

Proposals for change in mining sector

Mining in Goa is highly divisive. So in drafting our proposal on mining we have carefully considered all stakeholder needs and considered certain principles to come up with concrete steps that create a win-win situation for all:

- Mining dependent will benefit
- Mining affected will benefit
- Government of Goa will benefit
- People of Goa will benefit
- Future citizens of Goa will benefit
- *Illegal Miners must return our ore or its value*

Natural resources, including minerals, are a shared inheritance, owned by the state in trust for the people and especially future generations. It is our duty to ensure that we protect our inheritance for future generations. Only if we do that, may we consume the fruit. A loss is a loss to our children and all future generations.

The present mining system is leading to enormous losses of our mineral wealth, and a few cronies are benefiting. What little is received by the government is also spent, a total loss for our children. This must stop. Hence we are proposing a new moral approach to managing minerals, our family gold.

MINING MUST BE BASED ON THESE PRINCIPLES:

1. We, the people of Goa, own the minerals in common. The state government is merely a trustee of natural resources for the people and especially future generations (Public Trust Doctrine).

2. As we have inherited the minerals, we are simply custodians and must pass them on to future generations (Intergenerational Equity).

3. Therefore, if we mine and we sell our mineral resources, **we must ensure zero loss**, ie. capture of the full economic rent (sale price minus cost of extraction, cost

including reasonable profit for miner). Any loss is a loss to all of us and our future generations.

4. All the money received from our minerals must be saved in the **Goenchi Mati Permanent Fund**, as already being implemented in several countries around the globe. Like the minerals, the Permanent Fund will also be part of the commons. The Supreme Court has ordered the creation of a Permanent Fund for Goan iron ore and already Rs. 94 crores is deposited.

5. Any real income (after inflation) from the Goenchi Mati Permanent Fund must only be distributed to all as a right of ownership, a **Citizen's Dividend**. This is like the comunidade zonn, but paid to everyone.

6. The implementation of these principles must be done in a transparent participatory process with the people of Goa.

BACKGROUND:

Under the Constitution, the minerals of Goa belong to the state of Goa (Art 295). However, under the Public Trust Doctrine (Art 21 Right to Life), the state government is merely a trustee of natural resources for the people and especially future generations. In other words, the people of Goa own the minerals in common. Further, under the Intergenerational Equity Principle (Art 21 Right to Life), as we have inherited the minerals, we are simply custodians and must pass them on to future generations. Mining leaseholders do not own the minerals under the ground. Only if they have a valid mining lease, have actually extracted the ore and have paid for the ore do they gain ownership over the ore.

Mining was one of the larger sectors of the Goan economy, although it has never exceeded 7.5% of GSDP. It has provided employment and to a lesser extent, has provided funds to the state government. However, mining is also Goa's largest environmental and social problem. It has destroyed our fields, khazans and rivers, our source of fish curry & rice. It has damaged the lungs of lakhs living in the mining belt and been responsible for numerous deaths as well.

Mining is the single largest source of corruption in Goa, and it is the root cause of the poor governance in Goa. The Supreme Court itself ruled that the last five years of mining before the ban was fully illegal! 100% illegal. Separately, there have been numerous other reports on illegalities in mining, including (a) the PAC Report, (b) Shah Commission Report 1&2, (c) CEC Report, (d) EAC Report to MoEFCC, (e) CEE/Gadgil report on EIAs, (f) Shah Commission Report 3 (g) Report by 17 CAs. Investigations are also underway by the SIT, Lokayukta and the Enforcement Directorate.

Worse still, it is estimated that the system of mining leases has resulted in the loss of over 95% of the value of our minerals. And even the trifle that was received was spent, not saved for future generations. The total loss was enormous: nearly twice the state revenues, or over 25% of per capita income, or thrice the poverty line. The loss was effectively a per head tax equally on everyone. **A few have become rich from our children's inheritance. This is clearly not a reasonable situation.**

The previous BJP government was given a golden opportunity to solve the mining issue. Ore and dumps worth over Rs. 10,000 crores became the property of the state. The estimated amount recoverable on account of illegal mining exceeded Rs. 65,000 crores. There were no valid mining leases, allowing a complete redesign of the system. However, the government renewed 88 leases. Many were renewed in the week between the cabinet approval and the promulgation of the ordinance (which no longer permits renewals). Unlike in Odisha, the Goa renewals were back dated as well, giving up our claim. And since it is on the old system of 95% losses, it is estimated that a further loss of Rs. 79,000 crores will ensue. Rs. 144,000 crores, nearly Rs. 10 lakhs a person.

GOA LEASE RENEWAL CASE

Three groups of petitioners – Goa Foundation, Sudip Tamankar, and a group lead by Rama Velip -- filed cases in the Supreme Court challenging the renewals and a related High Court order directing them. On 7-Feb-2018, in a scathing judgement, the SC quashed the mining lease renewals, but gave the miners until 15-Mar-2018 to manage their affairs. The SC said:

“The State ignored the fact that every single mining lease holder had committed some illegality or the other in varying degrees.”

“With the mining lease holders violating virtually every applicable law or legal requirement, it is clear that the rule of law was not their concern.”

“It was observed by Justice Khehar in Natural Resources Allocation that material resources of the country should not be dissipated free of cost or at a consideration lower than their actual worth. This was not kept in mind and mining leases were renewed for a small payment of stamp duty and royalty. It is therefore clear that the considerations that weighed with the State were not for the people of Goa but were for the mining lease holders.

“The entire exercise undertaken by the State was a hasty charade, regardless of violations of the law by the mining lease holders, without any benefit to the Indian industry and without any concern for the health of the average Goan.”

“...Without making any serious attempt to recover such huge amounts, the State of Goa has granted second renewal of mining leases and the MoEF played ball by lifting the abeyance order in respect of the environment clearances. The inferences that can be drawn are quite obvious.”

In effect, the position from the previous judgement has been restored. Mining after 22-Nov-2007 is illegal. Even larger amounts are recoverable, more than enough to provide for any further doles to the mining dependents.

THE ROAD AHEAD

We must find all legal avenues to recover what is our right and due. We must save all the money received from our minerals in the Goenchi Mati Permanent Fund, and only distribute real income as a Citizen’s Dividend.

For mining, going forward, we must first ensure that sufficient minerals are available for our future generations to extract and use. Next, we must ensure that all environmental & legal requirements are met. Third, we must dispose of the dumps before we embark on fresh mining. This will generate money for the Permanent Fund and will also deal with two environmental problems – the

dumps, and abandoned pits. Fourth, the agricultural fields and rivers must be desilted and other environmental damage repaired. Fifth, District Mineral Foundations must develop their plans through a participatory budgeting process with the mining affected. Sixth, all environment restoration and mining must be done by the government, not through auctions. Seventh, village cooperatives must be hired for these activities, and any mineral must be sold through e-auctions

It is clear that with the caps, the use of larger trucks being proposed by the mining companies and other improvements in mechanization, employment will never achieve its earlier levels. Therefore, we also have an interim plan to create more employment and simultaneously re-skill them for new opportunities. And certainly, relief is needed, both for the mining dependent and the mining affected.

WE MUST TAKE THE FOLLOWING CONCRETE STEPS

- 1. Illegal mining** is simply theft from our children and must be punished severely. Offenders must be blacklisted, prevented from handling public resources. We must introduce legislation for whistleblower protection and rewards, recover what is due from illegal mining and deposit these amounts into the Permanent Fund.
- 2. FPIC (“Free Prior Informed Consent”)** of those affected is necessary. The District Mineral Foundation must be controlled by the mining affected, and the plans developed through participatory planning and budgeting with the mining affected.
- 3. Interim plans:** Mining restart will take time to put in place. New ECs would be required, which will take some time. Also, it is unlikely to ever reach earlier levels. For the interim plan:
 - a.** The remaining e-auction ore should be sold (~Rs. 1,000 crores).
 - b.** The unsaleable dumps will be used to restore abandoned quarries and mines, and mines that will never reopen - in the wild life sanctuaries for example.

- c. The environmental damage from mining must be repaired. Fields and rivers must be desilted. Land used by dumps must be restored to productivity.
- d. The draft RP2021 asked for NH17 to go from Mapusa through Dharbandora to Balli. That should be implemented, it will provide work for trucks. When complete, it will improve the alternative economic prospects in the mining belt.

This will provide employment and release over 100 sq km of land blocked by mining.

- 4. **Mining caps.** Since minerals are depleting assets, they can be sold only once.
 - a. We recommend a cap of 1/200th of the proven reserves (currently 301 million tons). This must ensure that opportunity to extract the mineral lasts for at least 7 generations of Goans.
 - b. On environmental grounds, we recommend a starting cap of 5 million tons per annum, with the ability to raise and lower based on performance vis-à-vis meeting all environmental parameters

At these caps, mining can take place in one or two somewhat larger mines. We can reduce the overall environmental and other damage by concentrating operations. We can control mining much better.

- 5. All mining must be done by the **Goa Government** with the goal of achieving **Zero Loss** and zero waste mining. We must receive the full value of our mineral wealth. Any loss is a loss to everyone equally, effectively a per-head tax, highly regressive.
- 6. We must complete **dump mining first** in order to release space and reduce environmental hazards before any new mining takes place. It is estimated that of the 764 million tons of dumps, 20% or 153 million tons are saleable (~Rs. 15,000 crores). These must be sold.
- 7. **Permanent Fund.** We must bring legislation to ensure that:
 - a. We must deposit all money from mining of all minerals into the Permanent Fund. It must be renamed Goenchi Mati Permanent Fund to ensure it covers all minerals.

- b. We must ensure that the Permanent Fund scores over 95/100 points in the best global standards (Santiago Principles). The goal of the Permanent Fund would be to ensure maximum long term returns in excess of inflation.
- 9. We must distribute a **Citizen's Dividend** to the people of Goa from the after-inflation income of the Permanent Fund. The first Citizen's Dividend will be given when it can amount to at least Rs. 100 per person, and thereafter annually or more frequently.
- 12. We must implement a new control system and radical transparency so that the owners of minerals, the people of Goa, can keep a watch on their children's inheritance. All mining documents already scanned must be made accessible to the public.

IMMEDIATE CONSEQUENCES

1. Useful work is created for the mining dependent. Trucks, barges and machinery will be employed in earth moving. Sets the basis for creating lasting Goan core competencies
2. *Sobit* Goa –
 - (a) Reasonable time for the people & land to recover from mining
 - (b) Large tracts of land recovered from mining – upto 100 sq km
 - (c) Xitt-Koddi (fish curry & rice) safeguarded – productive resources available to the people
 - (d) Water sources restored – the very basis of life
3. Those doing illegal mining are punished, large sums recovered
4. Large sums from recoveries and dump mining are saved in the Future Generations Fund, which will pay out a Citizen's Dividend, for everyone for ever.

CREATE CORE COMPETENCIES

Goa has an opportunity to create world leading skills in some areas (a) Mine closure and reuse; (b) River and field desilting; (c) Aquifer repair; (d) zero waste mining - segregation of associated minerals from dumps; (e) Applications on top of open data; (f) Managing Future Generations Funds; (g) Mineral supply chain control systems; (h) Participatory planning & budgeting for DMFs and (h) Implementing intergenerational equity.

A number of other opportunities open up as well. Goa can specialize in (a) Biopharmaceutical research and manufacturing, based on our biodiversity and clean water; (b) Agriculture based on local varieties, which supplies into (c) Culinary Arts, celebrating the diversity of food in Goa, and (d) low footprint eco-tourism.

BOOST TO GOA'S CITIZENS AND GOA

There have been extensive discussions around the feasibility of a **Universal Basic Income** in India. The benefits of a UBI are many – direct welfare benefits like improved health or education outcomes, equity effects as the same money helps the disadvantaged more, freedom effects as it acts as insurance or for paying off debt, and economic benefits. Economic benefits include increased entrepreneurship in villages due to the regular inflow of cash and lower migration to cities as a result. The Citizen's Dividend paid from the permanent fund is a Universal Basic Income.

The ongoing corruption from mining is a huge drag on the economy. World Bank research shows good governance leads to a 300% increase in per capita income in the long term. Most of our large scams have dealt with natural resources. The corruption is leading to political capture and poor governance. It is also behind much of our environmental issues. The principles we are advocating will make a significant dent of corruption, which is sorely needed.

HOW WILL THIS BENEFIT DIFFERENT STAKEHOLDERS?

Mining Dependent: Interim plans will protect transportation business, and create jobs and new opportunities through the new road and the reskilling programme. They will also benefit from the Citizen's Dividend.

Mining Affected: Clearing dumps and restoring abandoned mines will help reduce the overall environmental impact. Lower level of fresh mining and concentration into 1 or 2 mines will reduce the impact further. The funds in the District Mineral Foundation will be spent based on the requirements of the mining affected in a participatory process

Government of Goa: With lower mine traffic, and a new road, the interiors of Goa will become more accessible to industry and tourism. Bio-pharmaceuticals based on our biodiversity is an obvious extension. New applications will develop around the open data provided on minerals and its transportation.

People of Goa: We will have fulfilled our duty to our future generations. We will all benefit equally from the Citizen's Dividend. All weaker sections of society such as children, women, aged, disabled, poor, mentally challenged, dalit, tribal, etc. will benefit more.

Future generations of Goa: We will protect their interests by ensuring Zero Loss mining and saving all the money received from our minerals in the Goenchi Mati Permanent Fund. They will also benefit from the Citizen's Dividend.

We seriously urge that these principles be the basis for mining in Goa. **Let us be remembered as the generation that changed the course of history, not the one that destroyed the planet.**

Aamchi Mati, Aamka Zai!!