

**Q.**Coal associated economy is the need of India economy. Justify. Also discuss coal reforms in India.15 marks.

India's industrialization was the **product of imported hydrocarbons and domestic coal**. Over time the coal and associated mining has been increasing and **India is using more than 210 million tonne of coal annually**.

In spite of climate change and various concerns produced by Sunita Narayan and her NGO – Centre for science and environment, **India needs coal-oriented economy**.

Need:

1. Technology – In India majority of the technology from Thermal Power plants to Iron and Steel and other smelter plants are based upon coal utilization. Therefore, this mass level of technological replacement is not possible at least in 30 years of time.

2. Capital – To replace the coal technology and to build up overall carbon neutral economy India needs at least 50 years from today. That is why in the Glasgow (COP-26) summit, India put the target of 2070 to become carbon neutral.

3. Behavior – Coal is our historical fuel, therefore Indians, Indian industries, MSME sector are using good amount of coal and associated gas, etc. Even it is the behavior of the government to introduce more coal reforms rather than other energy sector related reforms.

4. Coal Reserves – As per economic survey and geological survey, India still has at least 80 years of coal reserves at the depth of 1200 meters.

Therefore, for sustainable economic development, if we use coal

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washed technologies, it can make Indian economy a \$5 Trillion economy.

5. Import oriented economy and Balance of Payment crisis – Throughout its economic journey, India is an import-oriented economy where majority of the bill is paid for hydrocarbons and energy resources. Under this regard, to reduce the import bill and increase the energy efficiency, India needs a coal-oriented economy.

**Coal therefore is the core of economic development. In 2019-20, government came out with 3rd generation coal reforms after first nationalization in 1972.**

**The 2nd coal reforms were in 1992 and now the 3rd generation Atma Nirbhar coal reforms in 2020. Some of the major reforms are:**

- 1. Private investment in coal mining with more power to state government.**
- 2. Profit sharing to revenue sharing models.**
- 3. More captive mining where coal can be produced and sold in the market.**
- 4. No end use classification of coal.**
- 5. Private firms will purchase the offshore coal mines especially in Indonesia and Australia which is providing anthracite coal.**
- 6. Unified licensing i.e., if an area is providing three energy sources, then license for only one source is needed.**

The coal reforms are highly important for a country like India because still majority of the thermal power plants, smelting plants, cement and paper industry are purely depended on coal.

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