

# Mining has spelt ecological disaster

By PRAVEEN BHARGAV

The gold rush at the Olympics in China may have just commenced. But the iron ore rush that started some years ago to meet the Chinese demand has severely scarred Karnataka's rich forest landscape and continues to threaten the State's ecological security.

There are three broad dimensions to the present mining mess. First, Karnataka's natural heritage has suffered serious damage due to an extremely callous approach of granting mining permissions in forests and ecologically sensitive areas. Open cast mining by its very nature is an extremely destructive activity which causes severe damage to the landscape. The cascading impacts increase several fold when mining is allowed in high rainfall areas of the Western Ghats due to massive soil erosion and siltation.

In Kudremukh, scientific studies accurately documented the sedimentation impact on the Bhadra River due to mining of low grade ore. The data irrefutably established that the mine which occupied less than 1 per cent of the catchment area contributed over 50 per cent of the total sedimentation in the river and reservoir. In Bellary too, there are reports that the storage capacity in the Tungabhadra reservoir has reduced from 133 TMC to less than 100 TMC due to siltation.

Ecological research over the last quarter century has established the deleterious effects of habitat fragmentation due to mining, highways and such other intrusions on forests. When a large block of forest gets fragmented into smaller bits, the edges of all these bits come into contact with human activities, resulting in the degradation of the entire forest.

Continuity of forested landscapes and corridors get disrupted affecting several extinction prone species of wildlife. Habitat fragmentation is therefore considered as the most serious threat to bio-diversity conservation. Ad-hoc grants of forest lands to mining companies coupled with rampant illegal mining is aggra-



Photos by K S Abdul Samad

Nature ravaged... The once pristine Sandur forests reduced to barren patches due to mining

vating this threat.

Most mining companies adopt a "scoop and scoot" approach which exacerbates the negative impacts. While several conditions on environmental safeguards are imposed in mining leases, they are rarely implemented on the ground. For instance, the careful storage of top soil at the start of mining operations is crucial for restoration of the mined area. The track record of mining companies on this front is abysmally poor. Grave deviations of mining

regulations on formation of benches, roads and slope stability are overlooked for which the department of Mines and Geology is comprehensively culpable.

The second issue is the scourge of illegal mining. Illegal mining itself has two facets - wholly illegal miners and companies with legitimate permits for a specified area who illegally extend outside their lease boundaries and smuggle multiple consignments on a single permit.

Such illegal operations obviously point to an entrenched nexus with politicians and officials. As a result, there appears to be a systemic collapse of monitoring illegal mining and transport of ore. Officers with dubious service records are hand picked and posted to hot beds of mining. Occasionally, a committed officer who lands up and starts implementing the law is hounded out.

The third aspect concerns the absence of a credible long-term policy on conservation and

export of mineral resources. Policy planners estimate that India's iron ore reserves would last 200 years. But that is possibly based on the naïve assumption that India's present per capita consumption of just 30 kg would not increase. If the current projections of GDP growth are achieved, the per capita consumption would increase to 200 kg. So what's the way forward? Export of iron ore and other minerals must be tempered by long-term national interest. We could possibly take a cue from the mineral policy the US adopts. Despite having huge reserves they import minerals and conserve their own resources for the future.

India's present policy to allow export of 70 million tons of iron ore extracted at low royalty rates and without value addition is at the heart of the mindless mining conundrum. This myopic policy must be recast to address the fundamental problem. To ensure tighter regulation, the government must initially grant only an 'in-principle' approval for the area sought. A phased, compliance linked block-by-block mine working permission must be granted to keep tabs on hazardous mining practices.

Grant of further permissions must be provided only after independent certification that mining in a permitted block has been carried out as per the approved mining plan and restoration work is substantially complete in the initially worked block. This will minimise the impact of haphazard mining by unscrupulous companies. A complete stoppage of further mining in the Western Ghats and other forests including ecologically sensitive areas must be diligently enforced.

Justice Shylendra Kumar's landmark judgment could not have come at a more opportune moment. The high court judgment may well have provided Chief Minister Yeddyurappa the leverage to keep powerful mining interests within his Cabinet in check. His initial reaction that the high court order will be implemented deserves a cautious welcome.

*(The writer is a trustee of Wildlife First and a member of the National Board for Wildlife)*

## What the high court says:

- ◆ The March 15, 2003 government order allowing mining in some of the forests in the State quashed and a ban imposed
- ◆ State and Union govts should consider suitable legislation for conservation of minerals at least in forest areas
- ◆ Make a clear distinction between forest and non-forest areas
- ◆ Take expert opinion before granting licences
- ◆ Take steps to conserve existing forest and those declared as reserve forest
- ◆ Make a scientific and conscious evaluation of the forest areas for conserving mineral wealth
- ◆ Consider nationalisation of mining activities
- ◆ Avoid ecological imbalance

## Plethora of laws, but a lot of loopholes

- ◆ Mining activities are regulated by Forest Conservation Act 1980, the Karnataka Forest Act 1983 and Wildlife Protection Act.
- ◆ The State government recommends to the Union government and the Ministry of Environment and Forests for grant of mining leases; in turn, it is entrusted to the Forest Advisory Committee.
- ◆ Any violation of Forest Conservation Act is supposed to invite criminal prosecution as well as a fine
- ◆ If the mining involves the national park or wildlife sanctuary, proposal must be referred to National Board for Wildlife; later scrutinised by the central empowered committee of the Supreme Court.
- ◆ Neither the State government nor the Centre can suo motu accord permission. A proposal has to be forwarded by the state and the Centre either accepts or rejects it. If it is rejected, the State cannot grant any mining lease

# MINING POLICY for whose benefit?

By Ajith Athrady

The Centre and the states seem to be at 'war' with each other over the mining policy. Ever since the United Progress Alliance (UPA) government at the Centre brought out a new mining policy early this year, it has been facing strong opposition from mineral rich states.

Though the Congress-led government has defended the new policy --

National Mineral Policy, 2008 -- saying that it would attract over \$2 billion investment and create five lakh additional jobs in the next five years, mineral rich states have refused to accept this argument.

The new policy, which was announced after two years' delay following differences between the states and the Centre, virtually rolls out a red carpet to multinational companies, allowing 100 per cent foreign direct investment (FDI) in the mining sector.

Under the new guidelines, foreign and domestic firms will find it easier to invest in the exploration and mining of gold, diamonds and other metals like copper and zinc. The prospecting companies will automatically obtain a mining licence.

But mineral rich states like Jharkhand, Chhattisgarh, Karnataka, Rajasthan and Orissa had voiced concern that the policy, while allowing the MNCs to exploit their mineral wealth, would

only give them royalties of 2-3 per cent on the sales. Rebutting the Centre's claim that the FDI was allowed as Indian companies are not equipped to explore mineral deposits in the country, states in their joint memorandum to the Centre say that the new mineral policy intrudes into their rights on natural wealth.

The Centre aims to increase the contribution of metals and mining sector to the GDP which at present stands at just 2.8 per cent, with only 5 per cent of the country's mineral wealth being explored. "We have no option but to encourage multinationals as they are well equipped to take up exploration," says minister of state for mining T Subburami Reddy.

Alleging the new policy is influenced by the international mining lobby, Orissa Chief Minister Naveen Patnaik, in his recent letter to the Prime Minister, urged him to strengthen the public

sector to excavate the minerals.

Many states including Karnataka have favoured nationalisation of mining to prevent "plundering" of the country's wealth. Even former Prime Minister HD Deve Gowda, who believes that the powerful mining lobby needs to be curbed, has supported the nationalisation demand.

However, nationalisation is not an easy task as the mining industry has a strong hold over the Central government. "Let alone nationalisation, the lobby is so strong that it didn't allow the government to even increase the royalty," said an official in the Union ministry of mining.

Though an expert committee constituted in 2006 recommended an increase in the royalty on all minerals, the Centre is yet to take a decision. Even a minimal demand for hike in royalty on iron ore from Rs 13 per tonne to Rs 27 per tonne depending on quality, has been put in the cold storage.

## MINERAL WEALTH

- ✓ India produces 89 minerals, of which 11 are metallic and 52 non-metallic
- ✓ The country is estimated to have 2.92 billion tonnes of bauxite, or 10 per cent of the world's reserves, and 276 billion tonnes of coal
- ✓ It also has 14,000 tonnes of gold reserves, but the country produces only 3 tonnes of the total annual demand of 800 tonnes
- ✓ India ranked among top 10 globally for deposits in iron ore at 25.2 billion tonnes
- ✓ The country also holds leading positions globally in mica (No 1), barytes (No 2), chromite (No 4), kaolin (No 4), and manganese (No 7)