

# The Goose that Lays the Golden Egg: Mining, Capitalism and Gandhi, a Catalyst for Agriculture and Rural Development in India?

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*Indian agriculture is in crisis. Indian farmers are in crisis. These crises are human made. Over 300,000 farmers have committed suicide in India during the past 18 years. Most of these are due to farmer indebtedness resulting from economic liberalisation, expensive inputs and the production of cash crops for export. In Punjab, the original 'poster boy' of the green revolution, there are falling water tables and cancer rates have increased markedly. Indian soils are being severely depleted due to chemical-intensive farming, and now the government is considering introducing genetically modified food crops into the country in a non-transparent way, against the recommendations of a series of major high-level reports.*

What is happening in India is a microcosm of all that is wrong with modern agriculture: the imposition of cash monocrops and the subsequent undermining of local food security (leading to food-deficit regions and to a reliance on imports); the introduction of costly and hazardous (to health and environment) chemical inputs and company seeds; crop failure (or, in many cases, the inability to secure decent prices on a commercial market dominated by commodity speculators in the US or rigged in favour of Western countries); and spiralling debt.

The situation for India's farmers is dire across the board. Consider that 670 million people in India's rural areas live on less than 33 rupees a day (around 50 US cents) a day. And consider that than 32 million quit agriculture between 2007 and 2012. Where did they go? Into the cities to look for work. Work that does not exist.

Between 2005 and 2015, only 15 million jobs were created nationally. To keep up with a growing workforce, around 12 million new jobs are required each year. Therefore, if you are going to displace hundreds of millions from the land and put them at the mercy of the 'helping hand' of giant agribusiness companies or the whims of the market, you may well be consigning them to the dustbin of history given the lack of options for making a living out there.

In fact, that is exactly what the Indian government is doing by leaving farmers to deal with agribusiness and the vagaries of the market and having to compete with heavily subsidised Western agriculture/agribusiness, whose [handmaidens at the WTO](#) demand India reduces import restrictions.

While the West tries to impose its neoliberal agenda of cutting subsidies to agriculture and dismantling [price support mechanisms](#) and the [public distribution system](#) (that if effectively

run would allow Indian farmers to receive a decent stable income), farmers are unsurprisingly leaving the sector in droves as agriculture becomes economically non-viable. Forcing farmers to leave the land is a deliberate strategy. Just like it is a deliberate strategy to give massive handouts to industry and corporate concerns who are not delivering on jobs. It's all about priorities. And farmers are not a priority. [They are being driven from farming, while all the advantages are being given to a failing corporate-industrial sector.](#)

So what can be done to reverse this trend?

### **Mines as economic platforms for rural development?**

Before the British arrived, India was a pre-eminent global economic powerhouse. Economist Angus Maddison noted that India was the richest country in the world and had controlled a third of global wealth until the 17th century. India was an exporter of spices, food grains, handicrafts, handloom products, wootz steel, musk, camphor, sandalwood and ivory items, among other things, and was highly agriculturally productive.

The village was the lynchpin of a rural economy and a centre of entrepreneurship. But the British Raj virtually dismantled much of this system by introducing mono-crop activities and mill-made products, and post-independent India has failed to repair the economic fabric and seems intent on destroying it completely. As a result, rural/village India is thus too often (wrongly) depicted a 'basket case'.

But a businessman called Charles Devenish reckons he has the answer to reinvigorating rural India and returning it to its former status. He recently contacted me and said he had a solution for India's agrarian crisis and the plight of farmers. He revealed his background in mining; thoughts about the mayhem being caused by the extraction industries in the tribal belt, secretive Memorandums of Understanding and para-military violence driving people from their lands immediately sprang to mind.

But as far as Charles is concerned, maybe I was missing something. It turns out that Charles has a vision for India. And he is very passionate about it. It involves bringing people together under the banner of a Gandhian dream of an Independent Village Republic... centred on mining.

His vision for rural India is based on a commercial model of raising capital for mineral exploration and mining development and then using the resulting wealth to reinvest in agroecology, social infrastructure and rural enterprises. Charles listed his company Deccan Gold Mines on the Bombay Stock Exchange (BSE) in 2003 to raise capital for mineral exploration and mining and get the public involved and interested in this field. He says that it has been a difficult road, but the company now has 20,000 shareholders and a "great package of assets."

In 1958, at 17, Charles walked much of the way from northern France to India. His journey through Pakistan and India was a big turning point. Nehru and Congress were in full swing. Charles met up with student groups from Delhi University and became caught up in the general spirit of the development of a nation.

At some stage, he bought a run-down jewellery shop in Australia. It lasted 35 years and morphed into what was probably one of Australia's top jewellery business enterprises. One day a customer came into the shop with an emerald crystal. It became his first introduction

to mining. Over the years, mainly through his huge customer base in the shop, he became involved in various mining companies. Charles listed his first diamond exploration company in about 1986 and was responsible for opening the first diamond mine in Zimbabwe.

He says:

The general attitude of my board members was make money and to hell with everybody else. It was that mine that really gave me the clear picture of what not to do and what enormous potential a mine has for regional development. Unfortunately my board had a different view.

Charles helped open the first diamond mine in the US. He started the first ruby cutting factory in Hanoi, shipped the first container of buffalo meat from Delhi to Angola, operated for five years exploring in Angola during the civil war and was responsible for opening the first zinc mine in Burma in partnership with the Chinese.

His view on business is simple:

It should be social capitalism with a small 'c'. I am a strong advocate of the "The Small is Beautiful," concept and the Gandhian view of small cottage industry. And I strongly believe that this is where India needs to go and not follow the Western, Chinese model of large soul-destroying mass production.

While Charles (74) brings his mining expertise to the table, his associate Stuart Newton (77) has dedicated his life to botany. Charles says that Stuart has totally opened his eyes to the amazing aspects of Indian agriculture and what could happen if a few simple steps were taken.

Charles reckons India is sitting on a wealth of minerals that it currently imports but has no need to, given what is beneath the ground. This is the untapped wealth that could reinvigorate farming and villages.

In April 1994, he was invited to a mining conference sponsored by the United Nations in Delhi. The Government of the day announced that they were open for business and there was to be complete transparency and single window clearances and that companies could apply for unlimited areas for exploration.

Charles says:

Based on our knowledge of the geology of India, we moved quickly and covered most of the critical gold areas surrounding the famous Hutti and Kolar gold mines. We also covered areas covering zinc, copper and nickel. This was the start of years of pain and grind. Just for the rights to risk our money on exploring, we had to travel to 140 desks before the granting of our first exploration license... The more we explored from the North East to the South of India the more we became aware of the enormous untapped resources of India.

As the years went by, Charles and Stuart began to appreciate how these mines, if properly developed in a holistic manner, could become the engines for agricultural growth.

Charles continues:

This is the nation's wealth and it belongs to society and must be extracted in a way that it can maximise the benefit to as many people as possible and especially to communities existing close to the mine.

He says that 95 percent of mineral wealth is still lying buried and untouched and can never be discovered by government agencies as they lack the billions of dollars that are required for high-risk exploration. He also argues that government also lacks the technical expertise for modern exploration.

Since the 1994 Delhi mining conference, India's gold production has gone from 3 tons to 2 tons, whereas Chinese production has gone from 3 tons to 425 tons. During this same period not one single gold mine has been discovered by government agencies in India (no new discovery of a single diamond or nickel mine either for decades).

Charles calls for a friendly Mining Act based on international best practices. He also believes in making mandatory regulation and tax incentives to help mining boost agriculture. Crucially, he believes that all funding for mine development should have strict agricultural development clauses.

The extraction industries are a mixed bag. I have seen some of the best mines with some of the best social support systems in the world in Jharkhand and Orissa. The cynics only look at the land rapists, which is a pity.

He adds:

I want to create independent small-scale business in the rural sector, using the mine as the economic platform. I want the miner to spend part of his revenue stream to go into agricultural co-operatives where he takes a minority shareholding for helping to organise and finance the co-op. These are profit making ventures for which the miner gets a vested financial interest. I see the co-op with attached soil lab, supplying correct fertiliser and trace elements for the particular soils. The co-op will provide high quality seeds, advice, marketing and new niche high-value crops.

What is important here is that the vision is for an agriculture that rejects the petro-chemical/GM model and is based more on indigenous developed agro-ecological approaches.

He describes his vision for mining, investment in rural infrastructure and the role of rural co-operatives:

My dream for Jonnagiri in AP is an underground gold mine. A large solar farm at the surface with panels at least 12 ft off the ground and horticulture underneath these panels. The farmer hopefully will get a small gold revenue stream, energy revenue stream for allowing the panels on his land and then of course his agricultural cash flow. This is the ideal model that I would like the co-op to achieve. My investors have to support this, but one thing is for sure: if we do not help the farmer, our mining business will never really succeed. Shareholders have to learn that it must be a win-win for all participants. If that

model is adopted by miners then we will see wonderful results.

His current mining lease covers 600 small farms, but his company will be mining on only a small part of the lease. Charles wants to bring these farms under a co-op and make farmers feel like partners in the project, not least by helping to increase production with basic soil management and agroecology practises.

What is described above has the potential for keeping farmers on the land. It is in contrast to the current model which is running down the rural economy and driving farmers from the land. But should we question some of the motives behind Charles Devenish's model and its emphasis on mining and private enterprise?

I asked him whether the concern about Indian agriculture was not a public relations tactic in order to help get his mining interests off the ground.

He replied:

I have no interest in money apart from it putting food on the plate and a roof over my head. My granddaughter works with me and understands fully what our mission in life is all about and that is to make the Gandhian Independent Village Republic become a reality. 600,000 villages, virgin untouched mineral resources and enormous agricultural potential excites my imagination. I see middle class India buying into this dream as investors. I want a bit of that \$70 billion they are spending annually on gold and gambling come into the BSE. The BSE can drive this mineral revolution, but for this to happen we need a minimum of at least 100 listed BSE exploration companies similar to Deccan Gold Mines.

His company currently has 20,000 shareholders. He wants a million and feels Deccan Gold Mines and raising capital via the BSE is the ideal platform for developing mining and exploration. He asserts that India does not need international mining concerns but small to medium-size enterprises. It has its own first-class geo scientists and its own potential investors.

From 20 years of exploration in India, Charles has discovered potential for at least 100 new mines. Based on his experience in Zimbabwe, he says the economic ripple effect of a diamond mine there impacted positively on child malnutrition up to as far away as 70 km from the mine. In India, 100 new mines would involve a capital expenditure each of \$100 million, an average production annually of \$100 million and a cost of production of about \$40 million. According to Charles, this would have an economic ripple effect of up to 100 km from the mine. In terms of the impact on agricultural development, including cottage industries, by implication there would then be 100 economic platforms all over India each with an economic reach of 100 km.

There is an underpinning to the vision outlined here that places a certain amount of faith in capitalism and the private sector to deliver for the poor in an age of rampant neoliberalism, which has boosted inequality and placed added burdens on ordinary folk and the poor. If the agriculture sector is to be reinvigorated then there are other ways of doing this that do not involve mining (for example, see this 'Manifesto for farming', [here](#), [here](#) and [here](#)). It is just that the political will is lacking to move in an appropriate direction.

However, for the time being, not least because of the specific small-is-good Gandhian-type model being proposed, we should keep an open mind regarding what Charles Devenish is passionate in proposing: a vision for unlocking the potential of mining and ultimately rural India.

*What Charles Devenish proposes can be examined in more detail in this report:*

[THE CRISIS IN INDIAN AGRICULTURE AND HOW THE MINING INDUSTRY COULD HELP SOLVE THE PROBLEM \(1\)](#)

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