Analysing the Policy Drawbacks of the Auction of Coal Mines in India

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With the pandemic slowing down the economy, it is a top priority to identify policy measures that can boost the economy of our nation. However, the manner in which the Prime Minister proposes to go about is highly contentious and needs to be deliberated upon and examined further.

On 18th June, PM Narendra Modi introduced the ‘Atmanirbhar Bharat Abhyan’, a plan essentially created to auction 41 coal mines of India for the purpose of commercial mining. This would be the very first-time private players have been allowed to mine coal for commercial purposes without any end-use restrictions being imposed. To put it simply, mined coal can now be sold without any limitations of it solely being with commercial intent hence, they are no longer restricted to only the firms' consumption. Though the intentions behind this scheme may be noble, we must take into consideration how the policies’ actual implementation is likely to impact the citizens of our nation.

A sizeable chunk of the coal mines in question come under Scheduled Areas in India, which has a majority of tribal population. Many of the coal mines which are set to be auctioned for this purpose are in forest areas and have tribals dwelling in them whose livelihoods depend on the forests and its resources. Extensive mining of the coal mines will be extremely detrimental to these communities and to the forest and its resources.

Sarpanches from 9 villages in Chhatisgarh have written to PM Modi, stating that 6 of the coal blocks to be put up for auction are in the Hasdeo Arand Forests and that the sale of these coal blocks would threaten the livelihood & culture of Adivasis there. Another concern has been that given the pandemic, it would be difficult to fetch the market price for coal. These issues have been taken up by the Jharkhand government which moved the Supreme Court in regards to the deliberation upon the matter at hand.

To add to all these drawbacks, it is important to note that coal is a scarce resource due to its non-renewable nature and its mining and combustion will have a detrimental effect on the environment. While most nations are actively trying to avoid pollution, India taking such a step in the opposite direction is inadvisable, to say the least. After all, the lack of “end-use restrictions” suggests that these mines could easily be over-exploited. This over-exploitation will prove to have serious repercussions for the local population as well as the environment.

Merits of this plan surely do exist and India does need to utilise the resources at its disposal to support itself. Furthermore, as reported by the policymakers, the implementation of this plan is likely to generate revenue and employment opportunities which will be beneficial to the economy. Thus, on paper, the policy sounds promising for the economy. However, the cost to be paid for this is not only rather steep but also one that will be paid by an already weakened section of our society. It would be prudent to consider other alternatives, especially ones that keep in mind the well being of the tribal community.

The answer is never black and white. Hence, we must ask ourselves a few crucial questions. Does this policy aid or hamper our economy and citizens? Which cause do we prioritise and deem to hold more importance when it comes down to choosing between preserving the lifestyle and livelihood of the tribals and bolstering the economy in these trying times?