

Pollution as the enemy, not polluter: A different approach to improve Delhi-NCR air quality

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HomeAnalysis

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Many cities have dealt with the problem, and there is no need for us to reinvent the wheel when it comes to standard policy interventions for air quality in NCR. But we do need to identify novel methods that can improve compliance given the specific socio-economic conditions of Delhi.



The US Ambassador to India, Eric Garcetti, recently remarked that the pollution level in Delhi and surrounding areas reminded him of Los Angeles of the time when he was growing up. While not a novel insight, it does highlight how we can draw on the experience of other great cities. Many cities have dealt with the problem and, therefore, there is no need for us to reinvent the wheel when it comes to standard pollution metric-based policy interventions.

But as should be clear to anyone familiar with the conversation around air quality in NCR, we do need to identify novel methods that can improve compliance with the policy prescriptions given the specific socio-economic conditions of Delhi. Two of the most often talked about sources that require urgent redress are crop residue burning in the neighboring states and

the excessive reliance on private vehicles and cars in the region. To the first, my limited assertion is that the issue is linked to the underlying incentive structure in Indian agriculture and we need to keep looking for issues within the urban environment that can be addressed. To the second, I would contend that while some progress will be made as older vehicles get replaced by newer ones, the topography and climate of the place will always mean we have a large number of vehicles. Neither of these implies that we must not work towards improvements in these areas, but that new fronts must be opened to make further improvements.



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The regulatory interventions that resulted in the dramatic improvement in the air quality in richer parts of the world were abetted by a long-term trend of continued decline in industry and manufacturing. Delhi and surrounding areas are still very much in their growth phase where new industry is still coming up. This adds to the difficulty in regulating industrial pollution because it might be seen to be hindering the growth of industry (and therefore jobs). The large scale of the unorganized/informal/unregulated industrial sector further limits even the potential impact that any regulation can have. If a small-scale industrial unit (think of Sangam Vihar in Delhi or Harola in Noida) is not in the ambit of government regulation regarding registration, taxes, or labor laws, it is tough to imagine that its emissions can be regulated. So, while the state's capacity to implement environmental regulation is often subject to scorn, there has been precious little effort in identifying ways in which it could be improved.

Ease of doing business, credit access, and air quality: The widespread existence of small-scale industrial units that are not registered with the government is at least partially explained by the difficulties involved in the process of registration. Discussions on increasing the ease of doing business usually focus on green-field enterprises and the resulting benefits. However, any improvement in the ease of doing business will also create the right incentives for small-scale firms to become a part of the formal sector voluntarily. For instance, firms in the informal sector might become willing to forego some of the benefits that

operating in the shadow of the law would afford them. If the initial barrier to entering the formal sector is reduced, they might be willing to take on the cost of regulations if the benefits like access to credit outweigh costs.

An increase in access to credit for smaller firms (via institutional mechanisms like CGTMSE) can both provide an incentive to enter the formal sector and make investments in new machinery or equipment. As a consequence of entering the formal sector, more such operations will be within the remit of any subsequent regulatory interventions to reduce harmful emissions.

Pollution as the enemy, not polluter: The air quality debate is often framed as a tussle between the producers and consumers of pollution, with the state often being asked to step in to defend the rights of the consumers by penalizing the producers. Notwithstanding the fact that most citizens are often both consumers and producers (of pollution), this adversarial framework is untenable as pollution, more often than not, is a byproduct of some productive activity. For instance, a government cannot ban cars or tax them prohibitively as it would lead to massive job losses.

An alternative framework is one in which the government acts as a disseminator of information and facilitates the adaptations that are required to reduce emissions. One way to think of this is in terms of the Porter hypothesis, where pollution is seen as a sign of inefficiency in the production process. For instance, if a potter buys low-quality coal for his furnace, even though the buying cost would be low, it would not provide as much heat as a smaller quantity of higher-quality coal might. Here a move away from low-quality coal is desirable both for the potter and his neighbors who suffer from the smoke of his furnace. The government can then help the potter make the move with subsidies or by simply making better quality coal available. This approach would imply the state acting as a partner, not an investigator, and help foster an environment in which the objectives of the regulator and regulation are aligned.

An increase in the number of firms in the regulatory ambit and a move towards regulatory facilitation are mutually reinforcing processes that can lead to some improvement in compliance. Hopefully, this will redirect our, the city dwellers', impotent rage at farmers and lack of public transport, towards efforts at building up a cleaner and more prosperous city for everyone.

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