

## Coal Sector: Floodgates Opened for Foreign Capital

The government of Narendra Modi allowed 100% Foreign Direct Investment (FDI) under automatic route for the sale of coal and for mining activities, including associated infrastructure. This is the latest step of the so-called reforms in coal sector by amending from time to time the Coal Mines Act and Mines and Minerals Act. Firstly, the central government allowed 100% FDI in coal and lignite mining for captive consumption for steel, power and cement units. Then it allowed to set up washeries, which can wash coal for mining companies with 100% FDI. As foreign investors had not responded positively, the government decided to open up the entire coal sector. Now the imperialist monsters can take up extraction of coal and selling of coal along with associated infrastructure that includes washing, crushing, handling and separation.

Coal is the primary source of energy and India has one of the largest resources of coal around 286 billion tones. Coal mining in India is third largest in the world. It is a vital raw material for power plants, metallurgical and cement units. Until now, Coal India Ltd. (CIL) had been mining and selling coal in India. With little over 70% government stake CIL is producing 83% coal of which 81% is supplied to the power sector alone. This huge natural energy source is being handed over in golden platter to the imperialist capital.

Those in favour of the entry of FDI argue that will allow competition, bring new technologies in exploration, methods of mining etc., reduces imports of coal and thus lower the prices of coal. The perils of such a policy are well known. As this huge energy source goes into foreign hands, the motive of which is solely earning super profits, the cost of development on Indian economy grows many folds. The fruits of this development will be cornered by the foreign capital and not by Indian people. The experience of similar policy on another energy resource, oil and gas exploration, showed that the people of India have to pay through their noses to MNCs for the resources belonged to our country.

If this policy has to be realized, the government has to expedite the process of land acquisition, and permit forest and environment clearance. As the foreign capital siphon off the funds in various forms like profits, royalties, interest, technical fees etc., the Indian people has to bear the brunt of environmental degradation and loss of livelihood, particularly adivasis who are going to be forcefully displaced from their lands. Precisely for this purpose, the government is amending the forest law and influencing the judiciary to give legal stamp for its acts.

In the pursuit of profit, it is well known that foreign capital will pay little respect to the health and safety norms for workers and the people at large. They will throw to the winds all the regulation of labour laws putting the workers in hazardous conditions of work. The government machinery made ineffective by the successive governments as some fangs of the labour laws were removed by it.

Whatever tall promises the powers that be at the centre and states may give about protecting the rights of people and environment, It is the bitter experience of the people for the last seven decades that everything will be thrown into dust bins to rise profit margins continuously as the government and other regulatory bodies remain mute spectators.

The entry of foreign capital into coal sector causes harm to the ecology, destroys the livelihoods and lives of millions of people, extracts super profits from the energy source and loss of peoples hegemony over the natural resources. This surrender before the foreign capital should be fought tooth and nail.

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## **One Day Protest Strike of Coal India Mines**

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More than 5,56,000 workers of Coal India Ltd went on a one-day strike on 24<sup>th</sup> September. The strike call was given by the unions of All India Federation of Coal Mine Workers in protest against the central government decision, to permit 100% foreign direct investment in all sectors of coal mining, handling, transport and sales.

The coal workers unions affiliated to AITUC, INTUC, HMS, CITU and AICCTU have jointly given this strike call. The RSS affiliated BMS has given a separate call. The strike was the total in all the coal mines managed by CIL and its subsidiaries like Singareni colonies in Telangana.

It is estimated that the production loss in CIL mines is 2.13 million tonnes of coal causing a loss to the tune of Rs.4,000 crore. The striking workers also warned the management, if the coal sector is decentralized as has been proposed, they would go into an indefinite strike.

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