

# Modi and Adani: the old friends laying waste to India's environment

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India's environment has been subjugated to the whims of the prime minister's industrial cronies. How can the world believe him on climate change?



(Image: Pixabay)

By [Aditi Roy Ghatak](#)

**On Thursday, 22 May, 2014 – Narendra Modi's last day as chief minister of Gujarat, the western Indian state he had ruled for 12 years – the prime minister-elect waved to his supporters at Ahmedabad airport.**

A smiling Modi stood on the stairs of the aircraft that would whisk him to Delhi and the pinnacle of Indian power, but even amid the jubilation some [eyebrows were raised](#). Behind the soon-to-be globally famous waist-coated figure, a purple and blue legend was stamped across the fuselage – “adani”.

As chief minister, Modi had flaunted norms and processes unapologetically, but even some followers and ‘bhakts’ (devotees), were embarrassed by his open display of cronyism with fellow Gujarati and trader-turned-tycoon Gautam Adani, whose remarkable ascension to power and pelf has run parallel with Modi's own rise to the top.

Those familiar with Modi's standard electioneering procedure knew that every day of his iconoclastic campaign, Modi had taken off from Ahmedabad in an EMB-135BJ, an Embraer business jet, to address rallies across the country. The plane was owned by Karnavati

Aviation, a company in the Adani Group. Modi's old friend ensured the man he wanted to be India's prime minister came home to rest each night.



In fact, a fleet of three Adani-owned aircraft – the jet and two choppers – had served the leader. The pilot of the Embraer [reportedly said](#) it had been bought by the Adani family in anticipation of Modi's busy election schedule. [Adani maintained](#) that Modi was paying for the use of his aircraft. After the electoral commission got sticky about candidate-corporate cronyism and demanded declarations of electoral spending, Modi's Bharatiya Janata Party (BJP) said it spent Rs 77.83 crore (\$12.57 million) on chartering aircraft for its star campaigners.

How much was paid to Adani companies is not known. How much else Adani gained from this high-flying association is however a matter of high public interest and much reported, as is Modi's keenness to be the transformational leader who will make India the top global industrial destination.

His sights are clearly trained on the world. Modi has built his stature through an international charm offensive, the latest iteration of which was his recommitment to the goals of the Paris climate accord.

### [Report: Modi and Trump avoid climate change tension on state visit](#)

In his speech announcing the US' withdrawal from the deal this month, president Donald Trump singled out India, accusing them of rent-seeking to the tune of "billions and billions

and billions” on the back of the UN accord. Modi fired back at Trump in a joint announcement with [French president Emmanuel Macron](#) – with whom Trump has a short but confrontational history. Modi said India would go “above and beyond” the accord in the fight to stop climate change. On Monday, at a meeting with Trump at the White House, the [subject was studiously ignored](#) as the two leaders skirted their differences.

It was a remarkable turnaround for a country that has long been suspicious of the UN climate process. In 2015, Modi told the climate conference that delivered the Paris accord that “the consequences of the industrial age powered by fossil fuel are evident, especially on the lives of the poor”. Now, he said “the world’s billions at the bottom of the development ladder are seeking space to grow”. In other words: the rich world did this, they can deal with it.



[Report: Modi and Trump avoid climate change tension on state visit](#) (Photo: Twitter/NarendraModi)

Less than two years later, Modi is positioning India as one of the global climate elite and seeking the investment and plaudits of large economies. In reality, India’s coal development threatens to blow its national climate goals and with it, the international target to hold global warming “well below 2C”.

A report released in April identified 370 coal power stations in planning and construction across the country. If all go into operation, it will be all but impossible to meet, let alone exceed India’s Paris commitment to get 40% of its electricity from non-fossil fuel sources by 2030.

“India’s Paris pledges might be met if they built these plants and only ran them 40% of the time, but that’d be a colossal waste of money, and once built there’d be huge incentives to run the plants more despite their contrary climate goals,” said study author Steve Davis, an associate professor at the University of California Irvine.

Modi has gained a reputation as a solar champion but one that lacks nuance. India does have ambitions to install 100GW of solar power by 2022, which the government has incentivised.

There is a rub though, even as global and Indian majors – including Adani – show great interest. SA Aiyar, consulting editor of the Economic Times, [warned in April](#) that India’s power infrastructure was not ready to absorb its dash for solar. “We should hurry slowly,” he said. An oversupply of electricity – a paradoxical problem that exists in India even with its 200 million people who lack access – could cripple the thermal electricity sector, which India still relies on for supply, and the banks that have underwritten it.

### [Report: India’s tumbling solar prices ‘a race to extinction’](#)

Despite India’s formal position and even as Modi throws himself behind the Paris agreement, Adani is adamant he is going to construct an enormous coal mine in the Australian outback. In this he has prime minister Modi’s blessing. “We see Adani as a flagship project,” an Indian trade official [told the Canberra Times](#) in April. The State Bank of India has signed a memorandum of understanding with Adani for a \$1bn loan to the project.

[According the company](#), the mine would see 2.3bn tonnes of coal dug up over a predicted lifetime of 60 years. The most obvious place for that coal to be burnt is in Adani’s fleet of power stations back at home.

Modi tells the world what it wants to hear but his primary constituency is a group of industrial cronies – of whom Adani is first among equals – whose interests are unaligned with actions that address climate change, nor any of India’s plethora of environmental crises.



Gujurat (Image: CC-by-sa PlaneMad/Wikimedia)

The relationship with Modi is far from covert. Adani – along with some other businessmen – regularly accompany the prime minister on state visits. Generally, the pair’s interests are viewed as synonymous. At the peak of Modi’s obstreperous relationship with BJP paterfamilias Lal Krishna Advani, a former mentor the prime minister no longer had use for, Modi’s bête noire and Delhi chief minister, Arvind Kejriwal, tweeted a telling piece of advice to Advani: drop the ‘v’ from his name and all would be well. The jest was a deadly serious one and a remarkable commentary on Modi; his motivations, the company he keeps and the counsel that prevails with him.

Cronyism has long been a way of life in India. A vast country of 1.3 billion people, sharply stratified with the [richest 1% owning 58% of the total wealth](#), India ranks in the top ten of the [Economist's list](#) of countries with a sizeable crony sector. For the first time in the history of independent India, however, accusations of business cronyism are now regularly levelled at the prime minister's office, with Gautam Adani the centrepiece of the conversation.

Adani's business grew 12-fold during Modi's chief ministership and has grown by leaps and bounds since Modi's ascension to prime ministership. In 2014, he seemed to emerge from nowhere to enter the ranks of the ten richest Indians as Adani Enterprises moved from trading to everything that mattered. In the year after 13 September, 2013, when Modi was declared the BJP's prime ministerial candidate, shares in Adani Enterprises jumped 265% and turnover grew 20-fold, [according to India's leading business newspaper the Economic Times](#). Adani's personal wealth grew 152% in 2014.

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In an [interview with Reuters](#) given a month before Modi won the prime ministership, Adani said: "Crony capitalism should not be there. I definitely agree with that. But how you define crony capitalism is another issue... If you are, basically, working closely with the government, that doesn't mean it's crony capitalism." Adani was approached for comment for this article, but did not respond.

A recent [investigation by Economic and Political Weekly](#) discovered changes made by Modi's government to the rules that govern special economic zones had advantaged Adani companies to the tune of Rs 500 crore (\$77m). Adani's ability to secure government connivance under Modi's has been remarkable, well-documented and long-practiced. Leases of state land in Gujarat to Adani companies, approved by Modi's state government in the 2000s, have attracted strong criticism. Adani [reportedly](#) attained the leases for as little as one cent per square metre, then sublet it to other companies for up to \$11 per sq metre.

But Adani failed to see a problem, claiming his companies had improved the properties. "You can say very well that land has been given to Adani," he told Reuters. "So what? Has Adani taken away land and not developed anything?"

In return, Modi has enjoyed Adani's unflappable support. After a pogrom killed hundreds of people, mostly Muslims, in Gujarat in 2002, Modi's alleged sanctioning of the killings drew criticism from the Confederation of Indian Industry (CII) – India's leading business chamber. Adani jumped to Modi's defence, setting up a rival chamber of commerce, the Resurgent Group of Gujarat (RGG) and threatening to leave the CII. He, along with some other business interests, put up funds for Modi to host the first Vibrant Gujarat summit for which they hired Apco, a US public affairs consultancy. The summit – known as the "Indian Davos" – became a stepping stone for Modi to court global business. Cowed, the CII [eventually apologised](#) to Modi.



Former US secretary of state John Kerry greets Gautam Adani at a meeting of CEOs on the sidelines of the 7th Vibrant Gujarat Summit in 2014 (Photo: State Department)

Modi, whose core political identity is grounded in Hindutva – a distorted version of Hinduism that seeks the hegemony of Hindus in secular India – was cleared of complicity in the killings in 2012, but he has never fully condemned the violence nor apologised for failing to stop it.

Hindutva was Modi's avenue to power. He was born into a grocer family; grocers in India have traditionally been entrepreneurial but young Modi's sense of enterprise took him in a different direction. Still in his teens, he quit home and joined the Rashtriya Swayamsevak Sangh (RSS, a right-wing, Hindu nationalist, paramilitary volunteer organisation and the parent of the BJP).

Public speaking, organisation and repartee came easily to Modi. He underwent training at the RSS camp in Nagpur, took charge of its students wing, rallied forces against Indira Gandhi's State of Emergency eventually becoming the official spokesperson of the BJP in New Delhi in the 1990s. Then, in a move that was quite unprecedented in the RSS circuit, Modi reportedly [took a three-month long course](#) in public relations and image management in the US. Modi had already emerged as a demagogue with the Indian masses, now he learnt how to be a resonant voice of reason and reform on the world stage.

Modi has now reached the pinnacle of political power in India, having crushed all opposition parties. This takeover and the accompanying influence of business cronies has meant a "downhill drive for Indian environmental sanctity," says Dr Dhrubajyoti Ghosh UN Global 500 laureate and winner of the 2016 Luc Hoffmann Award.



“Modi had already emerged as a demagogue with the Indian masses, now he learnt how to be a resonant voice of reason and reform on the world stage” (Photo: Narendra Modi)

At the Paris climate conference, [Modi told the world](#) India would enlarge its forests to absorb 2.5 billion tonnes of carbon dioxide. Returning home, Modi directed the environment ministry to loosen its regulations. He wanted to “facilitate a right of passage to big industry in erstwhile inviolable areas,” Ghosh tells Climate Home. Coal mines were exempted from public hearings, irrigation projects proceeded without the proper clearances and the right of tribal village councils to oppose an industrial project was weakened.

“Agricultural workers, agricultural fields, forest dwellers and forests are the low-lying fruit that the government targets with a denial of elementary ecological rights,” says Ghosh.

In Modi’s India, those who seek to defend the powerless find themselves targeted. Greenpeace fell afoul of the government as it opposed the clearing of the sal forests of Mahan (home to more than 14,000 indigenous people in the central Indian state of Madhya Pradesh) by Mauritius-based coal miner Essar Energy.

“How can protecting our forests be described as anti-national and promoting the economic interests of a [foreign] company like Essar Energy... be called as having nationalistic sentiments?” [wondered the Greenpeace activist Priya Pillai](#), after being stopped from boarding a flight to London to talk to concerned audiences there about NGO efforts to save the Mahan forest. During Modi’s first year in office, nearly 9,000 NGOs that received foreign funding – including Greenpeace India – [had their licenses cancelled](#).

For tribal leaders the stakes are even higher. Kuni Sikaka fought a 12-year battle against the London-headquartered, Indian-owned Vedanta group’s proposed aluminum mine and refinery in her people’s sacred Niyamgiri Hills in the eastern state of Odisha. Last month, Sikaka and her husband were reportedly [arrested and paraded](#) at the police station as Maoists, before being released. Police said they had surrendered their struggle.



Campaign image of Kuni Sikaka (Photo: India Resists)

Vedanta boss Anil Agarwal is also amongst the top Modi acolytes. His company was [recently blacklisted](#) by Norway’s Government Pension Fund Global (GPF) – the world’s largest sovereign wealth or state-owned investment fund – citing its poor track record and the “unacceptable risk that your company will cause or contribute to severe environmental damage and serious or systematic human rights violations”.

Agarwal and Vedanta rarely miss an opportunity to [endorse Modi’s policies](#) and the [government’s support for extractive industries](#). Agarwal is not alone in his fascination for the prime minister that he and other like-minded industrialists have financed to power; neither is he alone in getting away with violations. The GPF exclusion list of Indian companies is growing and features operations that have major interests in metals, coal and thermal power.

A Comptroller and Auditor General’s [report](#) in March this year severely faulted the ministry of environment, forest and climate change (MEFCC), finding companies that violated environment clearance conditions were rarely penalised. The report attributed it to disempowered officials and understaffed offices.

If these shortcomings were sins of omission, there are graver sins of commission, such as a [proposed amnesty](#) for companies operating without statutory environmental clearances. The intrepid journalist Nitin Sethi, writing for the Business Standard, [put into the public domain](#) news of these confabulations between government and violators.

Perhaps the most egregious fix, given the prominence of the issue and its consequences for Indians’ health, is the government’s attempts to defer a December 2017 deadline for air pollution standards for thermal power plants. Without these, India’s hopes of reducing deadly air pollution from its electricity sector are nixed.

In public, the environment ministry and the power ministry have different stories to tell. The late environment minister Anil Dave, who died in May, told parliament in March that the

standards would come into force from 6 December. The reality is that of the more than 400 thermal power plants in India, none have complied with the standards.

In February, the head of the Central Electricity Authority Ravindra Kumar Verma [quietly let slip](#) that “completely meeting requirements of revised environmental norms by December 2017 may not be feasible”. More recently, power minister Piyush Goyal [told the Financial Times](#) the country’s coal power stations, three-quarters of which are owned by the government, will “take some more time” to comply.

The weakening of India’s environmental institutions has opened the door for development that disregards climate or environmental concerns. According to data compiled by the Centre for Science and Environment (CSE), the rate at which the National Board of Wildlife has rejected industrial projects due to wildlife concerns has fallen from 11.9% under the previous government, to less than 0.01% under Modi.

“The government has reconfigured the National Board for Wildlife to reduce the authority of independent experts; removed the moratorium on new industries in critically-polluted areas; diluted forest norms, making room for industry to encroach on national parks with big budget propaganda on how all this will help the forests, wildlife and overall development,” says Ghosh.



### [Report: Why is this Indian coal plant getting paid \\$150m to sit idle?](#)

Modi wears the liberalisation of environmental laws as a badge of success, [bragging about it](#) in newspaper interviews. He and Adani know that sweeping aside environmental protections and ambitions can make industrialists – and by extension their political patronage – very, very rich.

Way back in 1994, before Modi became chief minister, the Gujarat Maritime Board approved a captive jetty at the Mundra port. This was Adani’s chance to break into big money. In the Mundra Special Economic Zone, a concession granted to Adani by the state government,

there had been 3,000 hectares of mangroves. Almost overnight, close to two million trees disappeared without a trace.

Residents and NGOs are still seeking reparations for the [illegal](#) damage to the environment. But even in this ancient, local dispute, Adani has benefitted from Modi's rise to government. In 2015, the [environment ministry withdrew](#) a demand made by the previous government for a Rs 200 crore (\$31m) restoration fund from Adani Ports and Special Economic Zone Limited (APSEZ), India's largest private multi-port operator. Environmental clearances issued in 2009 to the company's waterfront development project at Mundra were extended. Several stringent conditions the ministry had earlier issued were also withdrawn.

More than 30 years after the clearances, Noor Mohammad, who was ejected from his home in Mundra where Adani now has its port and power plant, [told the Australian ABC](#) the destruction of tidal mangroves and ash from coal burnt at Adani's power station had damaged the fishing.

"The Adani project is harming us. Their coal dust and stream discharge are harming us." Mohammad said his catch was a quarter of what it once was. "There are no fish in the sea water near the coast. All living creatures are dead." His warning to the Australian audience: be wary of Adani and his powerful friend.

Narendra Modi's new incarnation as a climate warrior and defender of the Paris climate agreement rubs off quickly, especially when his old ally from home begins talking about his future plans. According to Adani, coal from the Australian mine will expand power generation in India, providing cheap electricity to "100 million people for 100 years". That is despite Modi's supposed climate ambitions.

Clearly Adani knows something the ordinary Indian does not.