

CONVERSATIONS: National Mineral Policy 2019 — balancing stakeholder interests and concerns

A Business-friendly New Mineral Policy

Pradeep Kumar Jain *

1. INTRODUCTION

The use of natural resources, including minerals, is the backbone of global economics and in turn of human development and well-being. Mineral wealth, though finite and non-renewable in the long term, is a major resource for development (Jain, 2018). Mineral policies are crucial documents that governments use to establish goals of sustainable mineral raw material supply and steps leading towards the fulfilment of such goals. The journey of mineral policy in India is over seven decades now. It shows a blueprint of changing scenarios in mineral development from supply of raw materials to mineral base to sustainable development including intergeneration equality. The expected objectives under the National Mineral Policy 2019 are an increase in the production of minerals and a reduction in the trade deficit in the minerals sector.

2. NATIONAL MINERAL POLICY 2019 — KEY CONCERNS

As pointed out by Basu (this issue), the Hon'ble Supreme Court has noted the absence of any effective check on mining operations rendering the NMP 2008 “only on paper”. The aim of National Mineral Policy 2019 (NMP) is to have a more effective, meaningful and implementable policy that brings in further transparency, better regulation and enforcement,

* Indian Bureau of Mines, 2nd Floor Indira Bhavan, Civil Lines, Nagpur, Maharashtra 440001; pkjain3661@gmail.com

Disclaimer: The views expressed in this paper are the personal opinion of the author. Indian Bureau of Mines, the organization where the author works does not endorse the views as expressed by the author nor does it assume any responsibility or liability for the same..

Copyright © Jain 2020. Released under Creative Commons Attribution-NonCommercial 4.0 International licence (CC BY-NC 4.0) by the author.

Published by Indian Society for Ecological Economics (INSEE), c/o Institute of Economic Growth, University Enclave, North Campus, Delhi 110007.

ISSN: 2581-6152 (print); 2581-6101 (web).

balanced social and economic growth as well as sustainable mining practices. Focus on transparency, better regulations and enforcement, balanced growth and sustainability, and the grant of industry status to mining activity would boost the private sector's access to finance and acquisitions of mineral assets abroad. NMP is expected to ensure more effective regulation and will lead to sustainable development in the mining sector while addressing the issues of project affected persons especially those residing in tribal areas. However, some key concerns remain:

- **Creating exclusive mining zones and simplifying clearances –**

A key proposal that has been introduced in the NMP is the creation of 'Exclusive Mining Zones' (EMZ). These 'zones' will come with approved, in-principle clearances to "curtail delay in commencement of mining operations". In-principle clearance is tied to forest land diversion for non-forestry purposes. As most major mining activities involve such land diversion, this will help to open up huge tracks of forest land to multiple companies and investors for mining in one go. The proposal will create major loopholes in obtaining successive clearances and permits by mining companies who will be part of the EMZ, and also in compliance of clearance and permit conditions. All in all, serious concerns arise about the impact of this proposal on forest ecology, wildlife corridors and forest-dependent communities.

In fact, making the clearance process simpler and faster for the commencement of mining operations has been repeatedly emphasised in NMP. It even mentions that in case of delay, there shall be provisions for the project proponent to "generate triggers at a higher level" in the online portal of clearances. The environmental clearance (EC) and forest clearance (FC) process over the past five years has been streamlined and simplified (making it single-window) for the convenience of the project proponents. In all these, the only exception that the NMP makes is for 'critically fragile ecological areas', which, it says, should be declared as a 'no-go' and 'inviolable' area for the purpose of mining. For all other areas, 'easing development' is the prerogative. Such initiation may avoid indefinite delay in acquiring clearances for land acquisition, forest, environment, wildlife, ecology etc., in implementing mining projects.

- **Community concerns addressed well but cannot lie as a postscript –** Ensuring the welfare of mining-affected communities is one aspect that the policy refers to in a more articulate manner. Three things have been emphasised in this regard — relief and rehabilitation of the displaced and affected persons, devolution of mining benefits to project affected persons through District Mineral

Foundation (DMF) and ensuring the welfare of tribal communities. The NMP also emphasises on implementing all the provisions of rehabilitation and resettlement as outlined in the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

However, given the penchant for easing mining and attracting investments, ensuring the welfare of communities can only become postscripts of such activities. If the government is serious about ensuring the welfare of people in mining areas and securing their rights, it must improve mechanisms of giving clearances, management of environmental pollution and preservation of natural resources, with which the lives and livelihoods of these people are intricately related.

3. POLICY IMPLICATIONS

The NMP is an ambitious statement of intent to revitalise India's mineral sector, that can catalyse sustained socio-economic growth. Ensuring environmental sustainability through responsible mining, while improving performance standards, is therefore a major development and policy priority of the mining sector (Jain *et.al.* 2016). NMP has tried to ensure more effective regulation for the mining sector development in future. To Kumar (this issue), the NMP 2019 is thus primarily a revision of the NMP of 2008 to incorporate these aspects. The government should set up an independent 'Minerals Audit Agency' to monitor all aspects of mining operations i.e. financial, social and environmental.

The mining sector has long been mired in issues of unscientific mining methods, poor track records of environmental and social performance, and high instances of illegal activities. The regulatory environment, and capacity and accountability of our authorities, have also sustained this. Given this, the need to develop a new NMP was a timely proposition. It was a crucial opportunity for the government to come up with a policy document that would guide the mining sector to function with utmost environmental and social responsibility, besides economic considerations.

4. A BUSINESS-FRIENDLY POLICY

Developing partnerships with stakeholders including state governments, mineral and mineral-based industries and various Ministries/ Departments of the Central Government concerned is necessary for development and conservation of mineral resources and formulation of a strategy to ensure

raw materials security. In one-and-a-half years, the policy that has finally been developed is actually one that is a win-win for mining companies and investors. While the document mentions that mining should be environmentally sustainable and equitable, there remain serious questions on how effective this policy will be in ensuring environmental protection, ecological conservation and in protecting people's rights in the mining areas. With a focus to ramp up mineral production massively, the new policy is largely guided by the penchant for 'ease of doing businesses' and attracting investments. Ranjan (this issue) notes that NMP proposes to increase the production of minerals by 200 per cent in the next seven years. Several mechanisms have been proposed to ensure this. A proposal to set up 'Minerals Audit Agency' will be the guiding and monitoring force to achieve the envisaged goal set for NMP.

REFERENCES

- Jain, P.K. 2016. "Reformation in mining Sector: A national perspective." *Mineral Economics* 29 (2–3): 87–96
- Jain, P.K., A. K. Ray, S. K. Sharma and R. N. Bedekar. 2018. "An Overview of Indian Mining Legislative Reform." *The Indian Mining & Engineering Journal* 57 (04): 16-25