

**SPEECH OF SHRI B.K. HANDIQUE, HON'BLE MINISTER OF MINES AND DoNER FOR NATIONAL CONSULTATION ON MINING TO BE HELD ON 16.9.2010, ORGANIZED BY MINES MINERAL AND PEOPLE NEW DELHI CENTRE AT HOTEL QUTUB, NEW DELHI.**

....

**THEME: ISSUES RELATED TO DISPLACEMENT AND RESETTLEMENT**

It is my proud privilege to be here amidst you to share the views of my Ministry on the theme “issues related to displacement and resettlement” being organized as part of National Consultation on Mining by Mines Minerals and People, New Delhi Centre.

2. Mining in India is a very unique sector. I said mining sector is unique because of the opportunities and challenges it throws before us as a society.

3. The different stakeholders of the society look for different opportunities from mining sector. Opportunities for one stakeholder may become a challenge and even a problem for other stakeholder. Therefore, the Government, private sector, civil society and the local host population need to play more pro-active, flexible and objective roles to ensure appropriate management of the mining sector. It can be hardly over emphasized that the underlined principle for

such concerted and coordinated efforts of all the stakeholders in mining shall be “sustainable development”.

4. Displacement is painful for any one. But the pain is acute for resource poor and vulnerable section of the society. I do not want to waste much of your time talking about the consequences of the displacement, which are quite obvious and known to all of us.

5. There is no comprehensive data about the number of people displaced in India so far due to development projects. However, it is estimated that between 1950 and 1991, about over 2 crore people displaced in the country due to big projects. Additionally, it is estimated that much more displacement took place due to urbanization.

6. But we in the Government cannot be happy by mere promoting the growth of mineral sector. We fully realize that equally objective consideration shall be given to the issues with regard to local host population.

7. We realized that there are two dimensions of the problems faced by the local host population due to mining. Firstly,

adequate compensation in terms of regular stream of annual income for those who lost livelihood. But that will not be sufficient. Therefore, the second aspect is that we need to have an approach to prepare those vulnerable communities facing the sudden and painful changes without drastically affecting their traditional ways of living.

8. I am from the troubled Region of the country i.e. North Eastern Region. Therefore, I fully understand that these vulnerable communities are also not equipped to fight for their land rights. The physical, mental and social trauma makes them jobless, landless, without food and access to community resources. The impact of the industry gets further magnified in the areas dominated by tribal population.

9. The biggest grouse of the people against mining industry is the displacement. In most cases, the displaced communities are not satisfied with the rehabilitation efforts and compensatory packages offered by the mining companies. Other than displacement, there are other issues, which affect the people such as fire in mines, inconvenience due to blasting, pollution from the mines, improper waste disposal, etc.

10. You may be aware that our UPA Government under the stewardship of Smt. Sonia Gandhi ji and able leadership of our Hon'ble Prime Minister, Dr. Manmohan Singh ji, has initiated a series of legislative framework, which would give complete legal safeguards to such vulnerable and tribal population. In this direction, our Government has passed Forest Rights Act, 2006, Panchayat Extension to Scheduled Areas (PESA) Act, and National Resettlement and Rehabilitation Policy, 2007 and National Mineral Policy, 2008.

11. As far as mining sector is concerned, for the first time, the importance of stakeholders' interest of local host population was stated in the Hoda Committee Report. Hoda Committee held that mining should contribute to economic, social and cultural well being of indigenous host population and legal communities by creating stakeholders' interest in mining operations for the project affected persons.

12. You are aware that as far as recommendations of the Hoda Committee, National Mineral Policy, 2008 was formulated. Para 7.11 of the National Mineral Policy, 2008

emphasized the Relief and Rehabilitation of Displaced and Affected Persons. It recognizes the fact that “while compensation is generally paid to the owner for his acquired land, rehabilitation of affected persons in the form of substitute land, land for housing and jobs is not always adequate. Appropriate compensation will form an important aspect of the Sustainable Development Framework. In so far as indigenous (tribal) populations are concerned, the Framework shall incorporate models of stakeholder interest for them in the mining operation, especially in situations where the weaker sections like the local tribal populations are likely to be deprived of their means of livelihood as a result of the mining intervention.”

13. Therefore, for the first time, we have come up with a completely new draft law rather than amending the existing MMDR Act, which is about more than five decades old. I cannot dwell on the draft MMDR Bill, 2010, as it is under consideration by a Group of Ministers. Anyway, the principle and intention of my Ministry in the new law on the local host population is, by and large, known to all of you.

14. The broad approach in our new Bill has three components. The first component is “the holder of a mining lease shall pay annually an amount equal to twenty-six per cent of the profit of the previous year from mining related operations in respect of the lease or a sum equivalent to the royalty paid during the previous financial year, which ever is more.

15. Second component is about the right to have a say in the management of mining operations. So, the holder of mining lease shall also allot at least one share at par for consideration other than cash to each person family affected mining operations of the Company and such share shall be non-transferable. Further, Article of Association of the Company shall contain enabling provisions to allot the above share to the affected people. We have also proposed that the holder of a mining lease shall, in respect of any person or family holding occupation or traditional right of surface of land owner which the lease has been granted be liable to provide employment and other assistance in accordance with the R&R Policy of the State Government concerned. This will be in addition to other benefit offered in the R&R Policy of the respective State Governments.

16. Third and most important component is Sustainable Development Framework. It is stated in the National Mineral Policy, 2008 that the guiding principle in this regard shall be that miner shall leave the mining areas in better ecological shape than he found it. The para 2.3 of the Policy also states that “a framework of sustainable development will be designed which takes care of bio-diversity issues and to ensure that mining activity takes place along with suitable measures for restoration of the ecological balance. Special care will be taken to protect the interest of host and indigenous (tribal) populations through developing models of stakeholder interest based on international best practice. Project affected persons will be protected through comprehensive relief and rehabilitation packages in line with the National Rehabilitation and Resettlement Policy”.

17. Before we have finalized the draft at our Ministry’s level, we consulted extensively with all the stakeholders. The draft was revised five times on the basis of various inputs given by these stakeholders. The draft was uploaded each time on the website of the Ministry, the last being on 3.6.2010. I should also mention here that the land mark Samata

judgement of Hon'ble Supreme Court has been borne in the mind while considering the interests of local host population in the proposed reforms.

18. The above provision in the draft new Act once enacted by the Parliament will be a great boon for both mining sector and also for the local population. But, at the same time, the role of civil society will increase manifold in preparing the local host population to more challenges in terms of sustainable development through livelihood and management of environment. I also agree that unless the law enforcement agencies are sensitive to the social and environmental issues and the delivery system of the Government at the field level becomes positive and proactive, the set goals cannot be realized very soon. However, I am hopeful that the ever increasing levels of information and communication technologies, presence of Media and civil society, the objectives set forth before us for sustainable and scientific development of mining is going to happen very soon in this country. This process can only remove isolation of vulnerable sections. I also believe that this only leads us to practically realize the one of basic principles of our



Government's approach i.e. inclusiveness, both socially and financially.

19. I thank the organizers of this conference for facilitating the broad-based consultations on mining in the country. I shall look forward to the outcome of this conference.

Thank You.

\*\*\*\*\*