



**GOA**  
FOUNDATION

G-8, St Britto's Apartments, Feira Alta, Mapusa 403507 Goa, INDIA

Tel: +91-(0)832-2256479; 2263305 (also fax)

E-mail: [goafoundation@gmail.com](mailto:goafoundation@gmail.com) Website: [www.goafoundation.org](http://www.goafoundation.org)

6.5.2020

Shri Satya Pal Malik,  
Hon'ble Governor,  
State of Goa,  
Raj Bhavan, Goa.

Email: [governor.goa@gov.in](mailto:governor.goa@gov.in); [secy-governor.goa@gov.in](mailto:secy-governor.goa@gov.in)

Subj: Your letter dated 28.4.2020 to Shri Amit Shah, Union Home Minister, on resumption of mining in Goa

Your Excellency,

We refer to your letter dated 28.4.2020 to Shri Amit Shah, Hon'ble Home Minister, on the issue of resumption of mining activity in Goa.

We are writing to you because we are deeply depressed and upset about most of the contents of the said letter, as these are most likely based on the recommendations of the Goa government, some wrong assumptions and some very wrong information. Whatever the Goa government does in respect of mining policy is invariably dictated by Goa's former mining lease-holders who retain a stranglehold on the administration. It is this self-aggrandizing cabal that has put the Goa mining industry into an unsalvageable mess. Therefore it is unfortunate that today the Governor of the State is purportedly supporting lobbying efforts organized by a discredited group of miners which has lost all the leases it once held due to illegal mining and corruption.

The interests of the Goan public – the citizens at large – are not at all represented in your communication. Neither is the Goan public at large enamoured of the mining industry. A handful of miners do not represent the sentiments of the rest of the people of the state on the issue. It is possible that your Excellency is not familiar

with the context and detailed background of what has happened in the Goa mining industry – and the reasons it was brought to a halt.

There are 5 specific issues I will flag in this letter, in respect of these matters raised in your letter to Shri Amit Shah:

- A) The Constitution of India on minerals & mining.
- B) The Supreme Court and its encounters with Goa mining;
- C) The obvious and continuing collusion between the State of Goa and Goa miners, therefore, no auctions;
- D) The manner in which the mining industry looted and depleted Goa's wealth;
- E) State of the economy today, without mining;

**A) The Constitution of India on minerals and mining**

The Governor is the constitutional head of the state. He will therefore be familiar with the constitutional position relating to natural resources, including minerals: these are a shared inheritance, owned by the people of the state, with the government as trustee. It is our duty to ensure that we protect our inheritance for future generations. Only if we do that, may we consume the fruits today. Any loss or loot is a loss to our children and all future generations. We believe the following five principles reflect the Constitution of India in respect of the conservation of minerals and welfare. Once this is understood, you will be shocked to discover how far we have diverged from them.

1. We, the people of Goa, own the minerals in common. The state is merely a trustee of natural resources for the welfare of people and especially future generations (*Art 294, Public Trust Doctrine, Art 21 Right to Life*).
2. As we have inherited the minerals, we are simply custodians and must pass them on to future generations (*Intergenerational Equity Principle, Art 21 Right to Life*).
3. Therefore, if we mine and we sell our mineral resources, we must ensure zero loss, i.e., we must capture the full economic rent (sale price minus cost of extraction, cost including reasonable profit for miners). Any loss is a loss to all of us and our future generations (*Art 14 Equality, Art 39 Common Good, Art 21 Right to Life*).

4. The entire mineral sale proceeds must be saved in a Permanent Fund, also held by the state in trust for the people and especially future generations. The Supreme Court has ordered the creation of a Permanent Fund for Goan iron ore and already Rs.500 crores is deposited by miners. The National Pension Scheme should manage the funds (Public Trust Doctrine, Art 21 Right to Life)
5. Any real income (after inflation) from the Permanent Fund must only be distributed to all Goan citizens as a Citizen's Dividend, a right of ownership. Future generations will also benefit from the dividend (Art 14 Equality).

Put simply, minerals are a shared inheritance – our family gold. The present generation is merely a custodian of the family gold on behalf of future generations. Mining is effectively the extraction and alienation/sale of this wealth, in exchange for the consideration of royalty (and auction premia). The constitutional goal for states as trustees when alienating this inherited mineral wealth is Zero Loss. And royalty is wealth, not “income” or “revenue.”

Our National Mineral Policy 2019 declares the correct position: *“There is a need to understand that natural resources, including minerals, are a shared inheritance where the state is the trustee on behalf of the people to ensure that future generations receive the benefit of inheritance. State Governments will endeavour to ensure that the full value of the extracted minerals is received by the State.”*

Therefore, your letter dated 28.4.2020 violates the National Mineral Policy.

## **B) The Supreme Court and Goa mining**

The Goa government and the mining lobby have been attempting to blame the Supreme Court for the present suspension of mining in the State. As a recently appointed Governor of the state, you may not be aware of the fact that four different benches of the Supreme Court in the space of just 6 years have had occasion to pass detailed judgements on mining in Goa. This is rare unanimity for an institution. But it also proves that the manner in which miners (and the government of Goa) conducted mining in the recent past was wholly unacceptable to the highest court of the land.

The first bench of three of the Supreme Court’s senior most judges held on 21.4.2014 (WP(c) 435/2012, *Goa Foundation I*) that all the mining lease-holders had carried

out mining without a valid lease for five years, from 2007 to 2012. Illegal mining is nothing by theft. The Court confiscated all the ores excavated, and directed the Goa government to issue fresh leases. Among other things, the Court ordered the creation of a Goa Iron Ore Permanent Fund and imposed an interim cap on extraction of 20 mtpa, on grounds of intergenerational equity and sustainable development. This fund already has Rs. 500 crore. At a 3% return after inflation, it is sufficient at the moment to distribute an annual Rs.100 dividend to all citizens of the State.

A second bench of the same Court held on 14.10.2014, that miners in Goa were not permitted to take out for sale ores excavated prior to 2007.

A third bench of two judges on 7.2.2018 (SLA(c) 32138/2015, *Goa Foundation II*) cancelled 88 mining lease renewals issued to former lease-holders in violation of the orders in *Goa Foundation I*. The Court also ordered the Goa government to issue fresh leases “*as early as reasonably practical.*”

A fourth bench of 3 judges including the CJI, on 30.1.2020, held that all the directions provided in the *Goa Foundation II* judgement would be strictly implemented. Thus a total of 11 different judges of the apex court, almost all seniors, held against Goa miners for their misconduct, and held against the Goa government for its collusion with the miners.

#### *Report of the Goa Lokayukta on corruption in the renewal of 88 mining leases*

Following the *Goa Foundation II* judgment, in 2019, the Hon’ble Lokayukta of Goa, after a detailed year-long investigation, ordered an FIR to be filed against the former CM & Minister of Mines, Shri Laxmikant Parsekar, and the two senior most bureaucrats in the Goa government in charge of the mines department (Pawan Kumar Sains, Secretary, Mines, and Pramod Acharya, Director of Mines & Geology) at the time of lease renewals.

About the corruption that led to the grant of the 88 leases cancelled by the Supreme Court, the Hon’ble Lokayukta, Goa, made the following recommendations:

## **Recommendation**

- A. *It is recommended that FIR should be registered by the ACB of the State Government against Respondents 1 to 3 under the Prevention of Corruption Act and under IPC for criminal conspiracy.*

*The investigation of such offences should be entrusted to CBI and Respondents 1 to 3 should be prosecuted after obtaining appropriate sanction.*

- B. *It is hereby declared that the Respondents 2 and 3 are unfit to continue to hold office held by them. However no such declaration is necessary in respect of Respondent No.1 as he has ceased to be a Minister/Chief Minister at present.*

## **Declaration under Section 16A**

*This Institution is satisfied that the complaint involving allegation against Respondent No.1, 2 and 3 has been substantiated and keeping in view the magnitude and seriousness in the dereliction of duty, a declaration as contemplated under Section 16A(1) is required to be made that the public functionaries concerned should not continue to hold office held by them. However, since Respondent No.1 has ceased to be the Chief Minister/Minister, no such declaration is made with respect to him.*

*Respondent No.2 and 3 are still continuing in office. It is declared that Respondent No.2 and 3 should not continue to hold office held by them.*

## **Order under Section 17 for initiation for prosecution**

*This Institution is satisfied that the public functionaries concerned have committed criminal offence punishable under Section 13 (I) (d) of the Prevention of Corruption Act, 1988 before its amendment effected on 26<sup>th</sup> July, 2018 as well as offence of criminal conspiracy as defined in Section 120-A of the Indian Penal Code punishable under 120 — B of Indian Penal Code and they should be prosecuted in the Court of Law for such offences. It goes without saying that prior sanction shall be obtained from appropriate authority before filing of charge sheet.*

*Appropriate FIR should be registered by the ACB of the State Government against Respondents 1 to 3. However, further investigation shall be made in accordance with law by an independent agency and the State Government is directed to entrust investigation to CBI.”*

Therefore, to urge a “legislative cure” is an idea that is difficult to digest, since it seeks to perpetuate illegal mining and illegal miners. A clean break from the past is

the need of the hour. It is obvious that only auctions or mining through a mining development corporation will today meet the requirements of the Constitution, the National Mineral Policy and the MMDR Act. In substance, the demand of the Goa government is to find a way to give the mining leases back to those who committed illegal mining, in defiance of the Constitution as well as two direct orders of the Supreme Court.

Dear Mr. Malik, why then are you as Governor of the State of Goa willing to tie in with these persons and why do you wish to promote their entirely illegitimate cause? Seeking to amend any law to re-allow these persons to mine again is unsound public policy. The Government may support unsound policies for various reasons. However, where is the Governor of the State required to do so? He has to keep the interests of the people of the state always in mind, including its economy, its wealth, welfare of its citizens, its environment, its rivers and forests and wildlife – all hitherto severely impacted by mining.

The Supreme Court recorded the following about the conduct of the Goan mining industry in its judgement in *Goa Foundation II* dated 7.2.2018 (which your letter refers to):

*“The State ignored the fact that every single mining lease holder had committed some illegality or the other in varying degrees. To identify these illegalities (although they had already been identified by the Justice Shah Commission and by the Expert Appraisal Committee), a Special Investigation Team had been set up as also a team of Chartered Accountants.”*

On the sabotage of public policy, the Court further observed:

*“2. Effective implementation and in some instances circumvention of the mining and environment related laws is a tragedy in itself. Laxity and sheer apathy to the rule of law gives mining lease holders a field day, being the primary beneficiaries, with the State being left with some crumbs in the form of royalty. For the State to generate adequate revenue through the mining sector and yet have sustainable and equitable development, the implementation machinery needs a tremendous amount of strengthening while the law enforcement machinery needs strict vigilance. Unless the two marry, we will continue to be mute witnesses to the plunder of our natural resources and left wondering how to retrieve an irretrievable situation.*

93. *Be that as it may, there is no doubt that iron ore mining in Goa was solely for commercial purposes – it was extracted primarily for export to China and Japan without any value addition to the domestic industry. True this brought in considerable foreign exchange – nevertheless iron ore extraction gave insignificant value addition (if at all) to Indian industry. The only advantage that iron ore extraction gave to the State was in terms of royalty, but the larger benefit accrued to the private mining lease holder who could obtain a mining lease on renewal virtually free and without any social or welfare purpose. In other words, the State sacrificed maximizing revenue for no apparent positive reason, virtually surrendering itself to the commercial and profit making motives of private entrepreneurs and ignoring the interests of Goan society in general. Therefore, in principle, the decision of the State of Goa to not auction the grant of mining leases was flawed in that it did not serve the common or public or social good but primarily assisted in filling the coffers of private entrepreneurs. We are not inclined to go so far as to describe the decision as arbitrary since it is not necessary to do so.*

113. *The undue haste with which the State granted the second renewal of mining leases particularly after the amendments proposed to the MMDR Act were placed in the public domain by the Government of India (relating to the auction of mining leases) is a clear indication that the decision of the State was not based on relevant material and not necessarily triggered by the interests of mineral development. The very large number of renewals granted over a comparatively brief period is a clear indication that the State did not have “mineral development” in mind but had some other nonstatutory interests while taking its decision to grant a second renewal to the mining leases. The haste with which the State took its decision also needs to be understood in the background of the fact that mining had been suspended by the State in September 2012 that is more than two years prior to the grant of second renewals. The urgency suddenly exhibited by the State therefore seems to be make-believe and motivated rather than genuine.*

119. *Of the 13 mining leases renewed in November 2014, it is found that according to the State of Goa all of them are Category-I violators (except Geetabala M.N. Parulekar who is a Category-II violator). However, it was pointed out by learned counsel appearing on behalf of Goa Foundation that the report of the Vishwanath Anand EAC indicates that a recommendation was made to revoke the environmental clearance in respect of 6 mining lease holders; additionally, none of the mining lease holders had approval from the National Board for Wildlife (where required); all of them (except 2) had mined in excess of the permissible limit under the environmental clearance; all of them had indulged in dump mining; some of them were guilty of encroachments; in*

*almost every case the mining activity intersected ground water level and none of the mining lease holders had permission for ground water withdrawal. These cannot be described as minor violations but were actually multiple violations in almost all cases. How could the State of Goa and MoEF overlook these recommendations and multiple violations?*

*120. It may be recalled that the Mines and Minerals (Development and Regulation) Amendment Ordinance, 2015 came into force on 12th January, 2015 and on that day as many as 31 mining leases were renewed. In respect of 5 mining leases renewed in January, 2015 the report from the Indian Bureau of Mines was called for in January, 2015 itself and the mining leases were renewed without receipt of the report from the Indian Bureau of Mines and before expiry of the mandatory period for submitting the report in terms of the second proviso to Rule 24A(3) of the Mineral Concession Rules, 1960. In other words, without even receipt of any report from the Indian Bureau of Mines and even before the expiry of the statutory waiting period, the State of Goa renewed some mining leases. This is patently illegal.*

*139. We were informed by the learned Additional Solicitor General that show cause notices have now been issued to some mining lease holders demanding huge amounts - some running into hundreds of crores of rupees towards value of ore extracted in excess of the environmental clearance. We were handed over some sample show cause notices (about 12) issued in September and October 2017 and the figures are quite staggering – the demand raised being about Rs. 1500 crores! Similarly, from the Summary of Mining Audit Report submitted by the auditors (and handed over to us by the learned Additional Solicitor General – for the period July 2016 to December 2016) the amount demanded (including interest) by the State of Goa from the mining lease holders through show cause notices issued is about Rs. 1500 crores! And 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.”*

About the explicit collusion between miners and the Goa government, the Hon’ble Supreme Court made several observations, one of which is quoted below:

*“...The undue haste in which the State acted gives the impression that it was willing to sacrifice the rule of law for the benefit of the mining lease holders and the explanation of satisfying the needs of some sections of society for their livelihood (after keeping them in the lurch for more than two years) was a mere fig leaf. The real intention of the second renewal was to satisfy the*

*avariciousness of the mining lease holders who were motivated by profits to be made through the exploitation of natural resources.*

**C) The obvious and continuing collusion between the State of Goa and Goa miners, therefore, no auctions;**

Who is responsible for ensuring that mining has not re-started in the State of Goa since 2014? Your Excellency would be surprised to know the answer:

The Hon'ble Supreme Court directed the Goa government to issue fresh leases and obtain fresh environment clearances in April 2014! The Goa government did not do so. Instead, it decided to go ahead with second renewal of leases, in explicit disregard of Court's directions. The Goa Lokayukta has indicted the process by which these leases were renewed.

In its judgement dated 7.2.2018, the Hon'ble Supreme Court, in para 149(7), again directed steps to be taken to restart mining. This could only be done through the process of auction or through a Goa Mineral Development Corporation, as the Advocate General of the State recommended. However, the mining lobby – dead set on recovery of their lucrative mining leases by means fair or foul – have successfully prevailed upon the Goa government to resist auctions of leases in the state despite this being the law of the land, and despite the state government being directed to grant fresh leases (which can only now be done under auction) via 3 judgements of the Supreme Court.

Four precious years were lost from 2014-2018, and another 2 from 2018 to 2020, that is a total of 6 years, all time invested in resisting the Supreme Court's directions and resisting auctions.

The state sought to justify not resorting to auctions of leases on the grounds that if the government had to go through the auction process, they would not be able to recommence mining for another 4-5 years (from 2014). However, 6 years are now passed, and there is still no sign that mining will resume because of a severely compromised government still firmly embedded with the former lease holders.

We should point out that both *Goa Foundation I* and *II* raised various other apparent illegalities and left it to the Goa government to investigate and prosecute. In fact, the Goa government has in 2016 & 17 issued show cause notices to the illegal miners

pursuant to reports of the CAG & the team of 17 CAs for a total amount of Rs. 3,431.31 crore. The Supreme Court, in *Goa Foundation II*, directed the state to expedite recovery of these amounts. Despite there being no mining for a couple of years, the Goa government has recovered only Rs. 3.99 crore. Recovery of the full amount demanded would have been sufficient to tide over a few years.

Thus, the fault for non-resumption of mining and for unemployment in the mining industry is to be laid squarely at the doors of the influential cabal which has always ensured that the Goa government is unable to think straight and in public interest when the issue of granting these leases to the highest bidder in auction comes up for implementation.

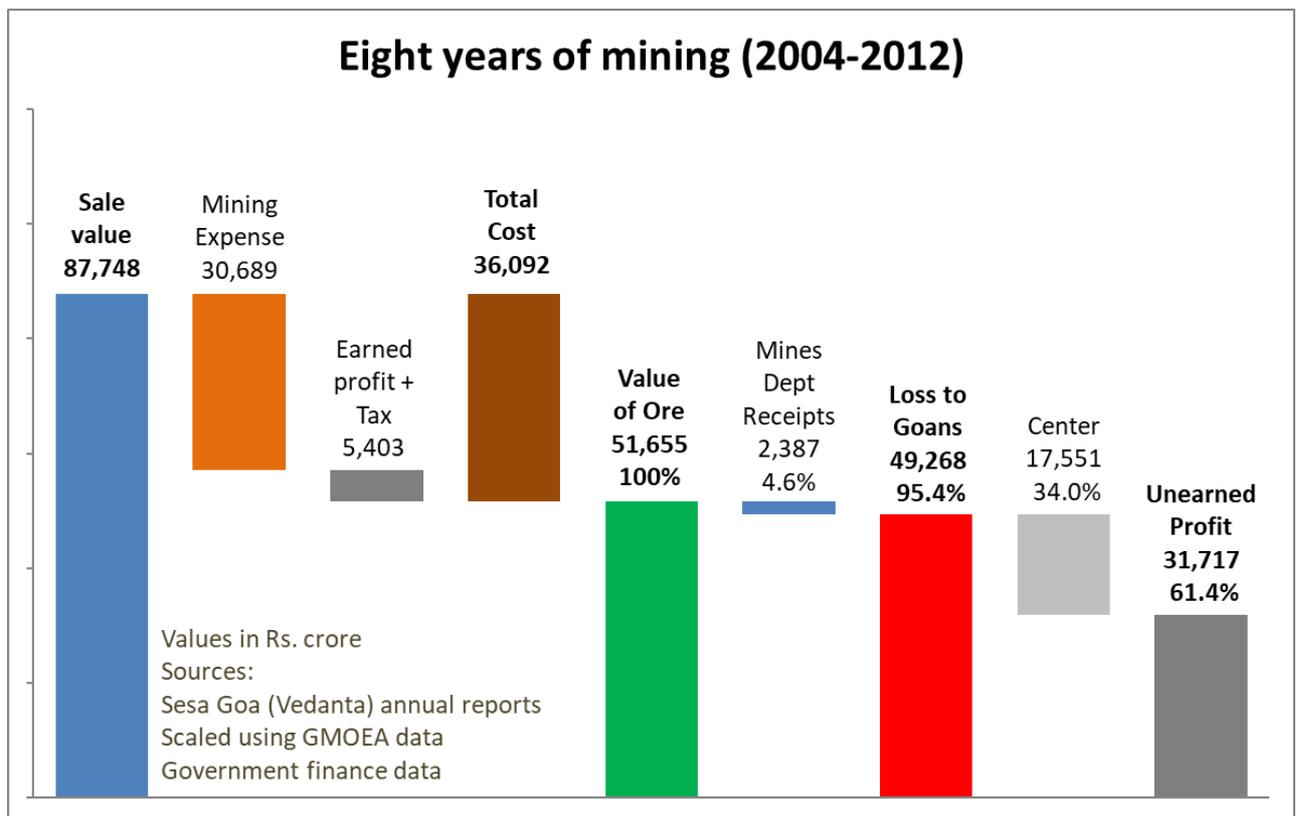
On its part, the Goa Foundation rejects any notion that it is responsible for the present state of affairs.

#### **D) The manner in which the mining industry looted and depleted Goa's wealth**

As a Governor, it would be helpful to the public interest, if you access a different set of facts and figures than those peddled before you by extremely pliable politicians and extremely greedy miners. Just to give you an example, of the benefits and losses:

*Economic losses for Goan citizens and government, if mining permitted till 2037 in absence of auction as per law*

The depletion of the natural wealth of this state, and its surrender to the mining lobby that is still ruling the state, was reflected earlier quite sharply during the mining period 2004 to 2012. The figures of the value of mining done during that period, and the primary beneficiaries of the entire exercise, are provided in the following histogram and Table 1:



**Table 1 on beneficiaries of mining from 2004-2012**

Amounts in Rs. Crore		
Item	Amount	Remarks
1. Sale value of Goan iron ore exports (2004-2012)	87,748	GMOEA export figures, Sesa Goa average per ton price
2. Total expenses, including 20% after tax return on assets employed	36,092	GMOEA export figures, Sesa Goa average per ton
<b>3. Value of mineral (economic rent)</b>	<b>51,655</b>	<b>Public trust property of State</b>
4. Sale consideration	2,387	Receipts of Mines Department
<b>5. Loss of mineral value</b>	<b>49,268</b>	
<b>6. Loss %</b>	<b>95.4%</b>	
7. Captured by Center	17,551	Export duty, income tax on excess profit
8. Value captured by miners	31,717	Excess after tax profit
9. Value captured by miners %	61.4%	
Source: Basu R., 2015, <i>Catastrophic Failure of Public Trust in Mining: Case Study of Goa</i> , Economic & Political Weekly, Vol L No. 38		

Thus, it can be seen, the bulk of the wealth generated from the sale of the asset (ostensibly belonging to the people of the state of Goa), went first to the mining lease-holders, next to the central government and the least to the state of Goa. The state of Goa got less than 5%! The present proposal to amend the law would only enable a repeat of what is a truly scandalous arrangement for disposal of this state's scarce natural resources. The office of the Governor cannot support such a rotten, irresponsible and wayward proposal.

Put in another way, 282 million tons of iron ore assets were mined, and transferred to the miners from 2004-2012. This *reduced* the collective inherited wealth of the state by Rs. 51,655 crores – if we exclude extraction costs and a 20% after tax return on assets for the miner. In return for this mineral wealth, the state received a measly Rs. 2,387 crores as mines department receipts (4.6%). Total government revenue receipts *from all sources* for that period of 8 years were only Rs.27,402 crores contrasted with Rs.51,655 crores lost to private mining lease holders.

The MMDR Act, 1957 (as amended in 2015) requires all mining leases post 2015 to be handed out through auction to bring maximum revenues to the state. The intended result of bypassing auction is deprivation of the people of the State of Goa of the enhanced proceeds from auctioned ores belonging to them. The difference between granting leases without auction (through automatic extensions) and through auctions can be seen in the table below, which shows details of a number of auctions of major minerals that have been conducted around the country after the 2015 MMDR Amendment (which state of Goa is steadfastly and for no good reason, continuing to resist). The Goa government, by supporting the demand for a legislative cure, is seeking to deprive Goan citizens of the undoubted benefit of such auctions and their hugely enhanced compensations.

The Table 2 below provides the recent record of auctions for various minerals including iron ore held in the country ever since the law was changed in light of judgements of the Hon'ble Supreme Court. The data should impress you.

**Table 2: Results of Auctions (post 2015) all India**

<b>Summary of results of auctions of major mineral mining leases (post 2015)</b>					
<b>Rs. Crore</b>					
<b>Mineral</b>	<b>Leases</b>	<b>Total Auction Proceeds</b>	<b>Additional Auction Proceeds</b>	<b>Total Existing Proceeds</b>	<b>Auction Implied Loss Rate</b>
Bauxite	6	410.63	263.81	146.82	64%
Copper	3	790.45	211.76	578.69	27%
Diamond	1	38.00	24.00	14.00	63%
Gold	4	2,016.24	1,726.50	289.74	86%
Graphite	3	1,538.57	1,515.09	23.48	98%
<b>Iron ore</b>	<b>24</b>	<b>108,037.12</b>	<b>90,520.37</b>	<b>17,516.75</b>	<b>84%</b>
Limestone	26	87,756.71	61,912.05	25,844.66	71%
Manganese	3	1,536.55	1,372.26	164.29	89%
<b>Total</b>	<b>70</b>	<b>202,124.27</b>	<b>157,545.84</b>	<b>44,578.43</b>	<b>78%</b>
Source: Ministry of Mines website					

If no auctions had been conducted, the 24 iron ore leases (as per the table above) would have provided only Rs.17,516 crore by way of mineral sale consideration (royalty) to the states. However, since the same leases were auctioned off, an additional Rs. **90,520 crores** would be paid as sale proceeds. Put simply, if an old lease pays Rs.1, the auctioned leases would pay Rs. 6.17. The Constitutional requirement to achieve Zero Loss would require the state to ensure that leases are auctioned off, if not run by the state itself through a Mineral Development Corporation which is what the Goa Foundation has been agitating for.

We have estimated (disclosed in Table 3 below) that during the illegal lease renewal period of 2015-18, the people and future generations of Goa lost Rs. 4,271.30 crore. We further estimate that the current effort to bypass auctions – which your letter proposes – would result in the loss to the people of the state of an amount exceeding Rs.48,179 crores for the period upto 2037, more than Rs. 13 lakhs for an average Goan household. This is unconscionable and therefore we are bringing it to your notice.

**Table 3 Values relating to mining from 2015-2018**

<b>Mining during 2015-18</b>	<b>Unit</b>	<b>Amount</b>	<b>Remarks</b>
Royalty	Rs.Cr.	637.85	
NMET	Rs.Cr.	11.70	
DMF	Rs.Cr.	176.62	
GIOPF	Rs.Cr.	417.37	
<b>Total</b>	Rs.Cr.	<b>1,243.54</b>	
Total w/o GIOPF	Rs.Cr.	826.17	Royalty + NMET + DMF
Mineral transported	MT	30.14	DMG affidavit 18-Apr-2018 in HC PIL WP 3 of 2018
Total w/o GIOPF per ton	Rs/Ton	274.09	
Auction Premia (times Total w/o GIOPF)		5.17	Ministry of Mines website
Auction Premia per ton	Rs/Ton	1,417.04	
<b>Auction premia lost</b>	Rs.Cr	<b>4,271.30</b>	
<b>If extended till 2037</b>			
Years till 2037		17	
Interim extraction cap	MT	20.00	Goa Foundation I
Total extractable ore	MT	340.00	
<b>Total auction premia will be lost</b>	Rs.Cr	<b>48,179.25</b>	
Population of Goa		1,536,000	Goa Economic Survey 2019-20
<b>Loss per capita</b>	Rs.	<b>313,667</b>	
Average household size		4.26	Census 2011
<b>Loss per household</b>	Rs.	<b>1,336,885</b>	

**E) State of the economy today**

There are two principal arguments that are advanced for the urgency in the restart of mining – jobs for the mining dependent and government “revenue”. It is also reasonable that mining restart after grant of fresh leases and ECs will take some time. The Goa Foundation has been mindful of these societal and economic issues, and has sent a series of letters proposing a logical and fair solution that will deal with the

current issues. Our first letter on recoveries for illegal mining was sent on 30.4.2014, a mere 9 days after the *Goa Foundation I* judgment. On 15.5.2014, we sent our first detailed proposal on how mining could restart within the framework of the Constitution while meeting immediate needs. Our most recent letter was sent to the Chief Minister on 14.2.2019.

### *Employment and the mining industry*

Figures of people employed by the industry keep fluctuating as per the forum in which they are produced. At the most extreme, the national mining industry body, FIMI has quoted the state mining industry body, GMOEA as estimating the direct job loss at one lakh and indirect job losses at three lakh, for a total estimated job loss of four lakh<sup>1</sup>. We must keep in mind that the total population of Goa is only around 15 lakh, of which, the total labour force is estimated at around 6 lakh. These figures would mean that 2 in every 3 Goans in the workforce lost their mining related jobs. This is absurd.

As per LAQ 40 of the Goa Assembly proceedings answered on 4.2.2020, direct employees employed by mining companies was 3,969, while indirect employees are not ascertained. An earlier study estimated total mining employment (direct and indirect) was only 21,873 in 2009-10 (when 46 mn tons was exported, the current cap is 20 mtpa)<sup>2</sup>. Of this, the number of those employed through the year, i.e., even during the monsoons, was estimated at around 5,500. Similarly, between 2012 and today, the state of Goa has provided financial support under various schemes to the mining dependent. Less than 10,000 Goans got support, of which around 6,000 were mining machinery/truck/barge owners. Less than Rs. 250 crore has been spent in these years supporting the mining dependents.

As per LAQ 9A answered on 20.7.2017, unemployed persons on the live register of the employment exchange in 2017 was 1,18,767. Mining was in full swing in 2017. As per LAQ 95 answered on 3.2.2020, unemployed registered with the employment exchange on 17-Jan-2020 is only 52,669, a reduction of 66,098. So unemployment is decreasing sharply, in fact, it had halved between the time mining was running and now with the mining activity stopped.

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<sup>1</sup>FIMI 2019, *Employment in Mining: A case of missed opportunities –prospects for future*

<sup>2</sup>Basu R., 2012, *Mining in Goa: Beyond Forest Issues*, Economic & Political Weekly, Vol XLVII No. 3

This may be explained by the stellar growth that the state of Goa has recorded. The GDP at constant prices (figures taken from Goa & India Eco survey) is shown in the Table 4 below. Goa is growing considerably quicker than India as a whole, especially in 2018-19 when mining came to a full stop!

**Table 4: GDP Goa and India 2015-2019**

<b>Year</b>	<b>Goa GDP</b>	<b>Growth</b>	<b>India GDP</b>	<b>Growth</b>
	(Rs. Cr.)		(Rs. Cr.)	
2014-15	40,116		10,527,674	
2015-16	46,091	14.9%	11,369,493	8.0%
2016-17	51,482	11.7%	12,298,327	8.2%
2017-18 (P)	56,762	10.3%	13,179,857	7.2%
2018-19 (Q)	66,781	17.7%	14,077,586	6.8%

There are undoubtedly thousands without work, but this must be placed squarely at the doors of the mining leaseholders and their cronies. The Goa Foundation has already proposed that as an immediate measure, the following mining work programmes can commence:

1. Desilting of fields and rivers, the source of our fish curry and rice, caused by past decades of indiscriminate and uncontrolled mining. This work will require mining machinery, trucks and barges. Goa will take important steps towards food self-sufficiency.
2. There are over 800 million tons of dumps, most of them unsaleable. There are numerous abandoned mines and quarries, they are legally required to be restored. This is a large earth moving activity that generates employment, frees up lands under dumps, brings back mining pits to usable land, and eliminates two environmental hazards – the dumps and the mining pits. Carrying out and completing this work of rehabilitation of the environment will take many years.
3. It has been reported recently that much migrant labour employed in Goan industry has returned home. This is a great opportunity for the Goan mining dependents to take up these jobs.

Recovery of just the Rs. 3,431.31 crore would be more than sufficient to complete all these activities. The government can proceed on the mining restart in parallel.

## **Government “revenue”**

Like employment, all kinds of fanciful claims are made about how much the Goa government will receive in revenue from mining. First of all, the government will not receive any revenue – we are selling off our family gold. This is not revenue, it is a capital receipt. If we are selling off our inherited wealth, we must ensure we save everything we receive for our children and future generations. If we treat this money as “revenue”, we will surely consume it.

And as we have seen, we have been receiving a pittance for our mineral wealth for selling our shared inheritance of mineral wealth. As the period 2004-12 shows, corroborated by the major minerals auction data, we are losing many times more than the present consideration (royalty) we are receiving in exchange for our minerals. No wonder the Lokayuktha decided a case of corruption needed investigation.

There is the recent absurd claim that by giving the leases back to the illegal miners without an auction, the government will receive Rs. 3,500 crore annually. As we saw, the state received Rs. 2,387 crore in total between 2004 & 2012. Between 2015 & 2018, the state received another Rs.1,244 crore, around half of which was comprised of new levies – NMET, DMF & GIOPF. Now we are expected to believe we will get each year three times what we received over 3 years? And even if we do, so what, we should be saving it all in the Permanent Fund so that we fulfill our duty to future generations.

We must be clear that all that we are doing with mining is asset stripping, selling off our wealth a bit at a time, taking the money and spending it. This is not sustainable. This is making Goa poorer, as the minerals are steadily depleting. This is cheating future generations of Goa.

## **The way forward**

The Goa Foundation believes that there is still good scope for handling the mining industry in Goa sustainably, provided some better principles guide public policy than the mere pampering of a corrupt and habituated-to-illegal-mining group of miners, at the expense of people and State. The Goa Foundation has proposed the following as better policy:

- a) Set up of a Goa Mineral Corporation. This corporation would maintain all leases in its name. All ores would be extracted by private parties, village cooperatives or private societies pursuant to extraction tenders. However, after extraction, all ores would be deposited with the Goa government, which would e-auction them with the help of expert bodies including government corporations like MMTC. Thus, incentive for illegal mining would come to an end. Most important, maximum value would accrue to the State of Goa.
- b) The Goa Mineral Corporation would forthwith commence the process of complying with the Auction Rules, 2015 and the Evidence Rules, 2015. As of the present, the Goa Government has not initiated any steps towards implementation of the mandatory requirements laid down under these two statutory sets of rules. Without compliance, no mining can re-start in the State.
- c) In order to prepare for mining under Corporation auspices, the State would need to recruit experienced persons for the job. There is already available some 2500 persons who are/were on the regular payroll of the private leaseholders. All such persons should be offered permanent jobs in the Corporation. It is solely due to their efforts and experience that mining was carried out in the state.
- d) The late Chief Minister, Manohar Parrikar, had already recommended as Chairperson of the PAC that no fresh mining may be needed in view of the fact that around 20% of the over 750 million tonnes of dumps are saleable, or 150 million tonnes. At the cap of 20 mtpa, processing such dumps would take at least another 8 years. Such removals of mining wastes and low grades (and their improvement through beneficiation) would undo the continuing damage caused by these waste mountains located all across the mining belt. The operation of dealing with these wastes and dumps would keep the corporation busy for at least several years.
- e) If the leases were kept always in the name of the Corporation, environment clearances would also be easier to obtain. ECs for any of the persons involved in the past in illegal mining, on the other hand, would be more difficult to obtain and sustain. If granted, they would be challenged.

We crave leave for a formal appointment with your Excellency to bring these facts in person to your notice and understanding and to provide further details or clarifications. As can be seen from the above, the Goa Foundation is not against mining per se. However, mining cannot be done like in the past, and that too, with

the same set of actors. A new formula is required. General outline has been provided above. More details can be provided on request, provided there is a bona fide interest.

May we also suggest that you ask the Goa government to respond to some of the charges raised in the above letter to your Excellency's satisfaction.

In light of the above, your Excellency might considering modifying your letter to Shri Amit Shah. Please complain to him that the Goa government is only promoting the interests of cronies. Then demand to know from the CM why he is not forming the Goa Mineral Corporation. Nine states of India have such corporations. Many in fact are doing quite well.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Dr Alvares', with a stylized flourish at the end.

Dr Claude Alvares  
Director