

Comment on

## **“Between Growth and Sustainability: The Environmental Governance in India”**

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The functions of the natural environment play a fundamental role in processes of production and in contributing to human welfare and in maintaining the conditions of life on Earth as we know it. Many of the environment's contribution to the economy are undervalued and are difficult to accommodate within the processes of economic and other decision-making. Concerning many of the functions of the ecosystem there remains profound uncertainty coupled with the knowledge that loss of these functions or changes in the processes may be irreversible. Yet it is clear that over the last fifty years, the combination of exponential population growth and increase in economic activity are destructive of normal ecological cycles resulting in loss and degradation of ecosystems.

Taking the sustainability and growth issue head on requires acknowledging the problem at hand which is to begin with the conventional economic solution that the trade-off between sustainability and economic growth should be determined through optimization – maximization of the present value of consumption. Studies have shown the inadequacy of such an approach since it proceeds from too narrow a perception of human welfare; does not take into account the full range of environmental complexities and catastrophic impacts.

The other approach can begin with the proposition that the sacrifice of the environment to economic growth is not ineluctable. It is not like the normal economic choice between two goods under a budget constraint, where the constraints permit so much of this or so much of that. Environmental destruction is not something desired in and of itself. Environmental destruction arises as the unintended by-product of their production or consumption or both. Yet there are many goods and services which do not entail environmental destruction in their production or consumption. If consumer preferences were to shift towards these goods and services or if processes of production and consumption could be changed to reduce the environmental impacts, it is theoretically plausible to have increasing incomes or consumer expenditures and greatly reduced environmental impacts. However consumer preferences derive from powerful social and cultural perceptions and motivations which require us to look at the relation between economic systems, social systems and the ecological systems.

The logical possibility of growth/environment compatibility says nothing about whether it will be possible to achieve it, so that there is no guarantee that just because governmental and market inefficiencies exist, it will be possible to remove them. Often these inefficiencies exist for constitutive reasons which require closer scrutiny: they benefit powerful economic or social interests which would stand to lose from their removal, even though society overall would gain. Whether by making environmental sustainability the prime objective of public policy, it becomes possible to enact policies which are a socio-economic improvement on the status-quo irrespective of their environmental benefits is the moot question. The first part of your paper deals with these theoretical issues. An extension of the theoretical debates requires that we look at the interaction between three identifiable sets of domains - economic system, society and the environmental system. Let me suggest another perspective that attempts at clarifying the 'illusions' that you have

mentioned at the end of your paper, a perspective that uses Luhmann's notion of 'Systems' to diagnose the problem a little further.

While we know from old systems analysis that society achieves its own adaptation to its own environment via market prices, democratic elections and empirical research, social operations that is 'communication', we can no longer conceive of social operations that is 'communications' that is designed to make possible contacts between the system and its environment. Society and economy works on the principle of 'autopoiesis' in which we assume that society and economy is an 'operatively closed system' which reproduces itself with its own operations, which produces its own set of laws, principles based on its own set of experiences. Economy is seen to communicate here, using Luhmann's phrase, 'about its environment and not with it'. In doing so, economy and society always gets restricted to its own operations. This means also that the increase in complexity of the economy cannot be construed as better adaptation to the environment. The question is that given the dynamic and changing expectations from the social and ecological system, what is/ought to constitute the role and responsibility of the economic system vis-à-vis the environment? Another related question is how far in formulating a ecologically sensitive economic policy can the economic system learn and adjust its expectations from disappointments and changes taking place in its environment. Being an operatively closed system, the economic system that is global and national reacts only to its own internal states. Another related problem is how far the economy in formulating its own laws can recognize its own risks that threaten its own existence. One needs to take cognizance of the point that laws, policies that emanate from the economic system are potentially risky since society and the environment is also fraught with risks. The economic system can no longer work without knowledge about its environment. However it is seen to always register its own internal conflict and expectations from itself and responds to it alone, akin to that of an 'immune system'. In such a case the economy seeks to gain knowledge about itself not by adapting to its environment.

The other aspect is the repeated failure of compliance of rules and regulations. Legal rules concerning the environment that have developed in post-independence India are increasingly flouted and these laws can actually slow down operations to such an extent that it becomes impossible to distinguish it from inactivity. The goal of 'good governance' and economic growth that is deemed to be ensured by laws runs up against the normative expectations of the social and ecological system which has its own set of legal orders and value systems, such as human rights, ecological values and so on. The communication between these disparate legal orders and value systems is never across domains but are internal to each domain. Each domain or system follows its own coding and differentiates itself from the other which in turn differentiates itself from what it takes as its environment. This explanation can partially help us understand the 'illusions' that you have mentioned - of why principles and functions of environmental governance has fail to address the environmental goal of sustainability and the ends of good governance - 'transparency', 'responsiveness', 'consensus orientation', 'equity and inclusiveness', 'effectiveness and efficiency', and 'accountability'. The participatory spirit of governance never comes about and it reflects the failure on our part to recognize the nature of structural relations between various domains or systems. Whether or not the pressures of the neo-liberal economic system is the cause of the illusions regarding environmental governance, the challenge is how far the economy/society and its environment can factor in the risks, dilemmas and uncertainties of the future in the making of its laws and policies that affect present and future generations.