

## **‘Culpable Genocide Not Amounting To Murder’ – The Tuticorin Massacre**

### *The Working Class and Primitive Accumulation*

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*‘Ensure zero tolerance towards safety, environment and governance’ (sic!!).*

Mission Statement of Sterlite Copper (a unit of Vedanta Limited):

(<https://sterlitecopper.com/know-us/> accessed on 20<sup>th</sup> July 2018)

A demonstration of tens of thousands of citizens of Tuticorin (Anglicised form of Thoothukudi) marched to the office of district administration demanding shutting down of a copper smelting plant owned and operated by Vedanta Resources Plc under the name of Sterlite Copper. These citizens were convinced that the plant was blatantly violating environmental safeguards and causing severe pollution of air ground water and the adjacent sea. As a result, deadly diseases like cancer and respiratory disorders were becoming rampant and the diversity of marine fishes and flora was fast dwindling. The allegation was also that this was being done with the connivance of the state regulatory agencies. The agitators came from a broad spectrum of citizens which included school children, college students, workers, housewives, shopkeepers, fisher-folk, business-persons etc. Indeed a general strike had been called by the Merchants Association. Artisanal fisher-folk, shank divers, small salt pan manufacturers, the Tuticorin Chamber of Commerce, auto rickshaw unions, mini bus drivers and tea stall vendors quickly joined the call and stayed off work. They called for an immediate stoppage of the ongoing work to construct a new copper smelter complex, and closure of the existing factory. Vedanta was planning to establish one of the largest copper smelting complexes in Tuticorin. Once the demonstrators threatened to enter the office complex, the police opened fire which killed about 13 protestors most of whom turned out to be ordinary citizens including women and children, who had joined the protest. The TV media caught on camera snipers employed by the police who were shooting down the protestors in gross violation of norms for such circumstances.

Tuticorin happens to be an old city with a modest harbour and famous for its fisheries pearl fishery and salt pans. It was also an early site of colonial industrialisation where the textile multinational Coats established one its early spinning mills in 1877. Significantly, it was the site of symbolic nationalist resistance where VO Chidambaranar set up a nationalist shipping firm to compete with the colonial shipping services in 1907.

The 1990s mark a watershed in the industrial history of Tuticorin. ‘Liberalisation’ and Globalisation and the attendant sell out to crony capitalists of public property is well attested here too. The Government of Tamil Nadu’s State Industries Promotion Corporation of Tamilnadu (Sipcot) set up an industrial estate in Tuticorin and many other towns and handed over land on 99 year leases to industrial houses. Sterlite Copper (Vedanta) was the largest beneficiary of this scheme. Within two decades Tuticorin became a major industrial and power hub of Tamil Nadu. A wide variety of industries including ship building, chemicals and petro-chemicals, textiles, food processing and thermal power plants have come up in and around the city which has a population of about four lakh people. The Vedanta happens to be the most aggressive of the industrial complexes that inhabit this landscape. Today it claims to be a major actor in world copper industry. “Sterlite Copper operates a 400,000 metric tonnes

per annum (MTPA) Copper Smelter with associates (sic) facilities such as Refinery and Copper Rod Plant, Sulphuric Acid plant of more 12,00,000 MTPA and a Phosphoric Acid(sic) of 220,000 MTPA at Thoothukudi, Tamilnadu. Sterlite Copper also operates a 160 MW coal based power plant in Thoothukudi,” (from the official website of Sterlite Copper)

The prehistory of Sterlite is instructive. In 1992, Sterlite had been allotted 500 acres of land by Maharashtra Industrial Development Corporation to set up a 60,000 ton per annum copper smelter and associated facilities in the coastal district of Ratnagiri. Faced with the prospect of pollution by the smelter the local people engaged in a year-long agitation which eventually resulted in the government recognising that such plants can't be set up in ecologically fragile coastal regions and withdrawing the permission. In 1994 Tamil Nadu welcomed Sterlite with land in Tuticorin.

The sordid stories of ill considered permissions with weak clauses for protection of the environment (like keeping a minimum distance of 25 Km from the Gulf of Mannar and allotting land well within 14 Km, maintenance of a green cover for a certain distance from the plant, the clauses relating to getting environmental impact studies before commencing operation or the clauses relating to capping the capacity of the plant) as well as blatant violation of all these clauses by Sterlite form the background to the present agitation.

Despite the progress of industrialisation, the economy of the town continues to depend 'majorly' upon traditional salt pans and fisheries including pearl fisheries. All three depend upon the fragile ecology of the Gulf of Mannar which separates southern India and Srilanka. With over 3600 species of flora and fauna (including turtles, sharks, dolphins, varieties of coral and pearls and among the flora sea weeds, sea grass, coral reefs, mangroves and salt marshes) this Gulf is one of the richest coastal regions in Asia. Yet due to diverse kinds of pollution and over fishing this diversity has been endangered. In 1989 the entire gulf was declared a Biosphere Reserve. The emergence of Tuticorin as a major industrial and energy hub has gradually undermined this fragile biosphere. A large number of fishing communities (47 villages with a population of about 50,000 people) depend for their livelihood upon this reserve. This is in addition to the salt pan workers and dock workers. The hinterland of the city is mainly agricultural and pastoral with the people dependent upon monsoonal flow in the rivers and streams and ground water for both drinking and agriculture. Over the last few decades the people of this region have seen a minimal growth of employment and a major degradation of natural resources, especially water and air. The Thermal power plants spew ash which not only increases the quantity of suspended particles in the air but also settle on salt pans severely spoiling the salt harvests. They are also said to settle on the sea damaging the fisheries and also on standing crops. The chemical and metallurgical industries as well as the sea food industries have not only used up immense quantities of ground water but also dumped toxic wastes into the aquifers and the sea. This decline in the air and water quality has not only meant depletion of livelihoods for the people but also a decline in health.

The earliest of the notable protests happened on March 20, 1996, when about 500 fishermen laid siege to cargo ship MV Reesa that was carrying raw materials for Sterlite. The ship had to be rerouted to Kochi from where copper ore was transported to Thoothukudi via road. They have been facing the depletion of fish stocks especially of some special varieties native to the region due to the pollution by the thermal power plants. (Sterlite incidentally has its own captive power plant.) Recently many chemical factories have been allowing untreated effluents to enter the sea and destroy the fish habitat. The population dependent upon fishing

which ranges from traditional fishing communities to diverse kinds of traders have been badly hit. They form a major component of the anti-Sterlite movement.

As the plant became operational it began spewing toxic gases and contaminating ground water with toxic waste. After two incidents of gas leak which affected the workers of neighbouring plants, the Tamil Nadu High Court ordered an independent investigation by National Environmental Engineering Research Institute (NEERI). Its report was highly incriminating. It found fault with Sterlite on many counts, including the following:

- failure to develop a greenbelt;
- producing products it was not authorised to;
- contaminating groundwater with arsenic, lead, selenium, arsenic, aluminium and copper;
- causing gas leaks that hurt people;
- location, 14 km from notified islands in the Gulf of Mannar (violating the 25 km bar)

The High Court accordingly ordered the closure of the plant with immediate effect in November 1998. However within a few weeks Sterlite was able to persuade the court to allow it to resume production on the condition of conducting a fresh study by NEERI. It was also allowed to work to its full capacity to enable NEERI to conduct an Environment Impact Study (something that should have been done prior to the commissioning of the plant). This was to be funded by Sterlite. Subsequently NEERI gave a clean chit to Sterlite.

The residents of Tuticorin however continued to complain of release of toxic wastes in the water and unlicensed production by the company. In September 2004 a Supreme Court Committee inspected the site and found a number of irregularities and recommended that the plant should not be allowed to expand production further and that the appropriate regulating bodies should take cognisance of activities in violation of regulatory laws. A few months later the Tamil Nadu Pollution Control Board (TNPCB) did confirm that Sterlite had built units without prior consent and was producing more than twice the sanctioned capacity. Nevertheless the Board was pressurised to overlook these violations and allow Sterlite to expand its production further. With every increase in production the polluting effect of the plant increased correspondingly. The residents persisted with the case in the High Court which ordered the plant to shut down in September 2010. However the Supreme Court set aside the order and allowed the plant to resume production till the apex court disposed off the case. It was in April 2013 that the Supreme Court finally gave its verdict. In the mean time at least three persons had died in accidents in the plant and a gas leak in March 2013 caused much harm and alarm in the city. However despite strong circumstantial evidences the TN Pollution Control Board was 'unable' to establish without doubt that the leakage occurred from Sterlite and not any other chemical factory.

The April 2013 judgement of the Supreme Court reads like a paradox. The apex court agreed with all allegations made by petitioners and the people of Thoothukudi, but refused to shut down the company. It agreed that *"the plant of the appellant did pollute the environment through emissions which did not conform to the standards laid down by the TNPCB under the Air Act and through discharge of effluent which did not conform to the standards laid down by the TNPCB under the Water Act"*. It also conceded that the company had continued

production despite non renewal of licence by the TNCPB. The Court further agreed that when Sterlite moved the Supreme Court for staying the judgement of the High Court it had misrepresented and suppressed important facts. *“There is no doubt that there has been misrepresentation and suppression of material facts made in the special leave petition but...”* and here comes the twist in the tale – *“to decline relief to the appellants in this case would mean closure of the plant of the appellants.”* The Hon. Court was convinced that closure of the plant was undesirable. *“The plant of the appellants contributes substantially to the copper production in India and copper is used in defence, electricity, automobile, construction and infrastructure etc. The plant of the appellants has about 1,300 employees and it also provides employment to large number of people through contractors.”*

Hence the Court decided to let off the company after a hefty fine of Rs. 100 crores.

*“For such damages caused to the environment from 1997 to 2012 and for operating the plant without a valid renewal for a fairly long period, the appellant-company obviously is liable to compensate by paying damages...”*

*“Considering the magnitude, capacity and prosperity of the appellant-company, we are of the view that the appellant-company should be held liable for a compensation of Rs. 100 crores for having polluted the environment in the vicinity of its plant and for having operated the plant without a renewal of the consents by the TNPCB for a fairly long period.... The aforesaid amount will be deposited with the Collector of Thoothukudi District,.... The interest therefrom will be spent for improving the environment, including water and soil, of the vicinity of the plant....”*

Sterlite has since embarked on an ambitious expansion plan to build additional smelters on the agricultural lands of a nearby village in effect increasing its capacity to a whopping 8000 tons a year. Tragically most of the statutory bodies which have to give clearance to this project have compromised public interest and caved in to the pressures of this colossal company.

This may have gone unnoticed but for the severe health impact faced by the people living in the villages around the factory and in Tuticorin. Indian health system is notorious for poor documentation and researches into morbidity. As such we do not have reliable health data and have to go by anecdotal evidence and perceptions of the residents of the area who strongly feel that death causing diseases like cancer have become rampant during the last two decades. A local resident summed up the complaints thus, *“These villages situated close to Sterlite Copper have been witnessing deaths caused by cancer and respiratory diseases, birth of children with congenital disorders and increased instances of miscarriage. The villagers suspect that these are caused by liquid and gaseous effluents discharged from the copper-manufacturing unit. And this anxiety, fear and anger brought the people together against the mega project.”*

The dumping of toxic waste is said to have resulted in the pollution of water bodies in nearby villages leading to the death of livestock. It is also claimed that the tests by official agencies have proved that the waters are contaminated. A nearby village of Silverpuram has seen a steep rise in cases of cancer and it is reported that a population of under 2000 people has more than 60 cancer patients.

Indeed all this may or may not have been due to Sterlite and no one is prepared to conduct a conclusive scientific study. However the fact remains that for the people of Tuticorin and nearby villages Sterlite merely represents in a concentrated form the threat posed by indiscriminate expansion of industries in the post liberalisation period. It happens to be the most brazen and powerful among the polluting plants and hence the need to target it.

This is not the place to recall the details of the hundred day struggle of the people and the demonstration joined by tens of thousands of people. It is also immaterial if agents provocateurs were at work to incite violence and police firing. The fact remains that in the face of solidarity of citizens of the region the state decided to side with Sterlite and target the protestors. Of course the national outrage forced the government to subsequently close down the plant.

In passing we may remark on the peculiar situation faced by the workers of Sterlite. In the reaction that followed the firing, large crowds entered the Sterlite complex and attacked the plants and residences of the workers. The workers have sought protection from the protestors and have also demanded that the plant be allowed to function lest they lose their employment. This would make the protestors appear as some kind of Luddites determined to stop the process of industrialisation and set the clock back.

We are thus faced with a paradox. The workers of the plant appear as defenders of the company and peasants, fisher-folk, petty shopkeepers and others of the town who are fighting the company appear as reactionaries who are undermining the very existence of the industrial working class. What then should be the view point of the working class and its vanguard if we were to have one? We shall return to this issue at the end of this article.

Culpability of the Tamil Nadu and central governments in this case is more than evident. Extending permission to Sterlite to set up the unit in Tuticorin, laxity in giving environmental clearance and subsequent monitoring, allowing the company to expand production with impunity without environmental safeguards, and above all complete silence for over hundred days preceding the massive protest march, the callous and brutal management of the protest and subsequent targeting of the common people of the city... All this points to complicity that goes beyond the paradigm of 'encouraging industries'. The brutal firing and repression let loose on the people of Tuticorin will forever remain a blot on the history of the Indian State.

### **Vedanta –Rags to Riches... at whose cost?**

It may be useful to briefly recall the history of Vedanta the holding company of Sterlite Copper. Mr Anil Agarwal started his career some decades ago as a scrap dealer in Mumbai. He persuaded some banks to finance his purchase of a sick cable company (Samsheer Sterling) in 1979. He succeeded in turning around the fortunes of the company and also learn the art of running such firms. As his ambitions grew he decided to control the sources of his raw materials especially, copper and aluminium. The opportunities came in early 1990s as India 'opened out to the world' and eased state control over mineral resources. Sterlite Industries acquired Madras Aluminium Company and copper mines in Australia. That was also the time that Sterlite Copper was set up in Tuticorin. The idea was to ship imported ore to this port city and smelt copper. By the turn of the millennium the mineral policy of the Government of

India was revised to withdraw the state monopoly over the mining sector and bring in private players. In 2001 the union government was ready to sell off Bharat Aluminium Corporation (BALCO). Mr Agarwal swooped on it. In 2002 he purchased Hindustan Zinc Ltd. a public sector company and the largest Zinc producer in India controlling several mines and a large smelting facility in Rajasthan. It was widely known then that the rulers of the day grossly undervalued the two companies and sold them for a song at a time when international zinc prices were at their lowest, but poised for a major rise. Anil Agarwal had put the same thing differently –

*“When we took over Hindustan Zinc, we were told that we had a reserve for five years, and we made 1,50,000 tons of zinc every year. We opened the door and we put in the very best people. To cut this story short, today we are producing 1 million tons, we are about seven times bigger, and we have a reserve for 40 years. The company never used to produce silver; we are producing close to 1,000 tons of silver.”*  
(<https://www.bcg.com/publications/2014/anil-agarwal-simplicity-determination-vedanta-resources.aspx>)

It is said that the dominant share in this company was sold to him for less than the value of the scrap material the company complexes had. Interestingly enough these acquisitions were made possible by massive bank loans. So he purchased public assets using public money!

Today Hindustan Zinc meets more than 80 percent of India’s demand for zinc. It is the second largest zinc producer in the world and its cost of production is among the lowest in the world.

These acquisitions gave Vedanta (the holding company owned by Anil Agrawal) a major foothold in the mining sector. It now dreamt of global presence and got itself listed in London Stock Exchange, the first Indian company to do so. To access international capital markets, Anil Agarwal incorporated Vedanta Resources Plc in 2003. Vedanta Resources became the parent company of the group through a process of internal restructuring of group companies and their shareholding. The listing raised \$657 million, making it the second largest initial public offering (IPO) of the year. And suddenly Vedanta was among the large mining companies of the world.

In 2004 Vedanta Resources Plc acquired Konkola Copper Mines in Zambia, Africa. In 2007, Vedanta Resources acquired a controlling stake in Sesa Goa Limited, India’s largest producer-exporter of iron ore, and in 2010, the company acquired South African miner Anglo American’s portfolio of zinc assets in Namibia, Ireland and South Africa. The next year, Vedanta Resources acquired controlling stake in Cairn India, India’s largest private sector oil-producing firm. The merger of Sesa Goa and Sterlite Industries was announced in 2012, as part of the Vedanta Group’s consolidation. In 2017 Anil Agarwal became the single largest shareholder (20%) of Anglo American the South African mining giant which among other things has a controlling share in De Beers the diamond miners.

These rapid acquisitions also meant reckless mining as if there was no tomorrow. Riding roughshod over rights of the tribal people of Odisha state Vedanta sought to mine bauxite (for aluminium) from the Niyamagiri hills. This met with stiff resistance of the Kondah tribes who despite every pressure exerted by the state and the Vedanta stood their ground and voted en masse to reject the acquisition of their traditional lands by Vedanta in a referendum

conducted by the Supreme Court itself. A committee appointed by the court indicted Vedanta for terrorising the tribal people using private armies.

In a situation bearing eerie similarity to Tuticorin, 2000 persons from Chingola village adjoining copper mines operated by Vedanta in Zambia, went to High court in 2011 over its polluting activities. Vedanta dumped hazardous waste into a tributary of the Kafue river (itself a tributary of the Zambezi), from its copper mine there, according to a lawsuit filed by 2,000 residents, resulting in widespread human illness and the death of fish. A Canadian agency hired by the company to conduct private investigation apparently reported, "The water is acidic, and the copper and iron levels exceed permitted levels. The impurities can cause cancer.... The people in those villages should be advised not to use this water for drinking." The 12 sq mile opencast mine has not only created one of the largest holes on African surface but also polluted streams and underground aquifers. These mines had been acquired by Vedanta in 2004 soon after listing in London Stock Exchange. It is said that it has been using old dilapidated plant facilities resulting in frequent leakages and overflow of effluent processing dams. The High Court in Lusaka found Vedanta guilty and ordered the company to pay the people a damage of \$ 2 million. Vedanta went to the Supreme Court which upheld the conviction of the company but curiously exempted it from paying any compensation. The villagers then went to London High court as Vedanta is listed as a London based company in 2016. Vedanta contested the jurisdiction of the court over the subsidiary company operating in another country. In October 2017, the Appeal Judges rejected this claim of Vedanta and the people of Chingola won jurisdiction of the London court over the companies held by Vedanta listed in LSE. This may explain Anil Agarwal's latest move to get the company delisted from LSE. While registering the company in London allowed him to access international capital, it also brought with it the jurisdiction of London courts with much stricter norms for environmental safety and payment of compensation to victims.

Vedanta also entered the energy sector with the purchase of Cairn India and sought to set up thermal power plants in coal rich areas. Once again its reckless and callous approach was demonstrated by the collapse of a chimney tower under construction in Korba (Chattisgarh) killing 40 workers in 2009. This is considered one of the largest industrial accidents in recent history. (Incidentally of the 12 mining companies listed in LSE, Vedanta has the highest fatality record with 67, followed by Anglo American with 20.) A judicial enquiry attributed the cause of the accident to poor design and use of substandard construction materials and indicted Vedanta for the collapse. This caused the company much embarrassment as the British Safety Council had to withdraw its 'awards' to Vedanta and several high profile investors like the Church of England and the Scandinavian pension funds withdrew their investments from Vedanta. Interestingly Vedanta tried to browbeat the judicial enquiry and when the report was finally submitted it got a High Court order to suppress its publication on the plea that the company was not given sufficient time to respond. Anil Agarwal, had told a shareholder meeting in London that the episode at Korba was an "unfortunate accident" and that "investigations have revealed that [the incident] was caused by severe thunderstorms and lightning." The judicial enquiry had clearly ruled out this possibility and the police had charged Vedanta officials with "culpable homicide not amounting to murder".

Its venture in iron ore mining in the ecologically sensitive Western Ghats and Goa too came up for severe criticism and which eventually forced the government to stop mining there in 2012.

According to the Forbes magazine Agarwal remains unfazed about these things. He invoked the holy cow to say, “This is an absolute myth that when mother earth has oil, gold, silver and other resources, you don’t take it out. It’s like taking out milk from a cow—you have to do it sustainably, with heart and soul to make sure you’re not exploiting it.” (Forbes India 29 December, 2017). Of course it is moot question as to whose cow he is trying to milk. That he is dispossessing the indigenous people of their cows and milking them for a world market is left unsaid.

Vedanta Philanthropy: Adulatory news reports tell us repeatedly how Anil Agarwal is an ideal capitalist who has committed a lion’s share of his assets to philanthropy. Agarwal himself is on record regarding his concern for health and education which should be geared to make India a major player in world economy. Neo-liberal philanthropy is just beginning to flower in India and its various dimensions need careful examination. Super profits generated by crony capitalism also mean that individual capitalists are saturated with funds and need to find new avenues of investment to open up new markets. However, the funds should simultaneously strengthen the promoters of the corporation within the joint stock system of capital management. For example, Mr Ratan Tata controls Tata Sons without holding any substantial percentage of shares by virtue of control over the Tata Trusts (which were integrated and brought under the control of Mr Tata). These trusts in fact control the majority shares of the holding company. It is this leverage that Mr Tata used to outsmart Mr Cyrus Mistry the former CEO even though Mistry’s family was one of the largest shareholders of Tata Sons. Similar philanthropy can be seen in WIPRO and also among the Ambanis. Mr Agarwal in committing his shares to a philanthropic trust will be following these footsteps.

### **‘Primitive’ accumulation in contemporary times**

In the last chapter of Capital I, Marx discussed the question of pre capitalist sources of capitalism, the use of extra economic coercion to divest small producers of their means of production and livelihood and simultaneously creating a capitalist class with capital and a proletarian class dependent upon the former for its livelihood. Marx was careful to point out that the small producers depended not only on the means of production that they individually owned but also collective resources like forests, meadows, rivers etc. Thus primitive accumulation not only meant dispossessing the producers of means of production directly owned by them but also denying them access to common resources. This at once concentrated productive resources in the hands of the capitalists, created a class of resourceless proletarian workers and expanded the ‘home market’ as the proletarians had to resort to market to fulfil their primary needs like food, medicines and even water and air. In Marx’s view this triple action could be achieved only through coercive power backed by the state and the legal system.

We can quite clearly see this process at work in the mining sector the world over. As developed countries have shut down their mines, it is the grossly undervalued minerals appropriated by dispossessing the indigenous people, (mostly small farmers, pastoralists, hunter gatherers and fisherfolk) which caters to the need of the exploding market. Pollution of natural resources may appear to be unconnected to this phenomenon. However, it should be seen in the light of Marx’s insight regarding the appropriation of common resources by Capital. Pollution of drinking water, destruction of coastal fishing has the multiple effect of opening diverse opportunities for capital. The depletion of soil and contamination of water sources has the effect of rendering the land unproductive, incapable of sustaining both agriculture and animal life. This would force the people to resort to market for such basic



necessities. Illness caused by pollution too opens new markets for the medical corporations and insurance companies. Such dependence upon market for very survival would egg the people to seek employment in capitalist enterprises in both the 'industry' and 'service' sectors.

In Marx's formulations, primitive accumulation preceded the formation of industrial proletariat. Here we have a situation where primitive accumulation appears as an on-going process and hence the struggle against it co-exists with the struggles of the proletariat. Sterlite incidentally has witnessed a large number of deaths of workers due to accidents. Activists have documented at least a dozen cases of deaths of workers, most of them contract workers from North India without any local contacts. Even though Sterlite management claims that most of its workers continue to support it and are in its payrolls, the interests of the workers lie in joining hands with the people of Tuticorin. Yet the workers face a paradoxical prospect of supporting the closure of the company that gives them employment and face the unemployment if the company is closed permanently. Indeed, most of the contract workers have already been rendered unemployed.

The working class thus faces the problem of joining hands with the struggle against 'primitive accumulation' which will undermine the enterprises which employ it. However, this bitter choice has to be made if the working class seeks leadership in society and desires to challenge capitalism as a social system. At the same time the working class stands for socialisation of production and dissolution of pre-capitalist forms of segmented control over natural resources and labour. Only the working class can lead the rest of the society towards a less painful and less traumatic transition where socialisation of production is also just and paves the way for equitable growth and dignity of labour. Such a socialisation of production is possible only within the framework of Socialism.