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Somersault on POSCO

[This is an open letter to Jairam Ramesh, Minister of State for Environment and Forests, Government of India.]

We are writing to publicly challenge your shocking decision to grant a “conditional” and yet also “final” approval to the posco project, and to give a go-ahead to the same Orissa government and posco whose violations of due process have been well-documented. Objections to the project have been raised not only by the project-affected people, and by environmental and social justice groups, but also by three different expert committees appointed by your own ministry. Your action exhibits profound disrespect for democratic norms, and comes as a stab in the back of the people who will be displaced and whose livelihoods will be destroyed, people who have been peacefully opposing this project for their very survival for over five years. Your action is also a slap in the face of everyone – ranging from ordinary citizens to public intellectuals to experts, including three committees that you appointed – who have been struggling to inject a modicum of transparency and democratic process into the governance of the country.

The Ministry of Environment and Forests (MOEF) committees, which investigated the implementation of the Forest Rights Act (FRA) in the three project-affected gram panchayats, found that the Orissa government had subverted the FRA by withholding relevant information and documents regarding other traditional forest dwellers in the region. Given this, your decision to approve diversion of forest land based solely on a “categorical assurance” by the Orissa government that all legally tenable FRA claims have been processed is confounding. We cannot understand why you would privilege the claims of the Orissa government over those of the people whose lives would be destroyed, especially when the same Orissa government has consistently shown utter contempt for the law, and disregard for its own citizens as is evident from its attempts to ruthlessly suppress peaceful protests against the project.

While the open invitation that you have effectively issued to the Orissa government to violate the FRA and forcibly remove

people from their traditional lands is at the heart of what is wrong with your decision, there are other aspects that underscore your apparent capitulation to vested interests that are working against the welfare of the nation. We remind you that your own ministry's expert committees have unambiguously pointed out the following:

- possible submergence of the thriving Paradeep port by posco's proposed captive port;
- exacerbation of the existing water crises in the Mahanadi delta and in Keonjhar;
- grossly undemocratic public hearings characterised by threats and intimidation;
- the inadequacy of the rapid environmental impact assessment studies.

Given that your decision fails to address the above issues, issues that have been repeatedly placed before you by different parties, we are forced to conclude that the “additional conditions” your letter purports to impose while granting the “final” environmental clearance for the project are but a pretence. Instead of restoring democratic control over the process, you seek a post-clearance environmental risk assessment study to be undertaken by posco or by the Orissa government and report that to your ministry. Do you expect the foxes to report to you? That the chickens are healthy and fine and clucking contentedly? In hindsight, maybe the error is entirely ours – that we expected democratic behaviour from you (through the entire period, while you convened expert committees and MOEF panels, your government was working hard, even before statutory requirements had been met, to assure posco and South Korean government officials, including President Lee Myung-Bak, that the project will be approved). There have been reports of the “[t]he Prime Minister's Office (PMO), the External Affairs Ministry and the Steel Ministry hav[ing] thrown their might behind the project...” and “[g]overnment channels working overtime to clear hurdles faced by the steel giant”. Was the process you set into motion with the Saxena Committee merely an eyewash? Or did the “strategic” considerations you mention in your decision get imposed on you at a later stage? (There are certainly no defensible “economic” considerations that would justify the project.) The people of Orissa and of India at least

deserve to know the truth of what precipitated your apparent flip-flop.

You assert that “projects such as that of POSCO have considerable economic, technological, and strategic significance for the country”. We would like to remind you, as a matter of record, that the “economic significance” of this project is severely contested, and is dubious at best. In our research report – *Iron and Steel: The POSCO India Story* – we demonstrated that the National Council for Applied Economic Research (NCAER) study on which all of Orissa government’s assessments of the economic benefits of the project are based, is deeply compromised. As we noted, an analysis of the NCAER report reveals that the project is indeed hugely beneficial, but only for POSCO and its investors. Indeed, the captive iron ore mines promised to POSCO in the memorandum of understanding would help it recoup, in just the first eight years, the entire sum of \$12 billion which POSCO claims it will invest over a period of 30 years. If ever there was a textbook case of the country’s resources being given away, this is it.

In contrast, about 22,000 people who currently support themselves by the area’s thriving agricultural economy will be displaced and be rendered “unskilled” and “useless” by the new steel plant and port. An additional 20,000-25,000 people from approximately 30 neighbouring gram panchayats and in the Keonjhar mining area would suffer near total loss of their livelihoods. The NCAER claims, through a maze of statistical lies that benefit its paymaster POSCO, that 8.7 lakh direct and indirect jobs will be created by the project. However, our analysis demonstrates that a maximum of 17,000 direct and indirect jobs, spread over the next 5-10 years, is all that the POSCO project will ever produce. The people affected by the project have been acutely aware of its meagre benefits and high costs, and evidently do not share your view of its “considerable economic” significance.

Based upon published reports, it appears that much of the official decision-making on POSCO has been influenced by your government’s efforts to “send the right signals to the international investor community”. Must we remind you that the “international community” does not comprise just investors, nor is it safe to assume that all investors

will turn a blind eye to the democratic process and violations of human rights or environmental rights. Plus, there is a much larger international community that is concerned about economic and environmental justice, about human rights and self-determination, about labour standards and sustainable development, about the very survival of the much larger groups of people on whose backs rides a globalised elite that is blinded with greed. Your decision today has only helped to strengthen our resolve that we must continue to bring into focus for this much larger international community this resplendent example of the failure of Indian democracy.

These are times when ordinary people anywhere have learnt that their voices will not be heard by their own governments who are beholden to other forces, and hence think of other ways to make their all-too-reasonable anguish and needs seen and heard by those who are prepared to listen. In this context, the MOEF approval of the POSCO project sadly continues the degradation of Indian democratic institutions, a process that has already reached disastrous proportions with recent abuse of sedition laws that criminalise “disaffection” with government, and sets the stage for a bloodbath, based on what happened after the December 2009 approval and the current spate of “encounter” killings in Orissa. The world waits and watches out for that kind of an Indian democracy which would inspire confidence and send the right signals to those who matter more than anyone else – the people in whose names democratic governance exists.

Murli Natarajan, Anu Mandavilli
On behalf of Mining Zone Peoples’
Solidarity Group

Framed by Police

The Additional Sessions Judge, Virender Bhat acquitted Moinuddin Dar and six other Kashmiri men on 2 February this year with the judicial finding that the men had been framed by Delhi police personnel. The judge has directed that a first information report (FIR) be lodged against four policemen. The police claim to have had an encounter and recovered an AK-47, magazines, hand grenades and fake currency has been found to be false. Fabricating false evidence to procure

conviction is a serious offence under the Indian Penal Code punishable with up to life imprisonment. The seven men have lost six invaluable years of their life due to the deliberate fabrication by the police.

The Delhi Police should immediately register the FIR and proceed against the accused policemen in order to send a strong message to erring police officers given to the practice of staging false encounters and framing people in false cases. In addition to the heinous offence of fabricating evidence, cases under the Arms Act for the possession of the arms planted on the innocent persons should also be pursued. The Rule of Law demands that rather than appealing against the order directing the registration of FIR, the Delhi Police pursue the case against the four policemen. It is a sad irony that despite acquittal and a clear finding of framing in a false case, the police has not released the persons claiming that the individuals are wanted in another case. PUDR demands the release forthwith of Moniuddin Dar and the six others and prosecution of the four policemen named by the judge – Ravinder Tyagi, Nirakar, Charan Singh and Mohinder Singh.

Harish Dhawan, Paramjeet Singh
People’s Union for Democratic Rights

DELHI

Errata

(1) This is with respect to the paper “A Sectoral Impact Analysis of the ASEAN-India Free Trade Agreement” by Smitha Francis (8 January 2011). Due to an internal software error, an incorrect version was published. The paper which had been accepted for publication was another version that had been revised by the author based on a reviewer’s comments. The correct version is now posted on the EPW website.

The error is deeply regretted and EPW apologises to the author for a mistake that should not have happened.

(2) Reference is to the letter entitled “Marx as a Cover for Lenin” by Pares Chatterpadhyay (12 February 2011). In the sentence (in the second paragraph), “Our scholar has here enormously analysed...” the word “analysed” should be replaced by the word “banalysed”.

–Ed.