Indian Economy · GS - III

Assess the challenges of reconciling mineral-based industrial development with the land rights, livelihoods and environmental interests of local communities in India.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 27/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
15	~250 words

Answer Hint

Mineral governance, MMDR Act 1957, land acquisition, rehabilitation and resettlement, environmental impact assessment, Gram Sabha, livelihood security, sustainable development

Model Answer

Mineral extraction supports industrialisation, infrastructure and economic growth. However, mining projects can create conflicts when mineral development affects agricultural land, community resources and established livelihoods.

The development–community conflict

1. **Land and livelihood insecurity:** Mining may reduce access to agricultural land, water resources and common property, affecting farmers and landless workers.
2. **Unequal distribution of benefits:** Mineral revenues and industrial gains may not adequately compensate local communities bearing the social and environmental costs.
3. **Environmental degradation:** Excavation, dust, groundwater depletion and waste disposal can damage ecosystems and agricultural productivity.

4. **Social disruption:** Displacement can weaken community networks and create long-term livelihood insecurity.

Institutional and legal safeguards

1. **Mineral regulation:** The MMDR Act, 1957 establishes the framework for mineral concessions and regulation of mining activities.
2. **Land acquisition:** The RFCTLARR Act, 2013 provides safeguards concerning compensation, rehabilitation and resettlement where its provisions apply.
3. **Environmental assessment:** Environmental Impact Assessment and statutory clearances help identify and mitigate ecological risks.
4. **Community participation:** Gram Sabha consultation and applicable forest rights safeguards are particularly important where Scheduled Areas and forest-dwelling communities are involved.
5. **Benefit sharing:** District Mineral Foundations can support development and welfare in mining-affected areas.

Conclusion

Mineral development should be governed by transparency, meaningful community participation, fair compensation and enforceable environmental safeguards. Economic gains become sustainable only when affected communities share benefits and their rights are protected.

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