



Economic Analysis of Mineral Royalty Policies and Their Effect on Regional Development in Chhattisgarh

Trilok Chand Bagh¹, Amit Sharma²

¹ Research Scholar, Faculty of Commerce and Management, Kalinga University, Raipur, Chhattisgarh, India

² Professor, Faculty of Commerce and Management, Kalinga University, Raipur, Chhattisgarh, India

Abstract - This research article examines the economic impact of mineral royalty policies on the development of Chhattisgarh State. By analyzing the policy framework, revenue distribution, and resultant socio-economic changes, this study aims to understand how mineral royalties contribute to regional growth comprehensively. The findings indicate significant correlations between mineral royalties and various developmental metrics, emphasizing the need for optimized policy implementations to maximize benefits for local communities.

Key Words: Mineral Royalty, Economic Impact, Regional Development, Chhattisgarh, Policy Analysis, Revenue Distribution

1. INTRODUCTION

Chhattisgarh, a state abundant in mineral resources, heavily depends on the mining industry for its economic progress. Mineral royalties play a vital role in this sector, serving as a critical source of revenue for the state. This study examines the financial consequences of mineral royalty regulations and their impact on the regional advancement of Chhattisgarh. Through a comprehensive analysis of the interplay between policy structures and economic outcomes, we aim to evaluate existing strategies' effectiveness and identify improvement opportunities.

2. REVIEW OF LITERATURE

Das (2016) explores states' ownership and taxing authority regarding minerals in India, shedding light on the difficulties and obstacles that states such as Chhattisgarh face in maximizing mineral resource administration. Chakraborty (2014) critically examines the resurgence of India's mining industry, focusing on changes in laws and the royalty system. Randive and colleagues (2017) investigate the Indian mineral sector's National Mineral Policy, providing thoughts on how effective the policy is. Jain (2006) explores the broader framework of mineral policy, mining legislation, and their impact on development. The strategic policy framework for corporate social responsibility programs in mining-affected areas is evaluated by Sarkar (2013), focusing on sustainable development. Reddy et al. (2020) and Lahiri-Dutt (2004) offer essential insights into financial management and

informal practices in mineral resource management in Chhattisgarh.

3. METHODOLOGY

This study uses a mixed-methods approach, combining quantitative and qualitative analyses. Researchers gathered data on mineral royalties, economic indicators, and regional development metrics from government reports, academic publications, and field surveys. Statistical methods were employed to analyze the correlation between mineral royalties and economic outcomes. Furthermore, in-depth interviews with policymakers, industry experts, and local communities provided qualitative insights into the impact of mineral royalty policies surveys. Statistical methods were used to analyze the correlation between mineral royalties and economic outcomes. In-depth interviews with policymakers, industry experts, and local communities provided qualitative insights into the impact of mineral royalty policies.

4. IMPACT OF MINERAL ROYALTY POLICY

The mineral royalty policy has a significant impact on Chhattisgarh's revenue generation and economic stability. According to Chakraborty (2014), effective royalty systems can increase government income, which can then be used to improve infrastructure, education, and healthcare. Conversely, ineffective royalty policies may lead to lost revenue and economic insecurity. In Chhattisgarh, the mineral royalty policy has been reformed multiple times to enhance transparency and effectiveness. The implementation of these policies has led to an increase in state income, which has been invested in various development projects (Reddy & Mohapatra, 2021).ed to improve infrastructure, education, and healthcare. Nevertheless, ineffective royalty policies may result in lost revenue and economic insecurity. In Chhattisgarh, the mineral royalty policy has been reformed multiple times to enhance transparency and effectiveness. The execution of these policies has resulted in a rise in state income, which

has invested in different development projects (Reddy & Mohapatra, 2021).



5. EFFECT ON REGIONAL DEVELOPMENT OF CHHATTISGARH STATE

The income from mineral royalties is a key driver of progress in Chhattisgarh's regions. This revenue has been used to improve the region's infrastructure, including roads, schools, and hospitals, thereby enhancing the quality of life for local residents. Sarkar (2013) underscores the importance of using mineral royalties to promote sustainable development and ensure that affected communities benefit. Das (2014) highlights the importance of robust policy enforcement, given the direct link between mineral royalties and regional development indicators such as GDP growth, employment rates, and poverty reduction.

Despite these favorable results, obstacles exist. The uneven allocation of royalty incomes may result in societal turmoil and economic inequalities. Lahiri-Dutt (2004) stresses the importance of implementing policies that consider marginalized communities' requirements. Furthermore, mining activities also present a substantial risk to sustainable development due to environmental degradation. Randive and colleagues (2017) advocate for more stringent environmental regulations and corporate accountability to reduce the negative impacts.

6. CONCLUSION

The examination of mineral royalty policies in Chhattisgarh significantly impacts the region's economic growth. It is crucial to guarantee the efficient implementation of policies and equitable distribution of revenue to maximize the advantages of mineral royalties. Policymakers must address environmental degradation and social inequality issues to foster sustainable development. Subsequent studies should focus on longitudinal research to assess the long-term effects of mineral royalty policies and explore innovative methods to enhance resource management to promote sustainable development. Future studies should emphasize longitudinal research to evaluate the lasting effects of mineral royalty policies and investigate creative approaches for improving resource management.

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