

Whitewashing exploitation and cronyism: Vedanta and Corporate Social Responsibility in India

As Tuticorin Bleeds Over Sterlite Unit, a Look at Vedanta's Charm Offensive

Thursday 7 June 2018, by [The Wire \(IN\)](#) (Date first published: 24 May 2018).

Vedanta is one of India's worst violators of environmental and human rights regulations AND a valuable partner of the Modi government's development agenda. The company makes massive charitable donations to oil the wheels of the system.

New Delhi: In the run-up to Prime Minister Narendra Modi's visit to London in April, Vedanta boss Anil Agarwal had much to be upset over.

Protesters had been agitating over his company's copper smelter plant in Tamil Nadu and two weeks before Modi left to the United Kingdom, the factory was temporarily shut down due to a lack of permission from state government authorities.

Agarwal meanwhile was anticipating Modi's trip. When the prime minister visited in 2015, Vedanta took out [front-page advertisements](#) welcoming Modi and this time around [reportedly proved no different](#).

A day after Modi's on-stage 'interview' with movie censor chief Prasoon Joshi, Agarwal also went on to be an integral part of [the India-UK CEO meet](#) that was attended by both Modi and UK Prime Minister Theresa May.

Never mind that the widespread agitation over pollution and environmental concerns at Sterlite's copper factory in Thoothukudi at the time - which turned bloody this week, with state police firing and killing 11 protesters - had extended all the way to the UK just weeks before Modi's visit, with groups of British Tamils [protesting outside the Vedanta chief's home](#) in London's affluent Mayfair district.

Instead, Agarwal tweeted: "Pleasure to listen to #PMInLondon. He [Modi] said 1 lakh villages have got optical fibre connectivity in the last four years. Proud that @SterliteTech, one of our companies, is leading the Digital India vision. #BharatKiBaat".

This, in a nutshell, is how Vedanta has oscillated between being criticised as one of India Inc's worst violators of environmental and human rights regulations and at the same time being a valuable corporate partner of the Modi government's economic agenda.

In recent years, Vedanta has emerged as a crucial financial backer of prominent Indian cultural events, from literature - the London edition of Jaipur Literature Festival - to documentary film-making as well as socially-conscious programmes.

The early years

From 2000 to 2010, the company's alumina and bauxite mining operations in Lanjigarh district and the Niyamgiri hills in Odisha sparked widespread protests and cemented Vedanta's reputation as an egregious polluter and offender of tribal and human rights.

It was during this ten-year-period, as *The Wire* [has reported and analysed](#), that it also gave political contributions to the Congress and BJP – donations that were held to be in violation of India's Foreign Contribution (Regulation) Act by the Delhi high court.

The company's environmental violations very quickly proved impossible to ignore and drew sharp censure not just from local activists but also international investors and institutions. In 2007, Norway's state pension fund relinquished its holding in the company over what it described as "environmental and human rights violations". Three years later, prominent investors such as the Church of England the Joseph Rowntree Charitable Trust also sold their stakes for similar reasons.

Its green clearance was pulled by India's environment ministry in the same year for "violating forests laws in Orissa".

In April 2010, *Forbes India* [ran an in-depth story with the headline](#) "Can Vedanta Find its Soul?" and described Anil Agarwal as being at somewhat of a moral and ethical crossroads.

Take, then give back

To change the narrative to a more benign one, the mining tycoon turned to the world of corporate social responsibility (CSR) and public outreach.

In 2005, an official CSR team was created within the organisation. In its section on Agarwal's image make-over, *Forbes India* quoted an anonymous and former company official who cynically remarked: "In his talks the chairman came across as a person who was interested in corporate social responsibility. But one wonders if others below him cared equally. Otherwise, how do you explain that the least-performing executives were shunted to CSR positions?"

Nevertheless, the company persevered.

Long-promised but never-completed community projects such as a massive cancer and research centre in Chattisgarh and a "world-class, billion-dollar" university in Odisha [were dusted off](#) and revived with new promise.

Glitzy media partnerships and campaigns soon followed: In 2013, *NDTV* [announced](#) that it had joined hands with Vedanta and actress Priyanka Chopra to launch a new "Our Girls: Our Pride" campaign that would raise awareness for underprivileged girl children, their health, education and nutrition.

In the same year, Vedanta [proudly touted](#) that its various companies in India had spent over Rs 300 crore on corporate social responsibility that financial year, nearly 3% of their combined profit, which was above the mandatory 2% most Indian companies are required to spend.

In 2014 – which was incidentally the same year it was stopped from mining bauxite in the Niyamgiri Hills – Agarwal pledged 75% of his wealth (\$3.5 billion or about Rs 23,000 crore) to charity. On multiple occasions since then, he has noted that a substantial portion of this would go back to "investing in India's human resource" and working to better the lives of children below the age of seven years.

Cultural and media backfire

At the same time, many of Vedanta's outreach initiatives have been seen as an attempt at white-washing the allegations against it and improving its poor image.

In 2012, it sponsored a short-film competition, which asked for submissions on the the impact of the company's social development projects. In what proved to be an embarrassment for Vedanta, two members of the film competition's jury, actor Gul Panag and director Shyam Benegal, pulled out over objections raised over the company's poor track-record on environmentalism.

"My basic belief did not allow me to say yes," Benegal was reported as saying, when asked about his resignation. Panag went one step further, tweeting: "My bad, just got full details. I wasn't aware that the competition was part of #Vedanta glorification/PR. Have pulled out".

Four years later, in 2016, the [company's sponsorship of the Jaipur Literature Festival's edition in London](#) sparked calls for a boycott campaign. Over a hundred academics and writers launched a protest campaign and a "Boycott Vedanta JLF 'London'" event, and stated that the "shameless PR campaign" must be targeted in order to express "solidarity with the many communities suffering pollution, illness, oppression, displacement and poverty as a result of Vedanta's operations".

Vedanta's attempts at influencing media reportage surrounding its outreach to local and tribal communities in Orissa and Chattisgarh have also been widely documented and criticised.

In June 2008, a group of Indian activists and filmmakers, including Arundhati Roy and Sanjay Kak, slammed *Tehelka's* reportage on the company's alumina project in Lanjigarh. One of the magazine's stories, in particular, had noted that critics of Vedanta's bauxite mining project were satisfied by the company's rehabilitation package and that protests from locals had all but faded into the background.

"Bibhuti Pati's story, 'New Era in Lanjigarh' (June 21), about the Vedanta Alumina project in Orissa raises serious doubts about the magazine's intentions," the activists [noted in an open letter](#).

"The story flies in the face of all that everybody knows...In an information-war on an issue on which billions of dollars rest, it is obviously of concern that *Tehelka* is suddenly contradicting its own good reporting. And there are inevitably those in Lanjigarh and elsewhere who see this article as a handout of Vedanta's own propaganda."

In August 2014, [The Caravan documented](#) how a public hearing in Lanjigarh, aimed at discussion the potential expansion of Vedanta's alumina-producing facility, was grossly mis-reported by most mainstream media largely because state government authorities and company officials had "rushed to declare the hearing" was a success.

According to [local media reports from the time](#), Dongariya Kondh villagers had actually stormed the meeting, snatched away the microphones and "raised slogans against Vedanta" while questioning "the purpose of holding such public hearing in the absence of locals and stage managed by the ruling BJD and company officials".

However, as *The Caravan* notes, this side wasn't represented in mainstream media reports, which relied largely instead on the version put out by Vedanta and state government officials.

Vedanta and Modi

Over the last four years, Anil Agarwal and his mining empire have, on the surface, deeply embedded

themselves in the Modi government's development agenda. A month after the 2014 general election, Agarwal told reporters that the "entire world" was "looking forward to the Modi government".

Since then, Vedanta has been a staunch supporter of the Centre's flagship development programmes. In October 2014, the mining boss announced that the company's 'Maryadaa' campaign would join Modi's call for 'Swachh Bharat' - all the company's townships and employees would join in a cleanliness drive - and that group firm Hindustan Zinc was already in the process of constructing 30,000 toilets in rural Rajasthan in collaboration with the state government.

While most Indian conglomerates often pledge CSR funds towards flagship governance programmes, Vedanta has its fingers in nearly every pie: In partnership with the women and child development ministry, [it plans to modernise](#) 4,000 *anganwadis* as "*nand ghars*" and focus on children health, education and skilling of women.

Agarwal has also taken personal interest in other projects seen as near and dear to India's prime minister. In late 2017, in London, transport minister Nitin Gadkari disclosed that Agarwal had "taken responsibility" for beautifying the Ganga river front in Patna.

Gadkari at the time noted that he was looking for wealthy Indian businessmen in the UK with sentimental links to the Ganga and India.

"Nitin Gadkariji offered me to take up the beautification and maintenance of Ganga River front in Patna, the place of my birth. Shri Gadkariji is a visionary - for building a modern India, that is strongly attached to its rich culture and values. The Ganga rejuvenation project is one such example. I gladly accepted the offer and I will be happy to be associated with the prestigious project," Agarwal [told The Telegraph](#), adding that he had invited the minister to his home in London.

The mining boss, according to industry sources, is a key person for the Modi government in London when it comes to industry promotion in the country. In May 2017, Vedanta became among the first organisations in the United Kingdom to adopt the Modi government's pet Ujala scheme, which involves replacing all old lamps with energy-saving LED bulbs.

Coal minister Piyush Goyal, who was in UK at the time, at the time presented Vedanta and the Indian high commission in London with a set of LED bulbs at a launch programme.

"UJALA offers a great business opportunity in the UK, which can also become a base to foray into other countries in Europe. We can start with the London-listed Vedanta Group and I don't see any reason why UJALA cannot become a way of life in London, which is such a global city," Goyal said at the time.

With protests continuing to rock Thoothukudi - and the passing of one more person on Wednesday, taking the total death toll to 12 - public ire shows little sign of abating. On Wednesday evening, the state's chief secretary issued orders asking for an Internet shutdown in the area and in the surrounding districts for the next four days, indicating that local law enforcement believes that the situation is far from over.

How the Vedanta Group, the state government and India's environment ministry react this time will be crucial. But it appears very likely that more CSR and outreach programmes aren't going to cut it.

The Wire

[Click here](#) to subscribe to our weekly newsletters in English and or French. You will receive one email every Monday containing links to all articles published in the last 7 days.

P.S.

The Wire

<https://thewire.in/rights/tuticorin-sterlite-copper-plant-vedanta-modi-human-rights>