

“Informal Regulation of Pollution in a Developing Country: Empirical Evidence from India”, by Vinish Kathuria, SANDEE Working Paper No. 6-04

Abstract

Recent policy discussions recognize the limitations of formal regulations to stem pollution in developing countries. As a result, there is growing interest in the potential of informal regulations to achieve environmental goals. In India, many polluting industries fall under the rubric of the unorganized sector. In such a context, localized pollution may be influenced by discussions and reports on pollution in the vernacular press. This study attempts to test the hypothesis that the press can act as an informal agent of pollution control. This hypothesis is tested using monthly water pollution data from four hotspots in the state of Gujarat, for the period 1996 to 2000. The results show that the press can function as an informal regulator if there is sustained interest in news about pollution. However, not all pollution agents are affected by pollution news. Press coverage appears to mainly influence industrial estates with a mix of small, medium and large industries.

Key words: Informal Regulation, Vernacular Press, Industrial Pollution, Developing Country, Small-Scale Industries, India.

JEL Classification Numbers: Q25, P28, K42