



## Economic Impact of Select Decisions of the SC and NGT

**For Prelims:** Supreme Court, NITI Aayog, NGT

**For Mains:** Sustainability and Economic Development

### Why in News?

Recently, the report titled **Economic Impact of Select Decisions of the [Supreme Court](#) and [National Green Tribunal of India \(NGT\)](#)** has been submitted to the [NITI Aayog](#).

- The study was conducted by **CUTS (Consumer Unity and Trust Society)** which was **commissioned and fully funded by the NITI Aayog**.

### What are the Key Highlights of the Study?

- CUTS studies the **economic impacts of various judicial orders** which includes **five environment-related major orders** of the Supreme Court and the NGT.
- The study includes:
  - The Goa Foundation vs M/s Sesa Sterlite Ltd & Ors, 2018
  - The Hanuman Laxman Aroskar vs Union of India (Mopa Airport Case), 2019
  - The Tamil Nadu Pollution Control Board vs Sterlite Industries (I) Ltd (Sterlite Copper Plant Case), 2019
  - The National Green Tribunal Bar Association vs Ministry of Environment & Forests and Ors (Sand Mining Case), 2013
  - The Vardhman Kaushik vs Union of India & Ors (NCR Construction Ban Case), 2016
- **Economic Impacts of Environment Related Five Judicial Orders:**
  - The analysis of economic impacts due to five select environment-related court orders **estimates that 75,000 persons were adversely impacted from mid-2018 to mid-2021** due to restrictive orders related to environment.
  - The Government of **India lost revenue worth Rs 8,000 crore from mid-2018 to mid-2021**.
    - If this revenue had been spent as capital expenditure, the economic returns would have been to the tune of Rs 20,000 crore.
  - Of the five verdicts, the study estimated **16,000 persons lost their jobs**.
  - The industry lost close to **Rs 15,000 crore in revenues and workers lost around Rs 500 crore of income**.
- **Case Study of Ban on Mining in Goa:**
  - **State Public Debt Increases:**
    - Due to the ban on mining in Goa, **the state public debt increased** at a Compound Annual Growth Rate (CAGR) of **10.06% from 2007 through 2021**.
    - The market loans taken by the state increased at a CAGR of **19.93%**, consequently due to mining suspension.
  - **Revenue Deficit in both Centre and State:**
    - The central and state revenues cumulatively suffered an estimated **deficit of Rs**

**668.39 crore in taxes paid by the mining companies,**

- Whereas the state revenues exclusively suffered an estimated deficit of Rs 1,821.32 crore.
- **Loss in Mining Companies:**
  - Mining companies are estimated to have lost Rs 6,976.71 crore during 2018-19 and 2020-2021.
- **Loss of Employment:**
  - The **net loss of [employment](#) (both direct and indirect)** comes to almost **15,000 jobs** in mining closure case.

## **What are the recommendations of the study?**

- **Strike Balance:**
  - It recommends the need to equip the judiciary and judges on how to **strike a balance between the economy and the environmental factors**.
  - **For instance**, on the [National Capital Region construction ban case](#), the ineffectiveness of procedures adopted by the judiciary and the executive in **curbing pollution** highlights the **existence of loopholes in set procedures and system** owing to various reasons such as **capacity and expertise constraints, paucity of resources, etc.**
- **Need for Subject Specialists:**
  - It highlighted the need for subject specialists / experts guiding the judges on cases that involved economic impacts.
  - It recommended that **selection procedures of judges** should also be **changed**.
  - For better quality of judges, the **law on [National Judicial Commission](#)** could be **revived**.
  - However, it is equally important for **judicial officers to be exposed to (basic) economic issues** to recognize the **need for a holistic and balanced decision and approach**.
- **Accountability for the Judiciary:**
  - It also prescribed **[accountability](#) for the judiciary** to ensure a **high standard of jurisprudence analysis and decision-making**.
  - In cases where strict adherence to legal provisions may lead to substantive economic losses, the decision-making of the SC should be **guided by the larger public good**.
  - The apex court must demand accountability by levying fines and penalties on officers and politicians involved in outright corruption and maladministration cases.
- **Transparency at All Levels:**
  - It is thus important to **inform the decision-making process at all levels**, including the judiciary, keeping in mind the **larger objective of human-centricity of [economic development](#) and [environmental sustainability](#)**, with equal considerations to the objective of **equity, environment, and economy**.

**[Source: DTE](#)**