

## **Neoliberal Policies in the Mining Sector and The Struggle Towards Sustainable Development**

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### **Introduction**

The year 1947 is well known around the globe as the year of independence of India from British rule. After centuries of economic plunder of the Indian subcontinent, the Britishers left the territory, reducing it to one of the poorest countries in the world. Post-independence, the government aimed to achieve economic prosperity through numerous socialist policies, with the private sector having only a minimal role. This policy determined the future of all industries, including the mining sector.

However, there was another crucial development in 1947 which does not have an apparent connection with the developments happening in India or her mining sector. However, five decades later, came a significant cause of the paradigm shift in the regulation of the Indian economy and consequently, the mining sector – the birth of the Mont Perlin Society at Switzerland. Established by leading economists such as Fredrich Hayek, Ludwig Von Moses and others, the Mont Perlin Society advocated for free market economic policies and individual freedom against the then prevalent state interventionist and socialist policies. In other words, the society revived classical liberalism in the form of neoliberalism, which swept across the world in the later decades.

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This paper analyzes the impact of neoliberal policies on the Indian mining sector and the consequent struggle it entails in achieving sustainable development and its goals. The first section of the paper deals with the history of mining regulation in pre-liberalized India until 1993. The second section explains the changes in the regulation of the mining sector post-liberalization from 1993. The third section discusses the idea of sustainable development, its dimensions, its goals and the specific measures taken by the Indian government to achieve the same with regards to the mining sector. The fourth section brings together the issues mentioned in the previous section and argues that under the current regime, where neoliberal logic is gradually yet consistently penetrating the mining sector, achieving sustainable development goals will remain a distant reality. Various indicators which lead us to these conclusions are discussed and analyzed. Thereafter, the paper is concluded.

### **Regulation of the mining sector in India pre – liberalization (1947 – 1993)**

After centuries of economic plunder of the Indian subcontinent, the Britishers left the territory, reducing it to a highly unequal society, both socially and economically. The primary concern post-independence, thus, was to accelerate social and economic prosperity for all and make the society less unequal. The Nehru government aimed to achieve this by implementing policies that were socialist in nature. Excessive state intervention in the market was pursued through various measures and controls the introduction of centralized planning, the increase of public investment in key industries, the establishment of more public sector organizations and so on.

In this context, it is understood that during the post-independence period the mining sector also saw excessive state intervention, centralized planning and

the minimal presence of the private sector. Identifying the mineral industry as having 'basic and strategic importance' to the country's development, the Industrial Policy Resolution of 1948 and 1956 classified minerals according to their importance under three schedules. Schedule A consisted of major minerals exclusively reserved for the public sector such as coal, lignite, copper etc.<sup>1</sup> Schedule B consisted of other major minerals which were progressively state-owned, and Schedule C consisted of minor minerals which permitted private industries, however, through a system of licensing.

Entry 23, List II, under the Seventh schedule of the Constitution, assigned the legislative power over minerals to the state governments. However, under Entry 54, List III, the parliament could override this exclusive power if it thought it was necessary to “intervene in the public interest”.<sup>2</sup> Here the desire of the government to have centralized control or a monopoly over the mining industries is clearly visible.<sup>3</sup> Subsequently, in 1957, the Mines and Minerals (Development and Regulation) Act (MMDR) was passed by the parliament deeming it necessary to intervene in public interest. This, along with subsequent amendments further institutionalised the monopoly of the state in majority of the mining activities. Thus, the regulation pattern of the mining sector was essentially through excessive centralized state control, market interventions and allowing only a minimal role of the private sector. However, the post-liberalization era saw a paradigm shift with regards to the presence of the state in the mining sector. Influenced by the global trend of adopting

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<sup>1</sup> Nilmadhab Mohanty, SUSTAINABLE DEVELOPMENT: Emerging Issues in India's Mineral Sector, Institute for Studies in Industrial Development 2012 available at: [https://niti.gov.in/planningcommission.gov.in/docs/reports/sereport/ser/isid\\_mining%20\\_report1206.pdf](https://niti.gov.in/planningcommission.gov.in/docs/reports/sereport/ser/isid_mining%20_report1206.pdf)

<sup>2</sup> Rajeev Dhavan, Mining Policy In India : Patronage Or Control ?, Vol. 34, no. 2, JILI , Indian Law Institute, pp. 218 (1992) <http://www.jstor.org/stable/43951425>.

<sup>3</sup> *Id*

neoliberal policies, the government decided to 'stay away' from the market and gave away its position to boost accumulation of private capital.

### **Regulation of the mining sector in India post-liberalization (1993 onwards)**

When Keynesian policies were blamed for the global economic recession of 1974, the world witnessed the resurgence of 19<sup>th</sup>-century liberalism in the form of neoliberalism. Neoliberalism is based on classical liberal ideas of individualism, laissez-faire and the minimal state.<sup>4</sup> According to the theory of neoliberalism, the progress of all humans can be achieved only by establishing a free market, promoting healthy competition, and protecting private property with minimal intervention from the state in the market.

Thus, the fundamental premise of neoliberalism is that the 'state should be out of the market'. Any action that might hinder the market's ability to function freely is viewed as undesirable and interfering with the 'natural' operation of the market.

This tide of neoliberalism got its stronghold in India in the early 1990s when the government opened its doors to liberalization, privatization and globalization, also known as the L.P.G. reforms. Consequently, many changes were introduced in the economy, such as the disinvestment of public sector undertakings, reduction of tariffs, relaxations in the FDI policies, opening up reserved sectors to private capital, etc. These reforms aimed to promote and protect private capital and market interests, generate wealth, and improve the economy. The principal rationale guiding the policymakers was to improve the 'ease of doing business' in the country. Consequently, many

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<sup>4</sup> CHOMSKY. N, PROFIT OVER PEOPLE: NEOLIBERALISM AND GLOBAL ORDER. (New York, Seven Stories Press 1999).

laws and policies have been introduced and amended to improve the ease of doing business. The rationality of welfare, where the state played the central role in the market, was now replaced and aligned with the rationality of neoliberalism, where the state played a minimal role in the market.<sup>5</sup> In other words, the role of the state as a provider of public service was now transformed into the role of facilitating market interests by improving the ease of doing business.

Thereafter, numerous policies were implemented to boost the ease of doing business in the country. The industries that were initially the monopoly of the public sector, such as the mining sector, were opened to private players.<sup>6</sup> Under the National Mineral Policy of 1993, minerals reserved exclusively for the public sector were disinvested to a considerable extent, FDI policies were relaxed, private participation was encouraged, minerals which required the prior concurrence of the union government were brought down, the requirement for prior consent of the union government for renewal of mining lease was abolished, and other similar measures were taken. Finally, in 2006, the mining sector opened the doors to multinational corporations by allowing 100% FDI.<sup>7</sup> Further amendments in MMDR 1957, its rules and other relevant acts were made to encourage private and foreign participation. The country's regulatory regime, including that of the mining sector, was transformed and aligned along the neoliberal tide sweeping the world, offering the promise of economic development and reduction of poverty and unemployment, among many others.

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<sup>5</sup> HARVEY, DAVID, A BRIEF HISTORY OF NEOLIBERALISM, O.U.P. Catalogue, (Oxford University Press 2007)

<sup>6</sup> *Supra at 2*

<sup>7</sup> *Supra at 2*

## Is India neoliberal?

A strong argument against the present study may be that India, although liberalized, is not strictly a neoliberal country.<sup>8</sup> This argument primarily arises with a wrong assumption that neoliberalism has one universal objective manifestation as formulated by Western scholars. However, recently various scholars have pointed out that neoliberalism does not have a universal objective definition or a form, but its manifestations depend upon the socio-cultural-political-economic context of the country.<sup>9</sup> They named it 'actually existing neoliberalism', which is different from the objective understanding of neoliberalism.<sup>10</sup> Therefore, neoliberalism in America is very different from the Indian context and cannot be strictly compared. Even while discussing the 'actually existing neoliberalism' in India, I am not arguing that India has fully transformed into a neoliberal country. I am pointing out the gradual yet intense penetration of the neoliberal logic into the Indian policy sphere, with special regards to the Indian mining sector.

## Sustainable Development

Parallel to the resurgence of neoliberalism, the world witnessed an unprecedented gathering of various nations, civil societies, and individuals from across the globe in 1972 at the U.N. Conference on the Human Environment held in Stockholm. This event helped to establish the idea of

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<sup>8</sup> Prabhash Ranjan, What's So Neoliberal About Narendra Modi's India Anyway?, THE WIRE, July 2018, (20 October 2021, 5:30 PM) <https://thewire.in/political-economy/neoliberalism-modi-bjp-congress-india>. James Manor, India's Far from Neo-liberal Economic Order in the Modi Era, Vol. 55, Issue No. 44, E.P.W. 31, October 2020, (20 October 2021, 8 PM) <https://www.epw.in/journal/2020/44/commentary/indias-far-neo-liberal-economic-order-modi-era.html>

<sup>9</sup> Brenner, N. and Theodore, Cities and the Geographies of Actually Existing Neoliberalism, 34(3), ANTIPODE, 349–79. (2002)

<sup>10</sup> *Id.*

sustainable development on a global scale with a general agreement that development and the environment, traditionally considered separate issues, could be meshed together.<sup>11</sup> The phrase gained popularity 15 years later in the World Commission on Environment and Development report, "Our Common Future." It defined sustainable development as: "development which meets the needs of the present without compromising the ability of future generations to meet their own needs".<sup>12</sup> Further world summits held at Rio in 1992, Johannesburg in 2002, and Rio in 2012 further placed sustainable development in the international arena.

Advocates of sustainable development intended to harmonize the ever-lasting issue of rising economic expansion with the necessity for conserving finite elements of nature.<sup>13</sup> It emphasised the need to "achieve a balance between the satisfaction of human needs and the finite nature of resources."<sup>14</sup>

In 2015, building on the Millennium Development Goals (M.D.G.s), the 2030 Agenda was adopted, which provided 17 Sustainable Development Goals (S.D.G.s) which are "integrated and indivisible".<sup>15</sup> The S.D.G.s addresses the three dimensions of sustainable development comprehensively - economic, social and environmental – through the goals of eradicating poverty, attaining gender equality, addressing the exploitation of natural resources, building justice institutions etc. Therefore, the S.D.G.s concern is not strictly the

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<sup>11</sup> SUSTAINABLE DEVELOPMENT COMMISSION, [http://www.sd-commission.org.uk/pages/history\\_sd.html](http://www.sd-commission.org.uk/pages/history_sd.html) (last visited 6 October 2021)

<sup>12</sup> *Id.*

<sup>13</sup> SINGH, J.T., RESOURCE GOVERNANCE AND DEVELOPMENTAL STATES IN THE GLOBAL SOUTH: CRITICAL INTERNATIONAL POLITICAL ECONOMY PERSPECTIVES, (Springer 2013)

<sup>14</sup> *Id.*

<sup>15</sup> UNITED NATIONS, DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS, <https://sdgs.un.org/goals> (last visited 8 November 2021)

binary of Environmental v. Economical and their interrelationship but a broader perspective aiming at the social aspect of this interrelationship.

India has also made various efforts to achieve the S.D.G.s.<sup>16</sup> India is one of the countries that has volunteered to take part in the Voluntary National Reviews at the High-Level Political Forum. This platform follows up and reviews the implementation of S.D.G.s. Regarding the sustainable development initiatives in the mining sector, in 2005, a High-Level Committee was set up by the Planning Commission chaired by Anwarul Hoda to review the National Mineral Policy of 1993 and recommend a Sustainable Development Framework (S.D.F.) for the mining sector. However, the corporations were only to comply with the S.D.F. voluntarily.<sup>17</sup> The term 'voluntarily' is emphasized here.

The S.D.F. report suggested, "a reinvention of the role of the state, in line with the economic policy of the state, as a facilitator of exploration of mining activities and exploration of investors and entrepreneurs".<sup>18</sup> The report also emphasised the necessity to liberalize further and privatize the mineral sector. Here, the penetration of the neoliberal logic and consequent transformation of the state as the protector and promoter of market interest is visible. In line with this report, the National Mineral Policy of 2008 was formulated with measures aimed at increasing the role of private capital in the mineral sector and simultaneously stressing the role of sustainable development in the

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<sup>16</sup> INDIA, 'On the Implementation of Sustainable Development Goals', Voluntary National Report, United Nations High-Level Political Forum, Report (2017) <https://sustainabledevelopment.un.org/content/documents/15836India.pdf> (last visited 7 November 2021)

<sup>17</sup> *Id.*

<sup>18</sup> Ministry of Mines, Sustainable Development Framework (S.D.F.) for Indian Mining Sector (New Delhi: Government of India), [http://mines.nic.in/writereaddata/filelinks/2155afeb\\_FINAL%20REPORT%20SDF%2029Nov11.pdf](http://mines.nic.in/writereaddata/filelinks/2155afeb_FINAL%20REPORT%20SDF%2029Nov11.pdf). (2011)



industry. In 2011, the Ministry of Mines released the S.D.F. for the mining sector.

### **Neoliberal policies in the mining sector and the struggle towards sustainable development**

As already mentioned, the S.D.G.s focuses on the three dimensions of sustainable development – economic, social and environmental. This section elaborates and analyses various indicators under these dimensions, which leads us to conclude that achieving these S.D.G.s under a neoliberal regime seems less likely and almost impossible.

Under the current regime, achieving these goals is impossible, primarily because neoliberalism and sustainable development are inherently contradictory to each other and cannot be meshed. There exist numerous indicators for the same.

#### **Indicator 1: Increase in poverty rates.**

The economic dimension of sustainable development aims to benefit all humans without any discrimination. However, neoliberal logic is directly in conflict with this aim. Although neoliberalism, in theory, offers the promise of prosperity, economic and social, of all humans through wealth creation, in practice, it does the opposite.<sup>19</sup> This is primarily because, while sustainable development focuses on ‘Profit and People’, neoliberalism focuses on ‘Profit over people’. Evidence from across the globe suggests that neoliberal policies tend to protect the interest of only a few privileged sections in the society while worsening the condition of the less privileged.<sup>20</sup> The impact of

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<sup>19</sup> *Supra* at 5

<sup>20</sup> *Supra* at 5

neoliberal policies includes widening the income inequality, increase in poverty rates, increased exploitation of natural resources, large-scale displacement of the underprivileged for development projects, increased pollution levels and simultaneous reduction in accountability of corporations and so on.<sup>21</sup> For example, these impacts are evident in Latin American countries after its 'Americanization' through various neoliberal policies.<sup>22</sup> It is evident in India too.

In India, with regard to the mining sector, despite the promises of economic prosperity made by neoliberalism, the poverty rates in the mining-intensive states have remained the same and, in some cases, have gone down. The states having large amounts of mining (25% of total mineral production) are the states below the national average (21.92) of the population living in poverty – Odisha (32.59), Jharkhand (36.96), and Chhattisgarh (39.93).<sup>23</sup> A recent report by The Centre for Science and Environment (C.S.E.) claims that the current development paradigm in the mining sector has not benefited the states and its people in any way over the years.<sup>24</sup>

Let us take the example of Odisha, the largest producer of minerals in terms of value (10.6%).<sup>25</sup> Post-liberalization, Odisha's per capita income declined

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<sup>21</sup> *Supra* at 6

<sup>22</sup> Juan Pablo Rodríguez, The politics of neoliberalism in Latin America: dynamics of resilience and contestation, Vol. 15 (3), SOCIOLOGY COMPASS, <https://doi.org/10.1111/soc4.12854> (2021)

<sup>23</sup> Charudutta Panigrahi, Odisha's mines may power the country, but what about its people? DOWN TO EARTH, (21 October, 9:05 PM) <https://www.downtoearth.org.in/blog/governance/odisha-s-mines-may-power-the-country-but-what-about-its-people--66074>

<sup>24</sup> CHANDRA BHUSHAN, MONALI ZEYA HAZRA, RICH LANDS POOR PEOPLE: I.S. 'SUSTAINABLE' MINING POSSIBLE?, (Centre For Science & Environment 2008)

<sup>25</sup> INDIAN BUREAU OF MINES, <https://ibm.gov.in/writereaddata/files/09182018162439Mineral%20Scenario%20pdf.pdf> (Oct. 27, 2022, 10:20 PM)

while the state witnessed the popping up of numerous industries.<sup>26</sup> Despite the promise of economic prosperity offered by neoliberalism, all mineral-rich districts in Odisha are included in the list of India's 150 most backward districts. Keonjhar, which produces around 21% of the country's iron ore, has 62% of its population below the poverty line. Despite more than 200 mineral industries functioning in Odisha, unemployed people are rising.<sup>27</sup> It is also to be noted that the most affected communities are tribals and other backward communities with the least social and economic capital.

**Indicator 2: Increase in mining-induced displacement and its consequences.**

Second, mining-induced displacement has resulted in the displacement of millions of people in the country.<sup>28</sup> The most affected communities are tribals and other backward communities with the least social and economic capital. They constitute over half of the 20 million people displaced by mining activities since independence.<sup>29</sup> Further, the displacement disproportionately affects women and children as well. Under neoliberalism, the rigorous focus on profits results in side-lining the issue of displacement as a mere technical impediment to profits disregarding its socio-political implications. As per neoliberal logic, this 'technical' issue is sufficiently dealt with by giving them monetary compensation, which will help them resettle and rehabilitate.

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<sup>26</sup> *Supra* at 28.

<sup>27</sup> *Supra* at 28.

<sup>28</sup> Singh, Gurdeep, Laurence, David and Kauntala Lahiri Dutt, Managing the Social and Environmental Consequences of Coal Mining in India, Proceedings of 1st International Conference on Managing the Social and Environmental Consequences of Coal Mining India, New Delhi, pp. 333-344. (2006)

<sup>29</sup> Elizabeth Puranam, The mine that displaced India's indigenous people, AL JAZEERA, (Oct 30, 2022 7 PM) <https://www.aljazeera.com/features/2016/7/7/the-mine-that-displaced-indias-indigenous-people>

However, it is crucial to note that the issue of displacement of tribal communities cannot be dealt with monetary compensation mainly because, for them, the land is not mere property or a source of power but a source of their identity, culture, skills and livelihood. The Vedanta - Niyamgiri Hills controversy is a prime example of the same.<sup>30</sup> Further, under the S.D.F., the question of land acquisition for mining activities which is on a 'Willing buyer/willing seller arrangement' and 'inclusive dialogue mechanism', disregards the highly disproportionate holding of power between the M.N.C.s and the local communities.<sup>31</sup> This mechanism leads to the alienation of the land from the poor.<sup>32</sup>

### **Indicator 3: Consequences of voluntary compliance**

Third, the neoliberal logic that the 'state should stay out of the market' and thereby, should leave the private parties on their own, with minimal regulation, is very much visible in S.D.F. and the Environment Impact Assessment (E.I.A.) norms. The S.D.F. incorporates various guidelines for the companies to follow on specific social and environmental aspects 'voluntarily'. Chandra Bhushan says, "The reporting and verification process is also farcical, and companies can write what they want because the verifiers are paid by them."<sup>33</sup> Without the coercive authority of the state, the corporations can exploit the natural resources and people without contributing

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<sup>30</sup> Satyasundar Barik, Dongria Kondhs continue to fight bauxite mining in Odisha's Niyamgiri forests, THE HINDU, (17 March 2019, 09:36), <https://www.thehindu.com/society/dongria-kondhs-continue-to-fight-bauxite-mining-in-odishas-niyamgiri-forests/article26544621.ece>

<sup>31</sup> Frank Vanclay Project-induced displacement and resettlement: from impoverishment risks to an opportunity for development?, 35 (1) Impact Assessment and Project Appraisal, , 3-21, DOI:10.1080/14615517.2017.1278671 (2017)

<sup>32</sup>Id.

<sup>33</sup> Chandra Bhushan, New mineral policy pushes privatization at people's cost, DOWN TO EARTH, (23 October, 19:00) <https://www.downtoearth.org.in/coverage/new-mineral-policy-pushes-privatization-at-peoples-cost-2518>

anything towards socio-economic-environmental development of the area they operate in.

There exist similar problems in E.I.A. norms as well. The E.I.A. norms were introduced to assess the possible environmental, social and economic impacts of development projects, including mining. The companies likely to impact the environment and the communities are the selectors and sponsors of the consultants who prepare the E.I.A. report, which includes conducting public consultations and assessing potential impacts. This is problematic because the environmental clearances are given only after submitting the E.I.A. report. Usually, this report is the only available data on the possible adverse impact of the projects. The companies often underplay the likely socio-economic – environmental impacts on the proposed projects. There is evidence that numerous environmental clearances were granted on E.I.A. reports which were verbatim copied from E.I.A. reports of projects carried out abroad.<sup>34</sup> Public participation is often conducted hastily. The extent of neoliberal logic penetrating the regulatory framework of the mining sector is very much visible here.

#### **Indicator 4: Increase in pollution.**

Fourth, the environmental pollution caused by mining is well known. It is phenomenal and also, in most cases, non – reversible. Mining activities degrade land and pollute air and water sources nearby the mining sites. It results in the settlement of dust on the crops destroying the crops and also on houses, schools etc., affecting the health of the people residing near the sites.<sup>35</sup>

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<sup>34</sup> HUMAN RIGHTS WATCH REPORT, Out of Control Mining, Regulatory Failure, and Human Rights in India, (2012) [https://www.hrw.org/sites/default/files/reports/india0612ForUpload\\_0.pdf](https://www.hrw.org/sites/default/files/reports/india0612ForUpload_0.pdf) (Nov. 20 2021 8 PM)

<sup>35</sup> *Id.*

Mining activities are often stressful on the water table, which affects the natural springs irrigating the land. The toxic dust and chemicals often pollute the drinking water and water used for agriculture. Similarly, mining activities cause air pollution, noise pollution, loss of soil fertility, impact aquatic life, and adversely impact public health. For example, the Sukinda Valley of Odisha witnessed large-scale mining of chromium. However, it is also ranked among the ten most polluted regions in the world. Another instance is the mass land and groundwater degradation in the Kudremukh National Park and the nearby areas due to the extensive mining by the Kudremukh Iron Ore Company.<sup>36</sup> The penetration of neoliberal logic in the regulation of the mining sector in India, while focusing only on profits, further escalates the exploitation of natural resources which intensifies the already existing level of pollution as seen in Latin American countries.<sup>37</sup>

#### **Indicator 5: Depoliticization of the above issues.**

Fifth, according to Therkildsen, O. and Bourgouin, F, "Neoliberalism has contributed to depoliticization and technocratic governance in resource management."<sup>38</sup> A close reading of the National Mineral Policies since 1993, S.D.F. and the E.I.A. is evidence of the same. The principles defined and the issues dealt with in these documents are infused with analytical reductionism since the socio-political-economic impacts of mining are seen as a mere technical impediment to profits stripped of their political significance.<sup>39</sup>

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<sup>36</sup> Pradeep Mehta, The Indian Mining Sector: Effects on the Environment and FDI Inflows, Conference on Foreign Direct Investments and the Environment, OECD, Paris (February 2002) <https://www.oecd.org/env/1830307.pdf>

<sup>37</sup> *Supra* at 25.

<sup>38</sup> Bourgouin, F. and O. Therkildsen, Continuity And Change In Tanzania's Ruling Coalition. Legacies, Crises And Weak Productive Capacity, DIIS Working Paper '06, Elite Poverty and Productivity Series. (2012)

<sup>39</sup> *Supra* at 13.

Therefore, under neoliberalism, such issues, which are highly political, are depoliticized and seen as technical issues which are impeding the inflow of profits.

For instance, an amount is paid to compensate those displaced for mining activity. Such payment is portrayed as just, fair and sufficient to the difficulties caused to the displaced communities and considered as a 'cost' in running the business. However, the socio - political - cultural - economic - psychological implications are masked in this entire process, and invisibilized. These implications are seen as mere impediments to profits which can be monetarily compensated when in reality, it is a highly complex issue. The penetration of neoliberal logic is very much visible here. There is no proper regulatory framework regarding mining-induced displacement nor an appropriate implementation of the existing regulatory framework.

#### **Indicator 6: Decriminalization of laws leading to less corporate accountability**

Sixth, numerous penal provisions related to environmental laws and, thereby, mining activities are being decriminalized for boosting ease of doing and are converted into civil wrongs. In other words, the state, which is supposed to be an active party in the event of violation, is now withdrawing from the same and leaving the issue between the corporations and the affected communities. This is another crucial instance of the penetration of neoliberal logic in the state's policy. For example, the decriminalization of the E.I.A. norms and the proposed decriminalization of all the pollution laws.

There are certain critical issues associated with the decriminalization of such laws. First, most decriminalized provisions involve an element of public interest since violating the same would result in adverse socio-cultural-

political-economic implications. Now, the rationality of protecting the public interest is replaced by the rationality of protecting private interest, which boosts the ease of doing business and protecting market interests. Second, violation of civil wrongs involves mere payment of compensation as contrasted with violation of penal provisions, which requires imprisonment or fines, which holds the corporations accountable to the public. Decriminalization removes the accountability aspect. Third, once decriminalized, the corporates treat compensation for committing a civil wrong as a mere cost of running a business since such expenses might be meagre to the economic benefits of such violations.<sup>40</sup> Fourth, the absence of the state in the proceedings creates a vast power differential between the indomitable corporations and the victim, mainly from the underprivileged sections of society. Here, again, the penetration of neoliberal logic is very much visible.

The indicators discussed above point towards the fact that the state's role as a guardian of the mining sector has been transformed into a facilitator of ease of doing business to protect private interest and to boost private capital. Such a transformation is inherently contradictory to achieving S.D.G.s – 2030 since it works against sustainable development's economic, social and environmental dimensions.

## **Conclusion**

Neoliberalism, aiming at profits, focuses on privatization, liberalization, and consequently minimal state intervention in the market. The ideology arose as a response to the financial recession caused by the then existing socio-political-economic framework with a promise of economic prosperity,

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<sup>40</sup> *Supra* at 5.



freedom, competition, and individual rewards. However, as discussed above, these promises and benefits are confined only to the handful of wealthy investors while the socio-economic condition of the lower sections of society worsened, as seen in Western countries and India. The penetration of neoliberal logic in the mining policy sphere has led to increase in poverty rates and the consequent widening of social and income inequality along with severe environmental degradation.

The achievement of the three dimensions of sustainable development – economic, social and environmental – and the following S.D.G.s is impossible through adopting neoliberal policies since these two concepts are inherently contradictory. While sustainable development aims at the holistic development of its dimensions, neoliberal policies aim to protect and promote private capital and market interest and boost the ease of doing business at the cost of these dimensions. The indicators discussed in the previous sections show that adopting such policies is counter-productive to these dimensions. Those indicators are summed up below.

First, while the economic dimension of sustainable development aims to benefit all humans, neoliberal policies lead to the economic benefits of only a few already privileged. As we have seen, such policies have increased the poverty rates and the income inequality gap between the rich and the poor in mining-intensive states. Second, while the social dimension aims at the social upliftment of all, neoliberal policies work against it. The primary reason for the same is the depoliticization of the social issues present in mining activities, such as displacement, the identities of the displaced communities, and so on. These issues are seen only as impediments to profits which can be adequately handled through compensation. Third, while the environment aims at protecting and improving the environment, neoliberal policies lead to

the mass exploitation of natural resources, an increase in pollution and the consequent effect on public health and safety. As we have seen, in states where mining activities are rampant, the quality of natural reserves and the environment surrounding them are constantly and increasingly exploited.

It is emphasised that these dimensions are not mutually exclusive but are intrinsically connected: the economic size plays a vital role in determining the social and environmental dimensions; the social dimension plays a crucial role in determining the economic and environmental dimension; and the environmental dimension determines one's economic and social dimension. For instance, poverty is intrinsically related to one's environmental and social condition, or the issue of displacement is intrinsically related to one's economic capacity and the possible environmental condition one will live in. These dimensions were elaborated separately to better understand the issues involved when neoliberal policies and sustainable development clubbed together.

With this undergoing neoliberalization of the mining sector, the aim of achieving the S.D.G.s by 2030 or even in 2230 seems impossible. However, it is not suggested that the solution to this issue is to revert to the state-centric system of mining that existed pre-1991. We must arrive at innovative reforms in the mining sector that would ensure the holistic growth of all dimensions of sustainable development and the achievement of S.D.G.s. Also, before arriving at solutions, we must analyze extensively and understand the highly complex problems in the mining sector. This article is just one step in this direction and a reminder that the mining sector needs urgent reforms to limit or eliminate its adverse impacts on the environment, including humans.