunities? This dimension clearly relates to education and skill creation. There are three essential components to any educational process. It must provide a basic set of skills that the individual needs to function within his socio-economic environment -- literacy, numeracy and, in today's times, some basic IT capabilities. It must impart a set of skills that are relevant to the market -- in other words, enable the individual to take advantage of opportunities and it must give the individual his values, a

⁴www.planningcommission.nic.in

⁵ Budget 2011- 2012, Bharat Law Publications, p.15.

sense of his place in the larger community and his obligations to it. The Indian Government is making concerted efforts to create skill workers. In the recent budget of 2011-2012, the government announced that the National Skill Development Council (NSDC) is well on course to achieve its mandate of creation of 15 crore skilled workforce two year ahead of 2022, the stipulated target year.⁶

3. Access: Is the economy providing the means to bring opportunities and capabilities together? For India the demographic dividend is its relatively younger population as compared to developed countries. Over 70% of Indian will be working age in 2025. Due to this reason universalising access to secondary education, increasing percentage of scholars in higher education and to provide skill training to the people at large becomes the urgent need of India. To empower people National Knowledge Network (NKN) will be established to link 1500 Institute of Higher Learning and Research through an optical fibre backbone as it is true that empowerment flows from education.⁷

4. Security: Is the economy providing the means for people to protect themselves against a temporary or permanent loss of livelihood? The Indian government has launched a multi media campaign to inform, educate and motivate people to open bank accounts.

Due to these concerted efforts of the Government and the demand from all the concerned, Right to live dignified life has become the basic right of all the human beings and that cannot be achieved without development. While walking on the path of development, however, we should not forget that a development policy that focuses mainly on increasing the production of goods without addressing the sustainability of the resources on which production is based will sooner or later run into declining productivity, which could also have an adverse impact on poverty. Moreover, the spurring growth without ensuring equity will thwart effort to reduce poverty and improve access to health, education and infrastructures services.

Linkage between Inclusive Growth and Protection of Environment

Sustained and rapid growth is a central component of any poverty reduction strategy. But the fact that the responsiveness of poverty reduction to economic growth has been uneven over time and across regions leads us to analyze potential pathways to make growth more

⁶ *Id.*, p.18.

⁷ *Id.*, p.17.

inclusive. The aim should be to achieve commercial success in such a way that interest of the people and the planet should be protected at the same time. Moreover, every human being is bound to harness the environment in a sustainable manner so that need of the present generation can be met but without compromising the need of the future generation as enunciated in *The Brundtland Commission Report*.⁸

The aspiration of the present human family is to live the life of dignity. Their aspirations can be realised only if there is inclusive growth of the economy but not at the sacrifice of the environment. In other words, Green economy is the only mode to protect the delicate balance between two important essential of human dignified existence. The states both at the national and international domains are making intensive efforts by evolving environmental principles and by creating legal mechanism to ensure the dignified existence in a healthy and sound environment. Not only the state but the other actors are also equally responsible to maintain the delicate balance. Some actors are conscious to their social responsibility and playing a leading role, others are still giving preference to the dollar friendly approach and not to the environment friendly approach. In this part of the Article I will discuss the role played by different actor to maintain the balance between development and protection of the environment.

Judiciary

Indian Judiciary has also taken a lead role and is performing its duty to protect environment. Supreme Court has developed a body of 'Green Constitutional Law' to safeguard the citizens' health from the deleterious effects of environmental degradation. Beginning with the Keswananda Bharati Case⁹ (where Supreme Court held that in the country like India where development priorities are inescapable as welfare and happiness of all are democratic imperatives), there is a catena of judgments¹⁰ where not only positive directions to the concerned authorities were issued but also new principles were evolved.

⁸ *Report of the World Commission on Environment and Development: Our Common Future*, 1987.

⁹ (1973)4 SCC 225.

¹⁰ *Municipal Council, Ratlam v. Shri Vardhichand and Others*, (1980) 4 SCC 162. *State of Himachal Pradesh v. Tarun Bhagat Sangh vs. Union of India* (1992) Supp (2) SCC 448. *M.C. Mehta vs. Union of India* (1996) 4 SCC 351. *M.C. Mehta v. Kamal Nath*(1996) 1 SCC 38, *Ganesh Wood Product AIR 1996 SC 149*, *MI Builders Pvt. Ltd. v. Radhey Shyam Sahu AIR 1996 SC 2468*, *Vellore Citizens Welfare Forum v. Union of India*, AIR 1996 SC 2715, *Indian Council for Enviro-Legal Action v. Union of India*, 1996(5) SCC 281. *M.C. Mehta v. Union of India* (1997)2 SCC 353, *Vellore Citizens Welfare Forum v. Union of India*, AIR 1996 SC 2715, *.C. Mehta v. Union of India*(Badkal and Surajkund Lakes) (1997) 3 SCC 715, *A.P. Pollution Control Board v. .V.Nayudu*(1999) 2 SCC 718, *Narmada Bachao Andolan v.Union of India AIR 1999 SC 3345*, *Consumer Education and Research Society v. Union of India*(2002) 2 SCC 599,*K.M. Chinnappa v. Union of India AIR 2003 SC 724*, *Intellectual Forum Tirupati v. State of A.P AIR 2006 SC 1350*,

The Supreme Court of India has also elevated the 'right to healthy environment' to the status of a fundamental human right under Article 21 of the Constitution in the process of progressive enrichment of the environmental jurisprudence with principles like sustainable development, polluter pays principle, public trust doctrine, precautionary principle and intergenerational equity. This extension of constitutional umbrella over environmental issues through dynamic judicial activism has augured well for environmental governance in India.

In *Narmada Bachao Andolan v. Union of India*¹¹, the court observed that "Environmental and ecological consideration must, of course, be given due consideration but only with proper channelization of developmental activities ecology and environment can be enhanced. For example, Periyar Dam Reservoir has become an elephant sanctuary with thick green forests all around while at the same time wiped out famines that used to haunt the district of Madurai in Tamil Nadu before its construction. It was also observed in this case that the "Water is the basic need for the survival of human beings and is part of the right to life and human rights as enshrined in Article 21 of the Constitution of and can be served only by providing source of water where there is none.....". In this case the benefits are so large that they substantially outweigh the costs of the immediate human and environmental disruption. Without the dam, the long term costs for people would be much greater and lack of an income source for future generations would put increasing pressure on the environment. If the waters of the Narmada river continue to flow to the sea unused there appears to be no alternative to escalating human deprivation, particularly in the dry areas of Gujarat. The ratio of beneficiaries to affected persons in this case is well over 100:1.

This case substantiate that our judiciary is not giving predilection to one over other. An appropriate balance is maintained by the judiciary to promote and protect the welfare of the human being who is the prime recipient of the both. The States are also trying hard to strike the balance between the eco-friendly approach and dollar friendly approach. Difficulty of a small number of people has to be bypassed if the commercial venture would bring inclusive growth that is more useful for the society as a whole. The comparative hardships have to be balanced and the convenience and benefit to a large section of the people has to get primacy over comparatively lesser hardship.

¹¹[2000] 10 SCC 664

Corporate Sector

State can make law and policies but implementation is impossible without the robust commitment of all the stake holders. As the corporate sector is the most important pillar of economic development, heavy burden is upon them to perform their responsibility to serve the society. They should have a degree of responsibility not only for the economic consequences of their activities, but also for the social and environmental implications. Maximization of social welfare should be the legitimate goal of a company¹². It challenges the traditional business management theory, which echoes Milton Friedman's famous statement, that there is 'only one responsibility of business: to use its resources and engage in activities designed to increase its profits.'

The companies use societal resources, namely man power and raw material, therefore, it becomes their paramount duty to regulate the corporate power to get optimum societal benefits¹³.

The green economy should be the starting point for the business activity, as opposed to being factored in at the end.¹⁴ The aim of all their efforts should be to achieve commercial success in such a way that interest of the people and the planet should be protected at the same time. Moreover, they have to harness the environment in a sustainable manner so that need of the present generation can be met but without compromising the need of the future generation as enunciated in *The Brundtland Commission Report*.

A point has been reached when we must shape our actions throughout the world with a more prudent care for the environmental consequences. Through ignorance or indifference we can do massive and irreversible harm to the earthly environment. Conversely, through wiser action, we can achieve for ourselves and for our successors a better life.

NGOs

The NGOs also has become the most important pillar of the society. They can reach those places where even government cannot reach. They have the proximity with the common people. Their responsibility is not less than the corporations. Their responsibility is to disseminate the knowledge among poor and common people not to use obnoxious and harmful substances. They can inform them about the latest technology that is environmental

¹² National Textile Workers Union v. Ramakrishna, AIR 1983 SC 75.

¹³ M.H. Hirani (1997), *The Concept and the Facets of Social Responsibility of Public Corporation*, New Delhi, p. 428, A.P.H.Publishing House.

¹⁴ A Report of Ministry of Environment and Forest, *Sustainability as a Driver for Innovation and Profit*, 2008, p.12.

friendly. In India environmental NGOs are performing the duties so well that all the credit for the development of environmental jurisprudence goes to these committed and dedicated NGOs.¹⁵ State also recognized their importance and A Non-Governmental Organisation Cell has been set up in the Ministry to handle various matters relating to NGO's working in diverse field of environment.¹⁶

Individuals

As man is the both the creator and the moulder of his environment which gives him physical sustenance and affords him the opportunity of intellectual, moral, social and spiritual growth,¹⁷ his duty to protect the environment becomes paramount. As every individual can make a difference¹⁸ so heavy burden is casted upon the individuals to maintain the balance and respect the nature as human beings are the centre concern for the sustainable development.¹⁹

While environment sustainability responsibility can only be taken on by the companies themselves, employees, consumers and investors can also play a decisive role in areas such as working conditions, environment or human rights, in the purchasing of products from companies which already adopted ESR or in prompting companies to adopt socially responsible practices. Ayn Rand in her work *Atlas Shrugged* once said, "The difference between animal and human is that animal changes themselves for the environment, but humans change the environment for themselves. Here I would like to add that this capacity should be used in a positive manner to strike a balance between two important rights as the human beings have the **wit and will** to develop economically without despoiling the environment.

Conclusion and Suggestions

Today, as we walk on the thin line of managing climate change, along with continuing on the path of economic development, all of us must play our part. Environmental and social concerns must be the starting point for the business activity, as opposed to being factored in at the end. Although India's integration into the global economy has been accompanied by

¹⁵ COMMON CAUSE, Enviro- Legal Action, Consumer Education and Research Society, Indian Council for Enviro Legal Action etc.

¹⁶ *Annual Report 2010-2011*, Ministry of Environment and Forest, Government of India

¹⁷ Stockholm Declaration, 1972.

¹⁸ M.C. Mehta has taken up many environmental issues and has obtained various judgments of the apex court to protect the environment.

¹⁹ Principle 1, The Rio Declaration on Environment and Development, 1992.

impressive economic growth that has brought significant economic and social benefits to the country yet disparities in income and human development are on the rise. A large section of the population - especially the poor, Scheduled Castes, Scheduled Tribes, Other Backward Classes, minorities and women - lack access to the resources and opportunities needed to reap the benefits of economic growth. Following are the few suggestions both for the companies and the State, if followed can go a long way to grips with the environmental challenges posed by the 21st century.

1. The balance between inclusion and growth can be maintained by shifting labour out of agriculture, where it is currently engaged in low productivity employment, into a non-agricultural activity that can provide higher real incomes per head. This must be accompanied by rapidly creating jobs in the industrial and services sectors and by ensuring the improvement in the income-earning opportunities of those who remain in agriculture by raising land productivity. This process would also lead to higher farm incomes and a rise in real wages of agricultural labour whose bargaining power will improve as surplus labour is shifted out of this sector.
2. There is a need to increase the effectiveness of service delivery as the most public programs suffer from varying degrees of ineffectiveness, poor targeting, and wastage of resources. There should be decentralization of responsibilities, promoting effective systems of transparency and accountability, effective monitoring of service delivery, and expanding the role of non-state service providers.
3. Education should be given to everyone to make them capable to earn the livelihood in a dignified manner.
4. The Government should impose stronger penalties for non-compliance of environment Laws, rules and regulations as it is important for the success of any Law that the laggards should not be forgotten. Any framework needs both sticks, to deal with the laggards, and carrot, to encourage the Law abiders. One should not forget that the compliance with environmental regulations is costly to the companies, and that is why the competitors that are non-compliant must be dealt severely to avoid a situation where noncompliant companies are advantaged over those following the law.
5. The benefits should be dissipated to the entire human family by reducing the difference between rich and poor that is growing and not narrowing.
6. Entrenched behaviour (to use plastic bags) , special interest and government inanity to weed out the wrong practices are the major reason for various type of industrial and

domestic pollution. Behaviour of the consumer and the views of the societies should be changed. Environment clearance and not the cost factor should be the guiding force to purchase a product. For this economic incentives along with well framed information should be provided by the government.

7. Like other form of capital natural capital is also limited one and require accountability, investment and maintenance in order to be properly harnessed and deployed.
8. Government should make strategic investment and farsighted policy changes that acknowledge natural resource constraints and enable the poor and downtrodden to benefit from efficient clean and resilient growth.
9. Proper warehousing facilities should be provided. As in the year of 2012 there is a record rice and wheat harvest due to the cold waves but still we are unable to provide food security to our peoples at the bottom as 10% of the crop is lost to the pests or rots in inadequate warehouse. It is disheartening that about 20mt of wheat, rice and lentils, the equivalent of Canada's annual wheat crop, is eaten by rats and birds or spoiled for one reason or another. This is because of poor storage facility. 30% of the farm produce is stored in open, leading to the wastage and distress sales. As there is lack of silos and warehouses, the farmers have to store grains in rooms, bamboo structures, and the underground structure.
10. People should pay all the taxes as this public money can be used for the welfare of the humanity and especially for those who are at the bottom of economic pyramid.
11. Not only invent technologies to grow cleaner without slow down the speed of the growth, but make them available at the affordable cost to the poor. For that the government should take actions to provide subsidies to avoid long term environmental loss.

Every entity must understand that they have equal but differentiated responsibility to ensure harmony between the two pillars of dignified human existence. Human family has to understand that through ignorance or indifference we can do massive and irreversible harm to the earthly environment on which our life and well-being depend. Conversely, through fuller knowledge and wiser action, we can achieve for ourselves and our successors a better life. There are broad vistas for the enhancement of environmental quality and the creation of a good life. What is needed is an enthusiastic but calm state of

mind and intense but orderly work of all. No problem is too big to be tackled should be the motto of the entire stakeholder. Universal problem of this dimension can be checked only with the cooperation of all.