Changes in pollution board undermine accountability

By Sharachandra Lale and Nakul Hebde, June 16, 2016: 23:44 IST

In a surprise move, the Government of Karnataka drastically altered recently the distribution of authority within the Karnataka State Pollution Control Board (KSPCB), the sole environmental regulator in the state. After having appointed a new chairman a few months ago, the government has now amended the rules to give most day-to-day powers to the member-secretary.

The government’s move appears to be due to its discomfort in centralisation of authority with the chairman who is not a bureaucrat. But it could be counter-productive if not balanced by other much-needed changes. The decision also raises questions about the governance structure of PCBs in the entire country.

That the governance structure of all state PCBs is faulty becomes obvious to anyone who cares to examine it. The Board, which is supposed to be an autonomous body, has a governing body chaired by a non-governmental person appointed for three years, and including three non-governmental members, two elected heads of Zilla Panchayats, and 10 bureaucrats ex-officio.

The member-secretary of this governing body is supposed to be the equivalent of a CEO or managing director in any other organisation. But the chairman has mostly been given executive powers, giving directions to the staff (senior environmental officers and below) and sanctioning activities, contracts, appointments, promotions and so on. Any student of management would say this is a bad idea – it mixes governance with execution or management, leaving no space for the governing body to reflect objectively on how execution is happening.

Management textbooks say that the governing body (of any organisation) is supposed to represent the interests of the stakeholders, and set broad policy. The CEO’s job is to implement this policy. To enable this, the governing body must delegate day-to-day managerial powers to the CEO and then hold the CEO accountable. Seen from this perspective, the government’s decision seems quite sound.

Such separation of management from governance, however, requires some foundational conditions to be met. For CEOs to be accountable to their governing bodies, they need to be appointed by these bodies. However, the member-secretary of PCBs is also a state government appointee. Further, either by default or by modification of the original rules, the member-secretary is always an Indian Forest Service officer on deputation for varying durations.

This completely undermines accountability – the person can neither be chosen nor be removed by the governing body, nor is the person’s career dependent on performance in that position. There is also no reason to believe that IFS officers have the qualifications suited to pollution control: forest management and pollution control are very different activities.

Moreover, if governing bodies are to represent the stakeholders, the primary stakeholders in this case are the citizens facing pollution hazards. But the current structure of the governing body does not use this principle. The governing body is dominated by bureaucrats holding positions ex-officio: in KSPCB, 10 out of 17 are IAS officers representing five departments, two sewerage agencies and three municipalities. In some states, even the chairman is an IFS officer.

Arbitrary, opaque

But bureaucrats cannot and do not represent the interests of citizens very well, especially when they keep moving from one department or agency to another. Moreover, these ex-officio members hold heads of bodies that are potential polluters, such as the Sewerage Boards, whose failures in treatment have been in the news recently. And can one imagine a body dominated by IAS/IFS officers holding a fellow IFS officer properly accountable?

Finally, the process of appointing the chairman and the three non-official members has been quite arbitrary and opaque. Only once in the history of KSPCB has there been a Selection Committee set up to seek nominations to this position and then make recommendations based on some criteria. This process needs to be restarted and regularised. The number of non-official members needs to probably triple, and must include civil society members and pollution control experts who would speak on behalf of the polluters.

When multiple foundational assumptions are violated, the theory of second best tells us that moving away from optimality in other dimensions may be called for. When member-secretaries are deputed from other services and transferred out at the whims of the state government, having an independent, fixed-term chairman with executive powers can be, and has actually been, the saving grace.
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Grace of the PCBs— at least, a few past chairmen have taken their responsibilities seriously and tried to deliver pollution control for citizens.

Trying to make ‘improvements’ along just one dimension while ignoring core structural problems is a bad idea; in fact, it hints at an attempt by the bureaucracy to gain control of a body that has been functioning relatively autonomously.

Changes to the structure of the PCBs are definitely required. However, these changes must be well thought through, publicly debated, and comprehensive. If member-secretaries are to act as CEOs (which they should) and so are to be given operational powers (as they then should), they must be appointed like CEOs elsewhere (qualified professionals hired — and fired — by the governing body on the basis of clear contracts).

The hiring process must follow basic norms of quality and transparency. Most importantly, the body that holds the CEO accountable must be de-bureaucratised, must represent the real stakeholders — the public — and include independent experts.

Handing over operational powers to IFS officers in the absence of these reforms will spell a goodbye to the only hope for citizen-oriented environmental regulation that remains in a country already facing massive environmental problems.

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