Investment-Induced Displacement in Central India: a study in Extractive Capitalism

Abstract

India’s abundant natural resources are a key feature of its new found status as ‘emerging market’ that attracts foreign investments. As India’s output of these metals and their ores increases, investments pour into India to secure deals over mineral deposits and manufacturing plants. Apart from direct funding for new projects, the new investments pay for a large increase in deployment of security forces, multi-layered ‘briberization’, and ‘protection money’ funding Maoist outfits, in yet another unending war which is fundamentally a resource war around mineral and metal production – primarily steel and aluminum as well as coal and water. In this paper, we examine the mining operations in Central India where Vedanta Resources, a corporation that has become symbolic of neoliberal capitalism in India today, elicits huge new foreign investments to exploit India’s resources under the logic of emerging markets. If a quarter of postcolonial India’s Scheduled Tribe population was displaced by ‘development’ projects, this time it is foreign investments that are causing large scale displacement of indigenous populations.

Investment and Dispossession for mining and minerals

The displacement of populations to make space for large-scale development projects has a long history in postcolonial India. Of the total number of people displaced since India’s Independence by so-called ‘development projects’, approximately 20 million are tribal people, and about a quarter of India’s ST population have already lost land and homes through direct displacement (Fernandes 2008; Mathur ed. 2008 and 2011; Padel and Das, 2008 (2), 2010 and 2011; Padel 2016). This process of displacement has been renewed, and even intensified after the economic reforms in India. As the nation, now in its branded commodity form, makes a shift towards open markets, the global demand for natural resources is fuelling displacement and conflict in several parts of India. In the post-reform context, the well-known term ‘development-induced displacement’ can easily be replaced with a new terminology of ‘investment-forced displacement’. In this paper, we look at the question of displacement in the fresh context of ‘emerging markets’ where India’s bid to attract financial investments invariably involves ‘opening up’ its territory to mining corporations eager to fulfill global demand for mineral and metal production. We turn our focus specifically on Central India that has witnessed conflict over resources over the past decades.
The arrival of foreign corporation keen on ‘investing’ in the region has intensified the scale of conflict. That the process of displacement was initiated in the colonial period and has intensified in the immediate post-Independence period is indisputable. Whatever the overall trend of asserting ‘eminent domain’ and taking over tribal lands, British rule applied conspicuous breaks on the wholesale appropriation of tribal land through legislation such as the Chotanagpur Tenancy Act of 1908, that attempted to codify tribal land rights, if only to temper the storm of tribal rebellions such as the Santal Hul and Birsa Munda’s rebellion in the nineteenth century. It is this body of legislation that is being watered down using the law of eminent domain which allows the state to acquire property to oust communities and people from their traditional lands for a public purpose such as irrigation or mining under the colonial Land Acquisition Act of 1894. (Damodaran 2009, 2011). It is under this Act that communities have been displaced the majority of whom are Adivasis and Dalits have been displaced.

Most of these of displaced people have experienced an appalling drop in their quality of life and those who are presently resisting displacement right now, are articulate on the fact that, for them, these projects are not development at all. What is indisputable is the fact that these projects are driven by financial investment. ‘Investment-induced (or forced) displacement’ is therefore the proper term for what is happening (Padel, Dandekar and Unni 2013).

For many tribal communities, real development has been articulated as ensuring food and water security, security in livelihood or jobs, and security of life. These securities are precisely what are being undermined by the large-scale ‘development projects’ believed to be intrinsic to ‘national development’ – a belief promoted by politicians and those who fund them, including apex financial institutions such as the World Bank. India’s Prime Minister recently said that ‘tribal communities are a great force for national development’ (DNA 2015). Indeed they can be – but only if we start to listen to people like Lado Sikoka and learn from the criticisms of contemporary development and about how to live sustainably by basing our economy on ecological principles. (see Lado Sikoka’s interview, p.5 this paper) For over 100 years, ‘development’ as he notes in tribal areas has involved the worst forms of human sacrifice, based on the bloodshed and suffering of Adivasis.

Displacement for mining, metal factories and dams has historically destroyed countless lives, and promises to those displaced have been systematically betrayed (Sahu 2009; Sharma
reducing highly developed and skilled, self-sufficient farmers to ‘unskilled labour’ close to slave labour. Cultural genocide of India’s most sustainable and democratic communities is escalating, and little is being done to remedy this situation.

Among the worst resource conflicts are those involving the takeover of Adivasi lands in Central India, especially in Chhattisgarh, Odisha, Jharkhand, West Bengal, Madhya Pradesh and Andhra Pradesh. Recent high profile cases include: new bauxite mines and alumina refineries by Vedanta and Utkal (i.e. Hindalco, a Birla subsidiary) in Odisha; Tata Steel’s new steel plant at Kalinganagar and new planned iron ore mines and steel plants in Chhattisgarh; new iron ore mines in Saranda Forest by Tata Steel and others (Dungdung 2015), and many new coal mines in Jharkhand; Essar and Hindalco takeovers of forest land for new coal mines in Singrauli, MP; planned bauxite mines, coal-fired power plants and the Polavaram dam in Andhra Pradesh. In West Bengal, the Nandigram and Singur movements stopped a Salim chemical plant and Tata car factory; while the Lalgarh conflict, that left hundreds of Adivasis dead or jailed, started up over a new Jindal steel plant. These are only a few of the new mega-projects presently staging takeovers of land and resources in every state.

The role of planned investment for mining and metal production in Jharkhand alone is clear from reports by leading international investment agencies, in a context of massive increases in world-wide investments in mining (Padel and Das 2010, p.309). The impact is clear from the report Rich Lands, Poor People: Is Sustainable Mining Possible? (Centre for Science and Environment 2008): India’s mining areas show the worst poverty indicators in the country, as evidence that the logic of the ‘Resource Curse’ plunges resource-rich countries into hellish conditions of impoverishment and conflict over resources, through intensifying levels of exploitation.

In this paper, we show the ways in which financial investments in the mining sector are effecting the territories and the populations inhabiting those an aspect of ‘the corporatization of the Indian state’ pointed out by Kaur (2015). ...

The Investment-driven Development Model

The question of development or its most sustainable form, has always been at the heart of the debates on displacement and dispossession. Odia school books depict Odisha as one of India’s poorest states, ‘but rich in minerals,’ and in the minds of many politicians and policy-makers the minerals are lying ‘un-utilised’ on the mountains The notion of ‘un-utilized’ or ‘untapped’ readily
suggests the language of markets where resources left out of the commodification process are either seen as waste or potential surplus to be mined. And this becomes an obvious explanation for the lack of ‘development’ or poor living standards in the region. And either way, resources are discursively disconnected from the question of ecology and sustainability. Yet bauxite has a special property of combining with H₂O, holding monsoon rain as it falls, on the summits of Odisha’s (and northern Andhra’s) bauxite-capped mountains, where these deposits form the source of hundreds of perennial streams, that in turn form the source of the region’s rivers. When a mountain’s bauxite deposit is mined, these perennial streams dry up, and the fertile area around the mountain become water-starved. This pattern is visible around India’s largest bauxite mine operated by Nalco on Panchpat Mali in Koraput district (Das and Das 2005, Padel and Das 2010).

The local resistance to such development projects has an equally long history. Speaking about Utkal Alumina’s development plans in Kashipur, Bhagaban Majhi, an Adivasi leader of the Kashipur movement opposing Utkal’s takeovers, speaks about the need for ‘permanent development’ that would benefit the villagers’ grandchildren, and their grandchildren, rather than a model that would devastate millions of years old mountains for the sake of short-term profits for a few distant officials, making war-planes and bombs from the aluminium (Das and Das 2005). Lado Sikoka is a leader of the Dongria Konds at the heart of the movement that has so far saved the Niyamgiri mountain range from Vedanta’s plans for mining bauxite from the summit of one of the biggest mountains. The company was formed in 2003 on the London stock exchange, out of Sterlite Industries, and investment orchestrated from London paid for construction of an alumina refinery at Lanjigarh, just below Niyamgiri. The local movement to prevent mining has received international support. A long-drawn-out legal process has reaffirmed a ban on mining bauxite from Niyamgiri, compelling the company to bring bauxite to feed its refinery from far away (Padel and Das 2010). As Lado puts it:

‘Vedanta (mining corporation) has troubled us greatly. It is fighting with us for Niyamgiri. The company people try to lure us with schools, hospitals and roads in our villages. They cannot trick us like that. We will do whatever it takes to save our Niyamgiri. We have rights over the mountain. If they take Niyamgiri our world will be destroyed, won’t it? We won’t give up Niyamgiri for any price. What price are they offering us anyway? Niyamgiri isn’t crores and crores of money. Niyamgiri is our Life. We won’t flinch if you take our flesh. But we won’t tolerate Niyamgiri being dug up. This is our Dharma. They have bought Niyamgiri from the Government. But it doesn’t belong to the Government. It belongs to the Adivasis. Did Vedanta or the Government make this
mountain? How is it theirs to dispose of? … It makes me so angry… We may be outnumbered, but every one of us will fight to protect it… We are not afraid of asurmane (demons) like Vedanta… We have to be on our guard day and night. Can they give us five million rupees for every mango tree they destroy? Can they pay the proper price of every tree? They’re coming from abroad, and want to displace us to some barren land!? It seems like some demons have come to life here from ancient myths. There’s thousands of us, and we have our axes ready for them. Namaskar.’(Sikaka 2010) [translation from Odia by Surya Shankar Dash]

Lado spoke these words ) when he got up to speak at the Public Hearing at Belamba village in April 2009 where a wide selection of the local community spoke against expansion of the Lanjigarh refinery to a production rate of six million tonnes per annum. His words expressed a deeper truth, a lot more succinctly and eloquently than any piece of academic writing. The proposal was finally approved in January 2016 (Business Standard 2016).

Investment driven development projects are gaining ground even though it is becoming apparent that investment funds flowing into India are geared towards creating huge profits from extracting resources for a very small elite. The resources include minerals, water, forest and land, as well as cheap labour, and life-forms such as crops and animals. The ideology driving investment involves a technocratic model of ‘development’, in which raising the GDP includes raising productivity through top-down, large-scale forced industrialisation, as well as GMOs and bio-engineering, and a huge increase in power generation, through coal, oil and gas, nuclear and hydropower (mega-dams); while the accelerating gap between rich and poor, devastated lives and livelihoods of those displaced, acute water shortages and pollution problems, and the resistance and painful divisions and conflict in society over rights to resources are glossed over as subsidiary problems in implementation. If the past conflicts were against the interventions of the developmental state, the new conflicts are staged in the same locations albeit against the corporations.

To take one example, the dam project whose water and electricity has now been diverted to Vedanta’s Lanjigarh refinery in Odisha, has long been the center of resistance against big dams. In the 1980-90s, the Upper Indravati reservoir project dammed five rivers in southwest Odisha funded by loans from the World Bank and turbines sponsored by Mitsubishi. Since the area is remote, the movement to try and stop the dam during 1989-1992 received very little national let
alone international publicity, even though this was just the time when the Narmada Bachao Andolan was active against the Sardar Sarovar dam. At least 40,000 people were displaced by this reservoir. Fifty per cent or more were Adivasis, and their situation continues to be appalling, with the majority far worse off than they were before, both among those who accepted resettlement in specially built colonies, and those who did not – many of whom were not considered eligible, for example when their villages remained while most of their land was submerged. Some were even marooned on islands (Padel and Das 2010: 95-100).

Unusually, a World Bank consultant recorded what a man and a woman said to her on a visit to an affected village in 1993 that got published:

‘If I starve you also bear a responsibility...’

‘We have nothing in our houses... You are a woman and we are women. You can see our situation and our children and you must understand. We can tell you things. Many things. You are a literate person from a big country. You understand these things that are happening to us. So please, as a woman, help us.’ (Caufield 1998 p.227; Padel and Das 2010 pp.96 & 455)

But do literate people in powerful organisations really understand what is happening? If so, what have they done about the immense suffering and injustice perpetrated here and in hundreds of similar projects throughout India and other ‘developing countries’, by the World Bank itself, and dozens of associated institutions?

In the documentary DAM-aged (Sahu 2009), people from one Upper-Indravati-affected village speak out. As they note, not one of the many promises they were made have been kept. No school, no health facilities, no safe drinking water, hardly any cultivable land. ‘If someone here gets ill, they wait here to die, unless they can raise the money from relatives or neighbours to travel the long way to town and visit a doctor and get medicine there.’ As for electricity – the project was built for hydropower as well as irrigation – on paper, displaced villages are supposed to have electricity; in reality, it never came, and since this scam has been done with all the proper paper work, politicians and bureaucrats alike wash their hands of trying to set it right. This documentary highlights the rarely heard voices of displaced people - ‘All our old people died within weeks of our forcible removal’ - ‘Before removal we lived like kings, we had so many kinds of food!’ - ‘We so wish we could show our children how we used to live! Sometimes when the water recedes a bit, we see the top of our temple and can’t hold back our tears. How well we lived then! Water no problem. Food no problem. Medicines available in the forest....’
The degrading labour work that is the best most can do now, breaking stones for construction, is paid very badly indeed and barely keeps families alive. All around the edge of the 30km long reservoir, the forest has receded (on top of the extensive forest directly drowned) as illegally cutting a bundle of wood and carrying it to a distant town is one of the few other ways of staving off starvation.

These kind of human details and voices from displaced people barely enter the resettlement literature. There is a ‘reality gap’ between policy and practice when it comes to resettlement and rehabilitation, and in the ‘development’ discourse in general, especially when it comes to foreign-funded ‘aid’ by organisations such as the World Bank and Department For International Development (DFID) of the UK Government (Mosse 2005).

One manifestation is in mainstream policy and media discourse on job-creation by ‘development projects’. Another is ‘infrastructure development’ – creating infrastructure to entice companies to invest here. For example, Posco’s planned steel plant cum port in Jagatsingpur district of Odisha was promoted as India’s biggest FDI (Foreign Direct Investment) project, and was cleared under direct pressure from the Prime Minister’s Office by Jairam Ramesh in April-May 2011 (Times of India 2011). It is projected as offering 48,000 direct and indirect jobs, with as many as 870,000 jobs estimated to come up during the next 30 years. Subjecting this to critical analysis, the Mining Zone People’s Solidarity Group (Iron and Steal – the POSCO-India Story, 2010, by a group of US-based Indian scholars in contact with grassroots organisations) estimates that 7,000-17,000 jobs would be created in the construction phase alone, with a very small workforce after this, while in the coastal area, the new steel plant and port would displace 20,000-40,000 farmers, fisherman and others, who would lose their land and established livelihoods altogether – an arithmetic the project report is silent on. Although the ‘excellent package’ for those accepting resettlement offers one job per family, with free ‘training’, the reality is that highly skilled livelihoods under people’s own control are being destroyed, while similar projects show that such job guarantees lapse in practice after a few years, since there is no independent agency enforcing them. Moreover, a huge Adivasi population in 84 villages in Sundargarh district and 32 in Keonjhar would be severely affected by the basic resource Posco’s project depends on – the iron ore, which is already being mined in the Kurmitar mine in Khandadhara mountain range (Mukerjee 2012; Padel October 2012).
Among many other dams built in India primarily to supply water and hydro-power for metal factories, we can mention Mandira and Hirakud in north Odisha, supplying Rourkela steel plant and Alcan’s Hirakud aluminium smelter from the 1960s; Upper Kolab, for Nalco’s alumina refinery in Koraput district; Rihand, Mettur and Hasdeo Bango dams (UP-MP border, Tamil Nadu and MP), supplying refinery-smelter complexes for the aluminium industry for Hindalco, Malco and Balco; and Rengali dam in central Odisha that supplies several steel plants. Each of these reservoirs displaced tens of thousands of Adivasis and other subsistence farmers (Padel and Das 2010).

A number of new dams in peninsular India are being made right now with a view largely or partly to provide water and power for metal factories, including Lower Suktel (Balangir district of Odisha), Polavaram (Andhra-Telengana-Odisha-Chhattisgarh border – Umamaheshwari 2014), and Bodhghat (SW Chhattisgarh). Many new dams in Northeast India are being planned or already under construction with a view to selling hydro-power, fuelled by an ‘MoU virus’ of briberization, and against people’s movements and environmental regulations (Sharma 2003; Mitra 2006; Benjamin 2008; Dharmadhikary 2008; Indigenous Peoples Issues and Resources 2010; Chakravartty 2011; Rajshekar 2013).

A similar situation applies to nuclear power stations that major movements are now resisting. At Kudankulam in Tamil Nadu, new power plants have been commissioned through violent suppression of local opposition, including a much-publicized shift towards penalizing foreign-funded NGOs (Selvaraj 2012), and at Jaitapur on Maharashtra’s coast another people’s movement is trying to stop a new nuclear power station based on French investment. Quite apart from its devastating impacts on ecosystems and communities, the nuclear power industry does not make economic sense, and has a well-documented international history of lying and concealing vital information (Ramana 2012).

Even worse is the Maoist civil war in Central India’s mining-affected areas. Part of the huge investments coming into these areas has funded a rapid increase in security forces, whose widespread atrocities include rape, committed with an impunity that guarantees repeat offending by men in uniform (Iqbal 2010; Padel 2008, 2011, 2013). Peace overtures by Maoist leaders Azad and Kishenji have ended with these men’s assassinations. From both sides, there is no end in sight, sacrifice people’s lives, for distant gains – a Maoist revolution in the distant future on one side, enormous profits from metal trading in distant places on the other.
Mining Corporations: The Vedanta Model

The story of how an Indian company named Sterlite Industries became a British company named Vedanta Resources, to orchestrate investment into India focused on the aluminium industry is well-known.¹ The early years of insider trading (indictements in 1998 and 1991) and tax avoidance culminated in bringing sums out of India through tax havens including Twinstar (registered in Mauritius), Volcan Investments (registered in Bahamas) and one called Angel Trading. Meanwhile, Sterlite had bought up Malco in Tamil Nadu in 1995, and a 51 per cent share in Balco in an exceedingly controversial deal in March 2001. Other investments followed, including a 64.9 per cent holding in Hindustan Zinc Ltd in 2002, Sesa Goa iron ore mines, Cairn energy for oil wells in Rajasthan etc, and others.

The investment orchestrated from London paid for constructing a new aluminium smelter at Korba, followed by the alumina refinery at Lanjigarh and a new smelter at Jharsaguda, coordinated around attempts to get at Niyamgiri’s bauxite deposits from 2003 till today (2016). Expansion at Sesa Goa, and the closing down of Goa’s iron ore mines, controversies around the buying up of Cairn India, plans for steel plants and nuclear power in Odisha, and for rare earth sand mining on the beach near Puri where Vedanta planned the world’s largest private university, and especially a major investment that Vedanta made in Zambia by buying up the Kongola Copper Mines, have been covered in Foilvedanta’s website (e.g. Foilvedanta references 2013-14).

To focus here on the Niyamgiri story is complex enough. Basically, within days of Vedanta Resource’s registration on the London Stock Exchange in December 2003, villages near the town of Lanjigarh in Kalahandi district of Odisha were being removed to make way for the fast-track construction of Vedanta’s refinery, in which an Australian and a Chinese company were involved. Villagers who protested were beaten up or jailed. As Dai Singh Majhi commented – a Kond villager who had refused displacement and compensation – ‘We’re being flooded out by money’ (Padel and Das 2010, p.148).

Forest and Environmental Clearance for the refinery and for mining bauxite from Niyamgiri just above had been applied for separately, and when the case came to the Supreme Court, the Central Empowered Committee sent a team whose report was clear that clearance should be refused, since bauxite mining would have strong negative impacts on the mountain’s and wider region’s ecology, especially on the streams that start from the bauxite deposit, as well as the
livelihood of many Dongria Konds. The Supreme Court judgement nevertheless appeared to go in Vedanta’s favour, after the judges commissioned favourable reports, and called for the setting up of a Special Purpose Vehicle in which the Orissa Mining Corporation (OMC) and Odisha Government were to be in Joint Venture with Vedanta, with the OMC doing the bauxite mining (a complex chain of events summarised in Padel and Das 2010, chapter 6).

However, this judgement was conditional on the Ministry of Environment and Forests (MoEF), which had not yet given clearance for mining; and after sending a team to look carefully into the case, Jairam Ramesh, as Minister, refused this clearance (Venkatesan 2010). Rahul Gandhi, visiting Niyamgiri in August 2010, invited the Dongria leader we have quoted, Lado Sikaka, who had days before been arrested by plainclothes police, tortured and threatened with death, onto the manch beside him to speak, and congratulated the Dongria on saving Niyamgiri (NDTV 2010). The OMC – now directed by the same Saswot Mishra who had been Collector of Kalahandi orchestrating the removal of villages to make way for the refinery in 2004! - appealed this refusal at the Supreme Court. After several hearings, the Supreme Court, in a judgement in April 2013, ordered the affected villages in Niyamgiri to decide whether they wanted mining ‘and development’ or not. The Odisha Government selected twelve villages, and though many civil rights groups said that all Dongria villages should decide, as it affected them all, Gram Sabhas were organised in these selected twelve communities during June-August 2013. All twelve voted unanimously against mining (against Maoist diktats – The Hindu, 2013); and also refused being granted individual plots of forest under the Forest Rights Act, on the grounds that traditionally they had rights to the whole area, including the contested summit which is the abode of their deity Niyam Raja, under which the bauxite deposit lies (events summarised in Padel 2014, Choudhury 2014, and Foilvedanta articles).

Despite this victory, after Maoists kidnapped two Italian tourists in 2012, demanding an end to ‘tribal tours’ in Odisha, the Odisha Government obliged, temporarily banning them, as well as foreigners’ entry into Maoist-affected districts, with the result that Dongria villages have been entered and harshly harassed by ‘combing operations’ by the Central Reserve Police Force (CRPF), who have built camps around Niyamgiri, often behaving brutally towards Dongria, jailing several known activists, and often reportedly feasted by Vedanta (BBC 2012; Patra 7 and 13 June 2013; Rajshekar 2015).
Vedanta’s recent attempts to get hold of Odisha bauxite focus on Niyamgiri, as well as neighbouring bauxite-capped mountains near Karlapat in Kalahandim, including Kandhual Mali; approached from Lanjigarh through prime forest, what still has elephants and other apex species, which connects these ranges with Niyamgiri - ranges where Kond villagers are equally determined to resist the mining of their mountains (Padel 2014; Mohanty 2015).

The Vedanta model is symptomatic of a widespread pattern exemplified in the aluminium, steel, power and construction industries, where a rapid influx of financial investment is having catastrophic impacts on ecosystems and the communities that have lived largely in symbiosis with them over countless generations. In the words of Odisha Adivasis – ‘We’re being flooded out by money’, ‘We can’t eat money’ and others - contradict assumptions underlying the Human Development Index (HDI), that measure well-being by income. Implicitly, through such words, Adivasis also reject the ‘briberization’ values of mainstream money where ‘eating money’ (paise khanna) is the common Hindi expression for taking bribes.

Through a few key projects in the deeply connected industries of aluminium, steel and coal, links between foreign investment and large-scale displacement are particularly clear, (Kaur 2012 p.605). Essar Power followed Vedanta’s example of registering on the London Stock Exchange with a view to eliciting investment for its highly controversial Mahan coal mine and power plant in Singrauli, Madhya Pradesh.

Coal mines are expanding throughout central India, especially on Adivasi lands, and perhaps India’s real coal scam is not ‘Coalgate’ – the biased allocation of coal deposits, avoiding competitive bidding, during 2004-2009, that was revealed in a draft report from the Comptroller Auditor General in March 2012 – so much as the over-ruling of Jairam Ramesh’s ‘No Go Areas’, by which the Ministry of Environment and Forests had attempted to place a moratorium on just over one third of India’s coal deposits, lying under exceptional forest cover. The concept of these ‘No Go Areas’ was dramatically rejected under pressure from the Coal and Energy Ministries, with support from the Prime Minister’s Office, during 2010-2011. One of the main faults highlighted by ‘Coalgate’ is that many coal deposits have been kept idle and non-producing. But who says they should be producing? – that these coal desposits should be mined as rapidly as possible? Not the communities who are protesting against new coal mines in Singrauli and Jharkhand for sure! The media-highlighted ‘Coalgate’ issue has thus masked the considerably more sinister implications of rejecting ‘No Go Areas’, confusing public perception of the
numerous anti-coal-mining movements emerging as companies race to start mining ‘greenfield’ deposits (Times of India 2010; Siddhanta and Sinha 2011).

The financial pressures are all too clear. With a view to gathering momentum from international investment, Coal India – the world’s biggest coal-mining corporation – held an IPO (Initial Public Offering) sale in October 2010 that raised $3.43 billion, oversubscribing the shares on offer by fifteen times, with bids from leading US and other foreign banks and investment firms (Padel, Dandekar and Unni 2013: 109).

But how long will India’s coal deposits last? India’s Coal Deposits Are Vastly Overstated: Is Anyone Listening? – a report by TERI (The Energy Resources Institute, formerly Tata Energy Research Institute, 2011) - makes clear that at present rates of extraction, India’s coal reserves can last just 45 years – and present rates are rising fast! Already, India is importing a large proportion of its coal – both thermal or ‘steam’ coal for power stations, of which Indonesia produces about 25 per cent of the world’s supply, with India its biggest customer, at immense cost to Indonesia’s forests and forest communities; and also bituminous, coking or metallurgical coal, of which Australia exports 50 per cent of world supply (Mines and Communities 2010). Even in Australia, many communities are resisting new coal mines, at great sacrifice, especially Adani’s planned Carmichael mine, including crucial Aboriginal opposition (Movlan 2014; Tejas 2015; McKenna 2015).

Most of India’s coal deposits have a high ash, moisture and sulphur content, making them suitable for power plants, but not for steel plants. Only 15 per cent is bituminous or coking coal. This is concentrated in the Jharkhand-West Bengal area around the Jharia coalfields, notorious for unextinguished underground fires and vast degradation of the natural environment and formerly forest-based tribal communities that live there. Since this coal is suitable for steel plants, and India’s steel production is rising fast, pressure to mine these deposits is also rising fast, and we have witnessed movements by Adivasi communities resisting this pressure through democratic councils – pressure which manifests in the form of threats and potential violence.

India’s area of highest concentration of coal mines and power stations is Singrauli in Madhya Pradesh.

Singrauli, the energy capital of India, stinks. It stinks of human degradation and it stinks of the negligence of the Indian government and the World Bank which together have created an
environment described here as the lower circle of Dante’s Inferno … [where] 70,000 contract labourers now work in semi-slave conditions under corrupt labour contractors. (Rich 1994: 38-40)

At least 20,000 people had already been displaced by 1994. Current investments for new coal mines and power plants were estimated in 2011 at 45,000 crore rupees, with a view to generating 11,000MW of power. Over 3,000MW of this planned capacity is to come from an Ultra-Mega Power Plant called Sasan being built by Reliance, in mining partnership for developing three ‘captive mines’ with North American Coal Corporation.

Mahan Forest is an area in Singrauli where communities that have voted against new coal mines are being over-ridden, threatening another 14,000 people with displacement (Greenpeace and Kalpavriksh 2012), with a view to serving Hindalco’s aluminium factories at Renukoot (just across the border in UP), and Essar Energy, whose investments came by listing on the London Stock Exchange in April 2010. As local Adivasis say,

‘Now the company people don’t allow us to enter the forest. They say the forest is now theirs. How can it be? If the government gives away these forests, we have no other means to live, and we will not even get any compensation…’ (Suchitra 2011)

A Forest of an estimated 500,000 trees is to be cut for the project, affecting the livelihood of 54 tribal villages, whose ‘consent’ they claim is fraudulent. With the High Court in Jabalpur seeking an enquiry into this claim, a Collector about to hold a new Gram Sabha vote on the issue, in Amelia village, was transferred in August 2014. Essar and Hindalco say they have already invested Rs.20,000 crore in the project (Mandavia 2014). Hindalco is part of the Birla Group, which was the biggest single contributor to the BJP in the 2014 election (Dhawan 2014). Greenpeace activists have been targeted for undermining this coal-intensive investment by Essar and Hindalco (Naveen 2014). Similarly in coastal Andhra Pradesh, many new coal-fired power stations are coming up on fertile land, with considerable police repression against protesting villagers (Masjumdar 2011; Sekhar 2011; Dharadhikary 2014).

**Investment that Fuels the Resource Curse Dispossession**

Foreign investment often appears as an obvious benefit, bound to promote ‘development’ by raising the GDP, while the ecocide of devastated biodiversity and water systems, devastated livelihoods of those displaced, and the intensely violent conflicts over resources presently gripping Eastern Central India are perceived as unrelated to the pattern of investment or rationalised as
acceptable costs. It is assumed that investment-led growth is reducing poverty, or is bound to reduce it.

On the contrary, careful economic analysis of poverty trends shows precisely the opposite, and long-term benefits for the country as a whole from this extraction-oriented investment are highly questionable, since ecosystems are being devastated alongside communities (Alternative Survey Group 2007; Bhaduri 2009, 2010; Sharma 2009, 2011). The situation in India follows a trend in which poverty statistics are regularly manipulated to show a reduction in poverty, when actual trends are getting worse, and over 60 years of World Bank-led investment has produced a situation where India leads the world in malnutrition (Pred 2014; The Hindu 2015)

The Congress-led Government in power from 2003-2013 took drastic measures to attract investment, from promotion of Vedanta among many other companies, to the SEZ Act (2005), and biggest-ever World Bank-orchestrated loans for road building starting in 2011 (Jaogota and Gangopadhyay 2011). The Government showed some ambivalence, as in Rahul Gandhi’s stand with the Dongria against Vedanta; passing a succession of Acts seen as ‘pro-people’, including the Forest Rights Act (FRA, 2005) and the Land Acquisition, Ressettlement and Rehabilitation Act (LARR, 2013). A succession of probes into illegal mining, including the Shah Commission, brought out damming reports in several states, including Odisha (Express News Service 2010), but was curtailed when it reached Chhattisgarh and Jharkhand (Counterview 2013; Chakravartty 2013; Economic Times 2014; Dungdung 2015); and care was taken to prevent investment into Odisha from diminishing for example (Times of India 2013; Mohan 2014).

When Jairam Ramesh was Environment Minister, at least he questioned the pressures coming from business lobby groups, and noted the complete lack of dialogue between business and environmental or social activists (Ramesh 2010; Kumar and Bhushan 2012), though his clearance of many projects trashed environmental regulations (Bidwai 2011). His two successors in the Congress-led Government were more virulently pro-business in their rate of clearances (Pannu 2013; The Hindu 2014; Daniel & Verma 2014).

Since the BJP-led Government came to power in mid-2014, the tendency to attract foreign investment at any cost has been even more marked, with a tendency that many have criticised to over-ride environmental and ‘people-friendly’ legislation, including the FRA, the LARR Act, labour rights and environmental safeguards (Aggarwal 2014; D’Monte 2014; Daily Pioneer 2014; Kumar and Chauhan 2014; Jigeesh 2014; Mahabal 2014; Narain 2014; Prajapati 2014; Sainath
This escalation of pressure to clear projects to make way for investment is part of a world-wide trend (Narayan 2014).

In India, starting with Manmohan Singh’s deportation of the German national who was questioning investment for the Kudankulam nuclear power station (Selvaraj 2012), there has been a tendency to crack down on activists on a wide range of environmental and social issues. An Intelligence Bureau report, commissioned by the Congress-led Government but released by the new BJP-led Government soon after it came to power in May 2014 portrayed Greenpeace among many other foreign-funded activists and NGOs as ‘anti-national’, without questioning the loot of India’s resources being orchestrated by foreign entities (Concerned Citizens 2014; Das 2014; Samantara 2014; E.A.S. Sharma 2014: Shiva 2014). Movements where village communities are opposing projects that will devastate their ecosystems and livelihoods are regularly portrayed as ‘anti-development’ or ‘anti-national’, though from a different perspective they can be seen as safeguarding India’s resource base for future generations (Dungdung 2013; Das and Padel 2013; Das and Rose 2015; Gill and Bhattacharyas 2015).

In many ways, the investment pouring into central India is fuelling a classic resource curse, and a resource war (CSE 2008; Padel and Das 2010: 343-7). The corruption surrounding India’s – and the world’s - mining industry is not an occasional, but a deeply embedded structural feature (Padel and Das 2010: 202-6; Schneider, Bueh and Montenegro 2010). In India, it extends the black economy, first analysed around the urban property market (Kumar 1999) into land-grabs in India’s remotest regions that have profoundly negative impacts on ecosystems and communities, all fuelled by black money (Tiwari 2013; S. Sharma 2014). Worldwide, tax havens such as Vedanta have been used by leading financial institutions in ‘developed countries’ such as France, UK and the USA not only to avoid taxation but also to launder black money into ‘legitimate’ investments (Shaxson 2012).

For all these reasons, the economics of investment-led growth need to be questioned from a holistic balancing of costs against benefits (Padel and Das 2010: 373-395; Padel, Dandekar and Unni 2013: 9-20). The destruction of ecosystems, especially through excessive water usage, by the steel and aluminium industries in particular, needs far better calculation (Ritthoff, Rohn and Liedtke 2002; Padel and Das 2010; Das and Rose 2015). Is the concept of economic growth a manifestation of the world’s ‘most dangerous fundamentalism’? Given the earth’s dwindling resource base, should we be aiming at planned de-growth to avoid a catastrophic melt-down, far
worse than the 2008 crash? (Heinberg 2011; Padel, Dandekar and Unni 2013; Kothari 2014) Shouldn’t water, food and livelihood security be central to real development? (Padel 2012) Could it be that people’s movements aimed at safeguarding their local resources are the cutting edge of real development?

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1 See Out of This Earth: East India Adivasis and the Aluminium Cartel (Padel and Das 2010, especially chapter six).