

Gist of EPW April Week 1, 2021

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1. The 'Common Good' Has a Price

Context:

The article highlights the problem of privatization and compensation in the Mining Sector in India.

Introduction:

- The mining sector has witnessed proactive participation of the private sector since the National Democratic Alliance (NDA) government has come to power.
- The government opted for an open auction process to provide mining licenses along with legislative measures that allow a favourable condition for private investment.
- The Union Government has approved 100% [Foreign Direct Investment](#) through automatic route, in commercial coal mining, and mining of other minerals.
- MMDR (Mines and Minerals Development and Regulation) Amendment Act 2015 has paved the way for a big change in control and exploitation of mineral resources. Read more about the [MMDR Act](#).
- The existing practices changed drastically with MMDR along with ensuring that the leaseholders continue to gain from concessions.
- The National Mineral Exploration Trust and District Mineral Foundation were introduced.
- These agencies provide fundings with respect to the discovery of mineral resources and to provide development funds to the districts affected by mining respectively.
- National Mineral Policy 2019 provides a set-up that helps in better resource mobilization that allows ease in doing business.

MMDR Amendment Act, 2021:

- MMDR Amendment Act has ended the practice of captive mining.
- The captive mines which were already in place are allowed to trade up to 50% of the output in the open market.
- Any watered-down clearance is deemed almost invalid under the MMDR Act, 2021 which allows for transferability of all approvals and clearances, pending or following an auction.
- This has critical implications for liability and the legacy of mining in districts if such clearances are automatically transferred without assessing the impacts after a mining cycle.
- The MMDR Act, 2021 tries to justify greater financial returns as overcompensating the violation of rights of people and their habitat.

The Idea of 'Common Good' and Reality:

- Mining has many serious environmental and social implications that are long-lasting.
- The [EIA](#) (Environmental Impact Assessment) notification 2020 reduces the scope for public hearings and social audits and permits ex post facto clearances that minimize public accountability.
- The claims of affected communities are assigned to Token Hearings.
- This has resulted in online hearings during the pandemic, and in some cases, the claims have been bypassed as well.
- The DMFs and the Pradhan Mantri Khanij Kshetra Kalyan Yojana are channels to provide state compensation to the people.
- Mineral resources are a public good, hence the ownership of mines and the resources within it is public.
- The companies are contractors that extract that resource for a certain profit.
- A fair principle of mining ideally ensures a democratic engagement with the process of prospecting and exploration as well as the acquisition of land and fair compensation.
- However, mining practices in the private sector have been associated with shabby working conditions mostly.

Conclusion:

- The mining sector holds a serious ambiguity over the idea of “common good” despite measures like Social Audits and Gram Sabha approvals that have been introduced to democratize and ensure justice to the ones who are affected.
- The current mining amendments agree for compensation as a fair substitute for the loss which reveals the tragedy of mining in India.
- It consigns the idea of the “common good” to just a monetary value.

2. Rethinking Indian Federalism

Context:

The article highlights the different aspects of federalism and its approach in India.

Introduction:

- India has constructively maintained enduring political order and stability in the country over the last seven decades.
- Indian federalism is credited for resolving most of its ethno-regional and ethno-linguistic conflicts in conditions of democracy.
- India is a success story in ensuring self-rule at many layers of the federation through territorial reorganization, statehood, and sub-statehood.
- A Federation is a compound polity that combines appropriately shared rule (national purposes) and self-rule (regional purposes).
- We need to look closely to understand the real picture of the ‘Diversity Claims’ and ‘Equality Claims’ in the case of India.

Federalism and Democracy:

- - Indian federalism has acquired democratic legitimacy, but the democratic success in terms of the generation of more equality has lagged behind its federal success.
 - The greater federal success (than democratic success) has had unequal effects on an already unequal, discriminatory and hierarchical society.
 - The dominant discourse of federalism in India today is the accommodation of diversity.
 - The concern with diversity, its protection, promotion, and maintenance has turned out to be a convenient route in ethnically diverse, hierarchical, and unequal societies for the political elites to suitably mobilize the appropriate elements of diversity to gain political power at different levels of a federal polity.
 - Symbolic recognition of identity and the achievement of political power around identity issues are easier for the political actors.
- **Federal success has not yet translated into democratic success in terms of achievement of more equality – political, social, and economic.**

Diversity Claims and Equality Claims:

- All types of diversity do not seek federal consideration.
- The promotion of any diversity (eg. religion) for the federal purpose may not be good enough because a political association based on religion may end up in a theocracy, which is not genuine federalism.
- Equality claims refer to various equality provisions for the individual citizens; formal political equality as well as redistributive social and economic ones.
- Not all federal democracies always allow to make equality claims, i.e., to adopt public policies that minimize inequality and injustice in society; redistribution of income and wealth; access to public health for the needy.
- The profound diversity orientation of federalism has restricted the space for genuine democracy.
- The liberal presumptions underscoring the liberty of diversity are not adequate in meeting equality claims.

The Indian Case:

- India is a multi-ethnic country of continental size and proportions and has ensured relative political order and stability.
- The accommodation and management of diversity is the biggest task in Indian Federation Building.
- The detailed story of state creation in India since the early 1950s shows that any successful ethnic mobilization (based on language, tribal ethnicity, etc) for power and autonomy has been accompanied by government-appointed commission reports and legislation.
- In the SRC ([States Reorganisation Commission](#)) recommendations for statehood for Andhra Pradesh, Karnataka, Gujarat, Madras (later Tamil Nadu), Maharashtra, it was evidently the ethno-linguistic considerations for the states that carry their linguistic identity territorially so rooted.

- The creation of Telangana, by carving out of Andhra Pradesh, as the 29th state (with the abolition of [Article 370](#) which guaranteed statehood status of Jammu and Kashmir in 2019, the number of states in India shrank to now 28) of the Indian federation in 2014 is the most recent of India's many Federation Management Events.
- The space for diversity and some equality has been provided in the arrangement of India's constitutional democracy.
- The Constitution contains such provisions with limitations.
- Some such aspects are placed in Part IV of the Indian Constitution (known as [Directive Principles of State Policy](#)).
- Institutionally, both democracy and federalism in India are a success.
- India has multiple demos: individual citizens, ethnolinguistic groups, local people and people living in some regions, indigenous peoples, and identity groups.
- The practical play of democracy is relatively less successful in terms of generating more equality.
- There has been an increase in inter-state inequality since 1991.
- Caste discrimination has not been lessened and higher caste domination overall in state and non-state institutions have been reinforced time and again.
- Socially underprivileged sections (SCs, STs, and OBCs) in Karnataka (one of the most developed states in India) constitute still over 65% of the poor despite a significant reduction in poverty in recent years.
- Karnataka is home to some 13 million (out of 61 million) poor people after decades of growth-centric high development.
- In Kerala, over 40% of the people in rural areas are landless.

Global Reports:

- The Oxfam India's Inequality report (2019) says "**Top 1 percent of the population holds 51.53 percent of the nation's wealth; the bottom 60 percent of the people own merely 4.8 percent of the nation's wealth. Only 9 billionaires own wealth equal to the wealth of 50 percent of the population**".
- In the Global Slavery Index (2019), India's rank is 100 out of 119 countries (based on traditional slaves, debt bondage, forced labour and marriage, kids sold, and victims of trafficking).
- The [Global Hunger Index](#) reported that about a quarter of the world's hungry people (of some 210 million) live in India.
- In 2019, in HDI, India ranked 129 out of 189 countries.
- In 2019, India remains the home of some 364 million poor people (28%) of the total population.
- In terms of the global performance standards, India ranks in the "medium human development" category.
- High-Income Inequality has been reported in India's Socio-Economic and Caste Census which shows that in 70% of households the highest salary income earner in the families earns less than Rs.5,000 a month.

Conclusion:

- Federal accommodation of diversity and equality is a challenging task for a diverse country like India.
- More often than not, political motives and power agendas are served better than serving equality in the course of democratic federalism.
- Both the Union and the States seem to underperform the Diversity Claims and Equality Claims.
- At large, India fairly appears as a well-run federal democracy but there is a lot of remapping necessary in order to balance the equality in diversity.

