



## Going for Gold : Newsletter 5

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### Would you like some gold with your tea?

Dr Kuntala Lahiri-Dutt has been investigating informal gold mining in India jointly with Professor Amalendu Jyotishi, the national research partner in India. Together, they are unearthing a little-known aspect of India's mining history, a 'gold rush' that took place during the colonial times, and that has some bearing to understand the nature of contemporary gold mining. The pictures below acquaint you to the general landscape of the Nilgiri-Wayanad Region of the Western Ghats, a biodiverse region that has developed into a major tea growing area. The golden tea, however, hides a distinctive secret of gold.



#### The lush green tea estates in Wayanad with its 'hidden' economy

Gold is a special metal for India, as it holds deep cultural meanings and social significance. For example, no wedding in India is complete without the exchange of gold jewelry. The demand for gold far exceeds the production; while the country produces only a tiny amount of gold, it imports somewhere between 700 and 800 tonnes per year. The price of gold is also higher within the country than the global market, leading to, in recent years, a spate of gold smuggling into the country from abroad.

Digging through archival material, Kuntala and Amalendu found that during the early 1880s the British colonisers began to accumulate the knowledge of the presence of gold. Their reports, often inflated the amounts of gold available in the Nilgiri-Wayanad region, leading to speculative floating of numerous gold mining companies in the United Kingdom that initiated substantial exercises of gold exploration. The artificial construction of alluringly large deposits of gold, however, did not stand up to examination; most of the companies went into liquidation within twenty years, marking the end of the 'Indian gold rush'.

Interestingly, corporate speculation that gave rise to the 'constructed' gold rush, also led to the rapid spread of informal gold mining in the Nilgiri-Wayanad region, with many locals taking up mining as their primary occupation. Even today, the Nilambur and Wynad area hosts the Paniyar tribe that claims gold extraction as their traditional occupation.



**The researchers entering the holes dug into the rock walls**



**The processing plant where the ore is crushed to extract gold**

Another story, however, unfolded from the 1970s when the Indian Prime Minister, Lal Bahdur Shastri (and later, Indira Gandhi), and the Sri Lankan leader, Mrs Sirimavo Bandaranaike, signed a treaty that would bring back a significant number of Tamil expatriates from Sri Lanka. These immigrants were re-settled in various locations, including Pandalur, and were given jobs in the tea plantations. TANTEA, the state-owned tea estate was established in a clearing of dense forest cover of the Nilgiri Hills in the Western Ghats. Largely unwelcome and hence poorly integrated in the local social fabric, the repatriated Tamil community took up informal mining within the tea estates. Other local communities soon followed suit. The tunnel in the picture above is one of the many that were dug on the hillslopes by them.



**Panning the crushed ore**



**Amalgamating and purifying the gold**



**The end product - a grain of gold**

Currently, mining is undertaken by digging long (often extending up to 500 meters) and narrow holes into the hillsides within the tea estates. About twenty or so people dig the hard rock, which is then transported by auto-scooters to nearby small, makeshift factory-sheds where the ore is crushed and then concentrated by panning in small tanks. Finally, the gold is extracted by amalgamation. Very low levels of technology and simple tools are used; the crushing mill, for example, is a simple stamper that is commonly used for grinding grain elsewhere in the villages. Similar processes can be found in Gadag and other nearby areas downstream. Just as gold is significant for the Indian populations, the mining of it plays an important role in the livelihoods of a number of communities in the area. The entire operations are outside the legal fold, however. The Government of India classifies gold as a 'major mineral' the mining of which can only be administered by the central/federal government. The output is generally used locally in the jewelry shops.

Researching the history and current situation of informal gold mining in the area exposed us, however, to the fact that metal detection technology is primarily useful for placer gold, not for veins located in hard and rocky outcrops like those in the Western Ghats.

As research progresses, further details of property rights will unfold. Indeed, the South Asian Network for Development and Environmental Economics (SANDEE) is particularly interested that we explore that angle more deeply. Yet, the brief story outlines the roles that specific context – in its entirety as a geographic location, specific history and social-political dynamics – plays in the informal mining of gold.

Few articles on informal mining in India, along the river Subarnarekha - it is also the metal detector demonstration site for the Going for Gold project:

- <http://www.outlookindia.com/printarticle.aspx?278778>
- <http://www.sunday-guardian.com/news/one-million-tonnes-of-gold-yet-to-be-mined>
- [http://www.telegraphindia.com/1070607/asp/frontpage/story\\_7889255.asp](http://www.telegraphindia.com/1070607/asp/frontpage/story_7889255.asp)

Also sharing few articles about artisanal mining around the world:

- <http://www.pbs.org/newshour/bb/unearthing-toxic-conditions-impooverished-gold-miners/>
- <http://www.phnompenhpost.com/national/dreams-not-panning-out>
- <http://www.theguardian.com/environment/2015/jan/14/campaign-aims-raise-awareness-fairtrade-gold>