

With Coal India's shares rising 1.5% on Wednesday while the Sensex fell marginally, it's obvious the GoM's decision to scrap the go/no-go classification of former environment minister Jairam Ramesh has got the market all excited. One of the arguments made by Coal India for its dismal record in coal production, in the past, has been that Jairam's no-go classification had reduced the area for coal exploration by around 43% and coal mining by around a third. Now that the no-go categorisation, where the environment ministry would not even entertain a proposal on mining, has gone, most are expecting Coal India and other miners to jumpstart both production as well as exploration activities.

The celebrations may be a bit premature though. For one, there is no guarantee that the process for giving environment clearances—and these are still needed—has been streamlined any further or made more objective. In the case of the Maharashtra hill station Lavasa, for instance, its promoter Ajit Gulabchand has consistently been arguing that, while saying his project violates environment standards, the environment ministry doesn't have any objective criterion by which it, or anyone else, can measure violations. While baseline environmental assessment reports are supposed to provide precisely this, in the case of Posco, two experts gave completely opposite views. In October 2010, one set of experts talked of "about 70% area of the forest land is covered with various kinds of forest and trees" and cited the presence of scheduled tribes whose interests were being compromised. Another expert, a former environment secretary, said the area was not one where STs were traditionally found and that the forest was "mainly sandy waste, with some scrub forest". In January, the environment ministry admitted the first set of experts were biased when it said "the Posco project site is not part of a Fifth Schedule Area (where tribals are found)".

Interesting, in this context, is the experience of Australia, where anyone can see miners restoring land to exactly the same condition it was in, right down to the varied types of indigenous tree species, while doing far more intensive mining than India does. To use the example of iron ore, in 1980, both countries had roughly similar estimates of deposits—11.5 bn tonnes for India versus 15 bn tonnes for Australia. By 2005, India's reserves had gone up to 13.8 bn tonnes while Australia's had jumped to 40 bn tonnes. Responsible mining isn't an impossibility.