

CHAPTER 8

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 responsible 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 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 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 National Organic Chemical Industries Limited (NOCIL), 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