

Environment Support Group
27 May 2011

Release of Study on impacts of POSCO's India project

“Tearing through the Water Landscape: Evaluating the environmental and social consequences of POSCO project in Odisha, India”

On 2nd May 2011, Indian Environment and Forest Minister Jairam Ramesh finally approved the diversion of over 3,000 acres of forest land, of the 4,000 acres demanded, for a steel-power-port complex of the POSCO India project. Earlier, on 31 January 2011, Ramesh had approved the environmental and coastal regulation zone clearances that the project had secured in 2007, even though all these clearances were obtained by fraud, and thus illegal, as proved by two independent investigative committees that he appointed last year.

Forest Rights denied is violation of Fundamental Rights

The diversion of forests for non-industrial use by POSCO was based on “categorical assurances” that Jairam Ramesh sought from the Odisha Government that the Forest Rights Act did not apply to communities affected directly and indirectly by POSCO. The Odisha Government gave him this assurance on the basis of fraudulent claims that there were no non-traditional forest dwellers and tribes in the POSCO project affected villages of Jagatsinghpur, thus making this massive land transfer merely an administrative arrangement. Rather cheaply, the Odisha Government accused Shishir Mahapatra, the Sarpanch of Dhinkia Panchayat, of fraud in providing resolutions of Palli Sabhas that demonstrated that not only were there OTFDs and tribals in the project affected area, but that they had been dependent on the region's natural resources, particularly forests, for centuries. Ramesh did not hesitate for a moment and question this claim by the Odisha Government. On the basis of this uncertainty in fact, he proceeded to support the POSCO clearance claiming it was of “strategic importance” to India.

Authorising the loot of India's natural resources:

As the single largest industrial foreign direct investment ever in India (with a capital cost of Rs. 51,000 crores at 2005 prices), POSCO's ambitions in India aren't merely of location a steel-power-port complex in the ecologically sensitive Jagatsinghpur district. In fact, company officials have submitted before the investigative committees that they will not invest in the steel-port complex if permission to mine for iron ore in over 6,100 acres of dense jungle in the Kandadhar Hills in Sundergarh district is not granted. Most of this iron ore mined is for export without any local value addition, and thus will serve the economic interest of South Korea and POSCO stockholders – mainly American banks and Warren Buffet – one of the world's richest's individuals. POSCO has also demanded a dedicated railway line to the port – that means additional land demands. Further the project requires at least 2,000 acres for a township for its employees, and diversion of drinking water from the Jobra barrage for industrial use. All this has been agreed to by the Odisha Government when the project MOU was signed in 2005, but the people have been kept in the dark of the real consequences of such loot of India's non-renewable natural resources.

The Making of a 'Right-less People' by Jairam Ramesh

Over 13,000 acres is merely the demand of land for realising POSCO's dream venture in India. Thousands of families

will be dislocated, and suffer irreparable damage to their lives and livelihoods. It is time we appreciated that this steel-power-port-township-mining project is the single largest industrial venture conceived in recent memory, and that such scale of investment will be done only because we are gifting highly expensive and excellent iron ore for POSCO to make stupendous profits. There is absolutely no benefit for India in this deal, and what POSCO will leave behind, if they succeed at all, is a lot of fly ash, destroyed ecologically sensitive coastal and forest environments and thousands of people in misery.

To help appreciate the full consequences of the POSCO investment in India, Environment Support Group, a not-for-profit public interest research, training, campaign and advocacy initiative, has produced a study entitled “***Tearing through the Water Landscape: Evaluating the environmental and social consequences of POSCO project in Odisha, India***”, which is co-authored by Leo Saldanha and Bhargavi Rao. This study was undertaken at the request of POSCO Pratirodh Sangram Samithi (POSCO Project Resistance Movement), leading the opposition against the POSCO project. The study reveals on the basis of extensive review of historical, ecological, social and economic evidence that Jairam Ramesh's support for POSCO is nothing but a highly condemnable act that legitimises fraud and corruption in environmental decision making. As a result, the study reveals that Ramesh has today become the architect of one of India's greatest planned disasters that begins its ominous initiative by turning the affected communities into a 'rightless people', as their fundamental rights have been snatched on the basis of “faith and trust” in Odisha Government's lies.

A copy of this study is accessible at www.esgindia.org

Environment Support Group, 1572, 36th Cross, Banashankari II Stage, Bangalore 560070. INDIA

Tel: 91-80-26713559~61 Email: esg@esgindia.org Web: www.esgindia.org

Email of authors of this study:

Leo Saldanha: leo@esgindia.org

Bhargavi S. Rao: bhargavi@esgindia.org