

# THE HINDU

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## News

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### **Environmental regulation must not pull us back to license raj, says PM**

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*PTI* Prime Minister Manmohan Singh addressing the inaugural session of the Delhi Sustainable Development Summit 2011 in New Delhi on Thursday.

In the midst of the raging debate on environment versus development, Prime Minister Manmohan Singh has warned that the enforcement of environmental standards must not signal a return to the License Permit Raj era.

Addressing the Delhi Sustainable Development Summit organised by TERI on Thursday, Dr. Singh emphasised a carrot and stick formula.

On the one hand, he urged economic incentives to encourage environmentally responsible decisions, while on the other, he advocated the “polluter pays” principle, as well as the enforcement of regulatory standards.

“The central principle that must be enshrined in any sustainable development strategy is that incentives facing all economic decision makers must encourage them to act in a manner that is environmentally benign,” said Dr. Singh.

A structure of regulatory policies could prevent potentially damaging behaviour. “I must emphasise that standards are not enough. They must also be enforced which is often difficult,” he admitted. “It is also necessary to ensure that these regulatory standards do not bring back the License Permit Raj which we sought to get rid of in the wake of economic reforms of the nineties.”

His comments come in the wake of several high-profile projects falling foul of the Union Ministry of Environment and Forest’s implementation of green norms.

### **Selective enforcement**

The Ministry, headed by Jairam Ramesh, has come under fire from industrialists for hindering growth with his enforcement policies. On the other hand, activists have accused him of selective enforcement, and a “flip-flop” approach, especially since he accorded a conditional clearance to Posco’s Rs. 54,000 crore steel project recently, while ignoring the advice of several government committees, reportedly under pressure from the Prime Minister’s Office.

On the issue of sharing forest rights as well as rights to other common natural resources with local communities, Dr. Singh emphasised that capacity building is key. While the Forest Rights Act is aimed at spurring local initiative on the sustainable use of resources and biodiversity conservation, “effective village level planning and decision making can only occur if capacities are built up at the local level,” he said.

### **PTI reports:**

“We must put in place a structure of regulatory policies which will prevent potentially damaging behaviour. This is what we do by setting regulatory standards and enforcing them,” Prime Minister Manmohan Singh said. His remarks come in the wake of the environment ministry raising the red flag recently over several multi-billion dollar projects citing violation of green norms.

The summit was attended by Presidents of Afghanistan, Dominican Republic and Seychelles Hamid Karzai, Leonel Fernandez, and James Alix Michel respectively.

To deal with the issue of residual pollution caused despite regulation, the Prime Minister emphasised on the polluter must pay principle.

“This will discourage the polluters and also provide a means of financing the corrective steps necessary to counter the pollution caused,” he said.

Noting that India was setting standards for most energy consuming industries, Dr. Singh said “as a general rule we are trying to establish the principle that the polluter must pay though that is much more difficult to achieve in all cases”.

He said last year, the government had introduced a cess of five per cent on the use of coal both domestic or imported to build the corpus of a National Clean Energy Fund.

Keywords: [licence-permit raj](#), [environmental concerns](#), [economic development](#), [Delhi Sustainable Development Summit 2011](#)