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Justice education as sustainability instrument for reducing interest conflicts in development in global south

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Justice Education happens to be the empowerment panacea for the commons in the global south. Right to participation and socio-economic justice is the only sustainability instrument for reducing interest conflicts in global south. In developing countries, social impact assessment studies continue to be applied as tools for impact minimization and mitigation. Optimally, this approach should aim to ensure social justice and maximize development options and opportunities consistent with internationally agreed principles of sustainability.

Studies carried out in south Asian countries reveal that assessments of environmental opportunity costs and social impacts for establishing special economic zone (SEZ) was critically done but reports were not disseminated to the local stakeholders denying their social justice and development proposals were thus incongruent to sustainability objectives. For any Government, profit alone cannot be the motive as it has an obligation to ensure that such projects do not adversely impact the people. To gauge the likely impact of a project on a State's economy, a Social-Cost Benefit Analysis (SCB Analysis) is often commissioned. Such an approach ensures social reciprocity, allows the assessment of the impact of a project on the national economy, unlike financial analysis which has a narrow perspective of profit accruing. Computation of social profits at the economic hurdle rate is a key step in assessing whether the project is in the national interest and for computing the kind of concessions that can be provided by the governments, such as tax concessions or waivers, or giving it SEZ status.

The present paper showcases a case study named POSCO SEZ project in Orissa of India. The study broadly used the ADB/World Bank methodology on the social cost-benefit with minor adjustments for the local parameters. Econometric models were used to project border prices for the useful life of the project. The project's impact from the State economy perspective in terms of the impact on the State GDP (output multiplier effects) and employment opportunities created within the State (employment multiplier effects) was also assessed.

An important part of the study was the Least Cost Analysis of technology options in the steel-making, the Finex process that Posco project purports to bring and the traditional blast-furnace technology. The Average Incremental Economic Cost was used as the yardstick; this was followed by computing the economic IRR (internal rate of return) to examine whether the project was economically worthwhile from the national economy point of view. The significant feature of the study is the estimation of depletion premium or the opportunity cost for deployable and non-renewable resource iron ore.

Although opening up of the economy and sustainable environmental development at the crossroads of conflicting interests with commons poses uneven challenges, IA tools are seldom brought together in practice to plan, assess and implement SEZ projects, which requires an integrated approach to clarify the trade-offs between economic, equity and environmental criteria.

The paper explains that depletion and deterioration of environmental sources and sinks must be kept within “safe margins” and residual damages be compensated by environmental enhancement. In effect, EIA and SIA should be applied with explicit reference to the precautionary principle through participatory community partnership and with the notion of no net loss of natural capital.