

Coal Block Allocation: A Scam or Red Herring

The coal block allocation today is in an enviable spotlight. In all this hullabaloo of multi zero Crores and zero sum losses, truth has been blurred. It appears that assigning reasons where there are none and cooking up conspiracy theories in the face of pure logic is a national pastime.

We have had scams before. In contrast, what we are seeing today is sensationalism. A competition of sorts to shout from the rooftops at the top of the voice is underway. This can only be described as a TRP driven scam.

We remember that a “spineless” Government followed an existing policy of coal block allocation in a discretionary manner. What we tend to forget is that the people of this country could have been real beneficiaries of this largesse. They would have been provided with cheaper power owing to cheaper input costs for the power producing firms. What we tend to forget is that these mines are located in remote and backward areas, which remained untouched by the “**India Rising**” story. Coal mining had the potential to bring employment, roads and the promise of a better future. That, it appears, is blasphemy for the self-proclaimed righteous brigade. What we forget is that the allocations were not arbitrary – that there was a screening committee consisting of career bureaucrats and politicians from varied political parties has been conveniently glossed over.

The unwanted noise has resulted in the stagnant growth of Coal mining. The need of the hour is to use the massive coal reserves of over 285 Billion Tonnes to drive the engine of growth. An artificial supply side shortage has been created and the power producers are forced to look outside for sourcing coal.

This controversy will sear Indian economy for a long time to come. The loss to investor confidence will be hard to undo. It is shameful that the Government rarely takes a decision, now what we see is even more damning – a Govt. unable to give its word. This loss of face will only cause greater paralysis in policy making.