

Research Proposal – Study on Socio-economic status of Ex-employees of closed gold mines belonging to Bharat Gold Mines Limited, opted VRS with STBP at Kolar Gold Fields in Karnataka State

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Abstract - The gold mining activity at Kolar Gold Fields (KGF) in Kolar District, Karnataka State in India, has an history more than 150 years; which was initiated by the erstwhile John Tylor & Sons during 1880s; and later taken over by the Government of India after Independence. The gold mines are situated about 100 kilometres east of Bengaluru City, produced the major part of the gold production in India and the mines where closed due to administrative and non-feasibility reasons during the year 2001 leaving back about 3500 employees on roles on the last day of the closure, jobless. Whereas, the Government of India under which gold mines were run by Bharat Gold Mines Limited (BGML) Company as a Public Sector, has announced a Voluntary Retirement Scheme (VRS) with Special Terminal Benefit Programme (STBP) for those who were on roles as employees of the company on the last working day of the closure. It is found that about 2800 employees were opted for the VRS with STBP scheme, and submitted applications for the purchase of houses with courtyards which were allotted to them during the services in the BGML Company; in accordance with the recommendations of the honourable High Court of Karnataka and as per the guidelines issued through a Special Bulletin in the matter. Whereas, it is more than 25 years now, the BGML Company and hence, the Government has failed to fulfil their promises to the jobless and ex-employees of BGML Company. The Research Scholar is also a local resident of Kolar Gold Fields and a Research Scholar for a part time PhD has submitted a Research Proposal to the Department of Economics, Annamalai University, Tamil Nadu in India, to make a detailed and comprehensive study on the socio-economic status of ex-employees of BGML Company at KGF who opted for VRS with STBP, in accordance with the objectives formulated for the study which will bring out some of the significant observations and analytical results for the possible suggestions and recommendations for policy makers and rehabilitation programmes.

Key words: BGML Company, Kolar Gold Fields, STBP Voluntary Retirement Scheme, Ex-employees, etc.

I. INTRODUCTION

The town of Kolar Gold Fields, often known as K.G.F., is located in the Bangarpet taluk of the Kolar district in the Indian state of Karnataka. In order to take over the mining operations of the mines situated at latitude 12° 53'12" N and longitude 78°15'03" E, at the southernmost point of a short schist strip of the township, KGF, whose residents are primarily the families of gold mine workers, the Government of India established the public company (Bharat Gold Mines Limited), or BGML. Due to administrative and non-feasibility reasons, the gold mining activities were closed during 2001, after a prolonged gold mining history since 1880s. Around 2800 ex-employees who were on roles at the time of closure of Underground Gold Mines belonging Bharat Gold Mines Limited Company at Kolar Gold Fields in Karnataka opted for Special Terminal Benefit Package (STBP) scheme. As per the part of the STBP, the BGML Company deducted the value of the houses, quarters and bungalows where they were accommodated at the time of closure of mines and permitted them continue their stay with effect from 01/03/2001. Whereas, the BGML Company issued Allotment Letters during 2023 as per the directives of the Court and till this day failed executed registration of the properties allotted them. Further, families living in BGML Town in Kolar Gold Fields are suffering on socio-economic factors such lack of infrastructure, educational institutions, water, electricity, sanitation, employment, etc. There exists a need for a detailed study on the Socio-Economic-Demographic strategy of the ex-employees and their

families living in BGML township with special reference to the ex-employees who were on roles and opted for STBP at the time of closure of mining activity by the Bharat Gold Mines Limited Company at Kolar Gold Fields, Kolar District in Karnataka. The Research Scholar is resident of Kolar Gold Fields and her intention to carry out a detailed research work on the subject will have good impact in drawing policy suggestions for the rehabilitation programmes for the ex-employees of BGML company. The KGF city is mainly formed entirely by way of creation of the gold mining industry during 1880s, with its preponderating labour population and aptly been called as a Great Labour Settlement called BGML Township. Presently, about 3500 families of ex-employees who opted for VRS with STBP schemes are directly affected and about 10000 families living in the BGML Township are indirectly affected due to unplanned closure of the gold mining activity by the BGML Company; and failure to implement rehabilitative programmes. The proposed study is aimed to make in-depth field work on the socio-economic status of the ex-employees of BGML company, who opted for VRS with STBP scheme at the time of closure of the gold mining at Kolar Gold Fields in Kolar district, Karnataka State in India. Hence a detailed study is the need of the day to look into the socio-economic status of the 3500 ex-employees of the BGML company and 2800 families who opted for the VRS with STBP scheme. Around 10000 families of the ex-employees are living in the BGML Township housed since more than 100 years; and living in poor and unhygienic conditions.

II. STATE OF DEVELOPMENT

M. Venkataswamy, et. al (2007)

In the year 1902 the Maharaja of Mysore established a hydroelectric project at Shivanasamudram in the Cauvery Valley to supply electricity exclusively to these mines. After 2 years, electricity was transmitted to Bangalore city which became the first city in the country to get electricity. In the year 1864 a broad-gauge line was laid between Madras and Bangalore. In 1894 AD, broad gauge line was laid from Bangar pet to KGF over 16 kms. KGF township has achieved maximum literacy in the whole of Kolar district. In 1869, the Kolar district gazetteer was brought out and that was the second one after Mysore district. The KGF hospital which began in 1884, had earned a good name as it was well equipped with modern facilities in those days.

Janaki Nair, et. al (1995)

Until the 1940s, the KGF workers had few sympathisers in other parts of Mysore who would work to guarantee them a measure of dignity in their daily working lives. In part, there was a pervasive feeling that the Inhabitants of KGF were alien birds of passage which must have made communications difficult. But even when the outsider did become interested in the conditions of labour in KGF it was only when the political dividends seemed promising. Until 1940, the KGF labourer relied largely on his own meagre resources, with recourse to few avenues of justice.

S. Srikumar, et.al. (2014)

Kolar Gold Fields (KGF) (also known as 'Little England') is a mining area in the Kolar District of Karnataka, South India, 100 km from Bengaluru. It is estimated that gold has been mined there for over 2000 years, and whilst many people over the course of history tried their luck at finding gold, Kolar Gold Field's modern success is generally attributed to the firm John Taylor & Sons, after John Taylor III took control of the mines in 1880 and established what was at one time the deepest and most productive gold mine in the world. The mines were run by the company up until 1956 when they were taken over by the Government of Mysore who employed John Taylor & Sons as mining consultants. At its peak KGF was home to 30000 mine workers and their families and was a multi ethnic community with experienced miners recruited from around the world, a large proportion of which were from Cornwall.

Palparthi Rajesh, et.al (2021)

It is found that due to closure of mining people traveling 30 kilo meters to 120 kilometres towards Bangalore as daily travellers remaining less than 30 kilometres who traveling for work for their livelihood. It is found that mining closure people suffering Unemployment 37% and other Health problem 9%, Lack of education 2%, Lack of social awareness 1%, sanitation problem 7% etc. Post closure of mining 44% opinion that their home only one person is working.

Anantam, et.al (2026)

Bharat Gold Mines Limited (BGML) remains the legal owner of the KGF assets. The townships of Robertsonpet, Oorgaum, Champion Reef and Marikuppam remain inhabited, though much of the infrastructure from the mining era has fallen into

disrepair. The abandoned cyanide dumps pose an environmental and public-health concern — fine cyanide-laced tailings are periodically windblown, and seasonal water contamination affects nearby agriculture.

S. Suresh Babu, et.al. (2019)

No Alternative Employment Thousands of workers lost their jobs overnight. No proper alternative employment opportunities were provided by the government. Skilled miners were left without any means of livelihood. **Unpaid Settlements** Many workers did not receive their rightful settlement benefits. Salaries, pensions, and compensation were delayed or denied. This led to severe financial distress. **Extreme Poverty and Suffering** Many families fell into deep poverty. Some people died due to hunger and lack of basic needs. A few were forced to beg to survive. Others migrated to different places for daily wage labour.

K.K.H.Guptha, et.al (2019)

In mining area we can see that about 62,000 people still live on the abandoned mining land, and they travel up to Bangalore for daily work which is 100 km from KGF. Huge part of their income is spent for traveling if more than one person in the family is working. Even the literacy rate is comparatively high the unemployment rate equals it. The workforce participation of female is less. Many people have started driving auto and petty shops in KGF itself.

Ramakrishna. L, et.al (2024)

There were about 3500 employees on the last day of the closure of the gold mining activities (on 28/01/2001) on roles; whereas about 2800 employees have opted for the Voluntary Retirement Scheme (VRS) with Special Terminal Benefit Package (STBP) Scheme declared by the Government of India, where the employees are given with an option of owning their residential houses along with the courtyards / compounded lands allotted to them during their services; by way of paying the nominal amounts fixed for the same by the government. Whereas, the BGML Company has failed to regulate the STBP for the ex-employees by of issuing the sale deeds for the house with courtyards / compounded lands; even though a BGML Company Special Bulletin was issued for the payment of the nominal price fixed for the houses with courtyards. The BGML Company which is a Public Sector under the Government of India, has failed to keeps its promise

to the ex-employees while making the VRS with STBP offer to them at the time of closure of the mining activity at KGF.

III. RESEARCH GAPS & ISSUES

B. Some of the research gaps:

- Lack of Longitudinal (Time-Based) Studies on Ex-Employees Specifically
- Lack of exclusive focus on VRS/STBP beneficiaries and their economic outcomes
- No systematic evaluation of STBP/VRS adequacy, Utilization of compensation and Long-term financial sustainability.
- Lack of integrated studies on Loss of occupational identity, social stigma after job loss, Gender Dimension is Under-Explored.
- No integrated study linking Infrastructure decline, Quality of life, Migration and settlement patterns
- No critical evaluation of government interventions in KGF Rehabilitation policies, Revival proposals, Welfare schemes for ex-employees, Lack of Comparative Studies
- Missing comparative socio-economic-demographic resilience analysis against VRS with STBP opted ex-employees of BGML Company.

B. Some of the research issues:

- Is current income sufficient for sustainable living?
- Nature and quality of current employment., Unemployment and Underemployment?
- Amount of decline in Living Standards (before vs after closure)?
- What is amount of Migration and Displacement?
- What is amount of Debt and Financial Instability? Misuse or exhaustion of VRS benefits, financial management and indebtedness patterns.
- Intergenerational Impact i.e., children's education and employment affected, are second-generation families economically better or worse?
- What are the Policy and Legal Issues, Pending settlements, pension disputes, revival debates, Effectiveness of institutional support systems?

- Amount of Community Dependence on Single Industry as the KGF was a mono-industrial town, Lack of economic diversification and resilience?

IV. OBJECTIVES OF THE STUDY

1. To study the scenario of underground gold mining scenario, closure & historical events at Kolar Gold Fields.
2. To study the Socio-economic-demographic status of the ex-employees and their families who opted for the VRS with STBP.
3. To study the Employment and Occupations implications on the ex- employees and their families who opted for the VRS with STBP.
4. To study the livelihood status of the ex-employees and their families who opted for the VRS with STBP.
5. To study the impact of closure of mining activities and to suggest the policy measures on rehabilitation ex-employees and their families who opted for the VRS with STBP.

V. SIGNIFICANCE OF THE STUDY

- To provide insights for the policy makers, social workers and development agencies.
- To assess the long-term implications of mine closures on individuals and the communities.
- To identify the areas requiring immediate intervention or sustainable development programmes.

CHAPTER SCHEME

Chapter 01 : Introduction

Chapter 02: Historical background & profile of the stud area

Chater 03 : Review of Literature and theoretical background

Chapter 04:

- Socio-econimic and demographic profile
- Occupational and Employment implications
- Livelihood status of BGML ex-employees

Chapter 05: An overview on impacts of mine closure with VRS and STBP Schemes

Chapter 06: Case Studies on the Core Groups and Expert Interviews

Chapter 07: Summary of key findings and policy implications

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