

Will India avoid environmentalist traps of the Montreal Protocol?

by Siddharth Singh

The Constitution of India has a strange flaw. There is no obligation on the government to seek approval of the parliament or hold a debate or even inform the members before signing an international treaty. Thus, India agreed to sign the Montreal Protocol in 1990. The protocol, first promulgated in 1987, set phase-out dates for chlorofluorocarbons (CFCs) and other allegedly ozone-depleting substances used in refrigeration and air conditioning.

India's decision to sign on was taken by Maneka Gandhi, who was then minister in charge of environmental affairs. When questioned as to why she made the commitment without first organizing a public debate, she argued that the Indian public had till then not shown any interest in the subject. The fact, according to her own admission, is that she was a believer in "green" ideology, affected by the fear of skin cancer spread by the anti-CFCs lobby.

A well-publicized piece of propaganda was also aired by her to the effect that India has scored a major victory by making rich countries part with \$80 million, which would otherwise have all gone to China, toward meeting the cost incurred in switching over to production of CFC substitutes. In reality, no such fund existed at that time, and she was merely exploiting the concern among Indian policymakers that entry of China into the mainstream of the world economy would result in diversion of developmental aid away from India.

A similar farce is again being enacted today. The rumor doing the rounds this time is that if the Indian government delays in finalizing a switchover program and submitting it to the administrators of the Multilateral Fund (MF) set up under the Montreal Protocol, the limited funds will be cornered by whosoever has a head start, like China, Brazil, or Thailand. This thesis was further substantiated by Dr. Omar E. el-Arini in New Delhi recently, when he presented a table giving the breakdown of the \$39 million disbursed so far by the MF to 15 developing countries. China came first with a grab of \$10.64 million and Turkey second with a collection of \$5.9 million. India scored zero.

Despite the confusion and contradictions, India is well on its way to entangling itself in the web spawned by the environmentalists. The signing of the Vienna Convention for the Protection of the Ozone Layer in March 1991 was

followed by the appointment of a task force in the Industry Ministry to formulate the basic approach for phasing out substances such as CFCs.

Task force's missionary zeal

The report of the task force submitted in March 1992 is not devoid of the element of missionary zeal in the cause of the environment. The report recommended, for instance, signing the Montreal Protocol, though its opinion on this subject was not sought. India had withheld signing until the 1990 amendments requiring transfer of substitute technologies and compensatory funds from the developed countries to developing countries came into force. India signed the protocol in mid-1992, when the minimum requisite number of developed countries had ratified the amendments. However, the task force report also reflects an effort to protect India's national interests, and therefore simultaneously raises a number of issues that challenge the core of the Montreal Protocol.

The task force report says that the switchover cost may be at least \$1.4-2.45 billion—far higher than is generally estimated. The remark that up to 85% of this amount is accounted for by the cost incurred by the consumer, itself reveals much about the way these calculations have been made—i.e., by roughly estimating the total value of all refrigerators and air conditioners in the country. This approach was also facilitated by a notion popularized by the socialist economists, that this is just a luxury goods sector. In fact, it is for the first time ever this year that the taxes on this industry were brought down. Unfortunately, the underlying reason was a recession-induced stagnation in production, and not a recognition of the crucial role of the refrigeration industry in agro-economic development.

This neglect is duly reflected in the composition of the task force, whose members were drawn from the ministries of Industry, Petroleum, Home, Defense, Science and Technology, and Environment and Forestry, but none from the Ministry of Agriculture. This apathy is the chief reason behind the absurdity that, despite being self-sufficient in CFC production and application technology, total CFC production in India is less than 10,000 tons per annum.

The per capita consumption of CFCs in India in 1990 was

a measly 0.0088 kilograms, compared with 8.5 kg in the United States. The task force suggests that India should seek further amendments in the Montreal Protocol to the effect that those countries having per capita CFC consumption less than 0.3 kg should be free to decide their own mix of hydrochlorofluorocarbons (HCFCs), CFCs, halons, etc. so long as they do not cross this limit. India would then be free to increase its CFC production by 30 times over, and the report cites a NASA observation that no harm would be done to the ozone layer under such conditions. This suggestion, however, finds no correlation in the actions suggested in the report to implement the protocol, which recommends a complete ban on use of CFC-12 in air conditioners, large water coolers, and cold stores, effective Jan. 1, 1988, and a total ban on all CFC use by 2010.

The report also notes that even after the switchover by the developed countries to HCFCs, their contribution to ozone depletion is likely to be more than that of developed countries. This view is based on a table of the supposed ozone-depleting potential of even HCFCs given in protocol documents, and the ruling that each country can enhance its HCFC production only up to, but not more than, the level of its erstwhile production of CFCs. The protocol, therefore, is currently designed to continue the wide disparity. The report advocates seeking amendments in the protocol which would allot a population-based production quota to each country that is calculated by setting absolutely fixed per capita consumption levels uniformly all over the world.

The task force's zealotry is further evident when the report foresees extension of protocol controls to cover substitutes believed to have greenhouse warming potential. It recommends that developing countries like India should insist on getting an extra grace period of five years, so that the economic burden of the two switchovers can be "avoided." It has apparently escaped attention that "postponement" does not amount to "avoiding." Anyhow, the report further asks India to insist on a clear reaffirmation that until 2040, the status of the HCFC-22 as a transitional substance will not be altered, even if global warming potential becomes a determining factor in the choice of ozone-depleting substances.

Needed: a rational policy

The task force report is particularly flawed in discussing substitutes. What a nation like India, which has a very low per capita consumption of CFCs, should point out, is that CFCs or halons or any substitute must be acceptable to all the signatories of the Montreal Protocol. Such acceptance will result from a thorough evaluation of the substitute, including its production cost, production complexity, energy consumption in production, inflammability, and toxicity. The substitute must be tested out for a minimum of two years before it can be presented for approval. The signatories then require 15 years to convert to the new system.

Notwithstanding the tortured efforts of the task force to

protect the national interest, the fact remains that the country will pay dearly for falling into the environmentalist trap on the Montreal Protocol. To prevent this from happening, it would be essential to develop a well-funded and scientifically organized mechanism to investigate the unending barrage of issues raised by the environmentalists concerning ozone depletion, global warming, and the rest. India has a quite advanced meteorological department, and there is no reason for isolating it from an issue which lies within its area of competence.

The biggest obstacle in the way of adoption of a rational outlook is a growing interlinkage and interdependence between the environmental-related officialdom, the non-governmental organizations pushing the environmentalist agenda, and the United Nations organizations. The omission of the agricultural and meteorological departments from the deliberations is one consequence of this development. The presence of U.N. bodies has lent a degree of respectability to this nexus and helped in preventing a detection of the farce so far.

Since the signing of the protocol in June 1992, \$430,000 has been approved to India by the U.N. Development Program for establishing an ozone desk in the Ministry of Environment and Forests, to act as a nodal unit for all matters relating to the Montreal Protocol. The results are already forthcoming. A notification was issued in January by the Commerce Ministry banning CFC trade with non-protocol countries, as per the implementation schedule.

The Indian government has initiated a national project to develop alternatives to "ozone-depleting chemicals," with four national laboratories assigned to work on various aspects of the project. But the program has yet to take off, and no funding requests have been made. There does seem to be a realization that the country's resources do not permit fair competition with the multinationals in development of substitutes, and hence the focus is on duplicating processes identified abroad. Indian patent laws allow this, much to the dismay of the multinationals. But why this exercise is necessary at all, when India agreed to sign the protocol on the condition of unrestricted transfer of technology in the first place, seems to have escaped everyone's attention.

Indian industries have shown little interest in phasing out CFCs. The Ministry of Environment has received so far only four proposals from CFC users for funding to prepare plans for phasing out CFCs. "We need at least 20 proposals from CFC makers and users. . . . We could then select the best projects which stand a good chance of being accepted for funding," said an official.

In fact, the Indian refrigerator industry never geared itself to challenge the bigwigs on ozone depletion or any other issue. The industry is content to note that there is still some time before the axe falls; until then, the existing producers will enjoy a kind of monopoly, and the cost of switchover will be reimbursed to them anyway.