

Controversy Vedanta denies claims that mining in Orissa damages locals' human rights

Vedanta Resources will go ahead with bauxite mine in India despite opposition

LONDON
BY MARK HELYAR

Vedanta Resources is moving ahead with a controversial bauxite mining project in the Niyamgiri Hills in the eastern Indian state of Orissa despite growing opposition from a number of non-governmental organisations (NGOs).

The project, due to start in October, will feed the company's Lanjigarh alumina refinery at Orissa with a capacity of more than 1 million tpy (MB Jul 16 2009).

Orissa is one of the least-developed states in India. More than 60% of its hills are covered in a forest that is described as having "great conservation significance" by the Wildlife Trust of India.

Mining activity in the area would contribute to the loss of natural capital. This figure is already estimated at between two and five trillion dollars every year from the disappearance of forests, according to Pavan Sukhdev, head of Deutsche Bank's global market business in India and head of an EU-commissioned study on the economics of ecosystems and biodiversity, speaking at the world conservation congress last year.

Economics

"Economics has been one of the reasons why nature – that is biodiversity and ecosystems – has suffered because the world of economics considers them externalities," he said during an interview for the International Union for Conservation of Nature TV in October last year.

Niyamgiri is also the ancestral home of the Khondha tribal people, including the 8,000-strong Dongria Kondh, an indigenous community protected under the Indian constitution and the UN declaration on the rights of indigenous peoples.

Growing tensions between economic development, human



Khondas people fear environmental crisis

rights and environmental protection that are highlighted by the mining project have seen significant criticism from NGOs such as Amnesty International, Action Aid and Survival International, who have expressed concern that a genuine consultation with the affected tribal communities was not sought prior to the approval of the project.

In an open letter to the national environmental appellate authority in May 2009, Amnesty International requested withdrawal of the clearance until "all necessary measures have been taken by the government to ensure that the mining project will not negatively impact the human rights of the Dongria Kondh".

But Vedanta has refuted Amnesty's claim.

"The planned project was the subject of detailed scrutiny by a variety of regulatory authorities locally, at national level and ultimately by the Indian Supreme Court. This included the consultation exercises that were conducted, which evidenced that the project had the support of the majority of the local community," the company said in a statement emailed to MB.

But members of the local

community have disagreed with such reports.

"Niyamgiri is the soul of all Kondhas people," one tribal leader said in an interview with MB. "Our total livelihood depends on the mountain."

The Khondhs believe that their spiritual, cultural and economic well-being is linked to Niyamgiri and worship it as their "living God".

But Vedanta believes that the project will have a positive impact.

The region faces a number of development issues, including high levels of preventable diseases and infant mortality, little or no employment or educational opportunities and an almost total lack of economic infrastructure.

"It is clear that the project will bring permanent and urgently required economic benefits to the area and the state of Orissa," the company told MB.

Vedanta has also reported a number of projects developed in partnership with local NGOs to support the local communities.

These include a programme of malaria eradication in Kalahandi district, a nutritious mid-day meal programme for 17,000 children from 235 schools in Lanjigarh, and the planting of more than 2,000

saplings in and around the alumina refinery.

But these projects have been criticised by Survival International as empty gestures to buy the tribes' support.

"While Vedanta tries to mask its intentions with promises of good deeds, the Dongria know the truth: this company is determined to mine their sacred mountain for the brief benefit of distant shareholders," Jo Woodman, Survival International's head campaigner for the Dongria Kondh, said in a statement to MB.

Vedanta has dismissed such criticism as "misleading and inaccurate", suggesting that some of the UK NGOs have "largely ignored some of the very important benefits" associated with the project, it said in a statement to MB.

Scrutiny

But the company's activities appear to be coming under growing international scrutiny. The Norwegian government's pension fund dropped the company from its portfolio at the end of 2007 due to an "unacceptable risk of complicity in current and future severe environmental damage and systematic human rights violations", the fund's council on ethics said in a report to the Norwegian ministry of finance on May 15 2007.

"Other investors need to consider if it really is in Vedanta's best interests to go ahead with the mine," Meredith Alexander, head of trade and corporates for Action Aid UK, said in a statement to MB.

Vedanta will hold its agm in London on July 27.

Khondh tribal activist, Sitaram Kulisika will attend the meeting alongside human rights campaigner Bianca Jagger and Indian-British musician Nitin Sawhney, Action Aid said last week.