

**Corporate accountability and citizen action:
cases from India¹**

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We have a social responsibility to the community ... a moral responsibility ... we have to give something back ... we take this very seriously.²

We are being sacrificed for the national interest. We are the victims of this cause. What do we get in return?³

Given the imprecision of the term accountability as a guide to identifying who is accountable to whom and for what, it is unsurprising to find that in India, as in the other case studies featured in this book, competing notions of accountability feature prominently in conflicts over resources. Cultures of blame and shame collide amid a fog of claims and counter-claims regarding the respective responsibilities to one another of states, business, civil society and the communities at the centre of the conflict. Unlike the Nigerian case discussed in Chapter 10, the conflicts described below have been less violent in their conduct, less global in their scope, but no less

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² Representative from NTPC. Interview with Peter Newell, Aruna Katragadda and Shagun Mahotra, February 2003.

³ Villager from the area surrounding the NTPC plant. Village meeting with Peter Newell, Aruna Katragadda and Shagun Mahotra, February 2003.

political or intractable as a result.

Many companies, particularly multinational enterprises, are increasingly employing the language of citizenship to describe their relationship to society in the context of debates about corporate social responsibility. The limitations and dangers associated with corporate co-option of the language of citizenship, where entitlements are often claimed without assuming corresponding obligations, have been explored elsewhere (Newell 2002; 2005). In liberal notions of citizenship, rights claims are validated and mediated by the state. In the context of debates about corporate accountability, this becomes problematic in so far as the dual roles of the state as promoter and regulator of investment may create conflicting responsibilities. In circumstances in which the state fails to enforce the responsibilities of corporations under its jurisdiction, we may expect to find evidence of groups exposed to the harmful side of weakly regulated investment adopting their own self-help strategies to seek responsiveness from the corporations they host. The citizenship that is expressed by such actions is an active, living citizenship, a version of the concept that is often lost in more legal-constitutional and state-based notions of the term. Exploring the ways in which the poor seek to define and practise their own notions of citizenship should not, however, allow for a negation of the core responsibilities of the state towards its citizens, including the proper regulation of the social and environmental consequences of industrial development.

These competing notions of citizenship manifest themselves in contests over the nature of rights and responsibilities that apply to states, corporations and communities in the context that provides the case studies for this paper: India. While companies such as the National Thermal Power Corporation (NTPC) invoke a globally constituted notion of

Chapter 8
Rights, Resources and the Politics of Accountability

good corporate citizenship derived from the UN Global Compact (Global Compact 2005), the communities with which they are in conflict, employing a different and more localised notion of citizenship, invoke rights to work, to a secure livelihood and to a pollution-free environment. The claims they make refer to rights that the state is duty-bound to provide for its citizens, but in this case fails to enforce. The citizenship companies project through philanthropic acts and references to responsible conduct is a voluntary concept of 'good citizenship', in theory backed by rights and obligations articulated in legal statutes, in practice often not enforced.

This then is the link to accountability, a concept with two elements at its core: answerability and enforceability (see chapter 2). The active forms of citizenship that groups express in the cases explored in this chapter aim to produce new forms of answerability: obligations to account for actions and to acknowledge the claims of communities. The particular focus here is relations between corporations and communities in three sites in India, though implicated in this relationship are many other actors from government as well as local NGOs, their national counterparts and the media. This focus provides interesting insights from the frontline of corporate accountability where communities confront corporations in situations of huge power disparity. The three case studies discussed here are, first, the controversy surrounding the NTPC power plant in Paravada, Visakhapatnam (Vizag), Andhra Pradesh; second, the struggles around the development of the Lote Industrial Area in Chiplun, Maharashtra; and, third, conflicts around tribal rights and mining in Dumka, Jharkhand.

The first case concerns the siting and operation of the NTPC near the port city of Visakhapatnam in Andhra Pradesh (AP). The Simhadri Thermal Power Project (STPP)

under the aegis of the NTPC was commissioned in Paravada, 40 kilometres from Vizag. The AP State Electricity Board signed a power purchase agreement with NTPC in 1997, and construction work started in 1998 after land was acquired from 13 villages spread over three mandals in Vizag district. The plant only started operating fully in May 2002. The company at the centre of this controversy, NTPC, is in many ways a national flagship company, a symbol of national pride, enjoying a significant degree of government backing. NTPC is not just a powerful player within Indian politics, but the sixth largest thermal power corporation in the world and a member of the UN's Global Compact.

The second case concerns the Lote-Parshuram Industrial Area, located in Ratnagiri district of Kokan region in Maharashtra. Following an announcement in 1988 by the Government of India of the development of 'growth centres', the Maharashtra Industrial Development Corporation (MIDC) was given the primary responsibility for selecting 140 sites for mini-industrial areas, acquiring land, and the planning and development of the basic infrastructure (Anand 2002). Many petrochemical companies have established themselves there, including Rallis, Gharda chemicals, Van Organics and De Nosil chemicals producing pesticides, fertilisers, paints and a variety of organic and inorganic chemicals. Like Vizag, the area has attracted the interest of these industries because of an abundance of cheap labour, bountiful natural resources and access to coastlines for the convenient disposal of effluent. Indeed, MIDC has explicitly invoked the availability of creeks for the disposal of treated effluent in campaigns to lure prospective investors (Anand 2002).

The third case centres on the mining industry and its relationship to tribal communities

in and around Dumka, Jharkhand. It focuses on small-scale mining activity in Santal Pargana, particularly the 57 stone mines and associated stone factories in three villages of Dumka district. Though the Government of India has recognised the inalienability of tribal rights to land,⁴ there is much evidence, including in this case, of their transfer to non-tribals. The incentives for land grabs, corruption and violence are high, since both the government and the private sector have a keen interest in gaining access to and control over the land the tribals occupy and its associated mineral wealth. The conflict is fuelled, as in the previous cases, by both the indiscriminate use of the Land Acquisitions Act and pressures for regional commercial development, this time in the form of the World Bank/IMF-assisted Bihar Plateau Development Project, which have resulted in large-scale industrial, mining, irrigation and power projects being undertaken on tribal lands (Arjjumend 2004).

Differences between the three sites in terms of the nature of the companies involved and the responses of the affected communities generate interesting and important lessons about the possibilities and limitations of different accountability strategies. What is striking, however, is the very many similarities between the investments in terms of the ways in which decisions were made regarding the investments and the ways in which communities were both affected and sought to mobilise to defend their interests. The cases are used as a basis for identifying the key factors determining the conditions in which it is possible for communities to protect their interests through the construction of new mechanisms of accountability with the corporations they host. These are discussed in turn below. The issues raised by these case studies have a wider resonance than the regions or sectors to which they refer, as we see in Chapter 9 on

⁴ These have been recognised in amendments to the Indian constitution in 1990, Provisions of the

environmental struggles in the United States. The challenges they imply are confronted by many communities around the world faced with similar dilemmas and engaged in struggles that might be advanced by an understanding of what has happened in these three locales in India.⁵

Limits of the law

Accessing the law and realising the rights it is meant to protect presents an enormous challenge for marginalised groups. At the centre of battles over land, livelihoods and compensation in the cases explored here is the Land Acquisitions Act of 1894, a remnant of colonial legislation which allows authorities to remove people from land according to some loose and poorly defined notion of the ‘public interest’.

While some people receive compensation, many do not, and these cases suggest important limitations about viewing financial compensation as the ultimate goal of an accountability struggle or as an adequate substitute for political reform. In Vizag, while some families received compensation for their land at a rate above the commercial value of the land (at Rs225,000 or Rs2.25 Lakhs per hectare),⁶ many receiving compensation were not entitled to any employment within the plant once constructed, jeopardising the employment opportunities of younger members of those families. Many of those most affected by the industrial development, such as landless labourers,

Panchayats Act, 1996, the Supreme Court judgement (Samatha), 1997 and the Environmental Protection Act of 1986.

⁵ The discussion of the case studies is based on two visits to the sites in Vizag (2002) and Chiplun (2001) in which meetings and discussions were held with affected communities, government officials, local NGOs and company officials (in the case of NTPC). It also draws on case reports by Anand (2002), Ranga Rao and Kumar (2003) and Arjumend (2004). Recording and analysing the claims made by the different parties involved in these disputes should not be taken to imply that the authors endorse all reported claims and allegations.

do not have an entitlement to the land on which they work, and are therefore not able to receive any compensation. In Chiplun, for example, herders who grazed their cattle on land owned by the Maratha or Brahmin community got nothing, because the landowners sold it to MIDC (Anand 2002: 17). Community groups have demanded that the government secure compensation for these affected groups on the basis that the company has a 'social obligation' if not a legal obligation to pay for the damage it has caused. But most negotiations have resulted in a bad deal for the local communities and have taken place in private and with no formal records kept. Even where formal agreements have been reached, such as those between mineowners and landholders in Dumka, Jharkhand, none of the landholders who gave over land on mining lease have been given copies of the lease documents, despite having signed or thumbed those documents. None of the mineowners countersigned the settlements, leaving them unaccountable for their obligations (Arjjumend 2004).

An additional problem is that much land is not registered, as it was considered ancestral property and there are no village records, so no entitlement to compensation exists. Land acquisition officers in Hyderabad reported that the land around the NTPC site was 'wasteland', land that is not fertile or productive, so that all cultivation that has taken place on the land is illegal. It is perhaps unsurprising, therefore, some community leaders accuse the government of 'behaving like monarchs' in driving people off what they perceive to be their land. This suggests the importance (in positive and negative terms) of property rights to the exercise of rights-based claims, either in clarifying the customary rights of communities or, more insidiously, in concentrating access rights in the hands of the powerful. The problem in realising rights, however, is brought out in

⁶ The market rate for the land was said to be Rs45,000 per acre (*The Hindu* 22 November 2002). STPP

the Jharkhand case, where ‘when they saw the opportunity to gain economically and to get regular employment in return for foregoing their land rights, the tribal families engaged with the mining industry’ (Arjjumend 2004: 77).

While maintaining scepticism about legally based accountability strategies, there are some cases of positive change. For example, in Chiplun, a petition was filed by a number of affected individuals against the State of Maharashtra, MIDC, the Collector and the Pollution Control Board (Anand 2002: 22). The High Court advised the appointment of a committee to examine the extent of land, water and air pollution, and the committee produced an extensive report. Though not all of the measures were implemented, it confirmed the extent of pollution and the Court ordered the provision of green belts, setting up effluent treatment plants, water and air monitoring centres and ‘corrective measures for industries to prevent the pollution of the Dabhol Creek’ (Anand 2002: 22). In the case of Jharkhand, too, organised NGOs have filed public interest litigation suits to contest the acquisition of land for mining and the degradation that has ensued from existing mines, but delays and the costs of the legal process, as well as ‘threats’ from powerful local figures, prevent many tribals from going to court (Arjjumend 2004).

Capital over community

It has been common in India for large companies to buy up large swathes of land with the help of state governments and then sell it on at a higher price for a profit, without having delivered the promised industrial development in a region. This ‘grab and run’

officials claim that the land was worth between Rs40,000 and Rs100,000 (or Rs1 lakh).

strategy has been encouraged in the past by the use of subsidies and tax breaks by competing states in order to lure investors. For example, Jharkhand's State Industrial Policy of 2001 delivers commercial incentives and fast-track clearances in order to create 'a friendly business environment'. Towards this end, land has been made available at concessional rates, advances have been provided at favourable rates of interest and businesses have been offered nominal tax rates or in some cases relieved of a tax burden altogether. Additional promises to investors include reviews of forestry, mining and tenancy laws, priority supply of power and no 'unnecessary inspections' (Arjjumend 2004: 18). The use of such measures has been justified by the anticipated employment and broader developmental gains to be made by accepting a proposed industrial plant. Such justifications have also been invoked to secure community support for the developments.

One of the consequences of the 'grab and run' strategy has been that state governments have constructed programmes of infrastructure to accommodate industry's needs, which are either discontinued or not maintained when the investor moves on, so that the local communities do not even receive this 'knock-on' benefit. While some are happy to receive any infrastructure at all from governments that normally neglect them altogether, others express anger that their demands for these developments were only met when they coincided with a similar demand from a powerful industry. More controversially still, in Lote, the people are being asked to pay for a pump and pipeline to bring the water in from elsewhere since existing water supplies have been contaminated by industrial activity. In Vizag, promises to the communities included access to a supply of free power that has not been forthcoming, despite their proximity to the plant.

Contested science, contested impact

One of the key sources of grievance for communities is the negative effect on their health of living in close proximity to the industries in question. In Vizag, for example, communities report a number of complaints that they attribute to the plant, including illnesses associated with water contamination and respiratory problems such as coughing and throat infections.⁷ Ranga Rao and Sampath Kumar note that ‘The presence of upper respiratory infections as reported by the villagers has also been corroborated by the PHC [primary health care] doctors, who said that there has been a substantial increase after the establishment of STPP’ (2003: 7). Establishing such connections in a way that would satisfy a law court is another matter, however, underlining again the limits of strictly legal strategies. For example, to make the case that it is the Lote industrial estates that are directly responsible for the damage to their health or their livelihoods means sending samples to laboratories in Mumbai for testing, yet many cannot afford the costs of sending such samples. One NGO has been able to provide communities with water testing kits to check themselves for levels of pollution.⁸ The equipment required is often not very sophisticated: litmus tests to check for levels of acidity, for example. The pollution testing kits provide a useful means by which to challenge the Pollution Control Board’s own pollution monitoring figures, nevertheless, which, according to their critics, routinely downplay and underestimate levels of pollution.

⁷Meeting with Peter Newell, Aruna Katragadda and Shagun Mahotra, February 2003.

⁸ The Society for Participatory Research in Asia (PRIA), an advocacy and research NGO (PRIA 2005).

In Jharkhand, many of the key health impacts derive from the combined effect of water pumped from the mines being discharged into neighbouring croplands, streams and other water bodies. In Chitragarhia village an epidemic of water-borne diseases including diahorrea, dysentery, cholera and jaundice broke out in July–August 2002, claiming several lives. Dust generated by mining activity, exacerbated by the movement of trucks in and out of the quarries, has affected crops grown in nearby areas and human health. Environmentally, the forests that are traditionally home to many tribals have been devastated by the quarries and stone crushers (Arjjumend 2004: 62). In terms of regulation, it is claimed that the mineowners have not even registered their operations with the regional office of the Central Pollution Control Board, hence studies of the effects of stone quarrying in the area simply do not exist. Besides health and environmental impacts felt ‘outside’ these operations, occupational health hazards are numerous given the nature of work employees are expected to undertake: boulder splitting, exploding, drilling and other heavy-duty extractive tasks. Workplace conditions are hardly enhanced by the absence of running water and toilets. Minimum wages, insurance and health services, Arjjumend concludes, are ‘distant dreams’ (Arjjumend 2004: 60).

There have nevertheless been attempts to develop alternative methodologies to capture the disparate and multidimensional effects of the industrial plants in these areas, which are often overlooked in conventional environmental impact assessments. Anand, in her work in Chiplun (2002), encouraged people to identify ‘key events’ that depicted the impact of the industrial belt upon their lives. The Bhoi community, in particular, spoke of the how dead fish floated to the surface of the creek: ‘due to a sudden release of toxic

chemicals in the creek ... the whole crop of fish died in one single blow' (2002: 18). Besides alternative ways of recording and gauging impacts, activists have also challenged the ways in which current assessments of social and environmental impact are made. For example, claims that rates of malaria have increased in the communities surrounding the NTPC plant were dismissed as ridiculous until people were able to show the relationship between the pollution of the water wells, the resulting stagnation, and the increasing numbers of malaria-carrying mosquitos attracted to the area.

It is indicative of the desperate situation that confronts several communities that many people we spoke to said they would tolerate these adverse human health impacts if they were to be offered some work as compensation. It is the sense that they are suffering the negative side of this industrial development without reaping any benefits that fuels their sense of injustice. One person declared angrily: 'We are being sacrificed for the national interest. We are the victims of this cause. What do we get in return?'⁹ Often the absolute dependence created by the presence of an industry in a remote area serves to suffocate community demands for accountability. This is true of the struggle in Jharkhand. Tribal residents in Chitragarhia attempted to block the passage of trucks along the road through their village in protest at the health and environmental problems being exacerbated by the traffic to the mines. Yet 'when people saw their employment at stake, the last livelihood resort ... they calmly withdrew the struggle for accountability' (Arjjumend 2004: 68).

Citizen action: barriers and opportunities

⁹ Meeting with Peter Newell, Aruna Katragadda and Shagun Mahotra, February 2003.

Having described some of the obstacles that stand in the way of justice for these communities, this section of the chapter analyses some of the strategies adopted within the community and civil society to contest these injustices and accountability deficits.

Local NGOs, supported by wider networks, have tried to advance the cause of these communities in a number of ways. In Vizag, Sadhana,¹⁰ a Paravada-based NGO, has been the frontline organisation in the campaign around the NTPC plant. The group has conducted surveys of the villages most affected by the plant to compile data and evidence of the impact on their lives; it has also recorded their demands and how they would like to see them met. The findings from these surveys will be presented at a local *gram sabha* (local assembly) as well as at panchayat (village government) meetings, and will feed into the People's Development Plan to be presented at a public hearing.

Public hearings and People's Development Plans

In Vizag, there has been one public hearing so far. It is hoped that the second will provide both an important opportunity to reflect on the process surrounding the construction and development of the NTPC, and to identify necessary changes in time for the consultation process regarding the proposed 'Pharma Park' in the same area. Whereas a public hearing was not required for the NTPC plant, a decision was made subsequently that future developments required such a hearing. The challenge for concerned NGOs is to ensure that people get to know about the public hearing and are aware of the implications of the proposed development for their livelihoods. As things stand, a company is required to provide one month's advance notice of a public hearing. The notice must appear in one local English-language and one Telegu-language

¹⁰ The full name of the organisation is 'Visishta Gramodaya Swayam "Sadhana" Parishad'.

newspaper. Details are also meant to be kept at local Panchayat offices so that people can visit to read the documents. Of course, many people in the area cannot read the documents and would not be aware of where they are being held because they cannot read the notices in the newspapers.

Activists also complain that, in the past, industries have deliberately placed announcements in the least widely read newspapers in the area (a discretion in their power) and often only run the announcement for one edition on one day, so that news of the public hearing is unlikely to spread very far. Given this, there have been calls to extend the time between the announcement of the hearing and its actually taking place, to allow people to discuss the implications and prepare submissions, and for NGOs and others to spread news of the meeting to a broad range of potentially affected constituencies, and to assist, for example, with their transportation to such an event.

Potentially, however, the public hearings provide an important opportunity to raise concerns, and to hold the company and government publicly accountable for their past track records regarding promises concerning employment, compensation and the like. Using the hearings effectively in such a way, however, requires significant advance preparation of materials and networking with other groups who have experience of previously affected communities in order to compile evidence and testimonies that can be used in the hearing. One of the key lessons from the NTPC experience has been that if bargaining takes place once the proposed industrialisation has the go-ahead or construction work has already taken place, the chances of getting the company to respond to demands and grievances are significantly reduced. This is why significant efforts are now being put into ensuring that the process surrounding the proposed

‘Pharma Park’ is more transparent and inclusive, and that concerns are raised at a sufficiently early stage in the process to be acted on.

Ensuring that companies such as NTPC will attend the proposed public meeting is a difficult task in itself, given previous refusals to attend.¹¹ Direct appeals for meetings from NGOs, on behalf of the communities, have been consistently refused and not acknowledged.¹² While the company claims not to have received correspondence, NGOs claim to have sent numerous letters requesting meetings and raising specific issues of concern. It is hoped that the company will view future hearings as an opportunity to clarify expectations regarding the scope of its obligations to the community. Often, of course, claims of abuse of due process are aimed at state bodies responsible for overseeing these investments. In the case of Jharkhand, land acquisitions are taking place without prior consultation with local people and the *gram sabhas* of concerned villages in direct contravention of administrative provisions for panchayats and other legislation (Arjjumend 2004: 21). Those public hearings about the mines that have been organised were conducted in a ‘biased and discreet manner where the local administration, the statutory bodies for clearing the projects and the mining companies are in close collusion to ensure that there are no effective objections raised by the public’ (Arjjumend 2004: 85).

Local NGOs in both Vizag and Chiplun, with the support of the Society for Participatory Research in Asia (PRIA), are also in the process of constructing People’s Development Plans. These are constructed on the basis of the surveys conducted by

¹¹ For example, prior to the construction and operation of the NTPC plant, unrecorded bilateral discussions took place between communities and individuals from the firm. Because there is no record of these meetings, promises made there have no legal standing.

¹² Meeting with Peter Newell, Aruna Katragadda and Shagun Mahotra, February 2003.

NGOs and following extensive consultations with groups in the area over a number of months. The findings are compiled as a plan of desired development for the region: the types of industrial and other activities that people are willing to accept and would like to see, and those they want to avoid. There has even been some support from companies such as NTPC for the idea of a plan. The appeal for the company seems to be the opportunity to receive a consolidated set of demands and ideas as opposed to a steady stream of disparate and bilateral demands from communities around the plant.

Working through the local NGO Parivartan, PRIA has also assisted in the development of a People's Development Plan and in establishing public hearings in Chiplun. The first public hearing was held in 1999. Many chemical companies operating in the area, such as Rallis, only undertook a full public hearing concerning their activities after they had been operating for seven years and after much of the environmental degradation had already been caused. In setting up the hearings the groups have relied, for example, on the assistance of local medics and union activists working in the area to provide inputs for the People's Development Plan, and have tried to facilitate communication between villages along the coastal industrial belt.¹³ The public hearing organised by Parivartan was the first time that industries, MIDC and people came together face to face to air their views. One success was that industry accepted the major responsibility for setting up an effluent treatment plant (Anand 2002: 22).

The People's Development Plans that feed into the hearings provide an important opportunity for inter-community learning through knowledge sharing around their experiences with particular forms of industrial development. Such exchanges of

¹³ Interviews by Peter Newell and Randeep Singh Saini with a number of activists, Chiplun, 2002.

experience allow communities faced with the prospect of a development in their area to inform themselves of the risks and benefits associated with the new investment by involving communities that have already been exposed to the same industries' activities. Having heard testimonies about the pollution of a creek which led to the death of cattle, water pollution has been a key focus of villagers' concern in Lote.

Despite the many benefits of such informal tools, many communities continue to channel their concerns and grievances through state authorities. In the absence of corporate responsiveness, this makes some sense and mirrors the companies' own preference for operating through the state rather than talking to people directly.

NGO accountability

In addition, a key danger for NGOs adopting these strategies is that they become cast as the legitimate representatives of the community interest in dialogues directly with industry, either in the run-up to specific events or in ongoing bilateral discussions. Many affected communities are clear about their desire for leadership from groups with the perceived expertise, resources and networks to carry forward their concerns in seeking action from government and the company. The onus is then on the NGOs themselves to manage these expectations as best they can. NGOs such as Sadhana in Vizag are keen to see that the communities themselves take a lead on these issues with themselves in a supporting role, but it is clear from conversations with these communities that they do expect the group to play a leadership role.¹⁴

¹⁴ Meetings with Peter Newell, Aruna Katragadda and Shagun Mahotra, February 2003.

It may also be preferable from the company's point of view to engage with an articulate NGO that enjoys some credibility with the local community, rather than have to face the strength of feeling of the affected communities directly. But such arrangements inevitably raise issues of how adequately the interests of the community are being represented and whether NGOs' own agendas are always consistent with the community's needs. In the Jharkhand struggle, only two of the four NGOs are from within the tribal community. Indeed, there are suspicions that the 'outsiders' were at least partly involved in order to seek material gain and personal benefits by negotiating with the mineowners (Arjjumend 2004: 67). There may also be a difference between communities being happy for NGOs to register their concerns with companies and governments and to use their expertise to 'validate' their claims, on one hand, and, on the other, their consenting to a process whereby an NGO brokers deals and negotiates terms with a company on their behalf. The consequences and the scale of the accountability challenge are certainly more significant in the latter case, where issues of trust and transparency are more critical.

Strategic alliances with the state

There have also been attempts by community activists to form strategic alliances with lower levels of the state such as mandals and panchayat rajs. Legally, panchayats can demand information from, sanction or even stop industrial operations in their jurisdiction. Nevertheless, while aware of the problems reported to them through NGOs, or directly by the villagers themselves, state officials at this level feel relatively powerless compared to the district government, which has greater powers; officials emphasise that they have no legal control over NTPC, for example, despite its being a

government undertaking. P. Jagananadhrao (MPP), local elected head of the mandal in Paravada, feels that decisions are being made above their heads. He said: ‘We have no choice but to accept these investments: they are driven by the state governments; this is government policy.’¹⁵

It is difficult in such settings to differentiate between genuine incapacity on the part of the state to effect change and inaction justified by claims of limited power. In raising critical concerns about the direction of industrial development in the area, these government bodies would be pitting themselves against the strong state-level support for the NTPC plant as well as the proposed ‘Pharma Park’. These projects form part of former AP Chief Minister Chandrababu Naidu’s vision of constructing a ‘new economic zone’ in the Vizag area. It would be costly for local leaders to appear to be against these developments, especially when they are from the same political party – in this case Telegu Desam, the majority party in many mandals and panchayats in the Vizag area. That said, there are fractures within the local state that open up opportunities for new alliances. Some officers in the local mandal office, for example, express sympathy towards villagers’ claims about the human health and environmental impacts of the NTPC plant.¹⁶ The Medical Officer appeared in a video about the conflict supporting community claims that the plant’s activities were damaging health.

Importance of the media

Given this failure of information flow, the media potentially play a key role in promoting accountability. Many journalists have taken a personal interest in the NTPC

¹⁵ Interview with Peter Newell, Aruna Katragadda and Shagun Mahotra, February 2003.

issue, for example, and are keen to work with activists to build coalitions around it. Following our meetings with the communities surrounding the NTPC plant, several journalists attended a press conference we hosted to discuss the issues raised by the visit and many published stories in influential newspapers as a result (*Deccan Herald* 2003; *The Hindu* 2003). Though downplaying their role in drawing the company into a public dialogue about its operations, activists are clear that it is negative publicity that has made the company more receptive to their demands for meetings and dialogue. *The Hindu* and *Deccan Chronicle*, two of the region's most widely read daily English-language newspapers, have started to publicise the issue, sparking debate within elite policy circles. When *The Hindu* carried a story about an information-sharing meeting organised by PRIA on the impact of the plant, the following day tests for water pollution were undertaken when the Pollution Control Board and district officials arrived. In addition, following media reports of security guards at the plant beating villagers climbing the walls of the plant to escape a fire sweeping across their villages, the company distributed 10 kilograms of rice to villagers in the immediate area to pacify anger about the incident.¹⁷

While publicity to the cause is welcome, there is concern that too much media attention could encourage the company to retreat from public debate. Once a level of trust between intermediary NGOs, such as PRIA, has been achieved it may be counter-productive to continue to air grievances through the media, as the company may see this as a breach of trust. In the case of NTPC, proceedings have not got that far, and there is little discernible evidence that the company is as yet willing to involve the NGOs in its decision making or to partner them in exploring possible solutions of

¹⁶ *Ibid.*

mutual benefit. In addition, the threat of negative coverage should the company fail to act and renege on its promises has to remain a plausible one to encourage compliance. The danger remains that media coverage serves to identify opponents of industry as a nuisance, inviting unwanted and potentially hostile action on the part of industry or the state.

Democratic space

At a basic level, citizen action for accountability is also affected by a culture of tolerance towards protest. While in theory this culture is an accepted feature of political life in India, in all these cases there have been complaints about the repression of protest activities. For example, there are allegations that threats of beatings were issued by the police when a community refused removal from their land in Vizag.¹⁸ They refused to move on the basis that they had records of money paid to the government for the hire of the land for work, contradicting government claims that the land was not theirs. The law can also be used to break up protests that do take place. Protests of more than five people can be broken up and the people imprisoned under the colonial Criminal Procedures Act, on the basis that the protests constitute a public nuisance. The Act has been used in this way to disband protests over both proposed future petro-chemical investments in the Chiplun area and the controversial Daebol-ENRON project in the region (Mehta 1999).

Corporate Responsiveness

¹⁷ *Ibid.*

Corporate responsiveness to citizen action, particularly in the absence of effective state action, is clearly also critical to the prospects of change. If answerability is one of the two pillars of accountability, it depends both on actors feeling obliged to justify their actions and to recognise that the accountability claims made of them are valid. NTPC, for its part, has denied allegations of human health impacts and environmental degradation resulting from its activities. It has, nevertheless, sought to defend its track record. The company's web site pronounces:

As a responsible corporate citizen, NTPC is making constant efforts to improve the socio-economic status of the people affected by its projects. Through its Rehabilitation and Resettlement programmes, the company endeavours to improve the overall socio-economic status of Project Affected Persons. (NTPC 2003)

Elsewhere, the company claims that its 18 power stations have received ISO14001 certification and proudly proclaims its membership of the UN's Global Compact initiative. The company also draws attention to its community development efforts, where Rs4 Crores (Rs40 million) have been spent over four years, according to the Resettlement and Rehabilitation Officer.¹⁹ Displayed on the company office walls are photographs of family planning programmes, eye-testing clinics and water sanitation projects sponsored by the company.

In spite of company claims that its community development efforts are 'needs-driven',²⁰ it mainly funds projects tackling problems that do not implicate the company in any way. For example, clinics to test hearing, which many community

¹⁸ Meetings with Peter Newell, Aruna Katragadda and Shagun Mahotra, February 2003.

¹⁹ Interview with Peter Newell, Aruna Katragadda and Shagun Mahotra, February 2003.

members claim has been impaired by the noise the plant generates, would be useful – but would allow people to document damage to their hearing, for which the company might then be liable. The major environmental contribution that the company has made, and which adorns all its public relations material, is the plantation of 100,000 trees grown next to the plant to absorb the pollution generated by its activities and to ‘offset’ its emissions. This ‘forest’ is the source of many jokes in the communities, expressing cynicism about the green credentials of NTPC.

Again, we find competing notions of accountability at work. From the company’s point of view, discretionary philanthropy is an adequate response to demands for accountability by the community. For the company, accountability is first and foremost to the state. In a typical response, one NTPC official said that the company’s involvement in a public hearing would be conditional on the participation of the district collector. The challenge for PRIA and other groups working both in Chiplun and Vizag is to not only to get the state (re-)involved in such processes, but to expand the boundaries of what is up for discussion; to improve corporate responsiveness on livelihood issues such as land and employment; and to displace the more convenient and seemingly political neutral emphasis on ‘soft responsibility’, or philanthropic health and education projects which firms are happier to discuss.

While increasingly willing to engage in tentative discussions with groups such as PRIA, NTPC is unrepentant about the process to date: ‘The past is past ... there is no point having grievances,’ one representative said to us.²¹ Inevitably, with such a mega-project there are some ‘adjustment’ costs to be borne and a level of ‘dislocation’

²⁰ *Ibid.*

that has to take place. The firm claims that all its actions are legal and were conducted with the acquiescence and support of the government. Its deal with the government was over land and no legally binding commitments were made regarding jobs and infrastructure. Indeed, it seems the government is equally to blame over the growth of misperceptions about the number of jobs that would be made available to the local community. Many villagers claim that it was the former Chief Minister Chandrababu Naidu who promised that 99 per cent of the jobs associated with the plant would be provided to local people. Equally, the company has no legal obligation regarding rehabilitation, despite having made efforts in this direction.

In Jharkhand, we find a more extreme case of reluctance on the part of the companies to engage in dialogue with communities affected by their activities. Negotiation through intermediaries has taken the place of direct dialogue, and companies employ influential staff members as ‘diluting agents’ or ‘informers’ to quell resistance and contain demands for change (Arjjumend 2004: 72). This is in addition to their use, noted above, of middlemen to broker deals needed to secure access to tribal land – despite legal protections, which are routinely overridden in the rush to claim property rights. Arjjumend cites the case of a village headman and supervisor in Madan Rathi’s quarry. With little knowledge of local land or the leases held on it, and allegedly ignorant of customary norms, he has supported mining interests by offering consent to the illegal and arbitrary transfer of lands for mining operations (Arjjumend 2004: 72).

Conclusions

²¹ Interview with Peter Newell, Aruna Katragadda and Shagun Mahotra, February 2003.

Chapter 8
Rights, Resources and the Politics of Accountability

This analysis highlights a number of key issues about the conditions which affect the ability of communities to secure accountability from key actors in these regions.

First, the importance of multi-pronged strategies: we saw above how media exposure, direct dialogue with companies and government officials, public hearings, and the law have been used to seek a fair deal for the communities that host these industrial projects. Often these strategies are pursued simultaneously and in ways that reinforce their impact. Decisions about which strategy it makes most sense to adopt at which time, and by whom, depend upon the nature of the change sought. At different times, these strategies have served respectively to expose, to embarrass, to engage and to seek redress. We have emphasised throughout the use of citizen-based methodologies of accountability. Citizen health monitoring, video, public hearings and People's Development Plans have been among the tools employed to document concerns that have been overlooked, to give a platform to voices that have been ignored, and to generate new expectations about the conduct of powerful actors.

Second, mobilising early in order to shape discussions about a proposed investment is vital. This is the overriding lesson of the struggle around the NTPC plant that is now being applied in relation to the proposed 'Pharma Park' in the same region. Once land has been acquired and licences issued, it becomes increasingly difficult to raise objections or negotiate better terms for the communities that will host the project. Building an effective case requires sharing information and experience of communities that have hosted the same industry or even the same company. This issue emerges strongly from the Chiplun case study, where inter-community learning was used to feed into the development of a People's Development Plan and the public hearing – to hear

testimony of the companies' conduct elsewhere, and whether promises made to other communities had been fulfilled.

A third key factor is the importance of rights (to land, compensation, and information). Much of the social dislocation caused by the Lote Industrial Area and the NTPC plant resulted from the fact that the poorest workers had no land entitlement and therefore were not in a position to receive compensation. Having rights is not enough, however. Being aware that you have those rights and knowing how to use them is what makes a difference. For example, many villagers affected by pollution from the NTPC plant were unaware that the information they need to support their claims already resides in the offices of the Pollution Control Board and that they are entitled to access it. In the Jharkhand struggle, people were unaware of the constitutional provisions pertaining to their land rights and process, and their decision-making rights with regard to consultation and participation. The barriers to realising those rights should not be underestimated, however, where governments systematically override legal obligations they have set for themselves, as they did with regard to tribal rights in Jharkhand.

A fourth factor that comes through strongly in the case of the NTPC plant is the importance of party politics and relations with the state in general. There has been systematic discrimination in favour of those villages that were under the control of the ruling party to the neglect of other villages, often those most affected by the plant. We noted how local panchayat and mandal officials felt relatively powerless in the face of strong state-level government support for the NTPC project, particularly from officials of the same political party. When the backing of state and federal government is so strong, strategies of negotiation are less likely to be effective. In the Jharkhand case, we

saw how contests over tribal rights quickly became embroiled in broader party political struggles in which tribal communities were associated with the left and the communist parties in particular, an association which invited further marginalisation and repression from state officials (Arjjumend 2004: 72). We also saw (occasional) examples, however, of the potential for alliances with sympathetic elements within government able to lend their support and authority to community claim making.

Ultimately, these cases underscore the problem of reducing accountability to acts of corporate responsibility that rely on various forms of philanthropy. Such approaches assume not only a willingness on the part of the companies to engage in an open and public dialogue about their responsibilities, admit wrongdoing when necessary and take remedial action when negligence has occurred, but also a proactive approach to accommodating the needs of the communities with which they are working. This is particularly problematic for communities affected by irresponsible investment practices: they are rarely identified as legitimate stakeholders by business and lack sufficient influence within government policy making to articulate and defend their concerns. In this context, their resort to informal and often confrontational strategies can hardly be considered surprising. In this sense, the accountability struggles we describe here are a far cry from notions of corporate responsibility, which tend to confer on business the power to set the terms of its own conduct. The notion of accountability is more helpful in this context, for it lays bare the power relations that the seemingly benign language of ‘responsibility’ and ‘citizenship’ seeks to deny or transgress.

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