

The reality beyond numbers – II

Continuing the last week' argument, can the environmental agenda as implemented by our young and energetic Minister, have precedence over every other objective of the democratic government of a still very poor country? (Can, for example, our fiscal policy have a single objective of budgetary balance, monetary policy of inflation control, howsoever worthy both these objectives may be, regardless of the impact on growth, on investment, on poverty elimination, on job creation, etc.?) Consider the number of major industrial/infrastructural projects/developments blocked on environmental grounds, some for years – Posco Steel (Orissa), Jindal Power (Chhattisgarh), East Coast Energy, Nagarjuna Construction, Polavaram Dam and JSW Aluminium (Andhra), Navi Mumbai Airport, different projects in Sindhudurg and Ratnagiri districts (Maharashtra), genetically modified seeds, various highways under NHAI, the Ganga Expressway (U.P.). The list is long. I am sure that, depending on your definition, some (or, indeed, all of them) would have some adverse impact on the environment, the flora and fauna, would displace some residents. The big question is whether the projects should be blocked because of such issues, on the recommendations of committees with an ideological agenda? In the POSCO case, the Orissa Government has alleged that the committee collected “manufactured” evidence only from “anti-POSCO agitators” (Indian Express, August 19). Can we afford environmental fundamentalism?

One theme running through the attitude and stand of the so-called activists, and the ministry itself, seems to be their self-righteous claims to virtue; their belief in the benignity of the status quo; their suspicions of investors' profit motives; and the need to justify any change to their own satisfaction. They seem to consider environment to be a holy cause, as unquestionable in its virtue as motherhood and patriotism, the pristine purity of the status quo. In the process, perhaps not much weight is given to the possibility that what is acceptable to them is increasingly becoming an enemy of any improvement in the status quo, of the basic principle of the “greatest good of the greatest number”. We seem to forget that any improvement in the existing state of the economy, of the poor, of the *adivasis*, will mean change; that any change will, unfortunately, not be of equal benefit to everybody. But is that reason enough to reject

it? One is happy that environmental lobbies were not active when man invented agriculture, discovered how to light fires, etc. – surely it can be argued that both these developments destroyed forests and the living of those occupying them at the time. Is there wisdom in romanticising tribal ways, of arguing that the life style and habits and standards of living of the Adivasis need to be left unchanged?

This is not to argue that environmental issues have no relevance; but surely a balance needs to be drawn between the adverse impact and the positives, that efforts made to mitigate the former, without blocking investment, growth, jobs. Yet, one gets an impression that such issues have become irrelevant to the environmental activists and the ministry because of the backing of a social agenda advocated by the NAC, a body not democratically elected, and responsible only to the Congress President. And this perhaps makes all others powerless to oppose the way the environmental agenda is being implemented.

The provocation for those thoughts is the rejection of the approval to Vedanta Group for its bauxite project in Orissa. Surely Vedanta breached some laws. (The company spokesman claims that every law has been complied with.) The problem of course is that we have so many laws, rules, regulations from at least the 19th century – we rarely repeal anything, there being no full stops in India. I am sure I contravene some laws/regulations, when I cross a road, and can be charged if I offend the powers that be.

Another ministry seems to be making every effort to block Vedanta's acquiring controlling interest in the Indian subsidiary of Cairn. After reading dozens of reports and articles, I am still not clear what exactly the objections are. Some time back, the Vedanta group was not allowed to exercise its call option on the government-held equity of Hindustan Zinc, a company privatised by the NDA government. One wonders whether the root of the problems is not really the legalities or technical issues involved, but something else. Sudeshma Sen in her *Letter from London* (The Economic Times, August 23, 2010) reported that, as far as the Cairn issue is concerned "*Gol egos are seriously injured, because Bill Gammell and Anil Agarwal didn't spend days schmoozing in Delhi to tell them of their plans.*" They have since made the rounds but "*jo boond se gai, voh haud se nahi aati*", as Birbal said. Perhaps both should have learnt from India's most successful post-independent entrepreneur, the Late Dhirubhai Ambani, who was

never hesitant, as he himself said, of bowing before even the *chaprasis* in the ministries if that would get his work done. Are we going back to those days?

Last week, India reported GDP growth in Q1 of 2010-11 at 8.8% annualised. If this is to continue, governance would need to improve in many, many areas.

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