

Business Standard

Coal or forests?

The country shouldn't be asked to pick between the two
Business Standard / New Delhi June 25, 2009, 0:34 IST

The government's decision to give fast-track clearance to coal mining projects in degraded forests may help boost coal production, but it bodes ill for the country's forest cover. While environment activists are red-faced over the decision, taken at the meeting of the environment and coal ministers, legal pundits maintain that laws stand in the way. Besides, it will be difficult to delineate degraded forests, as the Forest Survey of India does not recognise any such category. The fear, therefore, is that what are now described as 'open forests, scrubs and non-forests' may be demarcated as 'degraded forests' for this purpose. If that is the case, it will ultimately reduce the country's overall forest cover, already woefully short of the desired 33 per cent mark.

The ministerial move should be viewed against the backdrop of reforms in the coal sector, including opening up of mining to the private sector. Private companies today are allowed to mine only for their captive consumption. Unrestricted mining would require repeal of the Coal Mines (Nationalisation) Act, 1973. And if permission has to be given for coal mining in forest areas, the government would need to address provisions of laws like the Forest Conservation Act, the Environment Protection Act and the Forest Rights Act. While de-nationalisation of coal mines may not be difficult as a Bill to this effect, introduced by the National Democratic Alliance (NDA) government in the Rajya Sabha in 2000, is still pending before the House and can be revived, amending the other statutes may be neither easy nor desirable. Any dilution of the laws concerning environment and forests will jeopardise the livelihood of forest dwellers and forest tribes and that too in the broad region (Orissa, Jharkhand, Chhattisgarh and adjoining areas) where Naxalism is already a major problem.

That said, the need for increasing coal output can also not be undermined, especially since the country is sitting on huge coal reserves and faces an annual coal shortage. The public sector coal units, which have had a virtual monopoly in this field, have not been able to do what is required to boost supply. The resulting supply constraint has served as a major disincentive for fresh investment in thermal power generation. Coal mining by private companies for captive use, too, has not expanded much because of the ban on the commercial sale of coal from such mines, which has come in the way of exploiting economies of scale. While it is imperative to introduce coal sector reforms and give speedy approval to new mining projects, this needs to be done without adversely affecting the health of the country's forests and the environment in general. How to do this is of course the question that the government must address.

<http://www.business-standard.com/india/news/coal-or-forests/362039/>